

**GREAT MEADOWS REGIONAL
SCHOOL DISTRICT**

BOARD OF EDUCATION

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2016

**Prepared by
Great Meadows Regional School District Board of Education
Department of Administration**

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2016

TABLE OF CONTENTS

	<u>Page</u>
Introduction	
Letter of Transmittal	1 - 9
Organizational Chart	10
Roster of Officials	11
Consultants and Advisors	12
Financial	
Independent Auditors' Report	13 - 15
Required Supplementary Information - Part I	
Management's Discussion and Analysis	16 - 25
Basic Financial Statements	
A. District-Wide Financial Statements	
A-1 Statement of Net Position	26
A-2 Statement of Activities	27
B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	28 - 29
B-2 Statement of Revenues, Expenditures, and Change in Fund Balances	30 - 31
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32 - 33
Proprietary Funds	
B-4 Statement of Fund Net Position	34
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	35
B-6 Statement of Cash Flows	36
Fiduciary Funds	
B-7 Statement of Fiduciary Net Position	37
Notes to the Financial Statements	38 - 68

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2016

TABLE OF CONTENTS (continued)

	<u>Page</u>
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	69 - 75
C-2 Budgetary Comparison Schedule - Special Revenue Fund	76
 Notes to the Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	77
 Required Supplementary Information - Part III	
L. Schedule of District's Proportionate Share of the Net Pension Liability -	
L-1 Schedule of District's Proportionate Share of the Net Pension Liability - TPAF	78
L-2 Schedule of Pension Contribution - TPAF	79
L-3 Schedule of District's Proportionate Share of the Net Position Liability - PERS	80
L-4 Schedule of Pension Contribution - PERS	81
 Notes of the Required Supplementary Information - Part III	82
 Other Supplemental Information	
D. School Based Budget Schedules	N/A
 E. Special Revenue Fund	
E-1 Combining Schedule of Program Revenue and Expenditures - Budgetary Basis	83
 F. Capital Projects Fund	
F-1 Summary Schedule of Project Expenditures	84
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	85
F-2a- Schedule of Project Revenues, Expenditures, Project Balance and F-2d Project Status - Budgetary Basis	86 - 89

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2016

TABLE OF CONTENTS (continued)

	<u>Page</u>
G. Proprietary Funds	
Enterprise Fund	
G-1 Statement of Fund Net Position	90
G-2 Statement of Revenues, Expenses and Changes in Fund Net Position	91
G-3 Statement of Cash Flows	92
H. Fiduciary Funds	
H-1 Combining Statement of Fiduciary Fund Net Position	93
H-2 Combining Statement of Changes in Fiduciary Net Position	94
H-3 Student Activity Agency Fund Statement of Changes in Assets & Liabilities	95
H-4 Payroll Agency Fund Statement of Changes in Assets & Liabilities	96
I. Long-Term Debt	
I-1 Schedule of Serial Bonds	97
I-2 Schedule of Obligations under Capital Leases	98
I-3 Debt Service Fund Budgetary Comparison Schedule	99
J. Statistical Section	
J-1 Net Position by Component	100
J-2 Changes in Net Position	101 - 103
J-3 Fund Balances - Governmental Funds	104
J-4 Changes in Fund Balances - Governmental Funds	105 - 106
J-5 Local Tax Levy by Constituent District	107
J-6 General Fund - Other Local Revenues by Source	108
J-7 Assessed Value and Actual Value of Taxable Property	109 - 111
J-8 Direct and Overlapping Property Tax Rates	112 - 113
J-9 Principal Property Taxpayers	114 - 115
J-10 Property Tax Levies and Collections	116 - 117
J-11 Ratios of Outstanding Debt by Type	118
J-12 Ratios of General Bonded Debt Outstanding	119
J-13 Direct and Overlapping Governmental Activities Debt	120 - 121
J-14 Legal Debt Margin Information	122
J-15 Demographic and Economic Statistics	123
J-16 Principal Employers	124
J-17 Full Time Equivalent District Employees by Function/Program	125
J-18 Operating Statistics	126
J-19 School Building Information	127
J-20 Schedule of Required Maintenance Expenditures by School Facility	128
J-21 Insurance Schedule	129

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2016

TABLE OF CONTENTS (continued)

	<u>Page</u>
K. 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	130 - 131
K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular Letter 15-08.	132 - 134
K-3 Schedule of Expenditures of Federal Awards, Schedule A	135
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	136 - 137
K-5 Notes to the Schedules of Awards and Financial Assistance	138 - 139
K-6 Schedule of Findings and Questioned Costs	140 - 142
K-7 Summary Schedule of Prior Audit Findings	143

GREAT MEADOWS REGIONAL SCHOOL DISTRICT

PO Box 74
Great Meadows, New Jersey 07838

DAVID C. MANGO
Superintendent

TIMOTHY HAVLUSCH
Business Administrator
Board Secretary

ELLEN WEISS
Administrative Assistant

SUPERINTENDENT'S OFFICE
Telephone: 908-637-6576
Fax: 908-637-6356

BUSINESS OFFICE
Telephone: 908-637-8672
Fax 908-637-6356

December 9, 2016

Honorable President and
Members of the Board of Education
Great Meadows Regional School District
County of Warren, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Great Meadows Regional School District for the fiscal year ended June 30, 2016, is hereby submitted. Great Meadows Regional School District is a K-12 regional district, which became operational July 1, 1994. The constituent districts are Independence Township and Liberty Township. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Great Meadows Regional Board of Education. 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 general purpose 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." 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: Great Meadows Regional School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. Great Meadows Regional Board of Education and its three school buildings, Central School and Great Meadows Middle School located in Independence Township and Liberty School located in Liberty Township, constitute the District's reporting entity.

The District provided a full range of educational services appropriate to grade levels kindergarten through 12. Liberty School housed grades 3 through 5; Central School housed grades K-2; Great Meadows Middle School housed a multiply disabled class and grades 6-8. All high school students from the District, grades 9-12, attended Hackettstown High School on a tuition basis. The District completed the 2015-16 fiscal year with a K-8 enrollment of 714 students (Central School housed 198, Liberty School housed 235, Great Meadows Middle School housed 281). There was a grade 9-12 enrollment of 370 students, and an additional 18 students were sent out-of-district to special programs and 2 students attended the regional charter school for a total resident enrollment of 1,104 students.

The following details the changes in students on roll enrollment of the District, as well as in each school building, since the District became operational July 1, 1994:

	Average Daily Enrollment		Student
	Fiscal	Percent	
	<u>Year</u>		<u>Enrollment</u> <u>Change</u>
Central School	2015-16	198.0	(3.0)
	2014-15	203.0	(10.0)
	2013-14	224.6	(3.48)
	2012-13	232.7	(6.69)
			2011-12
			249.4
			(10.1)
			2010-11
			277.0
			(30.1) * 6
			2009-10
			390.2
			(0.002)
			2008-09
			391.0
			(0.001)
	2007-08	391.6	3.79
*6 Changed from K-5 TO K-2			2006-07
			377.3
			(1.10)
	2005-06	381.5	(3.07)
			2004-05
			393.6
			23.1 * 1
			2003-04
			319.8
			(7.6)
			2002-03
			346.1
*1 Changed from K-4			

			(5.8)
to K-5 2004-05			2001-02
			367.4
			0.55
	2000-01		365.4
			(2.09)
	1999-00		373.2
			(3.81)
	1998-99		388.0
			(27.54) *2
*2 Changed from K-6 to K-4 1998-99	1997-98	535.5	1.00
Liberty School	2015-16	233.2	(10.0)
	2014-15	259.0	(10.0)
	2013-14	285.3	(2.19)
			2012-13
			291.7
			(6.47)
			2011-12
			311.9
			5.01
			2010-11
			297.0
			28.0 *8
	2009-10	229.7	(0.025)
	2008-09	235.5	(0.02)
*8 Changed from K-5 to 3-5.	2007-08	240.2	(11.66)
	2006-07	271.9	3.46
	2005-06	262.8	6.01
	2004-05	247.8	43.7 *3
			2003-04
			208.0
			(4.37)
*3 Changed from K-4			2002-03
			217.5
			3.57
to K-5 2004-05			2001-02
			210.0

			1.06
	2000-01		207.8
			(10.74)
	1999-00		232.8
			(5.13)
	1998-99		245.4
			(35.91) *4
*4 Changed from K-8			1997-98
			382.9
			0.95
	to K-4 1998-99		
Middle School	2015-16	279.5	(7.0)
	2014-15	298.3	(2.0)
	2013-14	293.0	(8.92)
	2012-13	321.7	3.97
	2011-12	309.4	(6.24)
	2010-11	330.0	(1.2)
	2009-10	332.7	2.46
	2008-09	324.7	.003
	2007-08	323.5	(9.18)
	2006-07	356.2	(0.78)
	2005-06	359.0	(0.91)
	2004-05	362.3	(29.3) *5
	2003-04	512.4	3.22
*5 Changed from gr. 5-8	2002-03	496.4	(0.16)
to gr. 6-8 2004-05	2001-02	497.2	0.14
	2000-01	496.5	2.50
	1999-00	484.4	.90
Total ADE	2015-16	710.7	(7.0)
	2014-15	760.3	(6.00)
	2013-14	803.0	(5.09)
	2012-13	846.1	(2.82)
	2011-12	870.7	(7.75)
	2010-11	888.0	(4.5)
	2009-10	930.0	(2.3)
	2008-09	951.2	(0.04)
	2007-08	955.3	(4.99)
	2006-07	1005.4	0.21
	2005-06	1003.3	(0.04)
	2004-05	1003.7	(3.5)
	2003-04	1040.2	(1.87)

2002-03	1060.0	(1.36)
2001-02	1074.6	0.46
2000-01	1069.7	(1.90)
1999-00	1090.4	(2.07)
1998-99	1113.5	21.24 *7
1997-98	918.4	0.98

*7 With the opening of the new Middle School, 7th and 8th graders formerly sent out of district on a tuition basis returned to the on-roll status of the district.

2) **ECONOMIC CONDITION AND OUTLOOK:** The Townships of Independence and Liberty are contiguous and are located in the central portion of Warren County. Independence Township was incorporated in 1782 and consists of 20.1 square miles in area while Liberty Township was formed in 1926 and consists of 12.25 square miles in area.

The Townships, although primarily rural, have experienced moderate population growth over the past decade. The Townships continue to be bedroom communities with very few commercial and industrial ratables. The availability of land, a prime location, an appealing environment and an excellent school system all point to a continuing pattern of growth in the foreseeable future. The Highlands Legislation may affect building in the area.

3) **MAJOR INITIATIVES:** The school district is proud of its efforts over the past thirteen years of operation.

Goals for the future include:

- Maintenance of quality, cost effective educational programs in the presence of decreasing state aid.
- Continued commitment to the district technology program.
- Continuing to address facility problems due to aging buildings
- Continuing efforts to provide revenue streams into district to offset reliance on tax levy.

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 require estimates and judgments by management.

As a recipient of federal and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District 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. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

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) DEBT ADMINISTRATION: At June 30, 2016 the District's outstanding debt issue is \$ 4,735,000.

8) 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.

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

10) OTHER INFORMATION: A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bedard, Kurowicki and Company, CPA's P.C., was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Title 2 U.S. Code of

Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and state Treasury Circular Letter 15-08 OMB. 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.

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

Respectfully submitted,

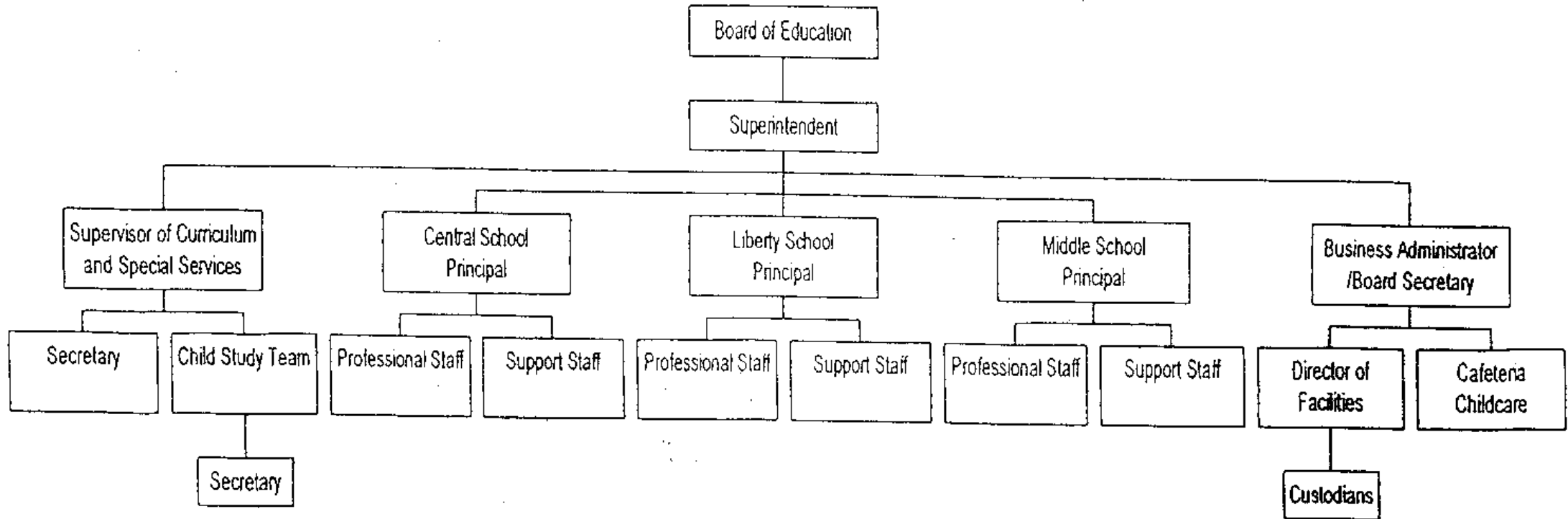


David Mango
Superintendent



Timothy Havlusch
Business Administrator/Board Secretary

GREAT MEADOWS REGIONAL



**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION**

ROSTER OF OFFICIALS

June 30, 2016

Members of the Board of Education

Term Expires

Edward O'Melia, President	December 31, 2016
Joseph Mailloux, Vice President	December 31, 2016
Jamie Cicerelle	December 31, 2017
Susan Cullen	December 31, 2017
Dawn Frost	December 31, 2016
Lori Prymak	December 31, 2016
David Schmitz	December 31, 2018
Agatha Wilke	December 31, 2017
William Vonder Haar	December 31, 2018

Other Officials

David Mango, Superintendent

Timothy Havlusch, Board Secretary/School Business Administrator

Paula Hatch, Treasurer

Mark Toscano, Esq. Attorney

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION**

CONSULTANTS AND ADVISORS

ATTORNEY

Comegno Law Group, PC
521 Pleasant Valley Avenue
Morrestown, New Jersey 08057

AUDIT FIRM

Bedard, Kurowicki & Co.,
114 Broad Street
Flemington, NJ 08822

FISCAL AGENT

Depository Trust
55 Water Street, 50th Floor
New York, NY 10041

First Hope Bank
Route 519
Hope, New Jersey 07844

OFFICIAL DEPOSITORIES

First Hope Bank
Route 519
Hope, New Jersey 07844

Bank of America
Main Street
Hackettstown, New Jersey 07840



Bedard, Kurowicki & Co.
Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

Honorable President and
Members of the Board of Education
Great Meadows Regional School District
County of Warren, 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 Great Meadows Regional School District, (the District) in the County of Warren, the State of New Jersey, as of and for the year ended June 30, 2016, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Great Meadows Regional School District, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information, Schedule of the District's Proportionate Share of Net Pension Liability, and Schedule of the District's Pension Contributions, 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 District's basic financial statements. The introductory section, combining and individual non-major fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.


In our opinion, the combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 9, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC


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

December 9, 2016
Flemington, New Jersey

GREAT MEADOWS REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 UNAUDITED

This section of the Great Meadows Regional School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Our discussion and analysis of the Great Meadows Regional School District financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the transmittal letter and the District's financial statements.

Financial Highlights

- In total, net position increased \$51,284, which represents a 12.22 percent increase from 2015.
- General revenues accounted for \$23,597,372 in revenue, or 97.61 percent of all revenues. Program specific revenues in the form of charges for services and operating grants were \$578,538 or 2.39 percent of total revenues of \$24,175,910.
- Total assets of governmental activities increased by \$665,673 as cash and cash equivalents decreased by \$1,830,676, receivables increased by \$194,979 and capital assets increased by \$2,301,370.
- The School District had \$24,124,626 in expenses; only \$578,538 of these expenses was offset by program specific charges for services, grants or contributions. General Revenues (primarily property taxes) of \$23,597,372 were adequate to provide for these programs.
- Among major funds, the General Fund had \$20,690,788 in revenues and \$20,740,650 in expenditures. After accounting for other financing uses totaling \$39,605, the General Fund balance decreased by \$89,467 from fiscal year 2015.

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

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District, as a whole and present a long-term view of the District's finances. Fund financial statements start on page 15. For governmental activities, these statements tell how these services were financed in the short

GREAT MEADOWS REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 UNAUDITED

term as well as what remains for future spending. Fund financial statements also report the District's operation in more detail than the government-wide statements by providing information about the District's most financially significant funds.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

Our analysis of the District as a whole begins with the Statement of Net Position and Statement of Activities. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about the activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and changes in it. You can think of the District's net position, the difference between assets and liabilities, as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's property tax base and the condition of the District's capital assets to assess the overall *health* of the District.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

- **Governmental Activities:** most of the School District's basic services are reported here, including general administration. Local taxes, tuition, and state and federal aid finance most of these activities.
- **Business-type Activity:** The District has one proprietary fund, which is the Food Service Fund. The Food Service Fund provides low cost, well balanced meals to the students and staff in the District.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State Law. The District's two kinds of funds, governmental and proprietary, use different accounting approaches.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 UNAUDITED

Governmental Funds

Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic service it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

When the District charges customers for the full cost of the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for the Student Activity and Payroll and Agency Funds. All of the District's fiduciary activities are reported in the separate Statement of Fiduciary Net Position. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The School District as a Whole

The Statement of Net Position provides the perspectives of the District as a whole, showing assets, liabilities, and the difference between them (net position). Net position may serve over time as a useful indicator of a district's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

Table 1 provides a summary of the District's net position at June 30, 2016 with comparisons to June 30, 2015.

