

Comprehensive Annual Financial Report

of the

Old Bridge School District

Old Bridge, New Jersey

For the Fiscal Year Ended June 30, 2016

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INTRODUCTORY SECTION



Old Bridge Township Public Schools

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December 2016

Honorable President and
Members of the Board of Education
Old Bridge Township School District
Middlesex County, New Jersey 07747

Dear Board Members:

The comprehensive annual financial report of the Old Bridge Township School District for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the administration of the Board of Education. To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and the 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 the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules and the auditor's report. 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 conformance with the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES:

The Old Bridge Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All fund account groups of the District are included in this report. The Old Bridge Township Board of Education and all its schools constitute the District's reporting entity.

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Director of Athletics
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The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2014-2015 fiscal year with an average daily enrollment of 9,018 students, which is 137 students above the previous year's average enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	9,018	1.5%
2013-14	8,881	(2.4%)
2012-13	9,102	(1.1%)
2011-12	9,203	(2.3%)
2010-11	9,415	(0.7%)
2009-10	9,485	(1.3%)
2008-09	9,610	(0.4%)
2007-08	9,648	(1.1%)
2006-07	9,758	(0.9%)
2005-06	9,850	(1.3%)

MAJOR INITIATIVES:

Old Bridge Township School Districts' salient accomplishments for the 2014-15 school year included:

HIGH SCHOOL 2014-15

- Old Bridge High School continued to improve its Crisis Management and Security plan to ensure the continued safety of our students and staff.
- Jamie Brown was selected as Old Bridge High School teacher of the year.
- Old Bridge High School proudly unveiled the OBHS App created by one of our students, John Shammass.
- Old Bridge High School developed and instituted an online system for Parent/Teacher Conference Scheduling.
- Old Bridge High School opened the College and Career Center to guide our students in their current and future career endeavors.
- Old Bridge High School was named AP Honor Roll recipient for the 5th year.
- Old Bridge High School was proudly named a National and State School of Character.
- Old Bridge boasts the highest quality of fitness and sports programs among Middlesex County public high schools and the 33rd best in New Jersey.
- Old Bridge Marching Knights – National Champions and other various accolades including a trip to Normandy, France to perform during D Day anniversary commemoration.
- Old Bridge Indoor Percussion – various 1st and 2nd place accolades
- Old Bridge High School Football Team advanced to second round of New Jersey State Championships.
- Old Bridge High School Track and Field won various national and state banners.
- Old Bridge High School World Language students participated in exchange programs in both Italy and Germany.

- Old Bridge High School continues to use Apex, an online credit recovery program for our students.
- Old Bridge High School continues to enhance the house model at EMGNC with common planning time for teachers.
- The Old Bridge High School Office of Student Activities sponsored a Pink-Out and raised over \$4000.00
- Old Bridge Peer Leadership sponsored Freeze Out, raised over \$5000 and organized the culminating Project Unity basketball game.
- Old Bridge High School Week of Respect - Students created posters/signs and displayed them along with yellow ribbons for the community to admire. Additionally yellow bracelets were sold and worn by students and staff to recognize the importance of respect/brotherhood in our community.
- OBHS Future Business Leaders of America had students receive various awards and state accolades throughout the school year.
- PTSA hosted a school-wide Fashion Show with over 200 students participating.
- Students in the EMGNC were able to purchase a "Kind Word" note and send it to a faculty/staff member or student thanking them for something they have done.
- Stress Management Support Group- Helped students to use techniques in dealing with test taking and everyday issues that cause them anxiety
- Old Bridge High School Social Skills group – helped students use techniques in dealing with various social situations and media
- Old Bridge High School motto "Do the Right Thing" was emphasized throughout the year through classroom visits, assemblies and modeling. Student "caught" doing the right thing were rewarded with a t-shirts branding the phrase.

MIDDLE SCHOOLS 2014-15

JONAS SALK M.S.

- The Salk School Safety Team planned a special event for 200 8th grade students. It was called Challenge Day, and students and teachers shared a new respect for each other and the individual challenges we all face in life. The goal is to create a larger sense of humanity and appreciation for diversity within the school community.
- 7th grade students attend Fairview, an overnight trip that explores environmental science tied to our curriculum in a real world setting. As well as participated in team building activities and strengthening peer to peer relationships.
- OBPD presented a detailed understanding of the affects and signs of drug use pertaining to the local community at our PTA meeting.
- Elementary school movie nights hosted at JSMS as a fundraiser for Challenge Day.
- Family movie night with over 250 participates to strengthen community ties with the school.
- Our Student Assistance Program multiple student support groups.
- Salk has a Crisis Response Team
- Project Respect program
- For the week of respect we conducted student readings each morning that focused on peer interactions and connected with the student body.
- Implementation of Quarterly Assessments

- Held a charity soccer game between the girls' and the boys' teams. During the latter part of the school day, the girls soccer team played the boys soccer team to raise funds to donate to the Memorial Sloan-Kettering Pediatric Cancer Center in New York in the name of former student Christopher Picco. Chris was a Salk student who lost his hard-fought battle with cancer in 2002.
- 6th grade orientation day in August where students were bused in and were able to meet their homeroom teachers and get acclimated with the school and some procedures.
- JSMS expanded a new reading program that focused on data driven results to improve student Lexile levels.
- JSMS continues to offer the GLOBE Program which is a worldwide hands-on, primary and secondary school-based education and science program. GLOBE provides the opportunity to learn by: Taking scientifically valid measurements in the fields of atmosphere, hydrology, soils, and land cover/phenology - depending upon their local curricula, Reporting their data through the Internet, Creating maps and graphs on the free interactive Web site to analyze data sets, and Collaborating with scientists and other GLOBE students around the world.
- A mentoring program for at-risk students.
- "Dynamic Duo" Program to recognize and reward outstanding accomplishments of the staff who exhibited outstanding collaborative work.
- Student of the Month program and Student of the Month breakfast with the principal every 2 months. The Student of the Year dinner hosted at the Elks in June.
- STARS program, trip and breakfast
- The Academic Support Program offering both a push in and pull out model for mathematics.
- All teachers reviewed "Individualized Student Improvement Plans" ISIPs and used that information to drive their instruction.
- Character Education and service learning projects have been implemented
- Continued the expansion of the Community Service Program. Called "Salk Community of Caring" as well as 8th grade service learning projects
- Library Program offered after school. Administrators/CST stayed after school to offer support for students to complete class assignments, homework and use the internet services.
- Civil War Day Program
- Veterans Day Assembly
- Winter Concert for senior citizens in the community bridging the school and community relationship.
- After school intervention program to provide support and remediation for students who failed a marking period.
- RTI was implemented in Math
- Old Bridge Public library held an assembly with all students to inform students of the programs offered at the library
- 8th Grade science teachers partnered with a trout replenishment program and help to harvest trout
- 8th grade ELA honors students partnered with Voorhees elementary school and visited classrooms and read books that they had created to students.
- Student council elections were held online
- Student portal was created for students
- Microsoft 365 cloud based email system was launched

MIDDLE SCHOOLS 2014-15

CARL SANDBURG M.S.

- Character Education State School of Character application - Honorable Mention.
- Academic Support in mathematics for grades 6-8.
- After school tutoring for at-risk learners in ELA and mathematics.
- Adaptive physical education program including opportunities for mainstreaming.
- Data-driven instruction utilizing Individual Student Improvement Plans in ELA and mathematics.
- Quarterly benchmark assessments for ELA, math, science, social studies grades 6-8 and grade 8 world language. Quarterly assessments replaced midterms and finals.
- Achieve 3000 program was utilized by ELA and ICR teachers to support student improvement in reading fluency, vocabulary and reading comprehension.
- Cougar Connect mentoring program implemented for at risk students. Teacher volunteers served as mentors before and after school. This included a partnership with the OB YMCA for off-site activities.
- Challenge Day – two day event including at-risk students, teachers, district staff and community volunteers.
- Rutgers program for students impacted by Super Storm Sandy – post trauma support program for impacted students.
- 6th grade orientation including spring school visitation and summer orientation. This included a 3 hour summer orientation prior to the start of school.
- Evening orientation made available for parents/guardians of incoming 6th graders.
- Administrator and guidance counselor visits to all sending elementary schools.
- Anti-Bullying/Violence Awareness week activities.
- School-wide Character Education program.
- Student Leadership Corps (SLC) assembly program for all students promoting awareness and tolerance.
- Builders Club dedicated to community awareness and community service. Builders Club sponsored the CSMS Talent Show.
- Visit from prosecutor's office to speak to students regarding Internet and Cyber Safety.
- Steps for Vets (over \$22,000.00 raised). Fundraiser and assembly with presentations by local veterans.
- St Jude Fundraiser – Basketball-a-Thon
- Food Bank Collection (in November for local food banks)
- Jeans for Teens Collection for low income children in the community.
- Kids Walk for Kids with Cancer walkathon in conjunction with Arms Wide Open and Heart Association.
- Thank you to Veterans cards sent to veterans overseas.
- Kindness Ticket program (students were encouraged to act kindly toward each other)
- Student of the Month and Student of the Year programs held in conjunction with the OB Elks
- ACES trip – culminating trip earned by students who have demonstrated academic excellence, community service and/or participation in sports or school activities. Points are earned throughout the year to qualify for the trip.
- Holiday Fair Vendor Night to support Student Activities Fund.

- 9/11 Memorial gathering at Municipal Center—interaction with the municipality during the 9/11 commemoration ceremony.
- Active involvement in the Clean Communities Program through the Environmental Club of Sandburg.
- Old Bridge Elks' Essay Contest on Americanism.
- Mahatma Gandhi Art and Writing Contest participation.
- World Language Fair to celebrate and recognize diversity.

ELEMENTARY SCHOOLS 2014-15

- Easy CBM
 - Online diagnostic assessment in Math and Language Arts for grades K-5
- Achieve 3000
 - Introduction of informational reading support software in special education classes K-5.
- Response to Intervention
 - Implementation of Response to Intervention student support framework K-5, each school staffed with at least one interventionist. RTIm Direct software implemented to record and track student Intervention and Referral Services plans.
- Kids to College Program
 - Schedule of visitations

SCHOOL TAKING TRIP	NAME OF UNIVERSITY	DATE OF TRIP
Carpenter	Mercer College	6/2/15
Cheesequake	Rutgers University	6/5/15
Cooper	Rutgers University	5/29/15
Grissom	The College of NJ	5/14/15
McDivitt	Middlesex Community College	3/26/15
Madison Park	DeVry University	3/31/15
Memorial	Monmouth University	4/20/15
Miller	Berkeley College	5/7/15
Schirra	Georgian Court	4/17/15
Shepard	The College of NJ	5/14/15
Southwood	Brookdale Community College	11/14/14
Voorhees	Seton Hall	2/19/15

- Parent University
 - November 13, 2014
- Study Skills
 - All elementary schools participate in reading initiatives and math incentives, cultural diversity program; poster and essay contests offerings by various organizations.
- Ice Skating Trips – Elementary, Middle & High School
 - Field trips to the Old Bridge Ice Skating Rink at no cost to the district. This initiative helped us to continue to address childhood obesity issues and promote First Lady Michelle Obama's Let's Move Program.
- Kindergarten

- Full day kindergarten was implemented in all 12 elementary school. Introduction of new Language Arts Literacy series "Journeys".
- Pre-School
 - Continued to expand a tuition pre-school program at Glenn School to provide for an integrated program.
- Professional Learning Communities
 - Expanded practices of Professional Learning Communities to be in compliance with the State mandated School Based Professional Development Initiative focusing on school improvement, closing the student achievement gap and providing instruction with rigor and relevance.
- Outreach Programs
 - Recycling programs, assemblies, and activities were held in all schools in conjunction with township and county organizations.
 - Robert Wood Johnson University Hospital Safety Ambassador Program initiated a partnership with the High School Health Occupations Class. A Training Program was provided and the students prepared lessons to be taught to first and second graders.
- Character Education Programs

The 2014-15 school year proved a record year for the district's Character Education Programs when:

 - Four (4) schools achieved State Recognition as Schools of Character
 - The district achieved status as a State District of Character
 - Six (6) schools achieved National Recognition as Schools of Character
 - The district achieved status as a National District of Character
 - One (1) school, Shepard, our first State and National School of Character, earned Two Promising Practice Awards

Representatives from each of the 2015 National winning schools and the district are traveling to Atlanta, GA to present a showcase session and receive their recognition awards at the character.org National Forum October 15-17, 2015. While there, all will Pay It Forward by visiting a Ronald McDonald House to serve breakfast and present student-made gifts to the children, parents and staff.

Last year's gains, along with prior year accomplishments, now bring our district totals to 14 of our 16 schools having gained recognition as State Schools of Character, with 12 of the 16 going even further to gain recognition as National Schools of Character; and 1 school going all the way to be recognized as a National Model. (Please see the chart below for a summary of each school's CE recognition timeline.)

SCHOOL	STATE RECOGNITION	NATIONAL RECOGNITION	NATIONAL MODEL	PROMISING PRACTICES
Shepard	2010	2011		2015
Madison Park	2013	2014		
McDivitt	2013	2014		
Cheesequake	2014	2014	2014	2015
Cooper	2014	TBD		
Memorial	2014	2015		

SCHOOL	STATE RECOGNITION	NATIONAL RECOGNITION	NATIONAL MODEL	PROMISING PRACTICES
Southwood	2014	2015		2014
Voorhees	2014	2014		
Carpenter	2015	2015		
Grissom	2015	TBD		
Miller	2015	2015		2014
Schirra	2015	2015		2014
OBHS	2015	2015		
Salk	TBD	TBD		
Sandburg	2015 (HM)	TBD		
OBTPS District	2015	2015		

For the 2015-16 school year:

- Cooper and Grissom staff are improving/updating their State School of Character applications to achieve National Recognition in 2016.
 - Carl Sandburg staff is improving/updating their application that earned them Honorable Mention as a 2015 State School of Character to achieve both State and National recognition in 2016.
 - Jonas Salk is preparing an application for the first time with the goal of earning both State & National recognition in the same year (2016) like the district, OBHS and three elementary schools did last year.
 - Shepard, our first State & National School of Character, must reapply this year to prove it has sustained its State & National Recognition status during the past 5 years.
- Challenge Program
 - With the help of a consultant from Montclair State University, there was a restructuring of the program into a full year comprehensive 3rd grade, fourth grade, and fifth grade curriculum based on thematic units that incorporated significant elements of technology.
 - Students of each grade were bussed once a week to one of two locations (Shepard or Voorhees) for a one day a week class that ran from 9:30-1:30. Monday for Gr 3, Tuesday for Gr 4 and Thursday for Gr 5
 - PETS (Primary Education Thinking Skills) occupied the Challenge teachers' two other days, where they pushed into all the second grade classes across the district to provide enrichment activities based off of the PETs Curriculum.
 - A robust and very well constructed website was established, maintained, and posted on the district's website to facilitate the dissemination of information regarding the Challenge Program.
 - An instructional video, complete with narration, was created to help create a manner of uniformly disseminating information to all 12 elementary school staff and faculty. This was disseminated to the principals and shown prior to this year's nomination process.
 - A new Matrix was developed that took into consideration a change of district assessments and the elimination of the NJASK test. The new eligibility matrix utilized (among other things) the EasyCBM assessment given in all elementary grades, along with the Challenge Assessments given to students in grades 2,3 &4.
 - A new Parent nomination component was devised and developed to help open the nomination process to the parents in the community. As a result, a number of students who were nominated by parents and had not been nominated by their grade level teachers did gain entry into the Challenge Program for the 15-16 School Year.
 - New technology was purchased (laptops and smart boards) in order to enhance the technological aspect of the program. This was met with great enthusiasm by both teachers and students. Students used the technology to showcase their projects at the year end showcases.