	<u>6/30/16</u>	<u>6/30/15</u>	<u>Variance</u>	
			Dollars	%
ASSETS				
Current & Other Assets	\$ 1,439,426	\$ 3,080,259	\$(1,640,833)	(53.27)
Capital Assets	<u>11,218,478</u>	<u>8,918,980</u>	<u>2,299,498</u>	25.78
Total Assets	<u>12,657,904</u>	<u>11,999,239</u>	<u>658,665</u>	5.49
Deferred Outflows of Resources:				
Deferred Amount on Pension Activity	<u>812,346</u>	<u>492,926</u>	<u>319,420</u>	64.80
LIABILITIES				
Long-Term Liabilities	11,461,210	11,668,081	(206,871)	(1.77)
Other Liabilities	<u>1,326,983</u>	<u>216,366</u>	<u>1,110,617</u>	513.30
Total Liabilities	<u>12,788,193</u>	<u>11,884,447</u>	<u>903,746</u>	7.60
Deferred Outflows of Resources:				
Deferred Amount on Pension Activity	<u>211,018</u>	<u>187,963</u>	<u>23,055</u>	12.27
NET POSITION				
Net Investment in Capital Assets	3,552,270	2,912,869	639,401	21.95
Restricted	415,757	899,157	(483,400)	(53.76)
Unrestricted	<u>(3,496,988)</u>	<u>(3,392,271)</u>	<u>(104,717)</u>	(3.09)
Total Net Position	<u>\$ 471,039</u>	<u>\$ 419,755</u>	<u>\$ 51,284</u>	12.22

* = Undefined

The net position of the District's activities increased by 12.22 percent. Unrestricted net position, the part of net position that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation or other legal requirements, decreased by \$104,717 or 3.09 percent. Restricted net position, those restricted mainly for capital projects decreased by \$483,400 or 53.76 percent. The net investment in capital assets increased by \$639,401 or 21.95 percent.

The negative balance in unrestricted net position is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

Table 2 provides a summary of the District's changes in net position in fiscal year ending June 30, 2016 with comparisons to June 30, 2015.

Table 2
Changes in Net Position

	Fiscal Year Ending		Variance	
	6/30/16	6/30/15	Dollars	%
Revenues				
Program Revenues:				
Charges for Services	\$ 187,704	\$ 211,145	\$ (23,441)	(11.10)
Operating Grants	390,834	362,076	28,758	7.94
General Revenues:				
Property Taxes	13,778,732	13,455,270	323,462	2.40
Unrestricted Grants	9,809,299	9,051,461	757,838	8.37
Other	9,341	41,874	(32,533)	(77.69)
Total Revenues	<u>24,175,910</u>	<u>23,121,826</u>	<u>1,054,084</u>	4.56
Program Expenses				
Instruction:				
Regular	7,910,503	7,613,489	297,014	3.90
Special	1,769,666	1,451,427	318,239	21.93
Other	815,655	486,388	329,267	67.70
Support Services:				
Tuition	6,857,821	7,073,911	(216,090)	(3.05)
Student & Instructional Staff	2,047,647	1,813,729	233,918	12.90
General & Business				
Administration	765,762	726,105	39,657	5.46
School Administration	978,926	890,623	88,303	9.91
Maintenance	1,285,345	1,381,404	(96,059)	(6.95)
Transportation	1,203,671	1,060,410	143,261	13.51
Charter Schools	22,811	63,736	(40,925)	(64.21)
Food Service	203,262	218,877	(15,615)	(7.13)
Interest on Long-Term Debt	263,557	280,325	(16,768)	(5.98)
Total Expenses	<u>24,124,626</u>	<u>23,060,424</u>	<u>1,064,202</u>	4.61
Increase (Decrease) in Net Position	<u>\$ 51,284</u>	<u>\$ 61,402</u>	<u>\$ (10,118)</u>	(16.48)

* = Undefined

GREAT MEADOWS REGIONAL SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 57.45 percent of revenues for governmental activities for the Great Meadows Regional School District for the fiscal year 2016. The District’s total governmental revenues were \$23,981,781 for the year ended June 30, 2016.

The total cost of all program expenses and services for governmental activities was \$23,921,364.

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

**Table 3
Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	6/30/16	6/30/15	6/30/16	6/30/15
Instruction	\$ 10,495,824	\$ 9,551,304	\$ 10,401,188	\$ 9,430,253
Support Services:				
Tuition	6,857,821	7,073,911	6,638,390	6,908,970
Student & Instructional Staff	2,047,647	1,813,729	2,027,817	1,783,556
General & Business Administration	765,762	726,105	765,762	726,105
School Administration	978,926	890,623	978,926	890,623
Plant Operations & Maintenance	1,285,345	1,381,404	1,234,672	1,326,184
Pupil Transportation	1,203,671	1,060,410	1,203,671	1,058,610
Charter Schools	22,811	63,736	22,811	63,736
Interest on Long-Term Debt	263,557	280,325	263,557	280,325
Total Expenses	\$ 23,921,364	\$ 22,841,547	\$ 23,536,794	\$ 22,468,362

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and students.

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

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 UNAUDITED

Curriculum and staff development includes expenses related to planning, research, development, and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State Law.

Extracurricular activities include expenses related to student activities provided by the school district which are designed to provide opportunities for students to participate in school events, public events or a combination of these for the purposes of motivation, enjoyment, and skill improvement.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

The School District's Funds

All governmental funds, which are comprised of the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund, presented in the fund-based statements are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$21,720,341 and expenditures were \$24,495,067. The net decrease in fund balance was most significant in the Capital Project Fund due to the expenditure of lease purchase proceeds to fund several building projects that started in fiscal year 2015.

General Fund Budgeting Highlights

The Great Meadows Regional School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

Budgets are prepared in December/January with revenue information made available in February/March. The budget must be approved by the Board of Education in the beginning of March and sent to the county office for review. The budget is then approved by the Board of Education in late April. The fiscal year runs from July 1 through June 30. Changes can occur over that 18-month period.

Unanticipated shifts in enrollment, staffing needs, students requiring special services, uncertain energy costs, and unfunded programs are often mandated after a budget is adopted.

The District builds a budget to meet the needs of its students based on the information and projections that are available during the budget cycle.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

During the course of the 2016 fiscal year, the District amended its General Fund Budget by transferring funds as needed to prevent over-expenditures in specific line item accounts.

For the General Fund, budgeted revenues were \$19,317,361, which was \$7,345 below original budget estimates of \$19,324,706. The difference was due primarily to actual revenues from building use rent not exceeding budgeted amounts. General Fund revenues and other financing sources were less than expenditures and other financing uses by \$82,998.

Capital Assets

At the end of the fiscal year 2016, the School District had \$11,218,478 invested in land, buildings, furniture and equipment, vehicles and construction in progress.

Table 4 provides a summary of the School District's capital assets net of depreciation at 6/30/2016 with comparisons to 6/30/2015.

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

	6/30/16	6/30/15	Variance	
			Dollars	%
Land	\$ 159,653	\$ 159,653	\$ -	-
Construction in Progress	-	805,678	(805,678)	(100.00)
Land Improvements	147,124	156,114	(8,990)	(5.76)
Buildings & Improvements	10,811,929	7,704,079	3,107,850	40.34
Furniture & Equipment	99,772	93,456	6,316	6.76
Total	\$11,218,478	\$ 8,918,980	\$ 2,299,498	25.78

Overall capital assets increased \$2,299,498 from fiscal year 2015 to fiscal year 2016. This is attributable to the acquisition of district wide security equipment and building improvements related to energy savings.

Long-term Liabilities and Debt

At year end, the District had total long-term liabilities of \$11,461,210 outstanding as compared to \$11,668,081 in the previous year - a decrease of 1.77 percent - as shown in Table 5. The district received capital lease proceeds of \$2,600,000 in Fiscal Year 2015 to finance several building projects that were started.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

Table 5 provides a summary of the District's long-term liabilities at June 30, 2016 with comparisons to June 30, 2015.

Table 5
Long-term Liabilities at Year-end

	6/30/16	6/30/15	Variance	
			Dollars	%
PERS Net Pension Liability	\$ 3,564,366	\$ 3,154,032	\$ 410,334	13.01
2008 Refunding Bonds	4,735,000	5,215,000	(480,000)	(9.20)
Capital Leases Payable	2,931,208	3,131,789	(200,581)	(6.40)
Compensated Absences	230,636	167,260	63,376	37.89
Total	<u>\$ 11,461,210</u>	<u>\$ 11,668,081</u>	<u>\$ (206,871)</u>	<u>(1.77)</u>

* = Undefined

The general obligation bonded debt of the District is limited by State law to 4 percent of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2016 is \$33,160,470. General obligation debt authorized and outstanding at June 30, 2016 is \$4,735,000 resulting in a legal debt margin of \$28,425,470.

An analysis of the District's Debt is presented in Note 5 to the basic financial statements.

Factors Bearing on the District's Future

The Great Meadows Regional School District is working to be in good financial condition. A major concern is the ever increasing cost of special education with an increased reliance on property taxes to fund the District programs. Future finances are not without challenges as the community continues to struggle in these difficult financial circumstances. Efforts are underway to return specialized programs back within the district as a way to mitigate and control costs based on identifiable students requiring such services as well as adding opportunities for additional streams of revenues from other neighboring districts that would require such services. This coupled with the exemplary practice of "sharing" costs and services with the Hackettstown School District are just some of the beneficial practices within The Great Meadows Regional School District to offer some relief on the reliance on local property taxes.

The Great Meadows Regional School District continues to keep the local tax levy increase at the 2 percent cap. This tax levy cap presents significant challenges to the district as costs for special education, personnel, benefits and operating costs tend to rise at a faster rate.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact, Timothy Havlusch, School Business Administrator/Board Secretary at Great Meadows Regional School District, P.O. Box 74, Great Meadows, NJ 07838.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 276,347	\$ 39,593	\$ 315,940
Due from other funds	2,100	-	2,100
Receivables, net	696,300	2,510	698,810
Inventory	-	6,695	6,695
Restricted assets			
Capital reserve account - cash	275,431	-	275,431
Maintenance reserve account - cash	61,615	-	61,615
Capital projects fund - cash	78,835	-	78,835
Capital assets, net (Note 4)			
Land	159,653	-	159,653
Other capital assets, net of depreciation	11,054,029	4,796	11,058,825
Total assets	<u>12,604,310</u>	<u>53,594</u>	<u>12,657,904</u>
Deferred outflows of resources			
Deferred amount on pension activity	<u>812,346</u>	<u>-</u>	<u>812,346</u>
Liabilities			
Accounts payable	1,198,330	-	1,198,330
Accrued interest	109,042	-	109,042
Unearned revenue	11,966	7,645	19,611
Long-term liabilities (Note 5)			
Due within one year	866,864	-	866,864
Due beyond one year	10,594,346	-	10,594,346
Total liabilities	<u>12,780,548</u>	<u>7,645</u>	<u>12,788,193</u>
Deferred inflows of resources			
Deferred amount on pension liability	<u>211,018</u>	<u>-</u>	<u>211,018</u>
Net position			
Net investment in capital assets	3,547,474	4,796	3,552,270
Restricted for			
Capital projects	78,711	-	78,711
Capital reserve	275,431	-	275,431
Maintenance reserve	61,615	-	61,615
Unrestricted	<u>(3,538,141)</u>	<u>41,153</u>	<u>(3,496,988)</u>
Total net position	<u>\$ 425,090</u>	<u>\$ 45,949</u>	<u>\$ 471,039</u>

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 4,159,785	\$ 3,750,718	\$ 3,107	\$ 7,058	\$ -	\$ (7,900,338)	\$ -	\$ 7,900,338
Special education	917,848	851,818	-	10,800	-	(1,758,866)	-	1,758,866
Other special instruction	427,093	350,942	-	73,671	-	(704,364)	-	704,364
Other instruction	22,808	14,812	-	-	-	(37,620)	-	37,620
Support services								
Tuition	6,857,821	-	-	219,431	-	(6,638,390)	-	6,638,390
Students & instruction related services	1,279,458	768,189	-	19,830	-	(2,027,817)	-	2,027,817
General & business administration services	532,326	233,436	-	-	-	(765,762)	-	765,762
School administration services	508,707	470,219	-	-	-	(978,926)	-	978,926
Plant operations & maintenance	996,487	288,858	50,673	-	-	(1,234,672)	-	1,234,672
Pupil transportation	1,203,671	-	-	-	-	(1,203,671)	-	1,203,671
Transfer to charter schools	22,811	-	-	-	-	(22,811)	-	22,811
Interest on long-term debt	263,557	-	-	-	-	(263,557)	-	263,557
Total governmental activities	<u>17,192,372</u>	<u>6,728,992</u>	<u>53,780</u>	<u>330,790</u>	<u>-</u>	<u>(23,536,794)</u>	<u>-</u>	<u>23,536,794</u>
Business-type activities								
Food service	203,262	-	133,924	60,044	-	-	(9,294)	(9,294)
Total business-type activities	<u>203,262</u>	<u>-</u>	<u>133,924</u>	<u>60,044</u>	<u>-</u>	<u>-</u>	<u>(9,294)</u>	<u>(9,294)</u>
Total primary government	<u>\$ 17,395,634</u>	<u>\$ 6,728,992</u>	<u>\$ 187,704</u>	<u>\$ 390,834</u>	<u>\$ -</u>	<u>(23,536,794)</u>	<u>(9,294)</u>	<u>(23,546,088)</u>
			General revenues, special items & transfers					
						13,258,492	-	13,258,492
						520,240	-	520,240
						9,809,299	-	9,809,299
						1,405	161	1,566
						7,775	-	7,775
						<u>23,597,211</u>	<u>161</u>	<u>23,597,372</u>
						60,417	(9,133)	51,284
						364,673	55,082	419,755
						<u>\$ 425,090</u>	<u>\$ 45,949</u>	<u>\$ 471,039</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash & cash equivalents	\$ 276,347	\$ -	\$ -	\$ -	\$ 276,347
Due from other funds	215,265	-	-	-	215,265
Receivables from other governments					
Federal	-	225,007	-	-	225,007
State	129,206	-	-	-	129,206
Local	342,087	-	-	-	342,087
Restricted cash & equivalents	337,046	-	78,835	-	415,881
Total assets	\$ 1,299,951	\$ 225,007	\$ 78,835	\$ -	\$ 1,603,793
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ -	\$ 213,041	\$ 124	\$ -	\$ 213,165
Accounts payable	1,198,330	-	-	-	1,198,330
Unearned revenue	-	11,966	-	-	11,966
Total liabilities	1,198,330	225,007	124	-	1,423,461

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Balance Sheet (continued)
Governmental Funds
June 30, 2016

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances (cont'd)					
Fund balances					
Restricted fund balance					
Capital project fund balance	\$ -	\$ -	\$ 78,711	\$ -	\$ 78,711
Committed fund balance					
Capital reserve account	275,431	-	-	-	275,431
Maintenance reserve account	61,615	-	-	-	61,615
Assigned fund balance					
Year-end encumbrances	8,185	-	-	-	8,185
Unassigned fund balance	(243,610)	-	-	-	(243,610)
Total fund balances	<u>101,621</u>	<u>-</u>	<u>78,711</u>	<u>-</u>	<u>180,332</u>
Total liabilities and fund balances	<u>\$ 1,299,951</u>	<u>\$ 225,007</u>	<u>\$ 78,835</u>	<u>\$ -</u>	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$20,078,608 and the accumulated depreciation is \$8,864,926.	11,213,682
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds	601,328
Long-term liabilities, including bonds payable are not due & payable in the current period & therefore are not reported as liabilities in the funds	(11,461,210)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	<u>(109,042)</u>
Total net position of governmental activities	<u>\$ 425,090</u>

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 13,258,492	\$ -	\$ -	\$ 520,240	\$ 13,778,732
Tuition - individuals	1,795	-	-	-	1,795
Interest earned on capital reserve funds	786	-	-	-	786
Interest on investments	619	-	-	-	619
Miscellaneous	58,656	3,058	-	-	61,714
Total	13,320,348	3,058	-	520,240	13,843,646
State sources	7,370,440	-	-	178,523	7,548,963
Federal sources	-	327,732	-	-	327,732
Total revenues	20,690,788	330,790	-	698,763	21,720,341
Expenditures					
Current					
Instructional					
Regular instruction	4,144,829	7,058	-	-	4,151,887
Special education instruction	917,848	-	-	-	917,848
Other special instruction	353,422	73,671	-	-	427,093
Other instruction	22,808	-	-	-	22,808
Support service & undistributed costs					
Tuition	6,638,390	219,431	-	-	6,857,821
Student & instruction related services	1,259,426	19,830	-	-	1,279,256
General & business administrative services	571,825	-	-	-	571,825
School administrative services	510,020	-	-	-	510,020
Plant operations & maintenance	1,160,555	-	-	-	1,160,555
Pupil transportation	1,203,671	-	-	-	1,203,671
Unallocated benefits	3,815,972	10,800	-	-	3,826,772

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 22,084	\$ -	\$ 2,724,864	\$ -	\$ 2,746,948
Transfer to charter schools	22,811	-	-	-	22,811
Debt service					
Principal	94,728	-	-	480,000	574,728
Interest & other charges	2,261	-	-	218,763	221,024
Total expenditures	<u>20,740,650</u>	<u>330,790</u>	<u>2,724,864</u>	<u>698,763</u>	<u>24,495,067</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(49,862)</u>	<u>-</u>	<u>(2,724,864)</u>	<u>-</u>	<u>(2,774,726)</u>
Other financing sources (used)					
Transfers in	-	-	39,605	-	39,605
Transfers out	<u>(39,605)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,605)</u>
Total other financing sources (uses)	<u>(39,605)</u>	<u>-</u>	<u>39,605</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(89,467)	-	(2,685,259)	-	(2,774,726)
Fund balances, July 1	<u>191,088</u>	<u>-</u>	<u>2,763,970</u>	<u>-</u>	<u>2,955,058</u>
Fund balances, June 30	<u><u>\$ 101,621</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 78,711</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 180,332</u></u>

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
For the Fiscal Year Ended June 30, 2016

Total net changes in fund balances - Governmental fund (from B-2) \$ (2,774,726)

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays exceeds depreciation in the period:

Capital outlays	\$ 2,746,948	
Depreciation expense	<u>(445,578)</u>	
		2,301,370

Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and are not reported in the Statement of Activities:

Bond principal payments	480,000	
Capital lease payments	<u>200,581</u>	
		680,581

Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense (113,969)

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item. 30,537

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2016

In the Statement of Activities, compensated absences & early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

	\$ (63,376)
Change in net position of governmental activities	<u>\$ 60,417</u>

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Fund Net Position
Proprietary Funds
June 30, 2016

	<u>Food Service Fund</u>
Assets	
Current assets	
Cash & cash equivalents	\$ 39,593
Receivables from other governments	
State	107
Federal	2,403
Inventory	6,695
Total current assets	<u>48,798</u>
Noncurrent assets	
Capital assets	286,561
Less: accumulated depreciation	281,765
Total noncurrent assets	<u>4,796</u>
Total assets	<u>53,594</u>
Liabilities	
Current liabilities	
Unearned revenues - commodities	4,216
Unearned revenues - prepaid sales	3,429
Total liabilities	<u>7,645</u>
Net position	
Net investment in capital assets	4,796
Unrestricted	41,153
Total net position	<u>\$ 45,949</u>

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 95,262
Daily sales - non-reimbursable programs	38,662
Miscellaneous	161
Total operating revenues	134,085
Operating expenses	
Cost of sales - reimbursable programs	64,978
Cost of sales - non-reimbursable programs	26,371
Salaries	75,221
Support services - employee benefits	13,608
Purchased property services	3,587
Other purchased services	3,827
Insurance	1,243
Management fee	10,548
Supplies and materials	1,755
Depreciation expense	1,872
Miscellaneous expenditures	252
Total operating expenses	203,262
Operating income (loss)	(69,177)
Non-operating revenues (expenses)	
State sources	
State school lunch program	1,955
Federal sources	
National school lunch program	43,375
Food donation program	14,714
Total non-operating revenues (expenses)	60,044
Change in net position	(9,133)
Net position, beginning	55,082
Net position, ending	\$ 45,949

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	<u>Food Service Fund</u>
Cash flows from operating activities	
Receipts from customers	\$ 134,844
Payments to employees	(14,911)
Payments to Food Service Management Co.	(166,907)
Payments to vendors	(4,883)
Net cash provided by (used for) operating activities	<u>(51,857)</u>
Cash flows from noncapital related financing activities	
State sources	2,075
Federal sources	44,207
General fund interfund activity	30,691
Net cash provided by (used for) noncapital financing activities	<u>76,973</u>
Net increase (decrease) in cash and cash equivalents	25,116
Cash and cash equivalents, beginning	<u>14,477</u>
Cash and cash equivalents, ending	<u>\$ 39,593</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (69,177)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	1,872
Federal food donation program	14,714
(Increase) decrease in inventory	(1,391)
Increase (decrease) in unearned revenues	2,125
Net cash provided by (used for) operating activities	<u>\$ (51,857)</u>

See accompanying notes to financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2016

	<u>Student Activity Agency Fund</u>	<u>Payroll Agency Fund</u>
Assets		
Cash and cash equivalents	\$ 29,919	\$ 9,528
Total assets	<u>\$ 29,919</u>	<u>\$ 9,528</u>
Liabilities		
Due to other funds	\$ -	\$ 2,100
Due to student groups	29,919	-
Payroll deductions & withholdings	-	7,428
Total liabilities	<u>\$ 29,919</u>	<u>\$ 9,528</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

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

A. Reporting entity

The District is a Type II District located in the County of Warren, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three year terms. The purpose of the District is to educate students in Grades K-12. The District serves the communities of the Township of Independence and the Township of Liberty. The District had an approximate enrollment at June 30, 2016 of 714 students.

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

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

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

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

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

C. Measurement focus, basis of accounting, and financial Statement presentation

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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

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

Proprietary Funds distinguish operating revenues and expenses from 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.

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

The District reports the following major Governmental Funds:

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

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial Statement presentation (continued)

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

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

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

Additionally, the District reports the following fund types:

Proprietary Fund types

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

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

The District's Enterprise Fund is comprised of the Food Service Fund.

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial Statement presentation (continued)

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

Equipment	12 Years
Light trucks & vehicles	4 Years
Heavy trucks & vehicles	6 Years

Fiduciary Fund types

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

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

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

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the Spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2016 were insignificant.

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

E. Encumbrances

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

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

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal years 2015 - 2016 and 2014 - 2015 were based on rates established by the receiving District. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable/payables

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

I. Inventories and prepaid items

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

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

J. Capital assets

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

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

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

Assets	Years
Buildings	50
Building improvements & portable classroom	50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10
Vehicle	5

K. Compensated absences

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

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

L. Unearned revenue

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

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

M. Long-term obligations

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Fund balances - Governmental Funds

In the fund financial Statements, Governmental Funds report the following classifications of fund balance:

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

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

O. Comparative data/reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

P. Allocation of indirect expenses

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

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

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

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

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

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the School District in accordance with the Schedule of Tax Installments as certified by the School District's Board of Education on an annual basis.

Note 3 - Deposits and cash equivalents and investments

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits and cash equivalents and investments (continued)

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

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

Deposits at June 30, 2016 appear in the financial Statements as summarized below:

Cash		\$	732,626
Cash with escrow agent			38,642
		\$	<u>771,268</u>
<u>Ref.</u>			
Unrestricted cash			
Governmental Funds, Balance Sheet	B-1	\$	276,347
Enterprise Funds, Statement of Net Position	B-4		39,593
Fiduciary Funds, Statement of Net Position	B-7		39,447
Restricted cash			
Governmental Funds, Balance Sheet	B-1		415,881
Total cash		\$	<u><u>771,268</u></u>

Deposits - The District's carrying amount of bank deposits at June 30, 2016 is \$771,268 and the bank balance is \$1,121,859. Of the bank balance, \$538,642 is covered by Federal Depository Insurance and \$583,217 is insured by GUDPA.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits and cash equivalents and investments (continued)
GASB Statement No. 40 “Deposit and Investment Risk Disclosures” requires State and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

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

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

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

Concentration of credit risk

The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer. As of June 30, 2016, the District had no investments.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2016 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 159,653	\$ -	\$ -	\$ 159,653
Construction in progress	805,678	2,724,864	3,530,542	-
Total	<u>965,331</u>	<u>2,724,864</u>	<u>3,530,542</u>	<u>159,653</u>
Capital assets, being depreciated				
Land improvements	861,487	-	-	861,487
Building & improvements	15,162,113	3,530,542	-	18,692,655
Furniture & equipment	342,729	22,084	-	364,813
Total	<u>16,366,329</u>	<u>3,552,626</u>	<u>-</u>	<u>19,918,955</u>
Accumulated depreciation				
Land improvements	705,373	8,990	-	714,363
Building & improvements	7,458,034	422,692	-	7,880,726
Furniture & equipment	255,941	13,896	-	269,837
Total	<u>8,419,348</u>	<u>445,578</u>	<u>-</u>	<u>8,864,926</u>
Total capital assets, being depreciated, net	<u>7,946,981</u>	<u>3,107,048</u>	<u>-</u>	<u>11,054,029</u>
Transfer	-	(3,530,542)	(3,530,542)	-
Governmental activities capital assets, net	<u>\$ 8,912,312</u>	<u>\$ 2,301,370</u>	<u>\$ -</u>	<u>\$ 11,213,682</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 286,561	\$ -	\$ -	\$ 286,561
Accumulated depreciation	279,893	1,872	-	281,765
Business type activities capital assets, net	<u>\$ 6,668</u>	<u>\$ 1,872</u>	<u>\$ -</u>	<u>\$ 4,796</u>

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

Instruction	
Regular	\$ 238,728
Special education	51,361
Other special instruction	19,777
Co-curricular activities	1,276
Support services	
Student & instruction	70,676
General & business administration	31,998
School administration	28,539
Maintenance	3,223
Total depreciation expense, governmental activities	<u>\$ 445,578</u>

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2016 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 5,215,000	\$ -	\$ 480,000	\$ 4,735,000	\$ 500,000
Capital leases payable	3,131,789	-	200,581	2,931,208	338,553
PERS net pension liability	3,154,032	715,297	304,963	3,564,366	-
Compensated absences payable	167,260	94,788	31,412	230,636	28,311
Total governmental activities long-term liabilities	<u>\$ 11,668,081</u>	<u>\$ 810,085</u>	<u>\$ 1,016,956</u>	<u>\$ 11,461,210</u>	<u>\$ 866,864</u>

Payments on the general obligation bonds are made in the Debt Service Fund from property taxes and State aid. The compensated absences liability is paid in the current expenditures budget of the District's General Fund and the other long-term debts are amortized over a determined period.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2016 including interest payments are listed as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 500,000	\$ 195,963	\$ 695,963
2018	520,000	175,587	695,587
2019	520,000	152,538	672,538
2020	530,000	130,438	660,438
2021	525,000	107,912	632,912
2022 - 2025	2,140,000	216,001	2,356,001
Total	<u>\$ 4,735,000</u>	<u>\$ 978,439</u>	<u>\$ 5,713,439</u>

General Obligation Bonds - General obligation school building bonds payable at June 30, 2016, with their outstanding balances are comprised of the following individual issues:

\$8,355,000 - 2008 general obligation school refunding bonds, interest at 4.00% to 4.75%, due in annual installments beginning January 15, 2008 to July 15, 2025.

\$ 4,735,000

Capital Leases Payable - The District is undergoing renovations to all buildings and implementing an energy savings project. Both projects are financed by capital leases. The following is a schedule of the future minimum lease payments under the capital leases and the net minimum lease payment at June 30, 2016:

<u>Year ending June 30,</u>	<u>Total</u>
2017	\$ 404,659
2018	401,780
2019	348,519
2020	201,449
2021	171,146
2022 - 2026	941,937
2027 - 2031	933,273
Total minimum lease payments	3,402,763
Amount representing interest	471,555
Total	<u>\$ 2,931,208</u>

The general obligation bonded debt of the District is limited by State law to 4% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2016 is \$33,160,470. General obligation debt at June 30, 2016 is \$4,735,000, resulting in a legal debt margin of \$28,425,470.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

Description of systems

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

A. Public employees' retirement systems (PERS)

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

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

The following represents the membership tiers for PERS:

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Plan description (continued)

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

Allocation methodology and reconciliation to financial statements

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer Allocations are applied to amounts presented in the Schedules of Pension Amounts by employer. The allocation percentages for each group as of June 30, 2015, are based on the ratio of each employer's contributions to the group for the fiscal years ended June 30, 2015.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's Schedule of Employer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 through June 30, 2015. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the Schedule of Pension Amounts by Employer may result in immaterial differences.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal years 2015, the State's pension contribution was less than the actuarial determined amount.

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

Collective net pension liability and actuarial information

Components of net pension liability

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2015 and 2014 are as follows:

	2015	2014
Total pension liability	\$ 4,413,542	\$ 3,992,573
Plan fiduciary net position	2,115,325	2,079,364
Net pension liability	\$ 2,298,217	\$ 1,913,209

Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%
--	--------	--------

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate		3.04%
Salary increases (based on age)		
2012 - 2021		2.15% - 4.40%
Thereafter		3.15% - 5.40%
Investment rate of return		7.90%

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Components of net pension liability (continued)

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-term expected rate of return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocations	Long- Term Expected Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grad Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Commodities	1.00%	5.32%
Global Debt ex U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Discount rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2015 and 2014, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	<u>2015</u>
At current discount rate (4.90%)	\$ 3,564,366
At a 1% lower rate (3.90%)	4,430,071
At a 1% higher rate (5.90%)	2,838,565
	<u>2014</u>
At current discount rate (5.39%)	\$ 3,154,032
At a 1% lower rate (4.39%)	3,967,880
At a 1% higher rate (6.39%)	2,470,607

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 85,033	\$ -
Changes of assumptions	382,784	-
Net difference between projected and actual earnings on pension plan investments	-	57,308
Changes in proportion and differences between District contributions and proportionate share of contributions	208,018	153,710
District contributions subsequent to the measurement date	136,511	-
Total	<u>\$ 812,346</u>	<u>\$ 211,018</u>

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) of \$136,511 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2015:

	Beginning Balance	Increases	Decreases	Ending Balance
Deferred outflows of resources				
Changes of assumptions	\$ 93,483	\$ 474,468	\$ 100,134	\$ 467,817
Deferred inflows of resources				
Difference between projected and actual earnings on pension plan investments	177,166	(94,458)	25,400	<u>57,308</u>
Net of deferred outflows/(inflows)				<u>\$ 410,509</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

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

<u>Year ending June 30,</u>	
2016	\$ 74,733
2017	74,733
2018	74,733
2019	119,025
2020	67,285
Total	<u>\$ 410,509</u>

Pension expense

For the year ended June 30, 2016, the District recognized net pension expense of \$250,480, which represents the District's proportionate share of allocable plan pension expense of \$233,822, plus the net amortization of deferred amounts from changes in proportion of \$14,285 plus \$2,373, of other adjustments to the net pension liability. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2015 are as follows:

Service cost	\$ 140,052
Interest on total pension liability	333,767
Member contributions	(77,471)
Administrative expense	2,603
Expected investment return net of investment expense	(238,478)
Pension expense related to specific liabilities of individual employers	(1,385)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	82,118
Amortization of expected versus actual experience	18,016
Amortization of projected versus actual investment earnings on pension plan investments	(25,400)
Pension expense	<u>\$ 233,822</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Plan description

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

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

The following represents the membership tiers for TPAF:

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher’s Pension and Annuity Fund (TPAF) (continued)

Special funding situation

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

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the District’s proportionate share of allocable net pension liability, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for fiscal years ending June 30, 2015 and 2014 is as follows:

	2015	2014
Net pension liability	\$ 37,018,875	\$ 30,782,398
Employer pension expense and related revenue	2,260,336	1,656,382
Non-employer contribution	314,772	244,655
 Allocable proportionate percentage	 .0585702114%	 .0575945226%

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,300 in 2016) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

C. Defined contribution retirement program (continued)

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

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

Contribution requirements

Three-year trend information for TPAF (paid on behalf of the District):

<u>Year Funding</u>	<u>TPAF Benefit Cost</u>	<u>Percentage of APC Contributed</u>
06/30/16	\$ 984,573	100%
06/30/15	819,339	100%
06/30/14	643,141	100%

Three-year trend information for PERS:

<u>Year Funding</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>
06/30/16	\$ 136,511	100%
06/30/15	138,876	100%
06/30/14	115,036	100%

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

C. Defined contribution retirement program (continued)

Contribution requirements (continued)

During the year ended June 30, 2016, the State of New Jersey contributed \$535,145 to the TPAF for post-retirement medical benefits, \$21,325 for non-contributory insurance premiums and \$428,103 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$395,323 during the year ended June 30, 2016 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 68.

Note 7 - Post-retirement benefits

Chapter 384 of PL 1987 and Ch. 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees eligible for post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Ch. 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch. 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a Board of Education or County College with 25 years of service. In fiscal year 2015, the State paid \$214.1 million toward Ch. 126 benefits for 19,056 eligible retired members.

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Post-retirement benefits

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

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

Note 8 - Deferred compensation

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

AXA Equitable
 Siracusa Benefits
 Lincoln Investment Planning

Note 9 - Interfund receivable and payables

The composition of interfund balances as of June 30, 2016 is as follows:

Fund	Receivable Fund	Payable Fund
General Fund	\$ 215,265	\$ -
Special Revenue Fund	-	213,041
Capital Projects Fund	-	124
Payroll Agency Fund	-	2,100
Total	<u>\$ 215,265</u>	<u>\$ 215,265</u>

As of June 30, 2016, the following interfunds were on the District's records. The Special Revenue Fund had an interfund payable for \$213,041 due to the General Fund for a loan due to cash flow issues relating to the delayed receipt of grant revenues. The Capital Projects Fund had an interfund payable for \$124 to the General Fund for interest earned in the Capital Projects bank account that had not been remitted to the General Fund. The amount due from the Payroll Agency Fund to the General Fund of \$2,100 represents an imprest balance.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 10 - Inventory
 Inventory in the Food Service Fund as of June 30, 2016 consisted of the following:

Food	\$	5,890
Supplies		805
Total		6,695

Note 11 - Contingent liabilities
 The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

Note 12 - Risk management
 The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

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

Note 13 - Legal reserve accounts
 A Capital Reserve Account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to capital projects in the Districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual General Fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - Legal reserve accounts (continued)

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

Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 314,250	\$ -	\$ 786	\$ -	\$ 39,605	\$ 275,431
Tuition	100,000	-	-	-	100,000	-
Maintenance	61,615	-	-	-	-	61,615
Total	<u>\$ 475,865</u>	<u>\$ -</u>	<u>\$ 786</u>	<u>\$ -</u>	<u>\$ 139,605</u>	<u>\$ 337,046</u>

Fund balances - Budgetary basis

Note 14 - As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2016 and 2015 is as follows:

	2015	2016
Committed		
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	\$ 314,250	\$ 275,431
Maintenance reserve - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:76-9).	61,615	61,615
Tuition reserve - Represents funds accumulated to finance a foreseeable tuition adjustment pursuant to NJAC 6A:23A-17.1(f).	100,000	-
Assigned		
Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	11,125	8,185
Unassigned		
Undesignated - Represents fun balance which has not been restricted or designated.	279,292	338,053
Total fund balance	<u>\$ 766,282</u>	<u>\$ 683,284</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school Districts are required to reserve General Fund, fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$0.

Note 16 - Subsequent events

The District has evaluated subsequent events through December 9, 2016, which is the date the financial Statements were available to be issued and no additional items were noted for disclosure.