- o 3 grade level Showcases were established and held as culminating events for the year-long Challenge Program

Overall the program underwent a very significant set of transformations that greatly enhanced and improved the validity of the program and the educational Challenge that it provided to Old Bridge's elementary gifted learners. At the conclusion of the year, surveys were given to students and parents--- Very positive feedback was given in all areas polled. The survey is available upon request.

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

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

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

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 presented in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

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.

FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund. Revenues for the fiscal year ended June 30, 2015 and the amount and percentage of increases (decreases) in relation to prior year revenues.

REVENUE	JUNE 30, 2015	PERCENTAGE OF TOTAL	JUNE 30, 2014	INCR. / DECR. FROM 2014	PERCENTAGE OF INCR / DECR
LOCAL SOURCES	93,253,038	59.06%	91,457,548	1,795,490	1.96%
STATE SOURCES	60,847,262	38.54%	58,442,338	2,404,924	4.12%
FEDERAL SOURCES	3,454,844	2.19%	3,480,747	(25,903)	-0.74%
PRIVATE SOURCES	332,046	0.21%	19,127	312,919	1635.99%
TOTALS	157,887,190	100.00%	153,399,760	4,487,430	2.93%

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended **June 30, 2015** and the amount and percentage of increases (decreases) in relation to prior year amounts:

EXPENDITURES	JUNE 30, 2015	PERCENTAGE OF TOTAL	JUNE 30, 2014	INCR. / DECR. FROM 2014	PERCENTAGE OF INCR / DECR
CURRENT EXPENDITURES					
INSTRUCTION	63,125,459	40.15%	61,346,816	1,778,643	2.90%
UNDISTRIBUTED	89,042,536	56.64%	84,863,646	4,178,890	4.92%
CAPITAL OUTLAY	2,013,856	1.28%	1,647,290	366,566	22.25%
SPECIAL SCHOOLS	69,121	0.04%	37,315	31,806	85.24%
DEBT SERVICE	2,961,844	1.88%	2,959,969	1,875	0.06%
	157,212,815	100.00%	150,855,035	6,357,780	4.21%

DEBT ADMINISTRATION: At June 30, 2015, the District’s outstanding debt issues included \$37,650,000 of general obligation bonds.

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 an investment policy 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.

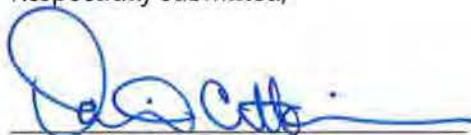
RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/ collision, hazard and theft insurance on property and contents, student accident insurance, and fidelity bonds.

INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Samuel Klein and Company was approved by the Board during the meeting of April 29, 2014. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of 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.

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

Respectfully submitted,

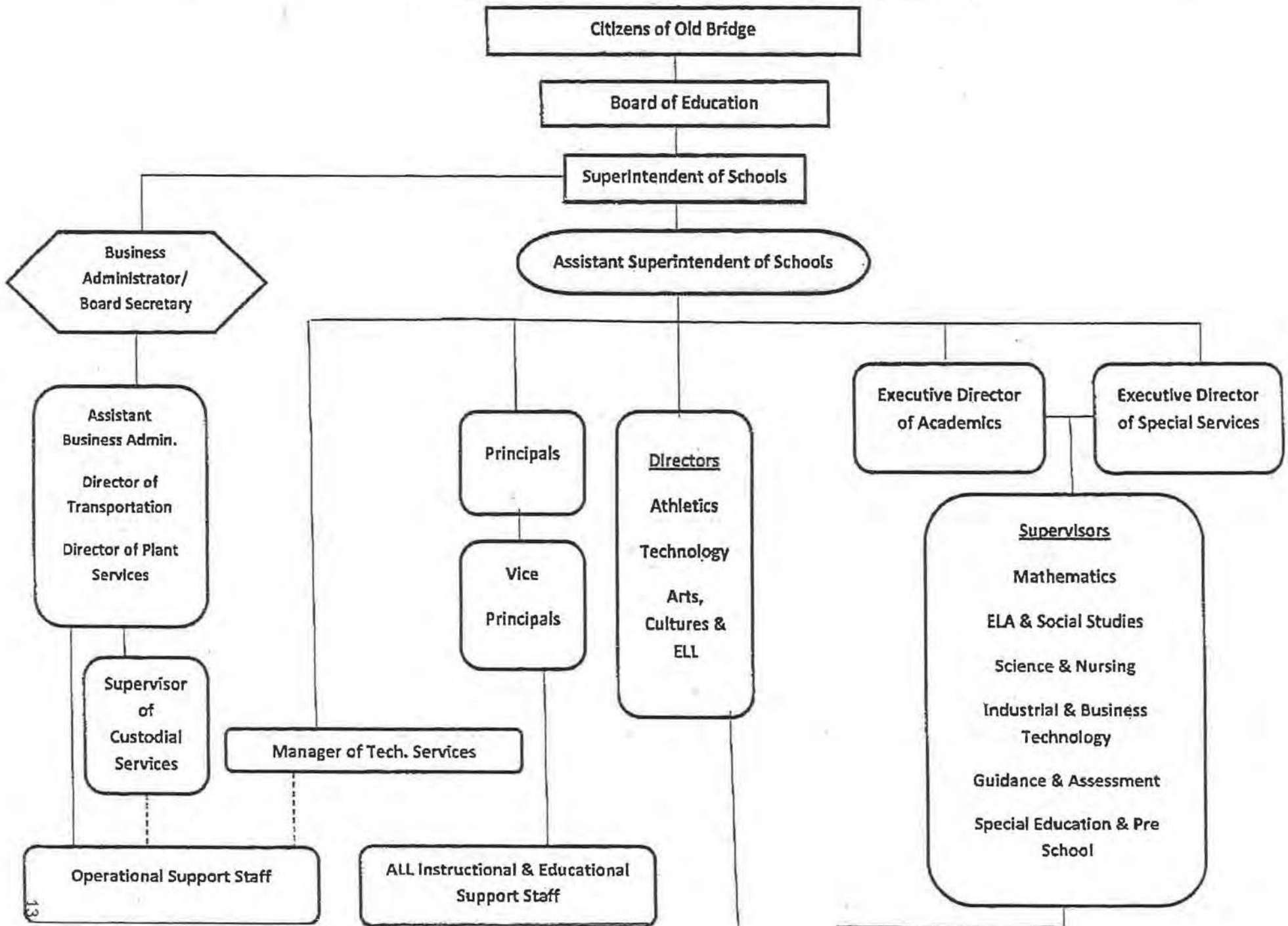


David Cittadino
Superintendent of Schools



Joseph J. Marra
School Business Administrator/
Board Secretary

Old Bridge School District ORGANIZATIONAL MANAGEMENT CHART



OLD BRIDGE SCHOOL DISTRICT
OLD BRIDGE, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Donna Andriani, President	2017
Salvatore DiPrima, Vice President	2018
Richard Dunn	2018
Jeffrey Dynof	2018
Kelly Ellis-Foster	2017
Annette Hopman	2016
Nancy Mongon	2016
Balwinder Signh	2016
Frank Weber	2017

Other Officials

David Cittadino, Superintendent of Schools
Joseph J. Marra, School Business Administrator
Himanshu Shah, Custodian of School Moneys
Christopher B. Parton, Esq., Board Attorney

OLD BRIDGE SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

JUNE 30, 2016

Architect

Tokarski & Millemann, Architects, LLC
228 Brick Boulevard, Suite 2
Brick, New Jersey 08723

Audit Firm

Samuel Klein and Company
Certified Public Accountants
550 Broad Street, 11th Floor
Newark, New Jersey 07102-4543

Attorney

Christopher B. Parton, Esq.
Kenney, Gross, Kovats & Parton
General Legal Counsel
The Courts of Red Bank
130 Maple Avenue, Building 8
Red Bank, New Jersey 07701

Official Depository

Amboy National Bank
3590 Highway #9, South
Old Bridge, New Jersey 08857

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-8989
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2800
FAX (732) 780-1030

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Old Bridge Board of Education
County of Middlesex
Matawan, New Jersey 07747

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Old Bridge School District, County of Middlesex, 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 Board's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 Board'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 Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Old Bridge 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 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 Old Bridge School District's basic financial statements. The introductory section, combining and individual nonmajor 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 and state financial assistance is presented for purposes of additional analysis 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 New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards and 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 nonmajor fund financial statements and the schedule of expenditures of federal awards 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 subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2016, on our consideration of the Board of Education of the Old Bridge School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Old Bridge School District's internal control over financial reporting and compliance.



JOSEPH J. FACCONI
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
October 27, 2016

REQUIRED SUPPLEMENTARY INFORMATION - PART I

OLD BRIDGE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

This document contains all funds used by the District to provide programs and activities, viewing the District as a whole and reports the culmination of all financial transactions. The report answers the question "How We Did Financially during Fiscal Year 2016". The Statement of Net Assets and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those assets. This change in net assets is important because they report on whether the District's financial position has improved or diminished.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two types of activities:

Governmental Activities — all of the District's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities — these services are provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and Community School Enterprise Funds are reported as business activities.

Reporting the District's Most Significant Funds

Fund Financial Statement

The Analysis of the District's major funds begins on page 35. Fund financial reports provide detailed information about the District's major funds. The District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The District's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method, 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 services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**OLD BRIDGE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities. The reporting of this fund did not change with the conversion to GASB 34.

The District as a Whole

The Statement of Net Position provides the financial perspective of the District as a whole.

Table 1 provides a comparative summary of the District's net assets for 2016 and 2015.

Table 1 – Net Assets

	<u>2016</u>	<u>2015</u>
Assets		
Current and Other Assets	\$ 26,871,999	\$ 23,999,157
Capital Assets	<u>128,761,703</u>	<u>132,081,780</u>
Total Assets	<u>\$ 155,633,702</u>	<u>\$ 156,080,937</u>
Liabilities		
Long-Term Liabilities	\$ 81,554,292	\$ 75,263,386
Other Liabilities	<u>4,131,664</u>	<u>10,067,514</u>
Total Liabilities	<u>\$ 85,685,956</u>	<u>\$ 85,330,901</u>
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 86,141,387	\$ 87,956,976
Restricted	16,965,775	15,637,539
Unrestricted	<u>(33,159,416)</u>	<u>(32,844,480)</u>
Total Net Position	<u>\$ 69,947,746</u>	<u>\$ 70,750,036</u>

The District's combined net assets were \$69,947,746 on June 30, 2016. This is a decrease of 1.13% from the previous year.

**OLD BRIDGE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

Table 2 shows the comparative changes in net assets from fiscal year 2016 and 2015.

Table 2 – Comparative Changes in Net Assets

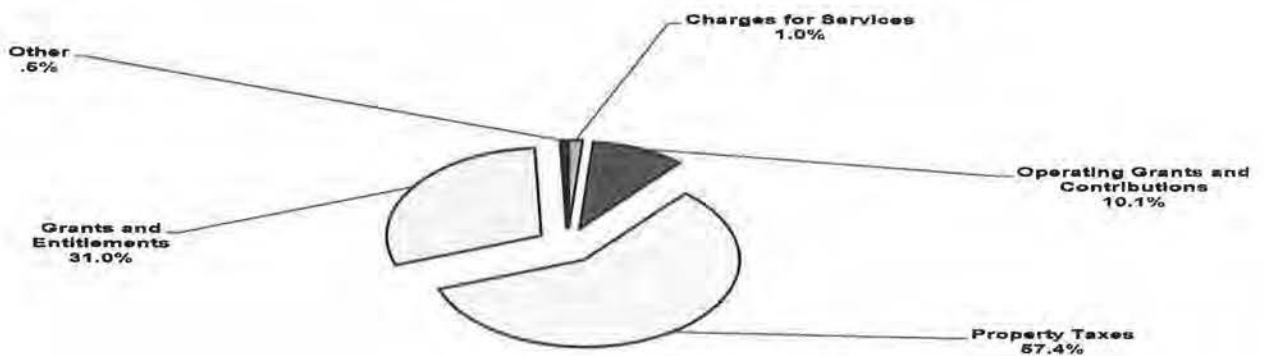
	<u>2016</u>	<u>2015</u>	<u>Total % Change</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 1,697,288	\$ 1,751,029	-3.07%
Operating Grants and Contributions	16,540,468	15,032,719	10.03%
General Revenues:			
Property Taxes	94,107,762	92,745,337	1.47%
Grants and Entitlements	50,841,371	51,084,069	-0.48%
Other	768,274	777,095	-1.14%
Total Revenues	<u>163,955,144</u>	<u>161,390,248</u>	<u>1.59%</u>
Program Expenses:			
Instruction	91,198,458	90,063,730	1.26%
Support Services:			
Pupils and Instructional Staff	24,027,125	23,885,479	0.59%
General Administration, School Administration, Business Operations and Maintenance of Facilities	32,192,948	32,270,303	-0.24%
Pupil Transportation	12,098,373	12,156,616	-0.48%
Special Schools	168,300	98,618	70.66%
Debt Service	2,011,587	1,636,307	22.93%
Food Service and Community School	3,060,642	3,224,035	-5.07%
Total Expenses	<u>164,757,433</u>	<u>163,335,088</u>	<u>0.87%</u>
Increase in Net Assets	(802,290)	(1,944,840)	
Beginning Net Assets - Restated for 2015	<u>70,750,036</u>	<u>72,694,875</u>	
Ending Net Assets	<u>\$ 69,947,746</u>	<u>\$ 70,750,036</u>	

**OLD BRIDGE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

Government Activities

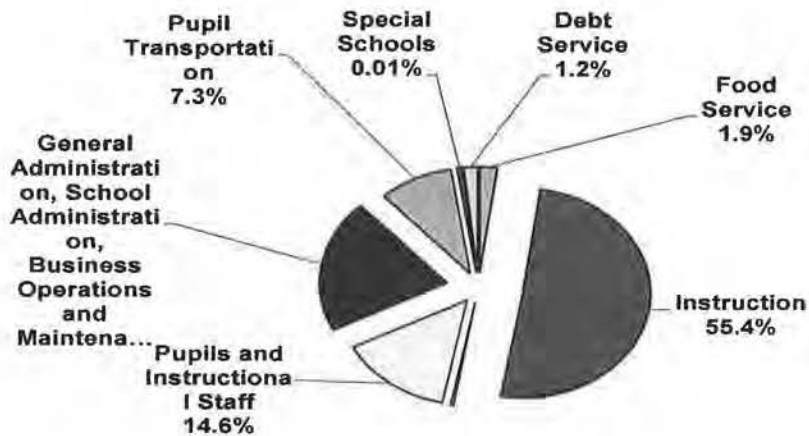
Property taxes as approved by the voters of the Old Bridge Township made up 57.4% of revenues for governmental activities for the fiscal year 2016. The District's total revenues were \$163,955,144 for the year ended June 30, 2016. Federal, state and local grants accounted for another 31.0%.

Revenue for Fiscal Year 2016



The total cost of all programs and services was \$164,757,433. Instruction comprises 55.4% of the District's expenses.

Expenses for Fiscal Year 2016



**OLD BRIDGE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

Business-Type Activities

Revenues for the District's business-type activities (food service program) was comprised of charges for services and federal and state reimbursements.

Food service expenses exceeded revenues by \$69,665. Charges for services represent \$1,697,268 of revenue. This represents the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$1,120,965.