Note 17 - Recent accounting pronouncements not yet effective

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

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

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78 "*Pension's Provided through Certain Multiple-Employer Defined Benefit Pension Plans*". This statement, which is effective for reporting periods beginning December 15, 2015, is not expected to have a material impact on the District's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 79 "*Certain External Investment Pools and Pool Participants*". This statement, which is effective for reporting periods beginning December 15, 2015, is not expected to have a material impact on the District's financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80 "*Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*". This statement, which is effective for reporting periods beginning June 15, 2016, is not expected to have a material impact on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81 "*Irrevocable Split-Interest Agreements*". This statement, which is effective for reporting periods after June 15, 2016, is not expected to have a material impact on the District's financial reporting.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Financial Statements

- Note 17 - Recent accounting pronouncements not yet effective (continued)
In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82 "*Pension Issues - an amendment of GASB Statements No. 67 and No. 73*". This statement is effective for reporting periods beginning June 15, 2016, except for the requirements of Paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of Paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This statement is not expected to have a material impact on the District's financial reporting.
- Note 18 - Deficit balance in unrestricted net position
The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2016 of \$3,538,141 on Schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources					
Local tax levy	\$ 13,258,492	\$ -	\$ 13,258,492	\$ 13,258,492	\$ -
Tuition from individuals	-	-	-	1,795	1,795
Rents and royalties	90,000	-	90,000	50,648	(39,352)
Unrestricted miscellaneous revenues	5,250	-	5,250	8,627	3,377
Interest earned on maintenance reserve	250	-	250	-	(250)
Interest earned on capital reserve funds	500	-	500	786	286
Other restricted miscellaneous revenues	7,910	-	7,910	-	(7,910)
Total	13,362,402	-	13,362,402	13,320,348	(42,054)
State Sources					
Categorical transportation aid	309,702	-	309,702	309,702	-
Extraordinary aid	55,000	-	55,000	74,410	19,410
Categorical special education aid	763,471	-	763,471	763,471	-
Equalization aid	4,672,930	-	4,672,930	4,672,930	-
Categorical security aid	105,232	-	105,232	105,232	-
Adjustment aid	32,369	-	32,369	32,369	-
Other State aids	23,600	-	23,600	38,899	15,299
TPAF Pension (on-behalf)	-	-	-	449,428	449,428
TPAF Social Security (reimbursed)	-	-	-	395,323	395,323
TPAF Post retirement benefits	-	-	-	535,145	535,145
Total	5,962,304	-	5,962,304	7,376,909	1,414,605
Total revenues	\$ 19,324,706	\$ -	\$ 19,324,706	\$ 20,697,257	\$ 1,372,551
EXPENDITURES					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	\$ 210,732	\$ (9,000)	\$ 201,732	\$ 201,663	\$ 69
Grades 1-5	2,065,482	(170,669)	1,894,813	1,894,813	-
Grades 6-8	1,650,620	(54,319)	1,596,301	1,595,980	321
Home instruction					
Salaries of teacher	6,200	1,416	7,616	7,616	-
Purchased professional - educational services	-	9,980	9,980	9,980	-
Other purchased services	13,000	(13,000)	-	-	-
Regular programs - undistributed instruction					
Purchased professional - educational services	8,500	(8,500)	-	-	-
Purchased technical services	20,660	(3,307)	17,353	17,346	7
Other purchased services	92,422	940	93,362	93,361	1
General supplies	257,249	7,301	264,550	257,860	6,690
Textbooks	15,000	16,438	31,438	31,092	346
Other objects	4,800	2,452	7,252	7,251	1
Total	4,344,665	(220,268)	4,124,397	4,116,962	7,435
Special education					
Learning and/or language disabilities					
Salaries of teachers	-	107,775	107,775	107,775	-
General supplies	-	5,886	5,886	5,886	-
Total	-	113,661	113,661	113,661	-

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Behavioral disabilities					
Salaries of teachers	\$ -	\$ 53,340	\$ 53,340	\$ 53,340	\$ -
Other salaries for instruction	-	15,707	15,707	15,707	-
Total	-	69,047	69,047	69,047	-
Multiple disabilities					
Salaries of teachers	6,266	(6,266)	-	-	-
Total	6,266	(6,266)	-	-	-
Resource room/resource center					
Salaries of teachers	615,432	(49,763)	565,669	565,669	-
Other salaries for instruction	146,558	(3,314)	143,244	143,244	-
General supplies	-	2,534	2,534	2,534	-
Total	761,990	(50,543)	711,447	711,447	-
Preschool disabilities - part-time					
Other salaries for instruction	-	23,679	23,679	23,679	-
General supplies	-	14	14	14	-
Total	-	23,693	23,693	23,693	-
Total special education	768,256	149,592	917,848	917,848	-
Basic skills/remedial					
Salaries of teachers	179,032	116,821	295,853	295,853	-
General supplies	300	1,426	1,726	1,526	200
Total	179,332	118,247	297,579	297,379	200
Bilingual education - instruction					
Salaries of teachers	55,406	619	56,025	56,025	-
General supplies	-	18	18	18	-
Total	55,406	637	56,043	56,043	-
School-sponsored co/extra curricular activities - instruction					
Salaries	10,000	(5,000)	5,000	4,775	225
Other objects	-	150	150	150	-
Total	10,000	(4,850)	5,150	4,925	225
School-sponsored athletics - instruction					
Salaries	5,000	2,987	7,987	7,987	-
Supplies and materials	-	175	175	175	-
Other objects	-	150	150	150	-
Total	5,000	3,312	8,312	8,312	-
Summer school - instruction					
Salaries of teachers	6,650	3,545	10,195	9,571	624
Other salaries of instruction	1,875	(1,875)	-	-	-
Purchased professional & technical services	600	-	600	-	600
General supplies	600	-	600	-	600
Total	9,725	1,670	11,395	9,571	1,824
Total summer school	9,725	1,670	11,395	9,571	1,824
Total instruction regular	\$ 5,372,384	\$ 48,340	\$ 5,420,724	\$ 5,411,040	\$ 9,684

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the State - regular	\$ 5,164,844	\$ (39,481)	\$ 5,125,363	\$ 5,108,840	\$ 16,523
Tuition to other LEAs within the State - special	915,024	75,932	990,956	990,956	-
Tuition to county vocational school district - regular	50,745	5,460	56,205	56,205	-
Tuition to county vocational school district - special	30,330	307	30,637	30,637	-
Tuition to cssd & regional day schools	85,894	28,311	114,205	114,205	-
Tuition to priv. school for the disabled w/i State	412,558	(75,011)	337,547	337,547	-
Total	6,659,395	(4,482)	6,654,913	6,638,390	16,523
Undistributed expenditures - health services					
Salaries	168,133	5,130	173,263	173,263	-
Purchased professional and technical services	3,500	920	4,420	4,420	-
Supplies and materials	4,665	2,992	7,657	7,657	-
Total	176,298	9,042	185,340	185,340	-
Undistributed expenditures - speech, ot, pt & related services					
Salaries	154,520	963	155,483	155,483	-
Purchased professional educational services	55,200	54,845	110,045	110,045	-
Supplies and materials	-	1,526	1,526	1,526	-
Total	209,720	57,334	267,054	267,054	-
Undistributed expend - other supp. service stds. - extra service					
Salaries	93,923	12,715	106,638	106,638	-
Purchased professional educational services	129,764	(26,853)	102,911	96,459	6,452
Total	223,687	(14,138)	209,549	203,097	6,452
Undistributed expenditures- guidance					
Salaries of other professional staff	117,239	7,807	125,046	125,046	-
Salaries of secretarial and clerical assistants	15,330	(3,457)	11,873	11,873	-
Purchased professional educational services	1,500	(1,500)	-	-	-
Supplies and materials	150	(12)	138	138	-
Total	134,219	2,838	137,057	137,057	-
Undistributed expenditures - child study teams					
Salaries of other professional staff	2,000	(2,000)	-	-	-
Salaries of secretarial and clerical assistants	19,223	4,100	23,323	23,323	-
Purchased professional educational services	244,625	(42,411)	202,214	202,213	1
Supplies and materials	6,898	-	6,898	6,227	671
Total	272,746	(40,311)	232,435	231,763	672
Undistributed expenditures - improvement of inst. service					
Salaries of other professional staff	8,501	-	8,501	8,496	5
Salaries of secretarial & clerical assist	3,569	-	3,569	2,889	680
Other salaries	27,414	1,100	28,514	28,500	14
Purchased professional educational services	60,806	(4,980)	55,826	55,825	1
Supplies and materials	650	-	650	488	162
Total	100,940	(3,880)	97,060	96,198	862

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - edu. media service/sch. library					
Salaries	\$ 108,699	\$ (1,267)	\$ 107,432	\$ 106,650	\$ 782
Salaries of technology coordinators	29,759	(1,235)	28,524	28,524	-
Supplies and materials	11,650	(7,960)	3,690	3,687	3
Total	150,108	(10,462)	139,646	138,861	785
Undistributed expenditures - instructional staff training services					
Other purchased services	-	75	75	56	19
Total	-	75	75	56	19
Undistributed expend. - support service - general admin.					
Salaries	60,152	6,340	66,492	66,492	-
Legal services	37,538	8,898	46,436	46,436	-
Audit fees	20,100	(800)	19,300	19,300	-
Other purchased professional services	11,000	100,357	111,357	111,357	-
Purchased technical services	500	(500)	-	-	-
Communications/telephone	27,300	984	28,284	28,220	64
BOE other purchased services	-	100	100	88	12
Misc purch services	100,446	(59,862)	40,584	40,584	-
General supplies	650	1,000	1,650	1,579	71
BOE in-house training/meeting supplies	150	(118)	32	32	-
Miscellaneous expenditures	9,282	15,640	24,922	24,913	9
Total	267,118	72,039	339,157	339,001	156
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	348,897	28,615	377,512	377,512	-
Salaries of secretarial and clerical assistants	128,558	(2,359)	126,199	126,198	1
Supplies and materials	2,500	1,147	3,647	3,647	-
Other objects	3,600	(936)	2,664	2,663	1
Total	483,555	26,467	510,022	510,020	2
Undistributed expenditures - central services					
Salaries	184,265	3,014	187,279	187,279	-
Purchased professional services	2,375	4,602	6,977	6,977	-
Miscellaneous purchased services	-	2,798	2,798	2,797	1
Supplies and materials	200	61	261	261	-
Interest on lease purchase agreements	11,633	-	11,633	11,632	1
Other objects	1,645	12,535	14,180	14,180	-
Total	200,118	23,010	223,128	223,126	2
Undistributed expenditures - admin. info. technology					
Salaries	5,548	752	6,300	6,300	-
Purchased professional services	3,518	(969)	2,549	2,549	-
Supplies and materials	2,000	(1,151)	849	849	-
Total	11,066	(1,368)	9,698	9,698	-
Undistributed expend. - required maint. for school facilities					
Salaries	82,420	2,000	84,420	83,442	978
Cleaning, repair, and maintenance services	66,413	(2,143)	64,270	58,824	5,446
General supplies	49,610	(25,835)	23,775	23,773	2
Other objects	1,750	(1,322)	428	428	-
Total	200,193	(27,300)	172,893	166,467	6,426

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - custodial services					
Salaries	\$ 281,820	\$ 71,224	\$ 353,044	\$ 351,845	\$ 1,199
Purchased professional and technical services	55,515	(14,592)	40,923	40,922	1
Cleaning, repair, and maintenance service	73,539	(29,144)	44,395	43,794	601
Lease purchase pymts - energy savings impr prog	-	167,291	167,291	167,291	-
Insurance	57,035	-	57,035	55,580	1,455
Miscellaneous purchased services	11,844	(7,000)	4,844	4,108	736
General supplies	31,674	6,280	37,954	37,954	-
Energy (natural gas)	-	21,496	21,496	21,496	-
Energy (electricity)	297,992	(84,395)	213,597	212,865	732
Energy (oil)	189,069	(169,671)	19,398	16,084	3,314
Energy (gasoline)	5,500	(5,500)	-	-	-
Other objects	500	-	500	145	355
Total	1,004,488	(44,011)	960,477	952,084	8,393
Undistributed expenditures - care and upkeep of grounds					
Salaries	28,246	1,000	29,246	28,392	854
Purchased professional and technical services	2,500	-	2,500	-	2,500
Cleaning, repair, and maintenance service	12,512	-	12,512	11,579	933
General supplies	9,000	(6,900)	2,100	2,033	67
Total	52,258	(5,900)	46,358	42,004	4,354
Undistributed expenditures - student transportation service					
Management fee - esc & ctsa trans. program	22,000	(6,026)	15,974	15,974	-
Other purchased professional and technical service	20,000	(4,974)	15,026	15,026	-
Contract service - aid in lieu pymts - non-public schools	66,300	(17,027)	49,273	49,273	-
Contract service - aid in lieu pymts - charter school students	13,148	(11,380)	1,768	1,768	-
Contract service (between home & school) - vendors	634,100	3,478	637,578	632,427	5,151
Contract service (oth. than between home & school) - vend	1,000	3,768	4,768	4,768	-
Contract service (sp ed stds) - joint agreements	278,520	(245,172)	33,348	33,348	-
Contract service (spl. ed. students) - escs & ctsas	75,000	376,089	451,089	451,087	2
General supplies	1,550	(1,550)	-	-	-
Other objects	100	(100)	-	-	-
Total	1,111,718	97,106	1,208,824	1,203,671	5,153
Regular programs - instruction					
Other employee benefits	27,959	-	27,959	27,867	92
Total	27,959	-	27,959	27,867	92
Unallocated benefits - employee benefits					
Social Security contributions	120,000	4,806	124,806	124,806	-
Other retirement contributions - PERS	150,000	(7,774)	142,226	142,226	-
Other retirement contributions - regular	5,400	-	5,400	3,242	2,158
Unemployment compensation	14,000	15,633	29,633	29,633	-
Workmen's compensation	68,000	(5,200)	62,800	59,561	3,239
Health benefits	2,119,252	(63,578)	2,055,674	2,055,673	1
Tuition reimbursement	30,000	(7,565)	22,435	20,935	1,500
Other employee benefits	61,635	(61,634)	1	-	1
Total	2,568,287	(125,312)	2,442,975	2,436,076	6,899

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
On-behalf TPAF pension contribution	\$ -	\$ -	\$ -	\$ 449,428	\$ (449,428)
On-behalf TPAF post retirement medical benefits	-	-	-	535,145	(535,145)
Reimbursed TPAF Social Security contribution	-	-	-	395,323	(395,323)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,379,896</u>	<u>(1,379,896)</u>
Total undistributed expenditures	<u>\$ 13,853,873</u>	<u>\$ 10,747</u>	<u>\$ 13,864,620</u>	<u>\$ 15,187,726</u>	<u>\$ (1,323,106)</u>
Total current	<u>\$ 19,226,257</u>	<u>\$ 59,087</u>	<u>\$ 19,285,344</u>	<u>\$ 20,598,766</u>	<u>\$ (1,313,422)</u>
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	\$ -	\$ 4,283	\$ 4,283	\$ 4,282	\$ 1
Undistributed expend. - required maint. for school facilities	9,148	5,315	14,463	5,862	8,601
Undistributed expenditures - care and upkeep of grounds	18,867	(6,927)	11,940	11,940	-
Total equipment	<u>28,015</u>	<u>2,671</u>	<u>30,686</u>	<u>22,084</u>	<u>8,602</u>
Facilities acquisition and construction service					
Lease purchase agreements - principal	94,729	-	94,729	94,728	1
Assessment for debt service on SDA funding	2,261	-	2,261	2,261	-
Total facilities acquisition and construction service	<u>96,990</u>	<u>-</u>	<u>96,990</u>	<u>96,989</u>	<u>1</u>
Total capital outlay	<u>\$ 125,005</u>	<u>\$ 2,671</u>	<u>\$ 127,676</u>	<u>\$ 119,073</u>	<u>\$ 8,603</u>
Transfer of funds to charter schools	<u>\$ 84,569</u>	<u>\$ (61,758)</u>	<u>\$ 22,811</u>	<u>\$ 22,811</u>	<u>\$ -</u>
Total expenditures	<u>\$ 19,435,831</u>	<u>\$ -</u>	<u>\$ 19,435,831</u>	<u>\$ 20,740,650</u>	<u>\$ (1,304,819)</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (111,125)	\$ -	\$ (111,125)	\$ (43,393)	\$ 67,732
Other financing sources (uses)					
Capital reserve - transfer to capital projects fund	-	(39,605)	(39,605)	(39,605)	-
Total other financing sources (uses)	<u>-</u>	<u>(39,605)</u>	<u>(39,605)</u>	<u>(39,605)</u>	<u>-</u>
Excess (deficiency) of revenues & other financing sources					
Over (under) expenditures & other financing uses	(111,125)	(39,605)	(150,730)	(82,998)	67,732
Fund balances, July 1	766,282	-	766,282	766,282	-
Fund balances, June 30	<u>\$ 655,157</u>	<u>\$ (39,605)</u>	<u>\$ 615,552</u>	<u>\$ 683,284</u>	<u>\$ 67,732</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (11,125)	\$ -	\$ (11,125)	\$ (11,125)	\$ -
Interest deposit to capital reserve	500	-	500	786	286
Withdrawal from capital reserve	(500)	(39,605)	(40,105)	(39,605)	500
Interest earned on maintenance reserve	250	-	250	-	(250)
Withdrawal from maintenance reserve	(250)	-	(250)	-	250
Withdrawal from tuition reserve	(100,000)	-	(100,000)	(100,000)	-
Budgeted fund balance	-	-	-	66,946	66,946
Total	<u>\$ (111,125)</u>	<u>\$ (39,605)</u>	<u>\$ (150,730)</u>	<u>\$ (82,998)</u>	<u>\$ 67,732</u>
Recapitulation of fund balance					
Committed fund balance					
Capital reserve				\$ 275,431	
Maintenance reserve				61,615	
Assigned fund balance					
Year-end encumbrances				8,185	
Unassigned fund balance				<u>338,053</u>	
Fund balance per budgetary basis				683,284	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(581,663)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 101,621</u>	

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources	\$ 6,058	\$ -	\$ 6,058	\$ 3,058	\$ (3,000)
Federal sources	325,791	-	325,791	320,957	(4,834)
Total revenues	<u>\$ 331,849</u>	<u>\$ -</u>	<u>\$ 331,849</u>	<u>\$ 324,015</u>	<u>\$ (7,834)</u>
Expenditures					
Instruction					
Salaries	\$ 46,721	\$ 4,000	\$ 50,721	\$ 50,721	\$ -
Other purchased services	222,765	(1,000)	221,765	219,431	2,334
General supplies	37,891	-	37,891	33,971	3,920
Totals	<u>307,377</u>	<u>3,000</u>	<u>310,377</u>	<u>304,123</u>	<u>6,254</u>
Support services					
Purchased professional & technical services	9,407	(1,801)	7,606	7,606	-
Other purchased services	14,757	(1,199)	13,558	11,978	1,580
General supplies	308	-	308	308	-
Total	<u>24,472</u>	<u>(3,000)</u>	<u>21,472</u>	<u>19,892</u>	<u>1,580</u>
Total expenditures	<u>\$ 331,849</u>	<u>\$ -</u>	<u>\$ 331,849</u>	<u>\$ 324,015</u>	<u>\$ 7,834</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation

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

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 20,697,257	\$ 324,015
Differences - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	15,741
Outstanding encumbrances - current year	-	(8,966)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State aid receivable - prior year	575,194	-
State aid receivable - current year	(581,663)	-
Total revenues (GAAP basis)	<u>\$ 20,690,788</u>	<u>\$ 330,790</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 20,740,650	\$ 324,015
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances - prior year	-	15,741
Outstanding encumbrances - current year	-	(8,966)
Total expenditures (GAAP basis)	<u>\$ 20,740,650</u>	<u>\$ 330,790</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ -	\$ 37,018,875	\$ 30,782,398	\$ 30,000,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 37,018,875	\$ 30,782,398	\$ 30,000,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ -	\$ 5,419,890	\$ 5,743,558	\$ 5,613,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	0.00%	28.71%	33.64%	33.76%	N/A	N/A	N/A	N/A	N/A	N/A

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Pension Contributions - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 449,428	\$ 316,652	\$ 243,649	\$ 383,561	\$ 188,093	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(449,428)	(316,652)	(243,649)	(383,561)	(188,093)	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 5,527,363	\$ 5,419,890	\$ 5,743,558	\$ 5,613,864	\$ 5,625,510	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	8.13%	5.84%	4.24%	6.83%	3.34%	N/A	N/A	N/A	N/A	N/A

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset) - percentage	N/A	0.0158783260%	0.0168460007%	0.0152673017%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ 3,564,366	\$ 3,154,032	\$ 2,917,885	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	N/A	1,009,899	1,062,273	1,139,750	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	352.94%	296.91%	256.01%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	47.93%	52.08%	48.72%	N/A	N/A	N/A	N/A	N/A	N/A

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of District Contributions - Public Employees Retirement System
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 136,511	\$ 138,876	\$ 115,036	\$ 98,136	\$ 126,145	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(136,511)	(138,876)	(115,036)	(98,136)	(126,145)	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	954,391	\$ 1,009,899	\$ 1,062,273	\$ 1,139,750	\$ 1,008,137	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	14.30%	13.75%	10.83%	8.61%	12.51%	N/A	N/A	N/A	N/A	N/A

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2016

Note 1 - Special funding situation - TPAF

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

SPECIAL REVENUE FUND

DETAIL STATEMENTS

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues And Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	Various Local Grants	NCLB Title IA	NCLB Title IIA	IDEA Basic	IDEA Preschool	Race to the Top	Total
Revenues							
Local sources	\$ 3,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,058
Federal sources		79,884	21,327	214,359	5,072	315	320,957
Total revenues	<u>\$ 3,058</u>	<u>\$ 79,884</u>	<u>\$ 21,327</u>	<u>\$ 214,359</u>	<u>\$ 5,072</u>	<u>\$ 315</u>	<u>\$ 324,015</u>
Expenditures							
Instruction							
Salaries	\$ -	\$ 46,721	\$ 4,000	\$ -	\$ -	\$ -	\$ 50,721
Other purchased services	-	-	-	214,359	5,072	-	219,431
General supplies	3,058	30,913	-	-	-	-	33,971
Total	<u>3,058</u>	<u>77,634</u>	<u>4,000</u>	<u>214,359</u>	<u>5,072</u>	<u>-</u>	<u>304,123</u>
Support services							
Purchased professional & technical services	-	-	7,599	-	-	7	7,606
Other purchased services	-	2,250	9,728	-	-	-	11,978
Supplies and materials	-	-	-	-	-	308	308
Total	<u>-</u>	<u>2,250</u>	<u>17,327</u>	<u>-</u>	<u>-</u>	<u>315</u>	<u>19,892</u>
Total expenditures	<u>\$ 3,058</u>	<u>\$ 79,884</u>	<u>\$ 21,327</u>	<u>\$ 214,359</u>	<u>\$ 5,072</u>	<u>\$ 315</u>	<u>\$ 324,015</u>

See independent auditors' report.

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2016

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/16
			Prior Years	Current Year	
Security upgrades at the Middle School	06/30/14	\$ 68,640	\$ 1,534	\$ 50,180	\$ 16,926
Security upgrades and Window Replacement at Central School	06/30/14	223,113	20,553	166,622	35,938
Security upgrades and Roof Replacement at Liberty School	06/30/14	717,500	15,150	700,390	1,960
Energy Savings Project	02/26/15	2,600,000	768,441	1,807,672	23,887
		<u>\$ 3,609,253</u>	<u>\$ 805,678</u>	<u>\$ 2,724,864</u>	<u>\$ 78,711</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

Revenues and other financing sources	
Local sources	
Transfer from capital reserve	\$ 39,605
Total revenues	<u>39,605</u>
Expenditures and other financing uses	
Purchased professional & technical services	72,810
Construction services	2,652,054
Total expenditures	<u>2,724,864</u>
Excess (deficiency) of revenues over (under) expenditures	(2,685,259)
Fund balance - beginning	<u>2,763,970</u>
Fund balance - ending	<u><u>\$ 78,711</u></u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Security Upgrades at the Middle School
For the Fiscal Year Ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Transfer from capital outlay	\$ 27,456	\$ -	\$ 27,456	\$ -
Lease purchase proceeds	41,184	-	41,184	41,184
State sources				
NJ SDA aid	-	-	-	27,456
Total revenues	<u>68,640</u>	<u>-</u>	<u>68,640</u>	<u>68,640</u>
Expenditures and other financing uses				
Purchased professional & technical services	1,534	-	1,534	4,800
Construction services	-	50,180	50,180	63,840
Total expenditures	<u>1,534</u>	<u>50,180</u>	<u>51,714</u>	<u>68,640</u>
Excess (deficiency) of revenues over (under) Expenditures	<u>\$ 67,106</u>	<u>\$ (50,180)</u>	<u>\$ 16,926</u>	<u>\$ -</u>

Additional project information

Project number	1785-040-14-1001
Grant date	6/30/2014
Bond authorized date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 2,600,000
Revised authorized cost	\$ 68,640
Percentage completion	75%

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Security Upgrades and Window Replacement at the Central School
For the Fiscal Year Ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Transfer from capital outlay	\$ 89,245	\$ -	\$ 89,245	\$ -
Lease purchase proceeds	133,868	-	133,868	133,868
State sources				
NJ SDA aid	-	-	-	89,245
Total revenues	<u>223,113</u>	<u>-</u>	<u>223,113</u>	<u>223,113</u>
Expenditures and other financing uses				
Purchased professional & technical services	14,853	-	14,853	16,000
Construction services	5,700	166,622	172,322	207,113
Total expenditures	<u>20,553</u>	<u>166,622</u>	<u>187,175</u>	<u>223,113</u>
Excess (deficiency) of revenues over (under)				
Expenditures	<u>\$ 202,560</u>	<u>\$ (166,622)</u>	<u>\$ 35,938</u>	<u>\$ -</u>

Additional project information

Project number	1785-050-14-1002
Grant date	6/30/2014
Bond authorized date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 223,113
Revised authorized cost	\$ 223,113
Percentage completion	84%

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Security Upgrades and Roof Replacement at the Liberty School
For the Fiscal Year Ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Transfer from capital reserve	\$ 271,158	\$ 39,605	\$ 310,763	\$ 39,605
Lease purchase proceeds	406,737	-	406,737	406,737
State sources				
NJ SDA aid	-	-	-	271,158
Total revenues	<u>677,895</u>	<u>39,605</u>	<u>717,500</u>	<u>717,500</u>
Expenditures and other financing uses				
Purchased professional & technical services				
	15,150	34,280	49,430	49,430
Construction services	-	666,110	666,110	668,070
Total expenditures	<u>15,150</u>	<u>700,390</u>	<u>715,540</u>	<u>717,500</u>
Excess (deficiency) of revenues over (under) Expenditures				
	<u>\$ 662,745</u>	<u>\$ (660,785)</u>	<u>\$ 1,960</u>	<u>\$ -</u>
Additional project information				
Project number	1785-060-14-1003			
Grant date	6/30/2014			
Bond authorized date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$ 677,895			
Revised authorized cost	\$ 717,500			
Percentage completion	100%			

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Energy System Improvement Plans at All District Facilities
For the Fiscal Year Ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Lease purchase proceeds	\$ 2,600,000	\$ -	\$ 2,600,000	\$ 2,600,000
Total revenues	<u>2,600,000</u>	<u>-</u>	<u>2,600,000</u>	<u>2,600,000</u>
Expenditures and other financing uses				
Purchased professional & technical services	-	38,530	38,530	38,530
Construction services	768,441	1,769,142	2,537,583	2,561,470
Total expenditures	<u>768,441</u>	<u>1,807,672</u>	<u>2,576,113</u>	<u>2,600,000</u>
Excess (deficiency) of revenues over (under) Expenditures	<u>\$ 1,831,559</u>	<u>\$ (1,807,672)</u>	<u>\$ 23,887</u>	<u>\$ -</u>
Additional project information				
Project number		1785-040-15-1000		
		1785-050-15-1000		
		1785-060-15-1000		
Grant date		N/A		
Bond authorized date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorized cost		\$ 2,600,000		
Revised authorized cost		\$ 2,600,000		
Percentage completion		99%		

See independent auditors' report.

PROPRIETARY FUND

DETAIL STATEMENTS

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Fund Net Position
Enterprise Fund
June 30, 2016

ASSETS

Current assets

Cash & cash equivalents	\$ 39,593
Receivables from other governments	
State	107
Federal	2,403
Inventory	6,695
Total current assets	<u>48,798</u>

Noncurrent assets

Capital assets	286,561
Less: accumulated depreciation	<u>281,765</u>
Total noncurrent assets	<u>4,796</u>

Total assets	<u>53,594</u>
--------------	---------------

LIABILITIES

Current liabilities

Unearned revenues - commodities	4,216
Unearned revenues - prepaid sales	<u>3,429</u>
Total liabilities	<u>7,645</u>

NET POSITION

Invested in capital assets, net of related debt	4,796
Unrestricted	<u>41,153</u>
Total net position	<u><u>\$ 45,949</u></u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenses, and
Changes in Fund Net Position
Enterprise Fund
For the Fiscal Year Ended June 30, 2016

Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 95,262
Daily sales - non-reimbursable programs	38,662
Miscellaneous	161
Total operating revenues	<u>134,085</u>
Operating expenses	
Cost of sales - reimbursable programs	64,978
Cost of sales - non-reimbursable programs	26,371
Salaries	75,221
Support Services - employee benefits	13,608
Purchased property services	3,587
Other purchased services	3,827
Insurance	1,243
Management fee	10,548
Supplies and materials	1,755
Depreciation expense	1,872
Miscellaneous expenditures	252
Total operating expenses	<u>203,262</u>
Operating income (loss)	<u>(69,177)</u>
Non-operating revenues (expenses)	
State sources	
State school lunch program	1,955
Federal sources	
National school lunch program	43,375
Food donation program	14,714
Total non-operating revenues (expenses)	<u>60,044</u>
Change in net position	(9,133)
Net position, beginning	<u>55,082</u>
Net position, ending	<u><u>\$ 45,949</u></u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statement of Cash Flows
Food Service Enterprise Fund
For the Fiscal Year Ended June 30, 2016

Cash flows from operating activities	
Receipts from customers	\$ 134,844
Payments to employees	(14,911)
Payments to Food Service Management Co.	(166,907)
Payments to vendors	(4,883)
Net cash provided by (used for) operating activities	<u>(51,857)</u>
Cash flows from noncapital related financing activities	
State sources	2,075
Federal sources	44,207
General fund interfund activity	30,691
Net cash provided by (used for) noncapital financing activities	<u>76,973</u>
Net increase (decrease) in cash and cash equivalents	25,116
Cash and cash equivalents, beginning	<u>14,477</u>
Cash and cash equivalents, ending	<u><u>\$ 39,593</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (69,177)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	1,872
Federal food donation program	14,714
(Increase) decrease in inventory	(1,391)
Increase (decrease) in unearned revenue	2,125
Net cash provided by (used for) operating activities	<u><u>\$ (51,857)</u></u>

See independent auditors' report.

FIDUCIARY FUND

DETAIL STATEMENTS

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Position
June 30, 2016

	Student Activity Agency Fund	Payroll Agency Fund	Total
Assets			
Cash and cash equivalents	\$ 29,919	\$ 9,528	\$ 39,447
Total assets	<u>\$ 29,919</u>	<u>\$ 9,528</u>	<u>\$ 39,447</u>
Liabilities			
Due to other funds	\$ -	\$ 2,100	\$ 2,100
Due to student groups	29,919	-	29,919
Payroll deductions & withholdings	-	7,428	7,428
Total liabilities	<u>\$ 29,919</u>	<u>\$ 9,528</u>	<u>\$ 39,447</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2016

(NOT APPLICABLE TO THIS REPORT)

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund
Statement of Changes in Assets & Liabilities
For the Fiscal Year Ended June 30, 2016

	Balance 7/1/2015	Additions	Deletions	Balance 6/30/2016
Assets				
Cash and cash equivalents	\$ 24,931	\$ 90,940	\$ 85,952	\$ 29,919
Total assets	\$ 24,931	\$ 90,940	\$ 85,952	\$ 29,919
Liabilities				
Due to student groups				
Central School	\$ 2,579	\$ 6,354	\$ 2,466	\$ 6,467
Liberty School	2,704	6,059	6,500	2,263
Middle School	19,648	78,527	76,986	21,189
Total liabilities	\$ 24,931	\$ 90,940	\$ 85,952	\$ 29,919

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund
Statement of Changes in Assets & Liabilities
For the Fiscal Year Ended June 30, 2016

	Balance 07/01/15	Additions	Deletions	Balance 06/30/16
Assets				
Cash and cash equivalents	\$ 9,363	\$ 7,845,631	\$ 7,845,466	\$ 9,528
Total assets	\$ 9,363	\$ 7,845,631	\$ 7,845,466	\$ 9,528
Liabilities				
Due to other funds	\$ 2,000	\$ 100	\$ -	\$ 2,100
Payroll deductions & withholdings	7,363	3,495,001	3,494,972	7,392
Net payroll	-	4,350,530	4,350,494	36
Total liabilities	\$ 9,363	\$ 7,845,631	\$ 7,845,466	\$ 9,528

See independent auditors' report.

LONG-TERM DEBT SCHEDULES

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 7/1/15	Issued	Retired	Balance 6/30/16
			Date	Amount					
General Obligation Refunding School Bonds of 2008	12/20/07	\$8,355,000	01/15/17	\$ 450,000	4.750%	\$ -	\$ -	\$ -	\$ -
				50,000	4.000%	-	-	-	-
			01/15/18	220,000	4.750%	-	-	-	-
				300,000	4.000%	-	-	-	-
			01/15/19	520,000	4.750%	-	-	-	-
			01/15/20	530,000	4.250%	-	-	-	-
			01/15/21	525,000	4.250%	-	-	-	-
			01/15/22	525,000	4.000%	-	-	-	-
			01/15/23	520,000	4.000%	-	-	-	-
			01/15/24	545,000	4.000%	-	-	-	-
	01/15/25	550,000	4.000%		5,215,000	-	480,000	4,735,000	
					<u>\$ 5,215,000</u>	<u>\$ -</u>	<u>\$ 480,000</u>	<u>\$4,735,000</u>	

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2016

Description	Interest Rate	Amount of Original of Issue	Balance 7/1/15	Issued	Retired	Balance 6/30/16
Renovations at Central, Liberty and Middle Schools	2.160%	\$ 581,789	\$ 531,789	\$ -	\$ 94,728	\$ 437,061
Energy system improvement plan	2.363%	2,600,000	2,600,000	-	105,853	2,494,147
			<u>\$ 3,131,789</u>	<u>\$ -</u>	<u>\$ 200,581</u>	<u>\$2,931,208</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources					
Local tax levy	\$ 520,240	\$ -	\$ 520,240	\$ 520,240	\$ -
State sources					
Debt service aid	178,523	-	178,523	178,523	-
Total revenues	<u>698,763</u>	<u>-</u>	<u>698,763</u>	<u>698,763</u>	<u>-</u>
EXPENDITURES					
Regular debt service					
Interest on bonds	218,763	-	218,763	218,763	-
Redemption of principal	480,000	-	480,000	480,000	-
Total expenditures	<u>698,763</u>	<u>-</u>	<u>698,763</u>	<u>698,763</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-6
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-7 to J-10
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-11 to J-14
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-15 to J-16
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-17 to J-21