Governmental Activities

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. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3 – Comparative Statement of Activities

	Total Cost of Services			Net Cost of Services		
	2015-2016	2014-2015	% Change	2015-2016	2014-2015	% Change
Instruction	\$ 91,198,458	\$ 90,063,730	1.26%	\$ 78,686,416	\$ 79,015,276	-0.42%
Support Services:						
Pupils and Instructional Staff	24,027,125	23,885,479	0.59%	22,087,844	22,173,044	-0.38%
General Administration, School Administration, Business Operation and Maintenance of Facilities	32,192,948	32,270,303	-0.24%	31,224,769	31,415,375	-0.61%
Pupil Transportation	12,098,373	12,156,616	-0.48%	12,098,373	12,156,616	-0.48%
Special Schools	168,300	98,618	70.66%	168,300	98,618	70.66%
Debt Service	2,011,587	1,636,307	22.93%	2,011,587	1,636,307	22.93%
	<u>\$ 161,696,791</u>	<u>\$ 160,111,053</u>	<u>0.99%</u>	<u>\$ 146,277,289</u>	<u>\$ 146,495,237</u>	<u>-0.15%</u>

Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership.

**OLD BRIDGE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching students, including curriculum and staff development.

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

Operation and maintenance of facilities' activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, to school co-curricular, athletic activities and co-curricular field trips as provided by state law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the District.

The District's Funds

Information about the District's major funds starts on page 35. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$160,964,167 and expenditures of \$158,770,587.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ended June 30, 2016 and June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year revenues.

Comparative Summary of Revenues

<u>Revenue</u>	<u>June 30, 2016</u>	<u>Percent of Total</u>	<u>June 30, 2015</u>	<u>Increase (Decrease) from 2015</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 94,677,991	58.82%	\$ 93,253,038	\$ 1,424,953	1.53%
State Sources	62,796,874	39.01%	60,847,262	1,949,612	3.20%
Federal Sources	3,464,000	2.15%	3,454,844	9,156	0.27%
Private Sources	25,302	0.02%	332,046	(306,744)	-92.38%
	<u>\$ 160,964,167</u>	<u>100.00%</u>	<u>\$ 157,887,190</u>	<u>\$ 3,076,977</u>	<u>1.95%</u>

The increase in Local Sources is attributed to increases in the local tax levy.

**OLD BRIDGE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2016 and the amount and percentage of increases (decreases) in relation to prior year amounts.

Comparative Summary of Expenditures

<u>Expenditures</u>	<u>June 30, 2016</u>	<u>Percent of Total</u>	<u>June 30, 2015</u>	<u>Increase/ (Decrease) from 2015</u>	<u>Percent of Increase (Decrease)</u>
Current Expenditures					
Instruction	\$ 64,596,014	40.69%	\$ 63,125,459	\$ 1,470,555	2.33%
Undistributed	89,417,541	56.32%	89,042,536	375,005	0.42%
Capital Outlay	1,667,608	1.05%	2,013,856	(346,248)	-17.19%
Special Schools	119,207	0.08%	69,121	50,086	72.46%
Debt Service	2,970,218	1.87%	2,961,844	8,374	0.28%
	<u>\$ 158,770,588</u>	<u>100.00%</u>	<u>\$ 157,212,816</u>	<u>\$ 1,557,772</u>	<u>0.99%</u>

The increase in Current Instruction is attributed to the costs of salaries of teachers and to serve increased enrollments.

The major Increases for Undistributed Expenditures are attributable to the following increased costs:

- Pupil Transportation Increases.
- Operation and Maintenance of Plant Services increases.

OLD BRIDGE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2016, the district amended its General Fund budget as needed. The District uses program based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management. Transfers from one program to another must be approved by the Board of Education. Transfers were necessitated by:

- Operation and Maintenance of Plant increased energy costs, maintenance and contracted services.
- Out of District tuition increased student placements for special and regular programs.
- Special Education increased related service costs for in district classified students.
- Special Education increased staffing needs for mandated programs.

At the end of the fiscal year 2016, the District had \$212,526,432 Invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2016 balances compared to 2015.

Table 4 - Capital Assets at June 30

	<u>2016</u>	<u>2015</u>
Land/Sites	\$ 32,785,516	\$ 32,473,067
Site Improvements	10,782,419	10,418,880
Buildings and Improvements	147,016,858	146,965,434
Machinery and Equipment	21,941,639	21,414,927
	_____	_____
Totals	\$ 212,526,432	\$ 211,272,308

Overall capital assets increased \$1,254,124 from fiscal year 2015 to fiscal year 2016. The increases in capital assets were due primarily to the improvements made in the District during 2016.

OLD BRIDGE TOWNSHIP PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)

For the Future

The Old Bridge Township Public School District is financially sound and is able to meet all instructional programs and service requirements.

The district priorities are to develop a community input driven Strategic Plan which engages community members to identify future district needs relating to our growing diverse population. We will also continue to increase learning opportunities for students in multiple subgroups prevalent in our diverse school district population inclusive of our special needs transition students and our middle school struggling learners with a Response to Interventions Framework. Lastly, we are proceeding with infrastructure improvements as prescribed by the Energy Savings and Improvement Plan (ESIP).

In terms of reserves, the district on June 30, 2016 had \$6,043,331 in Capital Reserves, \$2,829,251 in Maintenance Reserves and \$501,001 in Emergency Reserves.

Capital Reserves will be used to fund projects on the district's Long Range Facilities Plan and Capital Outlay Projects.

Maintenance Reserves will be used to supplement annual budgets to fund required maintenance projects.

Emergency Reserves will be used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, you may contact Joseph J. Marra, School Business Administrator / Board Secretary, Old Bridge Township Public Schools, Patrick A. Torre Administration Building, 4207 Route 516, Matawan, NJ 07747.

BASIC FINANCIAL STATEMENTS

A. DISTRICT-WIDE FINANCIAL STATEMENTS

OLD BRIDGE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

A-1

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 6,054,043.02	\$	\$ 6,054,043.02
Receivables - Net	3,474,275.70	236,968.31	3,711,244.01
Receivables - Interfunds	6,197.11		6,197.11
Inventory		36,430.29	36,430.29
Restricted Assets:			
Capital Reserve Account - Cash	6,043,331.23		6,043,331.23
Emergency Reserve Account - Cash	501,000.92		501,000.92
Maintenance Reserve Account - Cash	2,829,251.00		2,829,251.00
Deferred Charge - Bond Issuance Costs	109,718.65		109,718.65
Capital Assets, Net	<u>128,675,591.61</u>	<u>86,110.95</u>	<u>128,761,702.56</u>
Total Assets	<u>147,693,409.24</u>	<u>359,509.55</u>	<u>148,052,918.79</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount Related to Pension	<u>7,580,783.00</u>		<u>7,580,783.00</u>
LIABILITIES			
Cash Overdraft	\$	\$125,767.74	\$ 125,767.74
Accounts Payable	2,124,545.59	215,234.24	2,339,779.83
Due to State of New Jersey	108,251.00		108,251.00
Accrued Interest Payable	322,064.38		322,064.38
Deferred Inflows	17,294.16		17,294.16
Noncurrent Liabilities:			
Net Pension Liability	39,146,322.00		39,146,322.00
Due Within One Year	2,033,876.29		2,033,876.29
Due Beyond One Year	<u>40,374,093.51</u>		<u>40,374,093.51</u>
Total Liabilities	<u>84,126,446.93</u>	<u>341,001.98</u>	<u>84,467,448.91</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount Related to Pension	<u>1,218,507.00</u>		<u>1,218,507.00</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	86,055,276.08	86,110.95	86,141,387.03
Restricted for:			
Capital Projects	6,043,331.23		6,043,331.23
Debt Service	8,750.53		8,750.53
Other Purposes	10,913,693.43		10,913,693.43
Unrestricted	<u>(33,091,812.96)</u>	<u>(67,603.38)</u>	<u>(33,159,416.34)</u>
Total Net Position	<u>\$ 69,929,238.31</u>	<u>\$ 18,507.57</u>	<u>\$ 69,947,745.88</u>

See accompanying notes to financial statements.

OLD BRIDGE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

A-2

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
				Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 64,678,645.92	\$	\$ 9,377,733.13	\$ (55,300,912.78)	\$	\$ (55,300,912.78)
Special Education	18,697,978.44		2,266,655.35	(16,431,323.09)		(16,431,323.09)
Other Special Instruction	5,572,982.15		858,172.79	(4,714,809.36)		(4,714,809.36)
Other Instruction	2,240,891.17		9,480.98	(2,231,210.19)		(2,231,210.19)
Community Service Programs	8,160.56			(8,160.56)		(8,160.56)
Support Services:						
Tuition	4,800,565.36			(4,800,565.36)		(4,800,565.36)
Student and Instruction Related Services	19,426,559.43		1,939,280.92	(17,487,278.51)		(17,487,278.51)
School Administrative Services	7,607,823.25		784,577.58	(6,823,245.67)		(6,823,245.67)
General Administrative Services	5,086,162.84		183,602.12	(4,902,560.72)		(4,902,560.72)
Plant Operations and Maintenance	19,498,962.18			(19,498,962.18)		(19,498,962.18)
Pupil Transportation	12,098,373.36			(12,098,373.36)		(12,098,373.36)
Charter Schools	168,299.78			(168,299.78)		(168,299.78)
Debt Service:						
Interest	2,011,587.22			(2,011,587.22)		(2,011,587.22)
Total Governmental Activities	<u>161,696,791.65</u>		<u>15,419,502.87</u>	<u>(146,277,288.78)</u>		<u>(146,277,288.78)</u>
Business-Type Activities:						
Food Service	<u>3,080,641.66</u>	<u>1,697,268.08</u>	<u>1,120,964.95</u>		<u>(242,408.63)</u>	<u>(242,408.63)</u>
Total Business-Type Activities	<u>3,060,641.66</u>	<u>1,697,268.08</u>	<u>1,120,964.95</u>		<u>(242,408.63)</u>	<u>(242,408.63)</u>
Total Primary Government	<u>\$ 164,757,433.31</u>	<u>\$ 1,697,268.08</u>	<u>\$ 16,540,467.82</u>	<u>\$ (146,277,288.78)</u>	<u>\$ (242,408.63)</u>	<u>\$ (146,519,697.41)</u>
General Revenues						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 91,137,544.00	\$	\$ 91,137,544.00
Property Taxes, Levied for Debt Service				2,970,218.00		2,970,218.00
Federal and State Aid Not Restricted				50,841,371.31		50,841,371.31
Miscellaneous Income				595,530.82	172,743.55	768,274.37
Total General Revenues, Special Items, Extraordinary Items and Transfers				<u>145,544,664.13</u>	<u>172,743.55</u>	<u>145,717,407.68</u>
Change in Net Position				(732,624.65)	(69,665.08)	(602,289.73)
Net Position - Beginning				<u>70,661,862.96</u>	<u>88,172.65</u>	<u>70,750,035.61</u>
Net Position - Ending				<u>\$ 69,929,238.31</u>	<u>\$ 18,507.57</u>	<u>\$ 69,947,745.88</u>

B. FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

OLD BRIDGE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

B-1

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 6,374,980.17	\$	\$	\$ 8,750.53	\$ 6,383,730.70
Cash - Capital Reserve Account	6,043,331.23				6,043,331.23
Cash - Emergency Reserve Account	501,000.92				501,000.92
Cash - Maintenance Reserve Account	2,829,251.00				2,829,251.00
Due from Other Funds	6,197.11				6,197.11
Accounts Receivable - Other	237,698.90	14,698.12			252,397.02
Accounts Receivable - State	2,468,288.56	39,348.43	208,597.37		2,716,235.36
Accounts Receivable - Federal	18,883.66	486,759.66			505,643.32
Total Assets	<u>\$ 18,479,631.55</u>	<u>\$ 540,807.21</u>	<u>\$ 208,597.37</u>	<u>\$ 8,750.53</u>	<u>\$ 19,237,786.66</u>
LIABILITIES					
Cash Overdraft	\$	\$ 121,090.31	\$ 208,597.37	\$	\$ 329,687.68
Accounts Payable	1,642,841.26	294,171.74			1,937,013.00
Due to Fiscal Agent	187,532.59				187,532.59
Due to State of New Jersey		108,251.00			108,251.00
Deferred Revenue		17,294.16			17,294.16
Total Liabilities	<u>1,830,373.85</u>	<u>540,807.21</u>	<u>208,597.37</u>		<u>2,579,778.43</u>
FUND BALANCES					
Restricted for:					
Capital Reserve Account	6,043,331.23				6,043,331.23
Maintenance Reserve Account	2,829,251.00				2,829,251.00
Emergency Reserve Account	501,000.92				501,000.92
Assigned - Designated for Subsequent Year's Expenditures	1,843,052.92				1,843,052.92
Excess Surplus - Prior Year - Designated for Subsequent Years' Expenditures	2,637,848.08				2,637,848.08
Excess Surplus - Current Year	2,901,175.89				2,901,175.89
Committed to:					
Year Ended Encumbrances	201,364.62				201,364.62
Unassigned, Reported in:					
General Fund	(307,766.96)				(307,766.96)
Debt Service Fund				8,750.53	8,750.53
Total Fund Balances	<u>16,649,257.70</u>			<u>8,750.53</u>	<u>16,658,008.23</u>
Total Liabilities and Fund Balance	<u>\$ 18,479,631.55</u>	<u>\$ 540,807.21</u>	<u>\$ 208,597.37</u>	<u>\$ 8,750.53</u>	<u>\$ 19,237,786.66</u>

Total Fund Balances Above \$ 16,658,008.23

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

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds. The costs
of the assets is \$212,526,431.61 and the accumulated depreciation
is \$83,850,840.00. (See Note 5). 128,675,591.61

The costs associated with the issuance of the various bonds are expensed
in the governmental funds in the year the bonds are issued but are capitalized
on the statement of net assets. The bond issuance cost is \$111,356.24 and
accumulated amortization is \$1,637.59. (See Note 15). 109,718.65

Long-term liabilities, including bonds payable, are not due and
payable in the current period and therefore are not reported as
liabilities in the funds. (See Note 6). (42,407,969.80)

Deferred Outflows related to pension contributions subsequent to the
Net Position Liability measurement date and other deferred items are
not current financial resources and therefore are not reported in the
fund statements. (See Note 7). 7,580,783.00

Deferred inflows related to pension actuarial gains from experience and
differences in actual return and assumed returns and other deferred
items are not reported as liabilities in the funds. (See Note 7). (1,218,507.00)

Long-term liabilities, including Net Pension Liability, are not due and
payable in the current period and therefore are not reported as
liabilities in the funds. (See Note 7). (39,146,322.00)

Accrued interest is a current liability that will be paid from the
debt service fund. Therefore, the liability reduces the restricted
for debt service net asset balance. (322,064.38)