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years (Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Government activities										
Net investment in capital assets	\$ 2,048,403	\$ 2,233,997	\$ 2,169,119	\$ 2,067,713	\$ 2,223,422	\$ 2,280,547	\$ 2,580,148	\$ 2,751,359	\$ 2,906,201	\$ 3,547,474
Restricted	767,510	1,282,077	1,249,737	851,370	268,809	302,390	601,003	895,952	899,157	415,757
Unrestricted	93,604	(20,144)	(456,883)	(287,781)	(439,822)	(427,747)	(663,529)	(3,362,881)	(3,440,685)	(3,538,141)
Total governmental activities	<u>\$ 2,909,517</u>	<u>\$ 3,495,930</u>	<u>\$ 2,961,973</u>	<u>\$ 2,631,302</u>	<u>\$ 2,052,409</u>	<u>\$ 2,155,190</u>	<u>\$ 2,517,622</u>	<u>\$ 284,430</u>	<u>\$ 364,673</u>	<u>\$ 425,090</u>
Business-type activities										
Net investment in capital assets	\$ 54,536	\$ 40,606	\$ 40,336	\$ 40,066	\$ 57,321	\$ 35,419	\$ 24,320	\$ 14,636	\$ 6,668	\$ 4,796
Unrestricted	46,654	61,645	71,108	82,654	81,263	68,188	59,073	59,287	48,414	41,153
Total business-type activities	<u>\$ 101,190</u>	<u>\$ 102,251</u>	<u>\$ 111,444</u>	<u>\$ 122,720</u>	<u>\$ 138,584</u>	<u>\$ 103,607</u>	<u>\$ 83,393</u>	<u>\$ 73,923</u>	<u>\$ 55,082</u>	<u>\$ 45,949</u>
District-wide										
Net investment in capital assets	\$ 2,102,939	\$ 2,274,603	\$ 2,209,455	\$ 2,107,779	\$ 2,280,743	\$ 2,315,966	\$ 2,604,468	\$ 2,765,995	\$ 2,912,869	\$ 3,552,270
Restricted	767,510	1,282,077	1,249,737	851,370	268,809	302,390	601,003	895,952	899,157	415,757
Unrestricted	140,258	41,501	(385,775)	(205,127)	(358,559)	(359,559)	(604,456)	(3,303,594)	(3,392,271)	(3,496,988)
Total district-wide	<u>\$ 3,010,707</u>	<u>\$ 3,598,181</u>	<u>\$ 3,073,417</u>	<u>\$ 2,754,022</u>	<u>\$ 2,190,993</u>	<u>\$ 2,258,797</u>	<u>\$ 2,601,015</u>	<u>\$ 358,353</u>	<u>\$ 419,755</u>	<u>\$ 471,039</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction										
Regular	\$ 5,964,787	\$ 6,342,308	\$ 6,365,004	\$ 6,625,624	\$ 6,233,798	\$ 6,324,035	\$ 6,893,927	\$ 6,601,760	\$ 7,613,489	\$ 7,910,503
Special education	748,305	649,274	590,167	610,771	578,486	1,106,202	1,039,462	976,196	1,451,427	1,769,666
Other instruction	225,358	214,485	186,423	213,765	135,509	233,416	244,637	267,923	486,388	815,655
Support services										
Tuition	6,610,839	6,939,549	7,412,871	7,471,174	8,180,781	7,177,323	6,541,194	6,500,875	7,137,647	6,880,632
Student & instruction related services	1,380,181	1,510,879	1,518,762	1,494,296	1,377,734	1,697,007	1,713,346	1,753,640	1,813,729	2,047,647
General & business administrative services	664,152	691,863	594,160	584,263	552,999	724,352	628,034	688,811	726,105	765,762
School administration	456,864	466,690	511,007	497,091	505,510	608,888	705,221	746,416	890,623	978,926
Plant operations & maintenance	1,067,988	1,261,993	1,231,186	1,266,575	1,336,289	1,214,530	1,349,828	1,449,282	1,381,404	1,285,345
Pupil transportation	1,238,822	1,223,682	1,253,663	1,114,332	1,071,411	794,567	845,042	942,179	1,060,410	1,203,671
Interest on long-term debt	378,558	394,047	332,991	322,057	308,733	294,224	275,906	259,452	280,325	263,557
Unallocated depreciation	35,641	35,641	35,641	35,641	38,113					
Total governmental activities expenses	<u>18,771,495</u>	<u>19,730,411</u>	<u>20,031,875</u>	<u>20,235,589</u>	<u>20,319,363</u>	<u>20,174,544</u>	<u>20,236,597</u>	<u>20,186,534</u>	<u>22,841,547</u>	<u>23,921,364</u>
Business-type activities										
Food services	235,215	243,387	228,484	226,973	214,089	264,899	223,129	224,059	218,877	203,262
Child care	550	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>235,765</u>	<u>243,387</u>	<u>228,484</u>	<u>226,973</u>	<u>214,089</u>	<u>264,899</u>	<u>223,129</u>	<u>224,059</u>	<u>218,877</u>	<u>203,262</u>
Total district expenses	<u>\$ 19,007,260</u>	<u>\$ 19,973,798</u>	<u>\$ 20,260,359</u>	<u>\$ 20,462,562</u>	<u>\$ 20,533,452</u>	<u>\$ 20,439,443</u>	<u>\$ 20,459,726</u>	<u>\$ 20,410,593</u>	<u>\$ 23,060,424</u>	<u>\$ 24,124,626</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years (Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program revenues										
Governmental activities										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,910	\$ 11,604	\$ 49,706	\$ 68,901	\$ 53,780
Operating grants & contributions	266,089	437,626	337,757	442,837	572,683	518,132	354,663	331,908	304,284	330,790
Capital grants & contributions	-	-	-	79,560	-	(18,167)	-	-	-	-
Total governmental activities program revenues	<u>266,089</u>	<u>437,626</u>	<u>337,757</u>	<u>522,397</u>	<u>572,683</u>	<u>530,875</u>	<u>366,267</u>	<u>381,614</u>	<u>373,185</u>	<u>384,570</u>
Business-type activities										
Charges for services										
Food service	194,787	190,703	180,913	179,558	172,715	161,116	145,633	148,361	142,244	133,924
Child care	-	-	(756)	-	-	-	-	-	-	-
Operating grants & contributions	49,212	53,745	57,520	58,691	57,238	67,529	58,615	66,207	57,792	60,044
Total business-type activities program revenues	<u>243,999</u>	<u>244,448</u>	<u>237,677</u>	<u>238,249</u>	<u>229,953</u>	<u>228,645</u>	<u>204,248</u>	<u>214,568</u>	<u>200,036</u>	<u>193,968</u>
Total district-program revenues	<u>\$ 510,088</u>	<u>\$ 682,074</u>	<u>\$ 575,434</u>	<u>\$ 760,646</u>	<u>\$ 802,636</u>	<u>\$ 759,520</u>	<u>\$ 570,515</u>	<u>\$ 596,182</u>	<u>\$ 573,221</u>	<u>\$ 578,538</u>
Net (expense) revenues										
Governmental activities	\$ (18,505,406)	\$ (19,292,785)	\$ (19,694,118)	\$ (19,713,192)	\$ (19,746,680)	\$ (19,643,669)	\$ (19,870,330)	\$ (19,804,920)	\$ (22,468,362)	\$ (23,536,794)
Business-type activities	8,234	1,061	9,193	11,276	15,864	(36,254)	(18,881)	(9,491)	(18,841)	(9,294)
Total district-wide net expenses	<u>\$ (18,497,172)</u>	<u>\$ (19,291,724)</u>	<u>\$ (19,684,925)</u>	<u>\$ (19,701,916)</u>	<u>\$ (19,730,816)</u>	<u>\$ (19,679,923)</u>	<u>\$ (19,889,211)</u>	<u>\$ (19,814,411)</u>	<u>\$ (22,487,203)</u>	<u>\$ (23,546,088)</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 10,893,399	\$ 11,512,278	\$ 11,514,907	\$ 11,664,104	\$ 11,881,979	\$ 12,119,619	\$ 12,362,011	\$ 12,609,251	\$ 12,919,163	\$ 13,258,492
Taxes levied for debt service	536,217	520,541	400,284	435,573	495,215	530,267	537,321	543,598	536,107	520,240
Unrestricted grants & contributions	7,435,417	7,615,333	7,102,805	7,175,409	6,703,258	7,145,724	7,320,869	7,208,671	9,051,461	9,809,299
Investment earnings	105,954	73,019	14,868	5,226	294	37	35	744	935	1,405
Miscellaneous income	29,582	158,027	127,297	102,209	35,907	40,780	13,176	12,313	40,939	7,775
Special item-loss on disposal of capital assets	-	-	-	-	-	-	(650)	-	-	-
Special item-prior year accounts receivable canceled	-	-	-	-	-	(51,381)	-	-	-	-
Special item-prior year grants receivable canceled	-	-	-	-	-	(38,596)	-	-	-	-
Total governmental activities	<u>19,000,569</u>	<u>19,879,198</u>	<u>19,160,161</u>	<u>19,382,521</u>	<u>19,116,653</u>	<u>19,746,450</u>	<u>20,232,762</u>	<u>20,374,577</u>	<u>22,548,605</u>	<u>23,597,211</u>
Business-type activities										
Miscellaneous	-	-	-	-	-	1,277	-	21	-	-
Special item-loss on disposal of capital assets	-	-	-	-	-	-	(1,333)	-	-	-
Investment earnings	-	-	-	-	-	-	-	-	-	161
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,277</u>	<u>(1,333)</u>	<u>21</u>	<u>-</u>	<u>161</u>
Total district-wide	<u>\$ 19,000,569</u>	<u>\$ 19,879,198</u>	<u>\$ 19,160,161</u>	<u>\$ 19,382,521</u>	<u>\$ 19,116,653</u>	<u>\$ 19,747,727</u>	<u>\$ 20,231,429</u>	<u>\$ 20,374,598</u>	<u>\$ 22,548,605</u>	<u>\$ 23,597,372</u>
Change in net position										
Governmental activities	\$ 495,163	\$ 586,413	\$ (533,957)	\$ (330,671)	\$ (630,027)	\$ 102,781	\$ 362,432	\$ 569,657	\$ 80,243	\$ 60,417
Business-type activities	8,234	1,061	9,193	11,276	15,864	(34,977)	(20,214)	(9,470)	(18,841)	(9,133)
Total district	<u>\$ 503,397</u>	<u>\$ 587,474</u>	<u>\$ (524,764)</u>	<u>\$ (319,395)</u>	<u>\$ (614,163)</u>	<u>\$ 67,804</u>	<u>\$ 342,218</u>	<u>\$ 560,187</u>	<u>\$ 61,402</u>	<u>\$ 51,284</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund										
Restricted	\$ 527,637	\$ 1,029,635	\$ 896,038	\$ 229,614	\$ 5,853	\$ 13,943	\$ 13,943	\$ -	\$ -	\$ -
Committed	239,873	248,843	251,182	251,756	187,956	300,979	601,003	894,835	475,865	337,046
Assigned	404,950	230,397	211,114	456,183	149,832	118,616	2,307	19,553	11,125	8,185
Unassigned	56,120	64,376	(265,609)	(273,842)	(282,808)	(212,534)	(193,505)	(190,015)	(295,902)	(243,610)
Total general fund	<u>\$ 1,228,580</u>	<u>\$ 1,573,251</u>	<u>\$ 1,092,725</u>	<u>\$ 663,711</u>	<u>\$ 60,833</u>	<u>\$ 221,004</u>	<u>\$ 423,748</u>	<u>\$ 724,373</u>	<u>\$ 191,088</u>	<u>\$ 101,621</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	\$ -	\$ -	\$ -	\$ 183,383	\$ 45,815	\$ -	\$ -	\$ 559,129	\$ 2,628,470	\$ 78,711
Assigned, reported in										
Capital projects fund	-	-	-	-	-	-	-	-	135,500	-
Debt service fund	-	3,599	2,517	2,918	2,518	1,411	-	1,107	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ 3,599</u>	<u>\$ 2,517</u>	<u>\$ 186,301</u>	<u>\$ 48,333</u>	<u>\$ 1,411</u>	<u>\$ -</u>	<u>\$ 560,236</u>	<u>\$ 2,763,970</u>	<u>\$ 78,711</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax levy	\$ 11,429,616	\$ 12,032,819	\$ 11,915,191	\$ 12,099,677	\$ 12,377,194	\$ 12,649,886	\$ 12,899,332	\$ 13,152,849	\$ 13,455,270	\$ 13,778,732
Tuition charges	-	-	-	-	-	-	-	-	-	1,795
Miscellaneous	152,523	645,651	145,792	111,751	42,269	70,552	22,090	63,424	105,754	63,119
State sources	7,437,959	7,621,231	7,104,958	6,301,834	6,610,245	7,019,650	7,320,869	7,208,671	7,394,979	7,548,963
State sources - capital projects	-	-	-	79,560	-	(18,187)	-	-	-	-
Federal sources	246,560	427,123	331,977	1,312,096	659,629	638,253	351,784	325,266	294,790	327,732
Total revenues	19,266,658	20,726,824	19,497,918	19,904,918	19,689,337	20,360,154	20,594,075	20,750,210	21,250,793	21,720,341
Expenditures										
Instruction										
Regular instruction	4,216,672	4,500,664	4,723,609	4,708,436	4,270,924	4,304,285	4,530,462	4,502,409	4,277,595	4,144,829
Special education instruction	617,157	540,467	494,767	508,255	487,624	698,902	623,344	616,111	778,883	917,848
Other special instruction	185,862	178,541	156,288	177,885	107,736	123,611	129,656	131,565	228,042	353,422
Other instruction	-	-	-	-	6,489	8,135	6,100	24,053	19,603	22,808
Support services										
Tuition	5,452,225	5,776,605	6,214,590	6,217,157	6,895,835	6,854,550	6,257,235	6,245,487	6,908,970	6,638,390
Student & inst related services	1,136,614	1,171,350	1,146,349	1,202,051	1,134,397	1,092,782	1,139,792	1,198,637	1,208,427	1,259,426
General administration	370,947	383,058	306,593	294,378	280,473	329,984	290,952	336,117	333,901	339,001
School administration services	376,794	388,481	428,403	413,656	426,110	413,653	461,358	493,329	501,305	510,020
Central services	169,718	174,122	179,914	185,318	178,800	189,179	195,465	205,729	206,559	223,126
Administrative information technology	7,088	18,739	11,608	6,500	6,867	8,051	8,177	9,833	7,861	9,698
Plant operations & maintenance	878,278	1,050,506	1,032,166	1,053,984	1,126,400	987,553	1,130,844	1,209,408	1,133,241	1,160,555
Pupil transportation	1,021,706	1,018,615	1,051,010	927,294	903,126	789,669	831,961	941,844	1,058,610	1,203,671
Employee benefits	2,052,269	2,053,058	2,221,652	2,383,886	2,159,731	2,053,322	2,160,686	2,275,114	2,348,499	2,436,076
On-behalf TPAF pension & Social Security contribution	1,085,179	1,088,839	842,725	862,565	837,080	983,157	1,265,913	1,068,741	1,217,888	1,379,896
Transfer to charter schools	79,848	78,270	114,161	90,000	140,250	84,784	60,215	56,950	63,736	22,811
Capital outlay	149,065	279,930	145,634	32,529	92,940	-	220,434	70,322	26,109	22,084
Capital projects	-	-	-	15,517	137,568	-	-	22,670	783,008	2,724,864
Special revenue funds	266,089	437,626	337,757	442,837	572,683	518,132	354,663	331,908	304,284	330,790
Debt service										
Principal	380,000	830,000	235,000	300,000	350,000	415,000	440,000	465,000	530,000	574,728
Interest & other charges	386,649	409,683	337,300	327,900	315,150	301,832	285,485	265,911	243,823	221,024
Total expenditures	18,832,160	20,378,554	19,979,526	20,150,148	20,430,183	20,156,581	20,392,742	20,471,138	22,180,344	24,495,067

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Excess (deficiency) of revenues over (under) expenditures	\$ 434,498	\$ 348,270	\$ (481,608)	\$ (245,230)	\$ (740,846)	\$ 203,573	\$ 201,333	\$ 279,072	\$ (929,551)	\$ (2,774,726)
Other financing sources (uses)										
Prior year accounts receivable canceled	-	-	-	-	-	(51,381)	-	-	-	-
Prior year grant receivable canceled	-	-	-	-	-	(38,596)	-	-	-	-
Lease purchase proceeds	-	-	-	-	-	-	-	581,789	2,600,000	-
Total other financing sources (uses)	-	-	-	-	-	(89,977)	-	581,789	2,600,000	-
Net change in fund balances	\$ 434,498	\$ 348,270	\$ (481,608)	\$ (245,230)	\$ (740,846)	\$ 113,596	\$ 201,333	\$ 860,861	\$ 1,670,449	\$ (2,774,726)
Debt service as a percentage of non-capital expenditures	4.28%	6.57%	2.97%	3.22%	3.40%	3.69%	3.73%	3.72%	3.76%	3.80%

Source: District records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects and debt service.

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Local Tax Levy by Constituent District
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal year ended June 30,</u>	<u>Township of Independence</u>	<u>Township of Liberty</u>	<u>Totals</u>
2007	\$ 7,170,597	\$ 4,259,019	\$ 11,429,616
2008	7,401,041	4,631,778	12,032,819
2009	7,398,483	4,516,708	11,915,191
2010	7,472,585	4,627,092	12,099,677
2011	7,675,912	4,701,282	12,377,194
2012	7,827,349	4,822,537	12,649,886
2013	8,018,233	4,881,099	12,899,332
2014	8,266,020	4,886,829	13,152,849
2015	8,520,575	4,934,695	13,455,270
2016	8,932,297	4,846,435	13,778,732

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Interest income	\$ 94,543	\$ 64,049	\$ 14,868	\$ 1,226	\$ 294	\$ 37	\$ 35	\$ 734	\$ 844	\$ 1,405
Tuition	-	-	95,743	3,272	-	-	-	-	-	1,795
Prior year refunds	5,344	6,703	12,983	65,798	19,741	11,471	6,019	3,692	12,316	2,510
Prior year accounts payable canceled	-	-	-	-	-	5,596	1,019	8,114	2,641	-
Prior year outstanding checks canceled	-	-	-	-	-	5,889	-	-	6,623	-
Grants/Donations	-	-	-	-	-	-	5,300	-	7,971	-
Building use fees	21,718	27,930	17,900	18,960	14,265	23,762	6,000	43,725	53,995	50,673
Local government energy audit program	-	-	-	-	-	13,625	-	-	-	-
E-Rate rebates	-	-	-	-	-	-	-	-	11,092	-
Book fines	-	-	-	-	-	305	6	205	291	208
Miscellaneous	2,520	34,348	671	14,179	1,901	2,083	125	302	296	5,265
Annual totals	\$ 124,125	\$ 133,030	\$ 142,165	\$ 103,435	\$ 36,201	\$ 62,768	\$ 18,504	\$ 56,772	\$ 96,069	\$ 61,856

Source: District records

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
All Constituent Districts
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Vacant land	\$ 20,066,800	\$ 20,218,660	\$ 19,413,700	\$ 19,332,800	\$ 19,113,800	\$ 18,597,300	\$ 17,876,500	\$ 13,211,100	\$ 12,883,600	\$ 11,921,300
Residential	823,569,500	828,213,700	833,494,500	834,269,500	837,270,000	833,245,800	828,498,100	660,238,600	660,580,300	661,887,900
Farm regular	51,214,700	52,248,300	53,753,400	54,209,800	52,998,200	54,572,200	53,342,400	44,767,900	44,274,300	43,811,800
Q farm	2,812,044	2,801,633	2,797,334	2,821,419	2,783,545	2,808,273	2,780,610	2,700,400	2,594,900	2,611,500
Commercial	35,175,200	37,101,400	37,112,500	37,153,200	36,283,000	36,900,400	36,352,300	31,201,100	31,196,800	30,986,700
Industrial	3,861,200	3,861,200	3,861,200	3,861,200	3,861,200	3,861,200	3,861,200	2,413,500	2,413,500	2,413,500
Apartment	16,220,400	15,873,100	15,873,100	15,873,100	15,873,100	15,873,100	15,873,100	15,470,400	15,470,400	15,470,400
Total assessed value	952,919,844	960,317,993	966,305,734	967,521,019	968,182,845	965,858,273	958,584,210	770,003,000	769,413,800	769,103,100
Public utilities (a)	2,207,737	2,058,489	1,882,266	2,122,818	2,108,017	2,142,576	593,543	406,852	-	-
Net valuation taxable	\$ 955,127,581	\$ 962,376,482	\$ 968,188,000	\$ 969,643,837	\$ 970,290,862	\$ 968,000,849	\$ 959,177,753	\$ 770,409,852	\$ 769,413,800	\$ 769,103,100
Estimated actual county equalized value	\$ 1,073,220,620	\$ 1,139,924,969	\$ 1,116,630,470	\$ 1,053,459,199	\$ 1,008,668,990	\$ 964,897,334	\$ 884,947,944	\$ 800,770,196	\$ 815,789,959	\$ 835,486,916
Percentage of net valuation to estimated actual equalized value	89.00%	84.42%	86.71%	92.04%	96.20%	100.32%	108.39%	96.21%	94.32%	92.05%
Regional school tax rate by constituent district										
Independence Township	\$ 1.08	\$ 1.07	\$ 1.07	\$ 1.10	\$ 1.12	\$ 1.15	\$ 1.20	\$ 1.70	\$ 1.79	\$ 1.82
Liberty Township	\$ 1.74	\$ 1.67	\$ 1.71	\$ 1.73	\$ 1.79	\$ 1.79	\$ 1.80	\$ 1.83	\$ 1.80	\$ 1.91

Source: Municipal tax assessor

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

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies
- (b) Tax rates are per \$100

See independent auditors' report.

* Revalued/Reassessed

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Township of Independence
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Vacant land	\$ 13,043,100	\$ 13,292,260	\$ 12,669,300	\$ 12,659,900	\$ 12,709,200	\$ 12,211,100	\$ 11,240,300	\$ 7,238,900	\$ 7,086,400	\$ 6,480,400
Residential	595,614,900	598,075,100	603,000,600	602,981,100	604,215,100	600,488,000	595,375,400	427,583,300	428,317,600	428,718,500
Farm regular	27,898,000	27,881,900	28,542,600	28,508,300	28,169,600	29,908,200	29,659,700	21,344,100	20,818,200	20,930,400
Q farm	2,082,644	2,078,833	2,082,234	2,082,219	2,079,945	2,104,673	2,101,410	2,020,900	1,934,500	1,949,200
Commercial	28,206,800	30,133,000	30,144,100	30,184,800	29,412,600	30,030,000	29,700,500	24,811,900	24,807,600	24,597,500
Industrial	3,861,200	3,861,200	3,861,200	3,861,200	3,861,200	3,861,200	3,861,200	2,413,500	2,413,500	2,413,500
Apartment	15,911,600	15,564,300	15,564,300	15,564,300	15,564,300	15,564,300	15,564,300	15,161,600	15,161,600	15,161,600
Total assessed value	686,618,244	690,886,593	695,864,334	695,841,819	696,011,945	694,167,473	687,502,810	500,574,200	500,539,400	500,251,100
Public utilities (a)	1,453,766	1,480,132	1,409,604	1,497,259	1,388,202	1,341,402	593,543	406,852	-	-
Net valuation taxable	\$ 688,072,010	\$ 692,366,725	\$ 697,273,938	\$ 697,339,078	\$ 697,400,147	\$ 695,508,875	\$ 688,096,353	\$ 500,981,052	\$ 500,539,400	\$ 500,251,100
Estimated actual county equalized value	\$ 728,072,001	\$ 762,110,820	\$ 749,193,014	\$ 707,455,694	\$ 678,772,090	\$ 652,835,980	\$ 602,188,582	\$ 535,923,248	\$ 558,887,226	\$ 561,260,070
Percentage of net valuation to estimated actual equalized value	94.51%	90.85%	93.07%	98.57%	102.74%	106.54%	114.27%	93.48%	89.56%	89.13%
Total direct school tax rate (b)	\$ 1.08	\$ 1.07	\$ 1.07	\$ 1.10	\$ 1.12	\$ 1.15	\$ 1.20	\$ 1.70	\$ 1.79	\$ 1.82

*

Source: Municipal tax assessor

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

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies
- (b) Tax rates are per \$100

* Revalued/Reassessed

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Township of Liberty
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Vacant land	\$ 7,023,700	\$ 6,926,400	\$ 6,744,400	\$ 6,672,900	\$ 6,404,600	\$ 6,386,200	\$ 6,636,200	\$ 5,972,200	\$ 5,797,200	\$ 5,440,900
Residential	227,954,600	230,138,600	230,493,900	231,288,400	233,054,900	232,757,800	233,122,700	232,655,300	232,262,700	233,169,400
Farm regular	23,316,700	24,366,400	25,210,800	25,701,500	24,828,600	24,664,000	23,682,700	23,423,800	23,456,100	22,881,400
Q farm	729,400	722,800	715,100	739,200	703,600	703,600	679,200	679,500	660,400	662,300
Commercial	6,968,400	6,968,400	6,968,400	6,968,400	6,870,400	6,870,400	6,651,800	6,389,200	6,389,200	6,389,200
Industrial	-	-	-	-	-	-	-	-	-	-
Apartment	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800
Total assessed value	266,301,600	269,431,400	270,441,400	271,679,200	272,170,900	271,690,800	271,081,400	269,428,800	268,874,400	268,852,000
Public utilities (a)	753,971	578,357	472,662	625,559	719,815	801,174	-	-	-	-
Net valuation taxable	\$ 267,055,571	\$ 270,009,757	\$ 270,914,062	\$ 272,304,759	\$ 272,890,715	\$ 272,491,974	\$ 271,081,400	\$ 269,428,800	\$ 268,874,400	\$ 268,852,000
Estimated actual county equalized value	\$ 345,148,619	\$ 377,814,149	\$ 367,437,456	\$ 346,003,505	\$ 329,896,900	\$ 312,061,354	\$ 282,759,362	\$ 264,846,948	\$ 256,902,733	\$ 274,226,846
Percentage of net valuation to estimated actual equalized value	77.37%	71.47%	73.73%	78.70%	82.72%	87.32%	95.87%	101.73%	104.66%	98.04%
Total direct school tax rate (b)	\$ 1.74	\$ 1.67	\$ 1.71	\$ 1.73	\$ 1.79	\$ 1.79	\$ 1.80	\$ 1.83	\$ 1.80	\$ 1.91

Source: Municipal tax assessor

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

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies
- (b) Tax rates are per \$100

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates by Constituent District
Township of Independence
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate				Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)		Municipality	County	
			Total Direct School Tax Rate				
2007	\$ 1.03	\$ 0.05	\$ 1.08	\$ 0.22	\$ 0.64	\$ 1.94	
2008	1.03	0.04	1.07	0.24	0.67	1.98	
2009	1.03	0.04	1.07	0.25	0.66	1.98	
2010	1.06	0.04	1.10	0.26	0.63	1.99	
2011	1.07	0.05	1.12	0.28	0.62	2.02	
2012	1.10	0.05	1.15	0.31	0.64	2.10	
2013	1.15	0.05	1.20	0.35	0.62	2.17	
2014	* 1.63	0.07	1.70	0.50	0.83	3.03	
2015	1.72	0.07	1.79	0.51	0.87	3.17	
2016	1.75	0.07	1.82	0.54	0.86	3.22	

Sources: Municipal tax collector

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

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

* Revalued/Reassessed

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates by Constituent District
Township of Liberty
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate			Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Municipality	County	
2007	\$ 1.66	\$ 0.08	\$ 1.74	\$ 0.32	\$ 0.79	\$ 2.85
2008	1.62	0.05	1.67	0.26	0.93	2.86
2009	1.65	0.06	1.71	0.32	0.85	2.88
2010	1.66	0.07	1.73	0.34	0.78	2.85
2011	1.71	0.08	1.79	0.34	0.77	2.90
2012	1.72	0.07	1.79	0.34	0.75	2.88
2013	1.73	0.07	1.80	0.34	0.75	2.89
2014	1.76	0.07	1.83	0.34	0.76	2.93
2015	1.73	0.07	1.80	0.33	0.75	2.88
2016	1.84	0.07	1.91	0.33	0.78	3.02

Sources: Municipal tax collector

NOTE: NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other

(a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.

(b) Rates for debt service are based on each year's requirements.

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Principal Property Taxpayers by Constituent District
Township of Independence
Current Year and Eight Years Prior**

	2016			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Towpath Associates LLC	\$ 12,542,900	1	2.51%	\$ 12,100,000	1	1.75%
Extra Space Properties Eighty LLC	4,664,000	2	0.93%	-	-	-
Axar Properties LLC C/O Cervelli	3,854,800	3	0.77%	4,024,000	4	0.58%
Saloga, LP	1,688,000	4	0.34%	1,898,200	7	0.27%
NUJA Realty Corp. C/O Di Carlo Jr	1,396,600	5	0.28%	1,849,100	8	0.27%
Individual Tax Payer #1	1,284,500	6	0.26%	1,210,200	10	0.17%
Individual Tax Payer #2	1,280,500	7	0.26%	-	-	-
Individual Tax Payer #3	1,215,100	8	0.24%	-	-	-
Great Northern Buck Hill LLC	1,029,100	9	0.21%	-	-	-
SMM Independence LLC	937,500	10	0.19%	-	-	-
Great Meadows Regional BOE	-	-	-	10,269,700	2	1.48%
RAIA Self Storage	-	-	-	4,900,000	3	0.71%
Liberty House Partnership	-	-	-	2,663,400	5	0.38%
Easter Seal Society	-	-	-	2,535,300	6	0.37%
Sts Peter & Paul RCC	-	-	-	1,458,900	9	0.21%
	<u>\$ 29,893,001</u>		<u>5.98%</u>	<u>\$ 42,908,800</u>		<u>6.20%</u>

Source: Municipal tax assessor

See independent auditors' report.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Principal Property Taxpayers by Constituent District
Township of Liberty
Current Year and Eight Years Prior**

	2016			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Individual Property Owner #1	\$ 1,054,600	1	0.39%	\$ 1,148,300	2
Individual Property Owner #2	647,900	2	0.24%	717,600	6	0.26%
Individual Property Owner #3	566,400	3	0.21%	672,200	7	0.25%
Individual Property Owner #4	566,300	4	0.21%	664,200	8	0.24%
Individual Property Owner #5	560,300	5	0.21%	641,300	9	0.24%
Individual Property Owner #6	540,000	6	0.20%	619,800	10	0.23%
Individual Property Owner #7	537,800	7	0.20%	-	-	-
Individual Property Owner #8	528,200	8	0.20%	-	-	-
Individual Property Owner #9	525,300	9	0.20%	-	-	-
Topp Orange LLC	504,500	10	0.19%	1,027,600	4	0.38%
Pryslak Farms	-	-	-	1,528,000	1	0.57%
Wooded Valley Estates II LLC	-	-	-	1,095,100	3	0.41%
John E. Rogers Inc.	-	-	-	815,000	5	0.30%
	<u>\$ 6,031,300</u>		<u>2.24%</u>	<u>\$ 8,929,100</u>		<u>3.31%</u>

Source: Municipal tax assessor

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Property Tax Levies and Collections
Township of Independence
Last Ten Years

Year Ending December 31,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2006	\$ 12,772,912	\$ 12,495,861	97.83%
2007	13,365,608	13,052,364	97.66%
2008	13,786,448	13,438,127	97.47%
2009	13,807,878	13,365,378	96.80%
2010	13,887,250	13,515,243	97.32%
2011	14,126,483	13,705,983	97.02%
2012	14,590,943	14,104,238	96.66%
2013	14,945,825	14,401,942	96.36%
2014	15,177,420	14,852,680	97.86%
2015	15,867,036	15,525,714	97.85%

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Property Tax Levies and Collections
Township of Liberty
Last Ten Years

Year Ending December 31,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2006	\$ 7,189,320	\$ 6,784,131	94.36%
2007	7,722,621	7,343,868	95.10%
2008	7,753,729	7,302,646	94.18%
2009	7,921,724	7,535,575	95.13%
2010	7,763,076	7,440,263	95.84%
2011	7,921,724	7,535,575	95.13%
2012	7,860,671	7,559,089	96.16%
2013	7,827,459	7,526,183	96.15%
2014	7,889,096	7,580,741	96.09%
2015	7,755,347	7,504,011	96.76%

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

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2007	\$ 8,320,000	\$ -	\$ -	\$ -	\$ -	\$ 8,320,000	2.38%	\$ 967	
2008	7,900,000	-	-	-	-	7,900,000	2.19%	917	
2009	7,665,000	-	-	-	-	7,665,000	2.03%	892	
2010	7,365,000	-	-	-	-	7,365,000	2.01%	857	
2011	7,015,000	-	-	-	-	7,015,000	1.89%	821	
2012	6,600,000	-	-	-	-	6,600,000	1.72%	779	
2013	6,160,000	-	-	-	-	6,160,000	1.57%	734	
2014	5,695,000	-	581,789	-	-	6,276,789	1.61%	748	
2015	5,215,000	-	3,131,789	-	-	8,346,789	2.05%	996	
2016	4,735,000	-	2,931,208	-	-	7,666,208	N/A	915	

NOTES: (1) Details regarding the District's outstanding debt can be found in the notes to the financial statements.

- (a) See Exhibit J-15 for personal income and population data.
 These ratios are calculated using personal income and population for the prior calendar year.

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	\$ 8,320,000	\$ -	\$ 8,320,000	0.87%	\$ 967
2008	7,900,000	-	7,900,000	0.82%	917
2009	7,665,000	-	7,665,000	0.79%	892
2010	7,365,000	-	7,365,000	0.76%	857
2011	7,015,000	-	7,015,000	0.72%	821
2012	6,600,000	-	6,600,000	0.68%	779
2013	6,160,000	-	6,160,000	0.64%	734
2014	5,695,000	-	5,695,000	0.74%	679
2015	5,215,000	-	5,215,000	0.68%	622
2016	4,735,000	-	4,735,000	0.62%	565

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

- (a) See Exhibit NJ J-7 for property tax data.
- (b) Population data can be found in Exhibit J-15.

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
Township of Independence
As of December 31, 2015

Governmental unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Municipality	\$ 1,925,000	100.00	\$ 1,925,000
County general obligation debt	10,062,516	5.28	<u>531,450</u>
Subtotal, overlapping debt			2,456,450
School district direct debt	5,215,000	67.91	<u>3,541,372</u>
Total direct and overlapping debt			<u><u>\$ 5,997,822</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the county Board of Taxation. Debt outstanding data provided by each governmental unit.

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

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

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
Township of Liberty
As of December 31, 2015

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Governmental unit			
Debt repaid with property taxes			
Municipality	\$ -	100.00	\$ -
County general obligation debt	10,062,516	2.50	<u>251,160</u>
Subtotal, overlapping debt			251,160
School district direct debt	5,215,000	32.09	<u>1,673,628</u>
Total direct and overlapping debt			<u><u>\$ 1,924,787</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the county Board of Taxation. Debt outstanding data provided by each governmental unit.

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

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

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal debt margin calculation for fiscal year 2016

	Equalized valuation basis
	2015 \$ 835,833,224
	2014 816,358,531
	2013 834,843,476
	\$ 2,487,035,231
Average equalized valuation of taxable property	\$ 829,011,744
Debt limit (4.0% of average equalization value)	\$ 33,160,470
Total net debt applicable to limit	4,735,000
Legal debt margin	\$ 28,425,470

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt limit	\$ 40,268,871	\$ 38,151,891	\$ 35,874,463	\$ 33,893,652	\$ 33,160,470
Total net debt applicable	6,600,000	6,160,000	5,695,000	5,215,000	4,735,000
Legal debt margin	\$ 33,668,871	\$ 31,991,891	\$ 30,179,463	\$ 28,678,652	\$ 28,425,470
Total net debt applicable to the limit as a percentage of debt limit	16.39%	16.15%	15.87%	15.39%	14.28%

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt limit	\$ 38,082,775	\$ 41,996,647	\$ 43,988,944	\$ 43,780,841	\$ 42,167,472
Total net debt applicable	8,320,000	7,900,000	7,665,000	7,365,000	7,015,000
Legal debt margin	\$ 29,762,775	\$ 34,096,647	\$ 36,323,944	\$ 36,415,841	\$ 35,152,472
Total net debt applicable to the limit as a percentage of debt limit	21.85%	18.81%	17.42%	16.82%	16.64%

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

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

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Township of Independence Population (a)	Township of Liberty Population (a)	Township of Independence Personal Income (b)	Township of Liberty Personal Income (b)	Per Capita Personal Income (c)	Township of Independence Unemployment Rate (d)	Township of Liberty Unemployment Rate (d)
2007	5,678	2,922	\$ 238,033,116	\$ 122,496,084	\$ 41,922	1.3%	4.5%
2008	5,696	2,923	249,809,472	128,194,011	43,857	1.8%	5.9%
2009	5,682	2,911	242,581,626	124,279,323	42,693	3.3%	10.5%
2010	5,653	2,937	244,136,111	126,840,219	43,187	3.4%	10.8%
2011	5,617	2,923	252,298,789	131,292,391	44,917	3.1%	10.0%
2012	5,577	2,895	257,501,244	133,667,940	46,172	3.0%	9.7%
2013	5,527	2,861	256,977,865	133,022,195	46,495	5.6%	6.9%
2014	5,530	2,857	269,006,850	138,978,765	48,645	6.1%	6.3%
2015	5,527	2,851	N/A	N/A	N/A	5.1%	5.7%
2016	5,527	2,851	N/A	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (c) Per capita personal income by county estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago

2016

Employer	Employees	Rank	Percentage of Total Municipal Employment
----------	-----------	------	--

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2007

Employer	Employees	Rank	Percentage of Total Municipal Employment
----------	-----------	------	--

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function/Program										
Instruction										
Regular	77.0	77.0	77.0	77.0	71.0	65.6	65.6	65.6	65.6	65.6
Special education	23.0	23.0	23.0	23.0	20.0	17.6	17.6	17.6	14.6	14.6
Support services										
Student and instruction related services	22.0	22.0	21.0	21.0	20.0	17.6	23.0	23.0	23.0	23.0
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administration services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0
Other administration services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Central services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Plant operations and maintenance	13.0	13.0	13.0	13.0	12.0	3.0	12.0	12.0	11.0	11.0
Pupil transportation	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-	-
Total	<u>148.0</u>	<u>148.0</u>	<u>147.0</u>	<u>147.0</u>	<u>136.0</u>	<u>125.8</u>	<u>130.2</u>	<u>131.2</u>	<u>127.2</u>	<u>127.2</u>

Source: District personnel records

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2007	1,018	\$ 17,916,446	\$ 17,600	1.67%	86	3 to 12	1,005.0	960.0	1.62%	95.52%
2008	956	18,858,941	19,727	12.09%	86	3 to 12	955.0	914.0	-4.98%	95.71%
2009	961	19,261,592	20,043	1.60%	86	1 to 11	951.0	912.0	-0.42%	95.90%
2010	962	19,474,202	20,243	1.00%	86	1 to 11	930.0	892.0	-2.21%	95.91%
2011	904	19,534,525	21,609	6.75%	81	1 to 11	888.0	847.0	-4.52%	95.38%
2012	873	19,439,749	22,268	3.05%	85	1 to 10	870.7	833.3	-1.95%	95.70%
2013	851	19,446,823	22,852	2.62%	85	1 to 10	846.1	809.9	-2.83%	95.72%
2014	811	19,647,235	24,226	6.01%	85	1 to 10	803.1	769.7	-5.08%	95.84%
2015	760	20,597,404	27,102	11.87%	85	1 to 10	754.9	723.8	-6.01%	95.89%
2016	714	20,952,367	29,345	8.28%	85	1 to 10	711.0	683.4	-5.82%	96.12%

Source: District records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary (SRS).