Net Position of Governmental Activities (A-1) \$ 69,929,238.31

OLD BRIDGE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

B-2

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
Local Sources:				
Local Tax Levy	\$ 91,137,544.00	\$	\$ 2,970,218.00	\$ 94,107,762.00
Tuition	43,256.59			43,256.59
Interest on Capital Reserve Account	10,234.20			10,234.20
Miscellaneous	507,987.93		8,750.04	516,737.97
Private Sources		25,302.06		25,302.06
Total Local Sources	<u>91,699,022.72</u>	<u>25,302.06</u>	<u>2,978,968.04</u>	<u>94,703,292.82</u>
State Sources	62,295,363.87	501,510.43		62,796,874.30
Federal Sources	151,801.88	3,312,198.00		3,463,999.88
Total Revenues	<u>154,146,188.47</u>	<u>3,839,010.49</u>	<u>2,978,968.04</u>	<u>160,964,167.00</u>
<u>Expenditures</u>				
Current:				
Regular Instruction	42,907,177.60	2,904,810.43		45,811,988.03
Special Education Instruction	13,243,807.94			13,243,807.94
Other Special Instruction	3,947,352.14			3,947,352.14
Other Instruction	1,587,085.13			1,587,085.13
Community Service Programs	5,780.14			5,780.14
Support Services and Undistributed Costs:				
Tuition	3,258,587.78			3,258,587.78
Student and Instruction Related Services	12,825,662.96	934,200.06		13,759,863.02
General Administrative Services	1,984,659.52			1,984,659.52
School Administrative Services	5,388,633.34			5,388,633.34
Other Administrative Services	1,617,877.73			1,617,877.73
Plant Operations and Maintenance	13,811,146.00			13,811,146.00
Pupil Transportation	8,569,297.14			8,569,297.14
Employee Benefits	41,027,475.98			41,027,475.98
Charter School	119,207.00			119,207.00
Debt Service:				
Principal			1,370,000.00	1,370,000.00
Interest			1,600,218.00	1,600,218.00
Capital Outlay	1,667,607.61			1,667,607.61
Total Expenditures	<u>151,961,358.01</u>	<u>3,839,010.49</u>	<u>2,970,218.00</u>	<u>158,770,586.50</u>
Excess (Deficiency) of Revenues Over/(Under)				
Expenditures	2,184,830.46		8,750.04	2,193,580.50
Fund Balance July 1	<u>14,464,427.24</u>		<u>0.49</u>	<u>14,464,427.73</u>
Fund Balance June 30	<u>\$ 16,649,257.70</u>	<u>\$ -</u>	<u>\$ 8,750.53</u>	<u>\$ 16,658,008.23</u>

OLD BRIDGE SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

B-3

	<u>Ref.</u>	
Total Net Change in Fund Balances - Governmental Funds	B-2	\$ 2,193,580.50
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	\$ (4,813,425.00)	
Capital Outlays	<u>1,508,175.61</u>	(3,305,249.39)
Repayment of Bond Principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		1,370,000.00
Proceeds from debt issues are a financing source in the governmental funds. They are not a revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
Refunding Bond Proceeds		(32,215,000.00)
Bonds Refunded		34,745,000.00
Bond Issuance costs are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.		
		109,718.65
Premium on the sale of bonds are reported in the governmental funds as revenue in the year the bonds are issued. However, on the statement of activities, the revenue is amortized over the life of the bonds		
		(3,442,046.51)
Repayment of Capital Lease Principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		102,318.90
Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest cost, administrative costs, investment returns, and experience/assumption. This is the amount by which net position liability and deferred inflows/outflows related to pension changed during the period.		
		(1,125,444.00)
Decrease in Compensated Absences		423,127.98
Decrease in Accrued Interest Payable		<u>411,369.22</u>
Change in Net Position of Governmental Activities	A-2	<u>\$ (732,624.65)</u>

PROPRIETARY FUNDS

OLD BRIDGE SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

B-4

Business-Type
Activities
Enterprise
Funds

Food
Service

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ (125,767.74)
Accounts Receivable:	
State Sources	3,659.53
Federal Sources	57,304.85
Other Sources	176,003.93
Inventories:	
Regular	33,038.94
Food Distribution Program Commodities	<u>3,391.35</u>

Total Current Assets	<u>147,630.86</u>
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Noncurrent Assets:

Furniture, Machinery and Equipment	466,208.80
Less: Accumulated Depreciation	<u>(380,097.85)</u>

Total Noncurrent Assets	<u>86,110.95</u>
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Total Assets	<u>\$ 233,741.81</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	<u>\$ 215,234.24</u>
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NET POSITION

Invested in Capital Assets, Net of Related Debt	\$ 86,110.95
Unrestricted	<u>(67,603.38)</u>

Total Net Position	<u>\$ 18,507.57</u>
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OLD BRIDGE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

B-5

Business-Type
Enterprise
Funds
Food
Service

Operating Revenues:	
Charges for Services:	
Daily Sales	\$ 1,656,689.32
Other	40,578.76
Total Operating Revenues	<u>1,697,268.08</u>
Operating Expenses:	
Cost of Sales	935,901.07
Salaries	1,215,689.85
Payroll Taxes	256,167.85
Purchased Professional and Technical Services	156,060.00
Management Fee	130,560.00
Repairs and Maintenance	92,814.84
Supplies and Materials	161,094.71
Miscellaneous	97,525.23
Depreciation	14,828.11
Total Operating Expenses	<u>3,060,641.66</u>
Operating Loss	<u>(1,363,373.58)</u>
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	31,359.01
Federal Sources:	
National School Lunch Program	1,039,800.15
Food Distribution Program	49,805.79
Food Company Contribution	172,567.60
Interest Revenue	175.95
Total Nonoperating Revenues	<u>1,293,708.50</u>
Loss before Operating Transfers	<u>(69,665.08)</u>
Change in Net Position	(69,665.08)
Total Net Position - Beginning	<u>88,172.65</u>
Total Net Position - Ending	<u>\$ 18,507.57</u>

OLD BRIDGE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

B-6

	Business-Type Activities Enterprise Funds <u>Food Service</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 1,678,274.36
Payments to Suppliers	<u>(3,343,899.99)</u>
Net Cash Used for Operating Activities	<u>(1,665,625.63)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
State Sources	30,023.29
Federal Sources	1,063,946.94
Other Sources	<u>149,756.53</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,243,726.76</u>
<u>Cash Flows from Investing Activities</u>	
Interest	<u>175.95</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(421,722.92)
Balances - Beginning of Year	<u>295,955.18</u>
Balances - End of Year	<u>\$ (125,767.74)</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	<u>\$ (1,363,373.58)</u>
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Depreciation	14,828.11
Federal Commodities	49,805.79
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	(18,993.72)
(Increase)/Decrease in Inventory	(6,805.15)
Increase/(Decrease) in Accounts Payable	<u>(341,087.08)</u>
Total Adjustments	<u>(302,252.05)</u>
Net Cash Used by Operating Activities	<u>\$ (1,665,625.63)</u>

FIDUCIARY FUNDS

OLD BRIDGE SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2016

B-7

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	<u>\$ 198,699.63</u>	<u>\$ 1,224,841.72</u>
 <u>LIABILITIES</u>		
Payable to Student Groups		\$ 470,238.19
Payroll Deductions and Withholdings		748,406.42
Interfunds Payable		<u>6,197.11</u>
Total Liabilities		<u>\$ 1,224,841.72</u>
 <u>NET POSITION</u>		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 198,699.63</u>	

OLD BRIDGE SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

B-8

Unemployment
 Compensation
Trust Fund

Additions

Contributions:

 Payroll Deductions

\$212,411.47

Investment Earnings:

 Interest

232.80

Total Additions

212,644.27

Deductions

Quarterly Contribution Reports

87,244.98

Unemployment Claims

61,837.15

Total Deductions

149,082.13

Change in Net Position

63,562.14

Total Net Position - Beginning

135,137.49

Total Net Position - Ending

\$198,699.63

NOTES TO FINANCIAL STATEMENTS

OLD BRIDGE SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Old Bridge School District (the "District") is a Type II District located in the County of Middlesex, State of New Jersey. As a Type II District, the District functions independently through a Board of Education (the "Board"). 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 had an approximate enrollment at June 30, 2016 of 9,016 students.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

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:

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

A. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. **Basis of Presentation (Continued)**

1. **Government-Wide Financial Statements (Continued)**

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. **Fund Financial Statements**

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. **Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

1. **Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America (GAAP) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

General Fund (Continued)

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue 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.

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.

Permanent Fund - The Permanent Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. Resources are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting entity's programs - that is, for the benefit of the school district. The District presently has no resources that are considered permanent funds.

2. Proprietary Fund Type

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 Fund 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 - where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

2. Proprietary Fund Type (Continued)

Enterprise Fund (Continued)

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

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:

Food Service Fund:	
Machinery and Equipment	5 - 12 Years

Internal Service Funds - These funds may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary entity and its component units, or to other governments, on a cost-reimbursement basis. In addition, internal service funds are used only if the reporting school district is the predominant participant in the activity. The District does not currently utilize any Internal Service Funds.

3. Fiduciary Funds

Fiduciary Fund reporting focuses on net position and changes in net position. They are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the District's own programs. There are four fiduciary fund types - pension (and other employee benefit) trust funds, investment trust funds, private-purpose trusts and agency funds. The overarching rule for these funds is that they should never be used to report resources that can be used for programs of the reporting district.

Unemployment Insurance Trust - The SUI Fund is an employee benefit trust fund which accounts for resources held and administered while acting in a fiduciary capacity for individuals or other government agencies. Assets are held in trust for members of the defined contribution plan.

Agency Funds - Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. These funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

4. Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt, not in the governmental funds. This includes serial bonds outstanding that are expected to be financed from governmental funds, the outstanding principal balance on capital leases, lease-purchase agreements, compensated absences, claims and judgments, early retirement incentive programs and rebatable arbitrage.

C. Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement of Net Position.

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

E. 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 for approval. Budgets which meet the tax levy cap requirements do not require voter approval. Budgets which exceed the tax levy cap require voter approval for the excess amount at the November election. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C. 6A:23A-2.3 (et seq.).

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

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

The following presents a reconciliation of the General Fund Revenue and Special Revenue Fund Revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

E. Budgets/Budgetary Control (Continued)

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

		<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	[C-1]	\$ 154,147,647.47	\$3,839,010.49
Difference - Budget-to-GAAP:			
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(4,420,453.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		<u>4,418,994.00</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	<u>\$ 154,146,188.47</u>	<u>\$3,839,010.49</u>
Uses/Outflows of Resources:			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1]	\$ 152,925,255.01	\$3,839,010.49
Pension expense recognized for budgetary purposes, not recognized for GAAP statements - current year.		<u>(963,897.00)</u>	
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	<u>\$ 151,961,358.01</u>	<u>\$3,839,010.49</u>

F. 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 deferred inflows at fiscal year end. There were no open encumbrances recorded in the Special Revenue Fund as of June 30, 2016.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Cash, 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 cost. All other investments are stated at fair value.

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a 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 savings 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.

H. Inventories and Prepaid Expenses

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

I. 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.

J. Tuition Payable

Tuition charges for the fiscal years 2014-15 and 2015-16 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

K. Short-Term Interfund Receivables/Payables

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of two thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 40 Years
Furniture and Equipment	7 - 20 Years
Vehicles	8 Years

M. Compensated Absences

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

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

N. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Net Position

The District has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

The District has implemented GASB No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period.

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

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

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

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

P. Deferred Inflows

Deferred inflows in the special revenue fund represents cash that has been received but not yet earned.

Q. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

R. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Proprietary Funds Revenues and Expenses

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund (the Food Service) are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

T. Rebatable Arbitrage

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the Capital Projects Fund. The liability, if any, is recorded in the "Statement of Net Position".

U. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the District and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

V. Allocation of Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, worker's compensation and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

W. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months, but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

As of June 30, 2016, cash and cash equivalents (Deposits) of the District consisted of the following:

Checking and Money Market Accounts, Interest Bearing	<u>\$ 16,725,399.78</u>
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Of the total amount, deposits of \$6,043,331.23 have been earmarked towards the Capital Reserve Account (See Note 4).

Investments

New Jersey statutes permit the District to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Resolution on October 10, 2000 by inclusion of \$100.00 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015		\$ 5,288,097.03
Increased by:		
Transfer by Board of Education	\$ 1,800,000.00	
Interest Earned	<u>10,234.20</u>	
		<u>1,810,234.20</u>
		7,098,331.23
Decreased by:		
Budgeted Transfer to Capital Outlay		<u>1,055,000.00</u>
Ending Balance, June 30, 2016		<u>\$ 6,043,331.23</u>

5. CAPITAL ASSETS

Classification of Balances - June 30, 2016

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Nondepreciable:				
Sites	\$ 32,473,067.00	\$	\$	\$ 32,473,067.00
Construction-in-Progress		312,448.83		312,448.83
	<u>32,473,067.00</u>	<u>312,448.83</u>		<u>32,785,515.83</u>
Depreciable:				
Site Improvements	10,418,880.00	363,539.00		10,782,419.00
Buildings and Improvements	146,965,434.00	51,424.05		147,016,858.05
Machinery and Equipment	21,414,927.00	780,763.73	(254,052.00)	21,941,638.73
	<u>178,799,241.00</u>	<u>1,195,726.78</u>	<u>(254,052.00)</u>	<u>179,740,915.78</u>
Total Assets	211,272,308.00	1,508,175.61	(254,052.00)	212,526,431.61
Less Accumulated Depreciation:				
Buildings and Improvements	<u>(79,291,467.00)</u>	<u>(4,813,425.00)</u>	<u>254,052.00</u>	<u>(83,850,840.00)</u>
Assets Net of Depreciation	<u>\$ 131,980,841.00</u>	<u>\$ (3,305,249.39)</u>	<u>\$ -</u>	<u>\$ 128,675,591.61</u>
<u>Capital Outlay</u>				
General		\$ 1,667,607.61		
Less: Debt				
		<u>(159,432.00)</u>		
Total Additions to Capital Assets		<u>\$ 1,508,175.61</u>		

Business-Type Activities

The following is a summary of Proprietary Fund type fixed assets at June 30, 2016:

Machinery and Equipment	\$ 466,208.80
Less: Accumulated Depreciation	<u>(380,097.85)</u>
Net Fixed Assets	<u>\$ 86,110.95</u>

6. LONG-TERM DEBT

Long-Term Liability Conversion Schedule - June 30, 2016

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Amounts Due One Year	Long-Term Portion
Compensated Absences	\$ 5,266,370.17	\$	\$ 423,127.98	\$ 4,843,242.19	\$	\$ 4,843,242.19
Lease Purchase Payable	565,000.00		102,318.90	462,681.10	110,405.56	352,275.54
Serial Bonds Payable	37,560,000.00	32,215,000.00	36,115,000.00	33,660,000.00	1,720,000.00	31,940,000.00
Premium on Bond Sale		3,459,002.40	16,955.89	3,442,046.51	203,470.73	3,238,575.78
	<u>\$ 43,391,370.17</u>	<u>\$ 35,674,002.40</u>	<u>\$ 36,657,402.77</u>	<u>\$ 42,407,969.80</u>	<u>\$ 2,033,876.29</u>	<u>\$ 40,374,093.51</u>

6. LONG-TERM DEBT (Continued)

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. Interest rates on outstanding bonds range from 2.00% to 5.00%.

Principal and interest due on serial bonds outstanding is as follows:

Year	Refunding 2006 Bonds		Refunding 2016 Bonds		Total
	Principal	Interest	Principal	Interest	
2016-17	\$ 1,445,000.00	\$ 36,125.00	\$ 275,000.00	\$ 888,708.16	\$ 2,644,833.16
2017-18			1,460,000.00	1,190,937.50	2,650,937.50
2018-19			1,500,000.00	1,153,837.50	2,653,837.50
2019-20			1,560,000.00	1,100,137.50	2,660,137.50
2020-21			1,625,000.00	1,036,437.50	2,661,437.50
2021-22			1,705,000.00	967,312.50	2,672,312.50
2022-23			1,780,000.00	891,137.50	2,671,137.50
2023-24			1,865,000.00	807,962.50	2,672,962.50
2024-25			1,950,000.00	728,237.50	2,678,237.50
2025-26			2,030,000.00	652,543.75	2,682,543.75
2026-27			2,110,000.00	571,325.00	2,681,325.00
2027-28			2,190,000.00	496,850.00	2,686,850.00
2028-29			2,260,000.00	430,100.00	2,690,100.00
2029-30			2,340,000.00	349,400.00	2,689,400.00
2030-31			2,430,000.00	254,000.00	2,684,000.00
2031-32			2,525,000.00	154,900.00	2,679,900.00
2032-33			2,610,000.00	52,200.00	2,662,200.00
	<u>\$ 1,445,000.00</u>	<u>\$ 36,125.00</u>	<u>\$ 32,215,000.00</u>	<u>\$ 11,726,026.91</u>	<u>\$ 45,422,151.91</u>

B. Bonds Authorized but Not Issued

As of June 30, 2016, the Board had no authorized but not issued bonds.

C. 2002 Project School Bonds

On January 15, 2002, the Board issued \$47,823,000 in School Bonds.

Redemption - The Bonds of this issue maturing prior to July 15, 2012 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after July 15, 2012 are redeemable at the option of the Board in whole or in part on any date on or after July 15, 2011 upon notice as required herein at one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

Notice of redemption ("Notice of Redemption") shall be given by mailing such notice at least thirty (30) days but not more than sixty (60) days before the date fixed for redemption by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Board of a duly appointed Bond Registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such Securities Depository and shall not be sent to the beneficial owners of the Bonds. Any failure of the Securities Depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the board determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be selected by the Board; the Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

6. LONG-TERM DEBT (Continued)

C. 2002 Project School Bonds (Continued)

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption.

Authorization and Purpose - The Bonds have been authorized and are issued pursuant to: (i) Title 18A, Chapter 24 of the New Jersey Statutes, as amended and supplemented; (ii) a proposal adopted by the Board on August 21, 2001 and approved by the affirmative vote of a majority of the legal voters present and voting at a special School District election held on September 25, 2001; and (iii) a resolution adopted by the Board on December 18, 2001, which resolution sets forth the terms of the offering and sale of the Bonds.

Proceeds of the Bonds are being issued to construct, renovate and equip additions to the Old Bridge High School East Campus, to convert Old Bridge High School West Campus to a Middle School, to construct additions to, renovate, upgrade and equip all elementary schools, to undertake HVAC upgrades at Salk Middle School and to provide technology systems upgrades to all schools (the "Project"). The \$47,823,000 aggregate cost of the Project will be funded through a combination of the issuance of the Bonds and an approved grant in the amount of \$18,892,084 to be received from the State of New Jersey pursuant to the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72.

Refunding Bond Sale - On September 19, 2006, the School District sold Refunding School Bonds in the sum of \$41,445,000.00. The School District will use the proceeds from the sale to retire previously issued debt resulting in a savings of overall debt service over the life of the Bonds.

On April 20, 2016, the School District sold Refunding School Bonds in the sum of \$32,215,000.00. The School District will use the proceeds from the sale to retire previously issued debt resulting in a savings of overall debt service over the life of the Bonds.

D. Lease Purchase Agreement

The Board has entered into a lease purchase agreement with Municipal Leasing Consultants, LLC. The details are as follows:

Date:	July 1, 2015
Period:	July 1, 2015 to January 20, 2020
Yield:	2.99%
Principal:	\$ 565,000.00
Interest	<u>54,280.30</u>
	<u>\$ 619,280.30</u>

6. LONG-TERM DEBT (Continued)

D. Lease Purchase Agreement (Continued)

The following is a schedule of the future minimum lease payments under the Lease Purchase Agreements:

<u>Year</u>	<u>Payment Amount</u>	<u>Interest Portion</u>	<u>Principal Portion</u>
June 30, 2017	\$ 123,856.06	\$ 13,450.50	\$ 110,405.56
June 30, 2018	123,856.06	10,012.62	113,843.44
June 30, 2019	123,856.06	6,467.68	117,388.38
June 30, 2020	123,856.06	2,812.34	121,043.72
	<u>\$ 495,424.24</u>	<u>\$ 32,743.14</u>	<u>\$ 462,681.10</u>

7. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P. O. Box 295, Trenton, New Jersey 08625.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund 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 District and the system's other related noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

7. PENSION PLANS (Continued)

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Pension benefits for members enrolled in PERS after May 21, 2010 would be based on 1/60th of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member or the member's beneficiary. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

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.

Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operates and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contribution employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

In accordance with the provisions of Chapter 78, P.L. 2011, employee pension contribution rates for TPAF and PERS is currently 7.06% of employees' annual compensation, as defined.

7. PENSION PLANS (Continued)

Contribution Requirements (Continued)

Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. The actuarially determined employer contribution includes funding for both cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premium. Under current statute, the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Net Cost to District</u>	<u>Percentage of APC Contributed</u>
June 30, 2016	\$ 1,499,258.00	\$ 1,499,258.00	100%
June 30, 2015	1,468,193.00	1,468,193.00	100%
June 30, 2014	1,284,324.34	1,284,324.34	100%

**Three-Year Trend Information for TPAF
(Paid On-Behalf of the District)**

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Post-Retirement Medical Benefits</u>
June 30, 2016	\$ 4,965,834.00	100%	\$ 5,912,936.00
June 30, 2015	3,348,915.00	100%	5,316,403.00
June 30, 2014	2,594,693.00	100%	4,254,320.00

During the fiscal year ended June 30, 2016, the State of New Jersey contributed \$4,965,834.00 to the TPAF for normal pension and \$5,912,936 for post-retirement medical benefits On-Behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$4,540,732.87 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

Legislation enacted during 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Board assumed the increased cost for the early retirement as it affected their district.

Teachers' Pension and Annuity Fund (TPAF)

Summary of Significant Accounting Policies

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

7. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does 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 district. However, the State's portion of the net pension liability that was associated with the district was \$391,512,022, as measured on June 30, 2015 and \$327,811,808 as measured on June 30, 2014.

For the year ended June 30, 2016, the district recognized pension expense of \$23,905,334 and revenue of \$23,905,334 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2016 is based upon changes in the collective net pension liability with a measurement period of June 30, 2014 through June 30, 2015. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2014 and June 30, 2015.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Collective Deferred Outflows of Resources	\$ 2,306,623,861	\$ 7,521,378,257
Collective Deferred Inflows of Resources	1,763,205,593	554,399,005
Collective Net Pension Liability (Nonemployer - State of New Jersey)	53,446,745,367	63,204,270,305
State's Portion of the Net Pension Liability that was Associated with the District	327,811,808	391,512,022
State's Portion of the Net Pension Liability that was Associated with the District as a Percentage of the Collective Net Pension Liability	0.6133428812%	0.6194391933%

Actuarial Assumptions

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:	2.5%
Salary Increases:	Varies Based on Experience
Investment Rate of Return:	7.90%

7. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

7. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.13% 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 7.90%, 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 employers' 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 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/pdf/financial/gasb68-tpaf16.pdf>.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

Public Employees' Retirement System (PERS)

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

At June 30, 2016, the District reported a liability of \$39,146,322 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2015 and 2014. At June 30, 2015, the District's proportion was .1743867091%, which was a decrease of .0037087163% from its proportion measured as of June 30, 2014.

7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

For the year ended June 30, 2016, the District recognized pension expense of \$2,655,811. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 933,894	\$
Changes of Assumptions	4,204,002	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		629,398
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	943,629	589,109
District Contributions Subsequent to the Measurement Date	<u>1,499,258</u>	
	<u>\$ 7,580,783</u>	<u>\$ 1,218,507</u>

The \$1,499,258 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) will be recognized as a reduction of the net pension liability measured as of June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2016	\$ 820,773.71
2017	820,773.71
2018	820,773.72
2019	1,307,213.79
2020	<u>738,963.50</u>
	<u>\$ 4,508,498.43</u>

Additional Information:

Collective balances at June 30, 2014 and 2015 are as follows:

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Collective Deferred Outflows of Resources	\$ 952,194,675	\$ 3,578,755,666
Collective Deferred Inflows of Resources	1,479,224,662	993,410,455
Collective Net Pension Liability (Non State - Local Group)	18,722,735,003	22,447,996,119
District's Portion of Net Pension Liability	33,344,335	39,146,322
District's Proportion %	0.1780954254%	0.1743867091%

7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions

The collective 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:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15% - 4.40% Based on Age
Thereafter	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one 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 setback 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 Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yields Bonds	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

7. PENSION PLANS (Continued)

Public Employees' Retirement System (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 7.90%, 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 actuarially determined 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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability measured as of June 30, 2015, calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	<u>1% Decrease (3.90%)</u>	<u>Current Discount Rate (4.90%)</u>	<u>1% Increase (5.90%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 48,654,088.00	\$ 39,146,322.00	\$ 31,175,079.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

8. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the municipal base salary required for eligibility in the DCRP was increased to \$5,000.00.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

8. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

Description of System (Continued)

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.

8. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

Description of System (Continued)

- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan for the past year are as follows:

<u>Year</u>	<u>School District</u>	<u>Employees</u>
2016	\$ 14,661.10	\$ 26,719.23

9. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving 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 P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid 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. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

9. POST-RETIREMENT BENEFITS (Continued)

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. 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 SEHBP. That report may be obtained from the Treasury website at:

<http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

10. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. The current portion of the compensated absences balance of the governmental funds is reported separately on the Statement of Net Position.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016, no liability existed for compensated absences in the Proprietary Fund types.

11. DEFERRED COMPENSATION

The District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits 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:

Thomas Seely
Variable Annuity Life Insurance Company
Vision Financial Services
VTA (American Skandia)
The Equitable

Lincoln Investment Planning, Inc.
Fidelity Investments
USAA Insurance Company
Vanguard

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, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$	\$212,411.47	\$ 232.80	\$ 149,082.13	\$198,699.63
2015		205,210.07	138.79	168,440.94	135,137.49
2014	10,000.00	206,735.91	67.25	169,352.82	98,229.57

Workers' Compensation Insurance

The District's Workers' Compensation Claims are processed by Inservco Insurance Services. As of June 30, 2016, Inservco projects that the District will be liable for open claims in the amount of \$439,284.00.

13. INTERFUND RECEIVABLES AND PAYABLES

The following are reflected as interfund receivables and payables on the various balance sheets at June 30, 2016:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General:		
Due from Agency Trust Fund	\$6,197.11	\$
Agency Trust Fund:		
Due to General		6,197.11
	<u>\$6,197.11</u>	<u>\$6,197.11</u>

14. INVENTORY

Inventory in the Enterprise Fund for regular food and supplies and Food Distribution Program Commodities at June 30, 2016 of \$33,038.94 and \$3,391.35, respectively, is stated at lower of cost or market.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

15. DEFERRED BOND ISSUANCE COSTS

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (8 to 30 years). The costs associated with the issues of the various bonds amounted to \$111,356.24, accumulated amortization through June 30, 2016 was \$1,637.59.

16. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$16,649,257.70 General Fund fund balance at June 30, 2016, \$201,364.62 is reserved for encumbrances; \$2,901,175.89 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$6,043,331.23 has been reserved in the Capital Reserve Account; \$501,000.92 has been reserved in the Emergency Reserve Account; \$2,829,251.00 has been reserved in the Maintenance Reserve Account; \$1,843,052.92 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; \$2,637,848.08 is reserved as excess surplus designated for subsequent years' expenditures and \$(307,766.96) is unreserved and undesignated.

Debt Service Fund - Of the \$8,750.53 Debt Service Fund balance at June 30, 2016, \$8,750.53 is unreserved and undesignated.

17. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$307,766.96 in the General Fund as of June 30, 2016 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event that a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

17. DEFICIT FUND BALANCES (Continued)

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$307,766.96 is less than the last state aid payment.

18. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18:7F-7, as amended by P.L. 2004, c.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 as of June 30, 2016 is \$2,901,175.89.

19. SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

20. CONTINGENT LIABILITIES

A. Litigation

The Board Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Board's insurance carrier or would have a material financial impact on the Board.

B. Federal and State Awards

The School District participates in several federal and state grant and aid programs which are governed by various rules and regulations of the grantor agencies, therefore, to the extent that the School District has not complied with the rules and regulations governing the grants or aid, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants, therefore, no provisions have been recorded in the accompanying general purpose financial statements for such contingencies.

21. SUBSEQUENT EVENT

The Old Bridge Township School District has evaluated subsequent events that occurred after the balance sheet date, but before October 27, 2016. No items were determined to require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. BUDGETARY COMPARISON SCHEDULES

OLD BRIDGE SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

C-1
 Sheet #1

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Revenues					
Local Sources:					
Tuition from Other Sources	\$ 168,381.00	\$	\$ 168,381.00	\$ 46,256.59	\$ (122,124.41)
Local Tax Levy	91,137,544.00		91,137,544.00	91,137,544.00	
Interest on Capital Reserve Account	5,000.00		5,000.00	10,234.20	5,234.20
Miscellaneous	400,675.00		400,675.00	507,987.93	107,312.93
Total - Local Sources	<u>91,711,600.00</u>		<u>91,711,600.00</u>	<u>91,702,022.72</u>	<u>(9,577.28)</u>
State Sources:					
Equalization Aid	36,867,100.00		36,867,100.00	36,867,100.00	
Special Educational Aid	5,499,282.00		5,499,282.00	5,499,282.00	
Security Aid	817,494.00		817,494.00	817,494.00	
Extraordinary Aid	875,812.00		875,812.00	2,091,331.00	1,215,519.00
Categorical Transportation Aid	841,635.00		841,635.00	841,635.00	
Nonpublic Transportation Aid				147,052.00	147,052.00
Other State Aid	610,426.00		610,426.00	610,426.00	
Nonbudgeted:					
On-Behalf Contributions				10,878,770.00	10,878,770.00
Reimbursed TPAF Social Security Contributions				4,540,732.87	4,540,732.87
Total - State Sources	<u>45,511,749.00</u>		<u>45,511,749.00</u>	<u>62,293,822.87</u>	<u>16,782,073.87</u>
Federal Sources:					
Medicare Reimbursement	112,336.00		112,336.00	151,801.88	39,465.88
Total - Federal Sources	<u>112,336.00</u>		<u>112,336.00</u>	<u>151,801.88</u>	<u>39,465.88</u>
Total Revenues	<u>\$ 137,335,685.00</u>	<u>\$ -</u>	<u>\$ 137,335,685.00</u>	<u>\$ 154,147,647.47</u>	<u>\$ 16,811,962.47</u>
Expenditures					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 1,716,022.00	\$	\$ 1,716,022.00	\$ 1,669,146.83	\$ 46,875.17
Grades 1 - 5	13,928,025.00	(10,398.36)	13,917,626.64	13,873,109.56	44,517.08
Grades 6 - 8	10,995,644.00	(246,943.09)	10,748,700.91	10,375,781.26	372,919.65
Grades 9 - 12	14,974,110.00		14,974,110.00	14,940,348.01	33,761.99
Home Instruction:					
Salaries of Teachers	90,000.00	35,398.36	125,398.36	125,398.36	
Purchased Professional - Educational Services	60,000.00		60,000.00	46,657.52	13,342.48
Purchased Professional - Regular	14,000.00	8,000.00	22,000.00	20,397.77	1,602.23