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Elementary										
Liberty School (1972)										
Square feet	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769
Capacity (students)	296	296	296	296	296	296	296	296	296	296
Enrollment	274	243	241	232	297	313	294	287	262	240
Central School (1918)										
Square feet	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559
Capacity (students)	438	438	438	438	438	438	438	438	438	438
Enrollment	377	390	393	396	277	247	233	229	200	199
Middle										
Great Meadows Middle School (1998)										
Square feet	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488
Capacity (students)	564	564	564	564	564	564	564	564	564	564
Enrollment	368	323	327	334	330	313	322	296	297	279
Number of Schools at June 30, 2016										
Elementary = 2										
Middle = 1										

Source: District facilities office

N/A = Not available

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

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years

Undistributed expenditures - Required maintenance for school facilities

Fiscal Year Ending	School Facilities			Total
	Liberty Township School	Independence Central School	Great Meadows Middle School	
2007	\$ 42,427	\$ 61,821	\$ 68,921	\$ 173,169
2008	49,394	71,974	80,240	201,608
2009	43,929	64,011	71,362	179,302
2010	46,866	68,290	76,133	191,289
2011	47,117	68,656	76,541	192,314
2012	64,003	56,370	93,334	213,707
2013	88,513	82,517	74,093	245,123
2014	58,306	51,767	111,719	221,792
2015	48,322	70,541	68,444	187,307
2016	53,500	47,292	65,675	166,467
Total school facilities	<u>\$ 542,377</u>	<u>\$ 643,239</u>	<u>\$ 786,462</u>	<u>\$ 1,972,078</u>

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

Source: District records

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Insurance Schedule
June 30, 2016
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy - NJ Schools Insurance Group:		
Property Coverage's		
Blanket building and contents (fund limit)	\$ 450,000,000	\$ 5,000
Accounts receivable	250,000	5,000
Automobile physical damage	In Blanket Limit	1,000
Electronic data processing equipment	475,000	1,000
Liability Coverage's		
Comprehensive general liability	11,000,000	-
Automobile liability	11,000,000	-
Employee benefits liability	11,000,000	1,000
Crime Coverage's		
Blanket employee dishonesty	100,000	500
Forgery	50,000	500
Theft/Disappearance/Destruction		
Inside the premises	50,000	500
Outside the premises	50,000	500
School Board Legal Liability - NJ Schools Insurance Group		
Directors and officers policy	11,000,000	5,000
Workers Compensation - NJ Schools Insurance Group		
Employers liability	5,000,000	-
Environmental Impairment Liability-NJ Schools Insurance Group (Through Zurich Insurance Company)		
Incident Limit	1,000,000	10,000
Aggregate Limit	25,000,000	-
Public Employees' Faithful Performance - Selective Insurance:		
Treasurer of School Monies	210,000	-
Public Employees' Faithful Performance - RLI Insurance Company		
School Board Secretary/Business Administrator	30,000	-

Source: District Records

See independent auditors' report.



Bedard, Kurowicki & Co.
Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Honorable President and
Members of the Board of Education
Great Meadows Regional School District
County of Warren, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Great Meadows Regional School District, County of Warren, the State of New Jersey, (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 9, 2016.

Internal Control over Financial Reporting

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

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

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC


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

December 9, 2016
Flemington, New Jersey



Bedard, Kurowicki & Co.
Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by The Uniform Guidance and New Jersey OMB Circular Letter 15-08

Honorable President and
Members of the Board of Education
Great Meadows Regional School District
County of Warren, New Jersey

Report on Compliance for Each Major Federal Program and State Program

We have audited the Great Meadows Regional School District's (the District), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the New Jersey OMB Circular Letter 15-08 that could have a direct and material effect on each of the District's major federal and New Jersey programs for the year ended June 30, 2016. Great Meadows Regional School District's major federal 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major Federal and New Jersey programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08. Those standards, the Uniform Guidance and OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Great Meadows Regional 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 New Jersey programs for the year ended June 30, 2016.

Report on Internal Control over Compliance


Management of the Great Meadows Regional 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 District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Great Meadows Regional 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 program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC


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

December 9, 2016
Flemington, New Jersey

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards - Schedule A
For the Fiscal Year Ended June 30, 2016

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant		Balance 06/30/15	Carryover Amount	Cash Received	Budgetary Expenditure	Adjust- ment	Repayment of Prior Year Balance	Balance June 30, 2016				
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor		
U.S. Department of Education passed through State Department of Education																	
Special revenue fund																	
NCLB Title I A	84.010A	S010S150030	NCLB-1785-14	\$ 42,022	07/01/13	06/30/14	\$ (6,389)	\$ -	\$ 6,389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
NCLB Title I A	84.010A	S010S150030	NCLB-1785-15	43,784	07/01/14	06/30/15	(43,784)	-	43,784	-	-	-	-	-	-		
NCLB Title I A	84.010A	S010S150030	NCLB-1785-16	80,954	07/01/15	06/30/16	-	-	27,800	79,884	-	-	(52,084)	-	-		
NCLB Title II A	84.367A	S367A150029	NCLB-1785-14	21,578	07/01/13	06/30/14	(894)	-	894	-	-	-	-	-	-		
NCLB Title II A carryover	84.367A	S367A150029	NCLB-1785-14	21,578	07/01/14	06/30/15	1,000	-	-	1,000	-	-	-	-	-		
NCLB Title II A	84.367A	S367A150029	NCLB-1785-15	21,579	07/01/14	06/30/15	(21,358)	-	21,579	221	-	-	-	-	-		
NCLB Title II A	84.367A	S367A150029	NCLB-1785-16	21,535	07/01/15	06/30/16	-	-	9,234	20,106	-	-	(10,872)	-	-		
IDEA basic	84.027	H027A150100	IDEA-1785-15	217,948	07/01/14	06/30/15	(138,485)	-	138,485	-	-	-	-	-	-		
IDEA basic	84.027	H027A150100	IDEA-1785-16	216,693	07/01/15	06/30/16	-	-	52,622	214,359	-	-	(161,737)	-	-		
IDEA preschool	84.173	H173S150114	IDEA-1785-15	4,970	07/01/14	06/30/15	(4,970)	-	4,970	-	-	-	-	-	-		
IDEA preschool	84.173	H173S150114	IDEA-2600-16	5,072	07/01/15	06/30/16	-	-	5,072	5,072	-	-	-	-	-		
Race to the top phase 3 (RTT3)	84.413A	S413A120008	N/A	3,487	09/01/11	11/30/15	-	-	-	315	-	-	(315)	-	-		
Total special revenue fund							<u>(214,880)</u>	<u>-</u>	<u>310,829</u>	<u>320,957</u>	<u>-</u>	<u>-</u>	<u>(225,008)</u>	<u>-</u>	<u>-</u>		
U.S. Department of Agriculture passed through State Department of Agriculture																	
Enterprise fund																	
Child nutrition center																	
National school lunch program non-cash assistance (commodities)	10.555	1616NJ304N1099	N/A	14,001	07/01/14	06/30/15	2,818	-	-	2,818	-	-	-	-	-		
National school lunch program non-cash assistance (commodities)	10.555	1616NJ304N1099	N/A	16,112	07/01/15	06/30/16	-	-	16,112	11,896	-	-	-	4,216	-		
National school lunch program cash assistance	10.555	1616NJ304N1099	N/A	42,720	07/01/14	06/30/15	(3,235)	-	3,235	-	-	-	-	-	-		
National school lunch program cash assistance	10.555	1616NJ304N1099	N/A	43,375	07/01/15	06/30/16	-	-	40,972	43,375	-	-	(2,403)	-	-		
Total enterprise fund							<u>(417)</u>	<u>-</u>	<u>60,319</u>	<u>58,089</u>	<u>-</u>	<u>-</u>	<u>(2,403)</u>	<u>4,216</u>	<u>-</u>		
Total Federal financial assistance							<u>\$ (215,297)</u>	<u>\$ -</u>	<u>\$ 371,148</u>	<u>\$ 379,046</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (227,411)</u>	<u>\$ 4,216</u>	<u>\$ -</u>		

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B
For the Fiscal Year Ended June 30, 2016

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2015		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2016			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General fund														
Transportation aid	16-495-034-5120-014	\$ 309,702	07/01/15	06/30/16	\$ -	\$ -	\$ 279,207	\$ 309,702	\$ -	\$ -	\$ -	\$ -	\$ 30,495	\$ 309,702
Equalization aid	16-495-034-5120-078	4,672,930	07/01/15	06/30/16	-	-	4,212,810	4,672,930	-	-	-	-	460,120	4,672,930
Special education aid	16-495-034-5120-089	763,471	07/01/15	06/30/16	-	-	753,109	763,471	-	-	-	-	10,362	763,471
Security aid	16-495-034-5120-084	105,232	07/01/15	06/30/16	-	-	30,057	105,232	-	-	-	-	75,175	105,232
Adjustment aid	16-495-034-5120-085	32,369	07/01/15	06/30/16	-	-	29,182	32,369	-	-	-	-	3,187	32,369
PARCC readiness aid	16-495-034-5120-098	11,800	07/01/15	06/30/16	-	-	10,638	11,800	-	-	-	-	1,162	11,800
Per pupil growth aid	16-495-034-5120-097	11,800	07/01/15	06/30/16	-	-	10,638	11,800	-	-	-	-	1,162	11,800
Extraordinary special education costs aid	16-495-034-5120-044	74,410	07/01/15	06/30/16	-	-	-	74,410	-	(74,410)	-	-	-	74,410
Extraordinary special education costs aid	15-495-034-5120-044	56,437	07/01/14	06/30/15	(56,437)	-	56,437	-	-	-	-	-	-	56,437
Non-public transportation aid	16-495-034-5120-014	15,299	07/01/15	06/30/16	-	-	-	15,299	-	(15,299)	-	-	-	15,299
Non-public transportation aid	15-495-034-5120-014	17,780	07/01/14	06/30/15	(17,780)	-	17,780	-	-	-	-	-	-	17,780
On behalf TPAF pension contribution - Post retirement medical	16-495-034-5094-001	535,145	07/01/15	06/30/16	-	-	535,145	535,145	-	-	-	-	-	535,145
On behalf TPAF pension contribution - Non-contributory insurance	16-495-034-5094-004	21,325	07/01/15	06/30/16	-	-	21,325	21,325	-	-	-	-	-	21,325
On behalf TPAF pension contribution - Teachers' pension & annuity fund	16-495-034-5094-002	428,103	07/01/15	06/30/16	-	-	428,103	428,103	-	-	-	-	-	428,103
Reimbursed TPAF Social Security contribution	16-495-034-5094-003	395,323	07/01/15	06/30/16	-	-	355,826	395,323	-	(39,497)	-	-	-	395,323
Reimbursed TPAF Social Security contribution	15-495-034-5094-003	398,549	07/01/14	06/30/15	(38,896)	-	38,896	-	-	-	-	-	-	398,549
Total general fund					<u>(113,113)</u>	<u>-</u>	<u>6,779,153</u>	<u>7,376,909</u>	<u>-</u>	<u>(129,206)</u>	<u>-</u>	<u>-</u>	<u>581,663</u>	<u>7,849,675</u>
Debt service fund														
Debt service aid - State support	16-495-034-5120-017	178,523	07/01/15	06/30/16	-	-	178,523	178,523	-	-	-	-	-	178,523
NJ School Development Authority														
Capital projects fund														
Security upgrades at the Great Meadows Regional Middle School	1785-040-14-1001	27,456	07/01/14	06/30/16	-	-	-	-	-	(27,456)	27,456	-	-	-
Partial window replacement and security upgrades at Central Elementary School	1785-050-14-1002	89,245	07/01/14	06/30/16	-	-	-	-	-	(89,245)	89,245	-	-	-
Partial roof replacement and security upgrades at Liberty Elementary School	1785-060-14-1003	271,158	07/01/14	06/30/16	-	-	-	-	-	(271,158)	271,158	-	-	-
Total general fund					<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(387,859)</u>	<u>387,859</u>	<u>-</u>	<u>-</u>	<u>-</u>

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B
For the Fiscal Year Ended June 30, 2016

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2015		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2016			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Agriculture														
Enterprise fund														
State school lunch program	16-100-010-3350-023	\$ 1,955	07/01/15	06/30/16	\$ -	\$ -	\$ 1,848	\$ 1,955	\$ -	\$ (107)	\$ -	\$ -	\$ -	\$ 1,955
State school lunch program	15-100-010-3350-023	2,188	07/01/14	06/30/15	(227)	-	227	-	-	-	-	-	-	2,188
Total enterprise fund					(227)	-	2,075	1,955	-	(107)	-	-	-	4,143
Total State financial assistance					<u>\$ (113,340)</u>	<u>\$ -</u>	<u>\$ 6,959,751</u>	<u>7,557,387</u>	<u>\$ -</u>	<u>\$ (517,172)</u>	<u>\$ 387,859</u>	<u>\$ -</u>	<u>\$ 581,663</u>	<u>\$ 7,860,987</u>
Less: On behalf TPAF pension system contributions								(984,573)						
Total for State financial assistance - major program determination								<u>\$ 6,572,814</u>						

See independent auditors' report.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Schedule of Awards and Financial Assistance
June 30, 2016

Note 1 - General

The accompanying Schedules of Financial Assistance present the activity of all Federal and State financial assistance programs of the Board of Education, Great Meadows Regional School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal financial assistance received directly from Federal agencies, as well as federal financial assistance passed through other government agencies, is included on the Schedule of Federal Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Financial Assistance are presented 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 Notes 1 (C) and 1 (D) to the Board's financial statements.

Note 3 - Relationship of financial statements

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

The General Fund is presented in the accompanying Schedules on the Modified Accrual Basis with the exception of the revenue recognition of the last State aid payment in the current budget year, which is mandated pursuant to PL 2003, Ch. 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the State deferred and recording of the last State aid payment in the subsequent year. The Special Revenue Fund is presented in the accompanying Schedules on the Grant Accounting Budgetary Basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$6,469) for the General Fund and \$6,775 for the Special Revenue Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds.

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

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ -	\$ 7,370,440	\$ 7,370,440
Special Revenue Fund	3,058	327,732	-	330,790
Debt Service Fund	-	-	178,523	178,523
Food Service Fund	-	58,089	1,955	60,044
	<u>-</u>	<u>58,089</u>	<u>1,955</u>	<u>60,044</u>
Total	<u>\$ 3,058</u>	<u>\$ 385,821</u>	<u>\$ 7,550,918</u>	<u>\$ 7,939,797</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Notes to the Schedule of Awards and Financial Assistance
June 30, 2016

- Note 4 - Relationship to Federal and State financial reports
Amounts reported in the accompanying schedules agree with the amounts reported in the related Federal and State financial reports.
- Note 5 - Other
Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2016. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2016.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of Auditor's Report issued Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified? Yes X No

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

Noncompliance material to General -
 Were purpose financial statements noted? Yes X No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes No

2. Were reportable conditions identified that are not considered to be material weaknesses? Yes No

What was the type of Auditor's Report Issued on Compliance for Major Programs? _____

Were any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Amount</u>	<u>Name of Federal Program</u>
<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Not Applicable</u>

What was the dollar threshold used to distinguish between Type A and Type B programs? _____

Did the auditee qualify as a low-risk auditee? Yes No

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016**

Section I - Summary of Auditor's Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes No

What was the type of Auditor's Report Issued on Compliance for Major Programs? Unmodified

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes X No
 2. Were reportable conditions identified that are not considered to be material weaknesses? Yes X No

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? Yes X No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
<u>16-495-034-5120-078</u>	<u>\$ 4,672,930</u>	<u>Equalization Aid</u>
<u>16-495-034-5120-089</u>	<u>763,471</u>	<u>Special Education Aid</u>
<u>16-495-034-5094-003</u>	<u>395,323</u>	<u>Reimbursed TPAF Social Security Contribution</u>

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016**

Section II - Financial Statement Findings

There were no findings or questioned costs for the year ended June 30, 2016.

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

There were no findings or questioned costs for the year ended June 30, 2016.

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016**

Schedule of Prior Year Findings and Questioned Costs

There were no prior year findings or questioned costs.