OLD BRIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

C-1
Sheet #2

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Expenditures</u>					
Current Expense:					
Regular Programs - Undistributed Instruction:					
Other Purchased Services - Travel	\$ 13,231.00	\$ -	\$ 13,231.00	\$ 5,348.62	\$ 7,882.38
General Supplies	2,005,312.00	(186,299.81)	1,819,012.19	1,731,271.33	87,740.86
Textbooks	91,939.00	(6,160.90)	85,778.10	79,527.41	6,250.69
Other Objects - Miscellaneous	31,545.00	10,000.00	41,545.00	40,190.93	1,354.07
Total Regular Programs	43,919,828.00	(396,403.80)	43,523,424.20	42,907,177.60	616,246.60
Special Education:					
Autism:					
Salaries of Teachers	206,393.00	76,454.99	282,847.99	282,847.99	
Other Salaries for Instruction	205,604.00	74,385.11	279,989.11	279,989.11	
General Supplies	4,000.00	(364.52)	3,635.48	3,635.48	
Textbooks	1,000.00		1,000.00	1,000.00	
Total Autism	416,997.00	150,475.58	567,472.58	567,472.58	
Learning/Language Disabilities:					
Salaries of Teachers	1,558,835.00	29,340.32	1,588,175.32	1,588,175.32	
Other Salaries for Instruction	727,111.00	220,487.32	947,598.32	947,598.32	
General Supplies	22,000.00	(895.74)	21,104.26	21,100.31	3.95
Textbooks	1,200.00		1,200.00	1,200.00	
Total Learning/Language Disabilities	2,309,146.00	248,931.90	2,558,077.90	2,558,073.95	3.95
Behavioral Disabilities:					
Salaries of Teachers	55,415.00	1,950.30	57,365.30	57,365.30	
Other Salaries for Instruction	33,737.00	35,448.12	69,185.12	69,185.12	
Total Behavioral Disabilities	89,152.00	37,398.42	126,550.42	126,550.42	
Cognitive - Mild:					
Salaries of Teachers	127,575.00	(59,830.40)	67,744.60	67,744.60	
Other Salaries for Instruction	56,643.00	(14,366.32)	42,276.68	42,276.68	
General Supplies	5,000.00	(56.79)	4,943.21	4,943.21	
Total Cognitive - Mild	189,218.00	(74,253.51)	114,964.49	114,964.49	
Multiple Disabilities:					
Salaries of Teachers	116,212.00	233,905.85	350,117.85	350,117.85	
Other Salaries for Instruction	233,699.00	32,960.85	266,659.85	266,659.85	
General Supplies	3,000.00	(19.30)	2,980.70	2,980.70	
Total Multiple Disabilities	352,911.00	266,847.20	619,758.20	619,758.20	

OLD BRIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

C-1
Sheet #3

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<u>Expenditures</u>					
Current Expense:					
Special Education:					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 6,475,686.00	\$ 49,841.00	\$ 6,525,527.00	\$ 6,525,526.99	\$ 0.01
Other Salaries for Instruction	1,111,168.00	(47,378.48)	1,063,789.52	1,063,789.52	
General Supplies	40,400.00	13,732.47	54,132.47	53,931.08	201.39
Textbooks	4,000.00		4,000.00	4,000.00	
Total Resource Room/Resource Center	<u>7,631,254.00</u>	<u>16,194.99</u>	<u>7,647,448.99</u>	<u>7,647,247.59</u>	<u>201.40</u>
Preschool Disabilities Part-Time:					
Salaries of Teachers	446,027.00	176,661.23	622,688.23	622,688.23	
Other Salaries for Instruction	406,378.00	(5,442.07)	400,935.93	400,935.93	
Purchased Professional Services - Nurses	3,000.00	(3,000.00)			
General Supplies	7,000.00	(268.84)	6,731.16	6,731.16	
Total Preschool Disabilities Part-Time	<u>862,405.00</u>	<u>167,950.32</u>	<u>1,030,355.32</u>	<u>1,030,355.32</u>	
Preschool Disabilities Full-Time:					
Salaries of Teachers	211,421.00	(51,292.11)	160,128.89	160,128.89	
Other Salaries for Instruction	228,056.00	(10,136.77)	217,919.23	217,919.23	
Purchased Professional - Educational Services	250.00		250.00		250.00
General Supplies	6,000.00	(13.58)	5,986.42	5,986.42	
Total Preschool Disabilities Full-Time	<u>445,727.00</u>	<u>(61,442.46)</u>	<u>384,284.54</u>	<u>384,034.54</u>	<u>250.00</u>
Home Instruction:					
Salaries of Teachers	115,001.00	23,684.72	138,685.72	138,685.72	
Purchased Professional - Educational Services	85,000.00		85,000.00	56,665.13	28,334.87
Total Home Instruction	<u>200,001.00</u>	<u>23,684.72</u>	<u>223,685.72</u>	<u>195,350.85</u>	<u>28,334.87</u>
Total Special Education	<u>12,496,811.00</u>	<u>775,787.16</u>	<u>13,272,598.16</u>	<u>13,243,807.94</u>	<u>28,790.22</u>
Basic Skills/Remedial:					
Salaries of Teachers	2,519,145.00	(61,447.09)	2,457,697.91	2,444,343.66	13,354.25
Other Salaries for Instruction	515,092.00	(34,201.08)	480,890.92	480,890.92	
Other Purchased Services	1,350.00		1,350.00	792.87	557.13
General Supplies	34,000.00	(6,266.78)	27,733.22	27,725.07	8.15
Textbooks	7,500.00	(119.43)	7,380.57	7,353.07	27.50
Total Basic Skills/Remedial	<u>3,077,087.00</u>	<u>(102,034.38)</u>	<u>2,975,052.62</u>	<u>2,961,105.59</u>	<u>13,947.03</u>

OLD BRIDGE SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

C-1
 Sheet #4

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Expenditures</u>					
Current Expense:					
Bilingual Education:					
Salaries of Teachers	\$ 938,130.00	\$ (20,302.28)	\$ 917,827.72	\$ 917,827.72	\$
Other Salaries for Instruction	70,129.00	(16,792.20)	53,336.80	53,336.80	
Other Purchased Services	500.00		500.00		500.00
General Supplies	12,090.00	(709.90)	11,380.10	11,380.10	
Textbooks	5,000.00	(1,298.07)	3,701.93	3,701.93	
Total Bilingual Education	<u>1,025,849.00</u>	<u>(39,102.45)</u>	<u>986,746.55</u>	<u>986,246.55</u>	<u>500.00</u>
School Sponsored Cocurricular Activities:					
Salaries	229,353.00	3,203.19	232,556.19	232,556.19	
Supplies and Materials	22,000.00		22,000.00	20,109.80	1,890.20
Total School Sponsored Cocurricular Activities	<u>251,353.00</u>	<u>3,203.19</u>	<u>254,556.19</u>	<u>252,665.99</u>	<u>1,890.20</u>
School Sponsored Athletics:					
Salaries	1,071,201.00	(7,676.05)	1,063,524.95	1,063,524.95	
Purchased Services	9,500.00		9,500.00	9,000.00	500.00
Supplies and Materials	94,702.00	749.81	95,451.81	92,403.18	3,048.63
Transfers to Cover Deficit	91,259.00	25,222.04	116,481.04	116,481.00	0.04
Total School Sponsored Athletics	<u>1,266,662.00</u>	<u>18,295.80</u>	<u>1,284,957.80</u>	<u>1,281,409.13</u>	<u>3,548.67</u>
Instructional Alternative Education Program - Instruction:					
Salaries of Teachers		53,010.01	53,010.01	53,010.01	
Purchased Professional - Technical Services	32,219.00	(32,219.00)			
General Supplies	18,181.00	(18,181.00)			
Total Instructional Alternative Education Program - Instruction	<u>50,400.00</u>	<u>2,610.01</u>	<u>53,010.01</u>	<u>53,010.01</u>	
Total - Instruction	<u>62,087,990.00</u>	<u>262,355.53</u>	<u>62,350,345.53</u>	<u>61,685,422.81</u>	<u>664,922.72</u>
Community Service Programs - Operations:					
Salaries	5,600.00	500.00	6,100.00	5,780.14	319.86
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Regular	95,000.00	(42,000.00)	53,000.00	43,775.30	9,224.70
Tuition to Other LEA's Within the State - Special	1,629,919.00	(162,650.00)	1,467,269.00	1,456,544.16	10,724.84
Tuition to County Vocational School Districts - Regular	80,000.00	52,000.00	132,000.00	131,200.00	800.00
Tuition to CSSD and Regular Day Schools	46,842.00		46,842.00		46,842.00

OLD BRIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

C-1
Sheet #5

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Expenditures</u>					
Current Expense:					
Undistributed Expenditures:					
Instruction:					
Tuition to Private Schools for the Handicapped W/1 State	\$ 1,981,474.00	\$ (216,805.00)	\$ 1,764,669.00	\$ 1,627,068.32	\$ 137,600.68
Total Instruction	<u>3,833,235.00</u>	<u>(369,455.00)</u>	<u>3,463,780.00</u>	<u>3,258,587.78</u>	<u>205,192.22</u>
Attendance and Social Work Services:					
Salaries	<u>180,034.00</u>	<u>1,178.21</u>	<u>181,212.21</u>	<u>181,212.21</u>	
Health Services:					
Salaries	1,434,538.00	60,837.37	1,495,375.37	1,495,375.37	
Purchased Professional - Technical Services	61,000.00	-	61,000.00	50,628.12	10,371.88
Other Purchased Services	300.00	-	300.00	288.21	11.79
Supplies and Materials	54,433.00	(21.96)	54,411.04	35,076.16	19,334.88
Total Health Services	<u>1,550,271.00</u>	<u>60,815.41</u>	<u>1,611,086.41</u>	<u>1,581,367.86</u>	<u>29,718.55</u>
Other Support Services Students - Related Services:					
Salaries	1,286,559.00	(75,000.00)	1,211,559.00	1,142,533.12	69,025.88
Purchased Professional - Educational Services	1,121,000.00	142,318.86	1,263,318.86	1,258,557.95	4,760.91
Total Other Support Services Students - Related Services	<u>2,407,559.00</u>	<u>67,318.86</u>	<u>2,474,877.86</u>	<u>2,401,091.07</u>	<u>73,786.79</u>
Other Support Services Students - Extraordinary Services:					
Salaries	<u>278,727.00</u>	<u>102,684.84</u>	<u>381,411.84</u>	<u>381,411.84</u>	
Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	2,935,267.00		2,935,267.00	2,822,147.12	113,119.88
Salaries of Secretarial and Clerical Assistants	374,326.00		374,326.00	363,671.54	10,654.46
Other Purchased Professional and Technical Services	171,000.00		171,000.00	162,562.90	8,437.10
Total Other Support Services - Students - Guidance	<u>3,480,593.00</u>		<u>3,480,593.00</u>	<u>3,348,381.56</u>	<u>132,211.44</u>
Other Support Services - Students - Child Study Teams:					
Salaries of Other Professional Staff	2,115,825.00	70,995.36	2,186,820.36	2,186,820.36	
Salaries of Secretarial and Clerical Assistants	462,650.00	3,421.44	466,071.44	466,071.44	
Miscellaneous Purchased Services	10,000.00		10,000.00	9,054.78	945.22
Supplies and Materials	45,800.00		45,800.00	45,798.11	1.89
Total Other Support Services - Students - Child Study Teams	<u>2,634,275.00</u>	<u>74,416.80</u>	<u>2,708,691.80</u>	<u>2,707,744.69</u>	<u>947.11</u>

OLD BRIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

C-1
Sheet #6

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Expenditures</u>					
Current Expense:					
Undistributed Expenditures:					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 1,272,524.00	\$ (10,362.75)	\$ 1,262,161.25	\$ 1,233,801.48	\$ 28,359.77
Salaries of Other Professional Staff	8,829.00		8,829.00	2,708.58	6,122.42
Salaries of Secretarial and Clerical Assistants	124,014.00	17,000.00	141,014.00	140,530.44	483.56
Other Purchased Services	1,000.00	1,500.00	2,500.00	2,030.00	470.00
Supplies and Materials	11,000.00	4,500.00	15,500.00	14,985.73	514.27
Other Objects - Miscellaneous	3,000.00		3,000.00	2,358.00	642.00
Total Improvement of Instructional Services	<u>1,420,367.00</u>	<u>12,637.25</u>	<u>1,433,004.25</u>	<u>1,396,412.23</u>	<u>36,592.02</u>
Educational Media Services/School Library:					
Salaries	823,457.00	(76,432.38)	747,024.62	617,792.42	129,232.20
Supplies and Materials	25,542.00	3,638.00	29,180.00	25,358.35	3,821.65
Total Educational Media Services/School Library	<u>848,999.00</u>	<u>(72,794.38)</u>	<u>776,204.62</u>	<u>643,150.77</u>	<u>133,053.85</u>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	114,500.00	(47,637.25)	66,862.75	64,310.85	2,551.90
Purchased Professional - Educational Services	35,500.00	86,000.00	121,500.00	120,579.88	920.12
Total Instructional Staff Training Services	<u>150,000.00</u>	<u>38,362.75</u>	<u>188,362.75</u>	<u>184,890.73</u>	<u>3,472.02</u>
Support Services General Administration:					
Salaries	753,747.00		753,747.00	741,930.26	11,816.74
Legal Services	225,000.00		225,000.00	172,288.77	52,711.23
Accountants/Audit Fees	32,000.00		32,000.00	29,750.00	2,250.00
Architectural/Engineering Service	100,000.00	43,736.22	143,736.22	126,622.03	17,114.19
Other Purchased Professional Services	128,051.00	1,000.00	129,051.00	128,932.88	118.12
Communications/Telephone	378,370.00		378,370.00	314,201.65	64,168.35
BOE Other Purchased Services	7,000.00		7,000.00	4,689.72	2,310.28
Miscellaneous Purchased Services	421,481.00	35,500.00	456,981.00	371,831.13	85,149.87
General Supplies	119,000.00		119,000.00	67,404.38	51,595.62
Judgments	125,000.00		125,000.00		125,000.00
BOE Membership Fees and Dues	30,067.00		30,067.00	27,008.70	3,058.30
Total Support Services General Administration	<u>2,319,716.00</u>	<u>80,236.22</u>	<u>2,399,952.22</u>	<u>1,984,659.52</u>	<u>415,292.70</u>

OLD BRIDGE SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

C-1
 Sheet #7

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Expenditures</u>					
Current Expense:					
Undistributed Expenditures:					
Support Services School Administration:					
Salaries of Principals/Assistant Principals	\$ 3,259,703.00	\$ 56,104.20	\$ 3,315,807.20	\$ 3,315,807.20	\$
Salaries of Other Professional Staff	305,000.00	1,164.88	306,164.88	306,164.88	
Salaries of Secretarial and Clerical Assistants	1,745,394.00	(41,823.80)	1,703,570.20	1,703,570.20	
Other Purchased Services - Travel	40,000.00		40,000.00	35,308.66	4,691.34
Other Objects	31,000.00		31,000.00	27,782.40	3,217.60
Total Support Services School Administration	<u>5,381,097.00</u>	<u>15,445.28</u>	<u>5,396,542.28</u>	<u>5,388,633.34</u>	<u>7,908.94</u>
Central Services:					
Salaries	793,060.00	36,910.98	829,970.98	829,970.98	
Miscellaneous Purchased Services - Travel	5,500.00	255.76	5,755.76	5,755.76	
Supplies and Materials	50,000.00		50,000.00	33,633.23	16,366.77
Total Central Services	<u>848,560.00</u>	<u>37,166.74</u>	<u>885,726.74</u>	<u>869,359.97</u>	<u>16,366.77</u>
Administrative Information Technology:					
Salaries	156,553.00		156,553.00	145,334.11	11,218.89
Purchased Professional Services	190,000.00	246,387.98	436,387.98	393,618.70	42,769.28
Other Purchased Services	6,500.00		6,500.00	3,012.32	3,487.68
Supplies and Materials	325,000.00	(110,755.00)	214,245.00	206,552.63	7,692.37
Total Administrative Information Technology	<u>678,053.00</u>	<u>135,632.98</u>	<u>813,685.98</u>	<u>748,517.76</u>	<u>65,168.22</u>
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	5,577,800.00	126,981.67	5,704,781.67	5,630,901.71	73,879.96
Custodial Services:					
Salaries	1,662,451.00	167,129.19	1,829,580.19	1,825,624.00	3,956.19
Salaries of Noninstructional Aides	780,000.00		780,000.00	768,964.33	11,035.67
Rental of Land and Buildings Other than Lease	428,000.00	71,000.00	499,000.00	498,185.97	814.03
Other Purchased Property Services	431,000.00	(2,000.00)	429,000.00	415,372.93	13,627.07
Insurance	420,000.00	9,261.00	429,261.00	429,261.00	
Miscellaneous Purchased Services	5,625.00		5,625.00	568.09	5,056.91
General Supplies	376,000.00	16,000.00	392,000.00	391,345.26	654.74
Energy (Electricity)	2,000,000.00	(145,390.19)	1,854,609.81	1,605,589.77	249,020.04
Energy (Natural Gas)	1,200,000.00	(233,000.00)	967,000.00	693,295.11	273,704.89
Total Custodial Services	<u>7,303,076.00</u>	<u>(117,000.00)</u>	<u>7,186,076.00</u>	<u>6,628,206.46</u>	<u>557,869.54</u>

OLD BRIDGE SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

C-1
 Sheet #8

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Expenditures</u>					
Current Expense:					
Undistributed Expenditures:					
Care and Upkeep of Grounds:					
Salaries	\$ 246,056.00	\$ 68,000.00	\$ 314,056.00	\$ 304,258.50	\$ 9,797.50
Cleaning, Repair, and Maintenance Services	425,715.00	(209,789.20)	215,925.80	187,970.79	27,955.01
Total Care and Upkeep of Grounds	<u>671,771.00</u>	<u>(141,789.20)</u>	<u>529,981.80</u>	<u>492,229.29</u>	<u>37,752.51</u>
Security:					
Salaries	300,000.00	(50,363.54)	249,636.46	248,081.20	1,555.26
Purchased Professional Services	500,000.00	39,733.74	539,733.74	539,713.50	20.24
Cleaning, Repair, and Maintenance Services	275,000.00	(2,000.00)	273,000.00	272,013.84	986.16
Total Security	<u>1,075,000.00</u>	<u>(12,629.80)</u>	<u>1,062,370.20</u>	<u>1,059,808.54</u>	<u>2,561.66</u>
Total Operation and Maintenance of Plant Services	<u>14,627,647.00</u>	<u>(144,437.33)</u>	<u>14,483,209.67</u>	<u>13,811,146.00</u>	<u>672,063.67</u>
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Noninstructional Aides	319,331.00	(4,308.96)	315,022.04	314,934.38	87.66
Salaries for Pupil Transportation (Between Home and School) - Regular	668,342.00	16,358.58	684,700.58	684,700.58	
Salaries for Pupil Transportation (Between Home and School) - Special Education	615,812.00	(61,082.56)	554,729.44	554,729.44	
Salaries for Pupil Transportation (Other Than Between Home and School)	735,787.00	(8,824.85)	726,962.15	726,595.39	366.76
Salaries for Pupil Transportation (Nonpublic)	178,165.00	(8,945.73)	169,219.27	169,219.27	
Purchased Professional and Technical Services	7,500.00	(1,900.00)	5,600.00	5,600.00	
Cleaning, Repair and Maintenance Services	75,000.00	8,900.00	83,900.00	79,165.34	4,734.66
Contracted Services (Between Home and School) - Vendors	3,675,000.00	206,641.42	3,881,641.42	3,875,830.70	5,810.72
Contracted Services (Other Than Between Home and School) - Vendors	65,000.00		65,000.00	53,458.00	11,542.00
Contracted Services (Between Home and School) - Joint Agreements	5,000.00		5,000.00	2,400.00	2,600.00
Contracted Services - Special Education Students - Vendors	1,800,000.00	(205,000.00)	1,595,000.00	1,589,284.41	5,715.59
Contracted Services - Special Education Students - Joint Agreement	45,000.00	(29,922.30)	15,077.70	9,592.79	5,484.91
Contracted Services - Aid-in-Lieu - Nonpublic	218,525.00		218,525.00	209,079.48	9,445.52
Contracted Services (Regular Students) - ECS and CTSA's	116,200.00	(116,200.00)			
Contracted Services (Special Education Students) - ECS and CTSA's	345,000.00	(345,000.00)			
Miscellaneous Purchased Services		104,970.00	104,970.00	103,770.00	1,200.00
Transportation Supplies		330,000.00	330,000.00	190,837.36	139,062.64
Total Student Transportation Services	<u>8,869,662.00</u>	<u>(114,314.40)</u>	<u>8,755,347.60</u>	<u>8,569,297.14</u>	<u>186,050.46</u>

OLD BRIDGE SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

C-1
 Sheet #9

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Expenditures					
Current Expense:					
Undistributed Expenditures:					
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 1,550,000.00	\$ 35,000.00	\$ 1,585,000.00	\$ 1,581,562.91	\$ 3,437.09
TPAF Contributions - ERIP	16,000.00	10,000.00	26,000.00	21,125.86	4,874.14
Other Retirement Contributions - Regular	1,555,000.00	(55,742.00)	1,499,258.00	1,495,695.10	3,562.90
Unemployment Benefits	125,000.00	(85,000.00)	40,000.00		40,000.00
Workers' Compensation Benefits	1,145,000.00	1,000.00	1,146,000.00	1,146,000.00	
Health Benefits	24,686,978.00		24,686,978.00	21,646,925.34	3,040,052.66
Employee Course Reimbursement	250,000.00		250,000.00	248,728.64	1,271.36
Other Employee Benefits	1,000,000.00	(286,000.00)	714,000.00	431,832.26	282,167.74
Total Unallocated Benefits - Employee Benefits	<u>30,327,978.00</u>	<u>(380,742.00)</u>	<u>29,947,236.00</u>	<u>26,571,870.11</u>	<u>3,375,365.89</u>
Nonbudgeted:					
On-Behalf Contributions				10,878,770.00	(10,878,770.00)
Reimbursed TPAF Social Security Contributions				4,540,732.87	(4,540,732.87)
Total Nonbudgeted				<u>15,419,502.87</u>	<u>(15,419,502.87)</u>
Total Undistributed Expenditures	<u>79,842,373.00</u>	<u>(455,347.77)</u>	<u>79,387,025.23</u>	<u>89,453,017.59</u>	<u>(10,065,992.36)</u>
Total Expenditures - Current Expense	<u>141,930,363.00</u>	<u>(192,992.24)</u>	<u>141,737,370.76</u>	<u>151,138,440.40</u>	<u>(9,401,069.64)</u>
Capital Outlay:					
Interest Deposit to Capital Reserve	<u>5,000.00</u>		<u>5,000.00</u>		<u>5,000.00</u>
Equipment:					
Undistributed Expenditures:					
Support Services - Related and Extraordinary		72,706.41	72,706.41	72,706.41	
Equipment Grades 1 - 5	48,333.00	4,369.72	52,702.72	52,702.72	
Equipment Grades 6 - 8	18,333.00	(18,333.00)			
Equipment Grades 9 - 12	33,334.00	(2,577.00)	30,757.00	30,757.00	
Administrative Information Technology	250,000.00	55,858.23	305,858.23	300,434.21	5,424.02
Maintenance of Vehicles		96,419.00	96,419.00	96,087.00	332.00
School Buses Regular		202,785.99	202,785.99	202,785.99	
Required Maintenance for School Facilities	805,000.00	(9,400.00)	795,600.00	752,702.28	42,897.72
Total Equipment	<u>1,155,000.00</u>	<u>401,829.35</u>	<u>1,556,829.35</u>	<u>1,508,175.61</u>	<u>48,653.74</u>

OLD BRIDGE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

C-1
Sheet #10

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Expenditures</u>					
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	\$ 159,432.00	\$	\$ 159,432.00	\$ 159,432.00	\$
Total Facilities Acquisition and Construction Services	<u>159,432.00</u>	<u> </u>	<u>159,432.00</u>	<u>159,432.00</u>	<u> </u>
Total Capital Outlay	<u>1,319,432.00</u>	<u>401,829.35</u>	<u>1,721,261.35</u>	<u>1,667,607.61</u>	<u>53,653.74</u>
Transfer of Funds to Charter Schools	<u>86,557.00</u>	<u>32,650.00</u>	<u>119,207.00</u>	<u>119,207.00</u>	<u> </u>
Total Expenditures	<u>143,336,352.00</u>	<u>241,487.11</u>	<u>143,577,839.11</u>	<u>152,925,255.01</u>	<u>(9,347,415.90)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(6,000,667.00)	(241,487.11)	(6,242,154.11)	1,222,392.46	7,464,546.57
Fund Balances, July 1	<u>19,847,318.24</u>	<u> </u>	<u>19,847,318.24</u>	<u>19,847,318.24</u>	<u> </u>
Fund Balances, June 30	<u>\$ 13,846,651.24</u>	<u>\$ (241,487.11)</u>	<u>\$ 13,605,164.13</u>	<u>\$ 21,069,710.70</u>	<u>\$ 7,464,546.57</u>
<u>Recapitulation of Fund Balance</u>					
Restricted Fund Balance:					
Assigned Fund Balance - Designated for Subsequent Years' Expenditures				\$ 1,843,052.92	
Reserve Excess Surplus Designated for Subsequent Years' Expenditures				2,637,848.08	
Reserve for Excess Surplus				2,901,175.89	
Capital Reserve				6,043,331.23	
Emergency Reserve				501,000.92	
Maintenance Reserve				2,829,251.00	
Committed Fund Balance:					
Year Ended Encumbrances				201,364.62	
Unassigned Fund Balance				<u>4,112,686.04</u>	
				21,069,710.70	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>4,420,453.00</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 16,649,257.70</u>	

OLD BRIDGE SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

C-2

	<u>Original Budget</u>	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues					
State Sources	\$ 530,625.00	\$ 149,641.00	\$ 680,266.00	\$ 501,510.43	\$ 178,755.57
Federal Sources	2,643,667.00	828,104.58	3,471,771.58	3,312,198.00	159,573.58
Private Sources	<u>3,174,292.00</u>	<u>42,596.22</u>	<u>42,596.22</u>	<u>25,302.06</u>	<u>17,294.16</u>
	<u>3,174,292.00</u>	<u>1,020,341.80</u>	<u>4,194,633.80</u>	<u>3,839,010.49</u>	<u>355,623.31</u>
Expenditures					
Instruction:					
Salaries	126,500.00	670,075.25	796,575.25	735,116.25	61,459.00
Salaries of Teachers	903,004.00	(738,288.72)	164,715.28	46,214.84	118,500.44
Purchased Professional - Technical Services		10,663.58	10,663.58	10,663.58	
Tuition	1,439,123.00	445,496.00	1,884,619.00	1,884,619.00	
General Supplies	225,441.00	1,785.10	227,226.10	174,164.76	53,061.34
Textbooks	63,791.00	(6,289.23)	57,501.77	54,032.00	3,469.77
Total Instruction	<u>2,757,859.00</u>	<u>383,441.98</u>	<u>3,141,300.98</u>	<u>2,904,810.43</u>	<u>236,490.55</u>
Support Services:					
Salaries	90,915.00	9,201.00	100,116.00	100,116.00	
Salaries for Teachers		211,595.39	211,595.39	153,180.00	58,415.39
Salaries of Other Professional Staff		84,697.00	84,697.00	84,697.00	
Personal Services - Employee Benefits		203,190.00	203,190.00	196,335.00	6,855.00
Purchased Professional and Technical Services	234,221.00	51,006.90	285,227.90	257,981.81	27,246.09
Purchased Professional - Educational Services		398.00	398.00	398.00	
Other Purchased Professional Services	35,893.00	16,553.59	52,446.59	36,485.00	15,961.59
Other Purchased Services	25,404.00	(2,771.00)	22,633.00	22,633.00	
Travel		13,463.60	13,463.60	11,825.20	1,638.40
Supplies and Materials	30,000.00	49,565.34	79,565.34	70,549.05	9,016.29
Total Support Services	<u>416,433.00</u>	<u>636,899.82</u>	<u>1,053,332.82</u>	<u>934,200.06</u>	<u>119,132.76</u>
Total Expenditures	<u>3,174,292.00</u>	<u>1,020,341.80</u>	<u>4,194,633.80</u>	<u>3,839,010.49</u>	<u>355,623.31</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

OLD BRIDGE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

C-3

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	[C-1]	\$ 154,147,647.47	[C-2]	\$ 3,839,010.49
Difference - Budget-to-GAAP:				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(4,420,453.00)		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		<u>4,418,994.00</u>		<u> </u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 154,146,188.47</u>	[B-2]	<u>\$ 3,839,010.49</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1]	\$ 152,925,255.01	[C-2]	\$ 3,839,010.49
Pension expense recognized for budgetary purposes, not recognized for GAAP statements - current year.		<u>(963,897.00)</u>		<u> </u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 151,961,358.01</u>	[B-2]	<u>\$ 3,839,010.49</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

Note: GASB 68 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

OLD BRIDGE SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST THREE FISCAL YEARS
 (Unaudited)

L-1

	Fiscal Year Ending June 30,		
	2015	2014	2013
District's proportion of the net pension liability (asset)	0.1744%	0.1781%	0.1709%
District's proportionate share of the net pension liability (asset)	\$ 39,146,322	\$ 33,344,335	\$ 32,668,889
State's proportionate share of the net pension liability (asset) associated with the District	<u>22,447,996,119</u>	<u>18,722,735,003</u>	<u>19,111,986,911</u>
Total	<u>\$ 22,487,142,441</u>	<u>\$ 18,756,079,338</u>	<u>\$ 19,144,655,800</u>
District's covered-employee payroll	\$ 11,857,447	\$ 614,672	*
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	330.14%	5424.74%	*
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%

*Data was not provided by School District.

OLD BRIDGE SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST THREE FISCAL YEARS
 (Unaudited)

L-2

	Fiscal Year Ending June 30,		
	2016	2015	2014
Contractually required contribution	\$ 1,499,258	\$ 1,468,193	\$ 1,284,324
Contributions in relation to the contractually required contribution	(1,499,258)	(1,468,193)	(1,284,324)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$12,087,895	\$ 11,857,447	\$ 614,672
Contributions as a percentage of covered-employee payroll	12.40%	12.38%	208.94%

*Data was not provided by School District.

OLD BRIDGE SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
 TEACHERS' PENSION AND ANNUITY FUND
 LAST THREE FISCAL YEARS
 (Unaudited)

L-3

	Fiscal Year Ending June 30,		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.619%	0.610%	0.610%
District's proportionate share of the net pension liability (asset)	\$ 391,512,022	\$ 327,811,808	\$ 309,975,505
State's proportionate share of the net pension liability (asset) associated with the District	<u>63,204,270,305</u>	<u>53,446,745,367</u>	<u>50,539,213,484</u>
Total	<u>\$ 63,595,782,327</u>	<u>\$ 53,774,557,175</u>	<u>\$ 50,849,188,989</u>
District's covered-employee payroll	\$ 62,821,388	\$ 62,041,476	*
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	623.21%	528.38%	*
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

*Data was not provided by School District.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

**OLD BRIDGE SCHOOL DISTRICT
COUNTY OF MIDDLESEX**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE YEAR ENDED JUNE 30, 2016**

Changes of Benefit Terms and Changes of Assumptions

Refer to Note 7 on the Notes to Financial Statements for benefits and assumptions.

OTHER SUPPLEMENTARY INFORMATION

D. SCHOOL BASED BUDGET SCHEDULES (IF APPLICABLE)

E. SPECIAL REVENUE FUND

OLD BRIDGE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

E-1
Sheet #1

	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Nonpublic Chapter 192			Nonpublic Chapter 193		
				Public Transportation	Compensatory Education	Nonpublic ESL	Supplemental Instruction	Exam and Classification	Corrective Speech
REVENUES:									
State Sources	\$54,032.00	\$84,697.00	\$22,419.00	\$ 22,358.00	\$ 71,912.00	\$15,530.00	\$ 30,816.00	\$33,752.00	\$35,951.00
Federal Sources									
Private Sources									
Total Revenues	<u>\$54,032.00</u>	<u>\$84,697.00</u>	<u>\$22,419.00</u>	<u>\$ 22,358.00</u>	<u>\$ 71,912.00</u>	<u>\$15,530.00</u>	<u>\$ 30,816.00</u>	<u>\$33,752.00</u>	<u>\$35,951.00</u>
EXPENDITURES:									
Instruction:									
Salaries	\$	\$	\$	\$	\$ 71,912.00	\$15,530.00	\$ 30,816.00	\$	\$
Salaries for Teachers									
Purchased Professional - Technical Services									
Tuition									
General Supplies			22,419.00						35,951.00
Textbooks	54,032.00								
	<u>54,032.00</u>		<u>22,419.00</u>		<u>71,912.00</u>	<u>15,530.00</u>	<u>30,816.00</u>		<u>35,951.00</u>
Support Services:									
Salaries									
Salaries for Teachers									
Salaries of Other Professional Staff		84,697.00							
Personal Services - Employee Benefits									
Purchased Professional and Technical Services									
Purchased Professional - Educational Services								33,752.00	
Other Purchased Professional Services									
Other Purchased Services				22,358.00					
Travel									
Supplies and Materials									
		<u>84,697.00</u>		<u>22,358.00</u>				<u>33,752.00</u>	
Total Expenditures	<u>\$54,032.00</u>	<u>\$84,697.00</u>	<u>\$22,419.00</u>	<u>\$ 22,358.00</u>	<u>\$ 71,912.00</u>	<u>\$15,530.00</u>	<u>\$ 30,816.00</u>	<u>\$33,752.00</u>	<u>\$35,951.00</u>

OLD BRIDGE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

E-1
Sheet #2

	Home Instruction	Nonpublic Security	NJ Achievement Grant	Title I (Chapter 1)		Title IIA		Perkins Grant
				2016 Part A	2015 Part A	FY 2016	Carryover FY 2015	
REVENUES:								
State Sources	\$7,513.00	\$ 21,415.00	\$ 101,115.43	\$	\$	\$	\$	\$
Federal Sources				688,606.60	55,411.69	200,465.04	24,668.97	44,346.00
Private Sources								
Total Revenues	\$7,513.00	\$ 21,415.00	\$ 101,115.43	\$688,606.60	\$55,411.69	\$200,465.04	\$24,668.97	\$44,346.00
EXPENDITURES:								
Instruction:								
Salaries	\$7,513.00	\$	\$ 2,356.06	\$544,427.38	\$55,411.69	\$	\$	\$
Salaries for Teachers								
Purchased Professional - Technical Services								10,663.58
Tuition								
General Supplies				572.22				33,407.42
Textbooks								
	<u>7,513.00</u>		<u>2,356.06</u>	<u>544,999.60</u>	<u>55,411.69</u>			<u>44,071.00</u>
Support Services:								
Salaries			93,000.00				7,116.00	
Salaries for Teachers						153,180.00		
Salaries of Other Professional Staff								
Personal Services - Employee Benefits			4,923.00	139,607.00		39,827.00		
Purchased Professional and Technical Services				4,000.00		6,041.46	8,868.00	
Purchased Professional - Educational Services								
Other Purchased Professional Services								
Other Purchased Services								275.00
Travel								
Supplies and Materials		21,415.00	836.37			1,416.58	8,684.97	
		<u>21,415.00</u>	<u>98,759.37</u>	<u>143,607.00</u>		<u>200,465.04</u>	<u>24,668.97</u>	<u>275.00</u>
Total Expenditures	\$7,513.00	\$ 21,415.00	\$ 101,115.43	\$688,606.60	\$55,411.69	\$200,465.04	\$24,668.97	\$44,346.00

OLD BRIDGE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

E-1
Sheet #3

	IDEA				Title III			Whole Kids Garden Grant
	Regular Program Part B	Preschool Handicapped	Carryover Part B	Carryover Preschool Handicapped	Immigration	FY 2016	Carryover FY 2015	
REVENUES:								
State Sources	\$	\$	\$	\$	\$	\$	\$	\$
Federal Sources	2,141,345.13	64,619.00	19,538.86	5,747.00	950.25	58,855.76	7,643.70	3,943.86
Private Sources								
Total Revenues	<u>\$ 2,141,345.13</u>	<u>\$ 64,619.00</u>	<u>\$ 19,538.86</u>	<u>\$ 5,747.00</u>	<u>\$ 950.25</u>	<u>\$ 58,855.76</u>	<u>\$ 7,643.70</u>	<u>\$ 3,943.86</u>
EXPENDITURES:								
Instruction:								
Salaries	\$	\$	\$	\$	\$	\$ 650.12	\$ 5,000.00	\$
Salaries for Teachers						46,071.00	143.84	
Purchased Professional - Technical Services								
Tuition	1,820,000.00	64,619.00						
General Supplies	73,511.39				950.25	156.64	2,499.86	3,943.86
Textbooks								
	<u>1,893,511.39</u>	<u>64,619.00</u>			<u>950.25</u>	<u>46,877.76</u>	<u>7,643.70</u>	<u>3,943.86</u>
Support Services:								
Salaries								
Salaries for Teachers								
Salaries of Other Professional Staff								
Personal Services - Employee Benefits						11,978.00		
Purchased Professional and Technical Services	217,833.74		19,538.86	1,200.00				
Purchased Professional - Educational Services								
Other Purchased Professional Services								
Other Purchased Services								
Travel								
Supplies and Materials	30,000.00			4,547.00				
	<u>247,833.74</u>		<u>19,538.86</u>	<u>5,747.00</u>		<u>11,978.00</u>		
Total Expenditures	<u>\$ 2,141,345.13</u>	<u>\$ 64,619.00</u>	<u>\$ 19,538.86</u>	<u>\$ 5,747.00</u>	<u>\$ 950.25</u>	<u>\$ 58,855.76</u>	<u>\$ 7,643.70</u>	<u>\$ 3,943.86</u>

OLD BRIDGE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

E-1
Sheet #4

	Downey Special Ed Grant	State House Express Grant	B.J'S Grant	S.A.D.D. Grant	Confucius Grant	Peer 2 Peer	Exxon/Mobil Education Grant	Toshiba Weather Grant	U.S. Tennis Grant	Totals 2016
REVENUES:										
State Sources	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 501,510.43
Federal Sources										3,312,198.00
Private Sources	<u>1,449.98</u>	<u>300.00</u>	<u>248.00</u>	<u>1,500.00</u>	<u>14,558.20</u>	<u>2,597.15</u>	<u>499.75</u>	<u>4.15</u>	<u>200.97</u>	<u>25,302.06</u>
Total Revenues	<u>\$ 1,449.98</u>	<u>\$300.00</u>	<u>\$248.00</u>	<u>\$1,500.00</u>	<u>\$14,558.20</u>	<u>\$2,597.15</u>	<u>\$499.75</u>	<u>\$ 4.15</u>	<u>\$200.97</u>	<u>\$3,839,010.49</u>
EXPENDITURES:										
Instruction:										
Salaries	\$	\$	\$	\$1,500.00	\$	\$	\$	\$	\$	\$ 735,116.25
Salaries for Teachers										46,214.84
Purchased Professional - Technical Services										10,663.58
Tuition										1,884,619.00
General Supplies		300.00	248.00					4.15	200.97	174,164.76
Textbooks										54,032.00
		<u>300.00</u>	<u>248.00</u>	<u>1,500.00</u>				<u>4.15</u>	<u>200.97</u>	<u>2,904,810.43</u>
Support Services:										
Salaries										100,116.00
Salaries for Teachers										153,180.00
Salaries of Other Professional Staff										84,697.00
Personal Services - Employee Benefits										196,335.00
Purchased Professional and Technical Services							499.75			257,981.81
Purchased Professional - Educational Services	398.00									398.00
Other Purchased Professional Services					2,733.00					36,485.00
Other Purchased Services										22,633.00
Travel					11,825.20					11,825.20
Supplies and Materials	<u>1,051.98</u>					<u>2,597.15</u>				<u>70,549.05</u>
	<u>1,449.98</u>				<u>14,558.20</u>	<u>2,597.15</u>	<u>499.75</u>			<u>934,200.06</u>
Total Expenditures	<u>\$ 1,449.98</u>	<u>\$ 300.00</u>	<u>\$248.00</u>	<u>\$1,500.00</u>	<u>\$14,558.20</u>	<u>\$2,597.15</u>	<u>\$499.75</u>	<u>\$ 4.15</u>	<u>\$200.97</u>	<u>\$3,839,010.49</u>

F. CAPITAL PROJECTS FUND

G. PROPRIETARY FUNDS

ENTERPRISE FUND

OLD BRIDGE SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2016

G-1

Business-Type
 Activities
 Enterprise
 Funds

 Food
 Service

ASSETS

Current Assets:

Cash and Cash Equivalents

\$ (125,767.74)

Accounts Receivable:

State Sources

3,659.53

Federal Sources

57,304.85

Other Sources

176,003.93

Inventories:

Regular

33,038.94

Food Distribution Program

Commodities

3,391.35

Total Current Assets

147,630.86

Noncurrent Assets:

Furniture, Machinery and Equipment

466,208.80

Less: Accumulated Depreciation

(380,097.85)

Total Noncurrent Assets

86,110.95

Total Assets

\$ 233,741.81

LIABILITIES

Current Liabilities:

Accounts Payable

\$ 215,234.24

NET POSITION

Invested in Capital Assets, Net
 of Related Debt

\$ 86,110.95

Unrestricted

(67,603.38)

Total Net Position

\$ 18,507.57

OLD BRIDGE SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

G-2

Business-Type
 Activities
 Enterprise
 Funds
Food
Service

Operating Revenues:	
Charges for Services:	
Daily Sales	\$ 1,656,689.32
Special Functions	40,578.76
Total Operating Revenues	<u>1,697,268.08</u>
Operating Expenses:	
Cost of Sales	935,901.07
Salaries	1,215,689.85
Payroll Taxes	256,167.85
Purchased Professional and Technical Services	156,060.00
Management Fee	130,560.00
Repairs and Maintenance	92,814.84
Supplies and Materials	161,094.71
Miscellaneous	97,525.23
Depreciation	14,828.11
Total Operating Expenses	<u>3,060,641.66</u>
Operating Loss	<u>(1,363,373.58)</u>
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	31,359.01
Federal Sources:	
National School Lunch Program	1,039,800.15
Food Distribution Program	49,805.79
Food Service Company Contribution	172,567.60
Interest Revenue	175.95
Total Nonoperating Revenues	<u>1,293,708.50</u>
Loss before Operating Transfers	<u>(69,665.08)</u>
Change in Net Position	(69,665.08)
Total Net Position - Beginning	<u>88,172.65</u>
Total Net Position - Ending	<u>\$ 18,507.57</u>

OLD BRIDGE SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

G-3

	Business-Type Activities Enterprise Funds <hr style="width: 100%;"/> Food Service <hr style="width: 100%;"/>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 1,678,274.36
Payments to Suppliers	<u>(3,343,899.99)</u>
Net Cash Used for Operating Activities	<u>(1,665,625.63)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
State Sources	30,023.29
Federal Sources	1,063,946.94
Other Sources	<u>149,756.53</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,243,726.76</u>
<u>Cash Flows from Investing Activities</u>	
Interest	<u>175.95</u>
Net Increase in Cash and Cash Equivalents	(421,722.92)
Balance - Beginning of Year	<u>295,955.18</u>
Balance - End of Year	<u>\$ (125,767.74)</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	<u>\$ (1,363,373.58)</u>
Adjustments to Reconcile Operating Loss to Cash Used by Operating Activities:	
Depreciation	14,828.11
Federal Commodities	49,805.79
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	(18,993.72)
(Increase)/Decrease in Inventory	(6,805.15)
Increase/(Decrease) in Accounts Payable	<u>(341,087.08)</u>
Total Adjustments	<u>(302,252.05)</u>
Net Cash Used by Operating Activities	<u>\$ (1,665,625.63)</u>

INTERNAL SERVICE FUND

H. FIDUCIARY FUNDS

OLD BRIDGE SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2016

H-1

	Unemployment Compensation Trust	Agency Fund
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 198,699.63	\$ 1,224,841.72
<u>LIABILITIES</u>		
Payable to Student Groups		\$ 470,238.19
Payroll Deductions and Withholdings		748,406.42
Interfunds Payable		6,197.11
Total Liabilities		\$ 1,224,841.72
<u>NET POSITION</u>		
Held in Trust for Unemployment Claims and Other Purposes	\$ 198,699.63	

OLD BRIDGE SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

H-2

Unemployment
 Compensation
Trust Fund

Additions

Payroll Deductions	\$ 212,411.47
Investment Earnings:	
Interest	<u>232.80</u>
Total Additions	<u>212,644.27</u>

Deductions

Quarterly Contribution Reports	87,244.98
Unemployment Claims	<u>61,837.15</u>
Total Deductions	<u>149,082.13</u>
Change in Net Position	63,562.14
Total Net Position - Beginning	<u>135,137.49</u>
Total Net Position - Ending	<u><u>\$ 198,699.63</u></u>

OLD BRIDGE SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

H-3

	<u>Balance</u> <u>June 30, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Elementary Schools:				
Cheesequake	\$ 2,288.57	\$ 1,344.93	\$ 2,088.84	\$ 1,544.66
Cooper	902.97	276.05		1,179.02
Glenn	92.01	0.13		92.14
Grissom	14.93	0.02		14.95
Madison Park	211.89	1.39		213.28
McDivitt	14.20	0.02		14.22
Memorial	5,160.43	807.52	1,326.18	4,641.77
Miller	42.02	0.07		42.09
Schirra	2,406.46	758.43		3,164.89
Shepard	2,026.16	295.18		2,321.34
Southwood	1,267.32	2.00	949.06	320.26
General	26,303.43	38.29		26,341.72
General Interest	59.83	72.61	59.83	72.61
Elementary Enrichment	302.13	0.45		302.58
Project Graduation	8,201.50	33,756.13	34,247.10	7,710.53
Total Elementary Schools	<u>49,293.85</u>	<u>37,353.22</u>	<u>38,671.01</u>	<u>47,976.06</u>
Junior High Schools:				
Jonas Salk	39,778.92	141,533.20	123,064.94	58,247.18
Jonas Salk Athletic Fund	101.94	8,915.41	8,631.00	386.35
Carl Sandburg	57,805.93	185,849.54	183,789.02	59,866.45
Carl Sandburg Athletic Fund	485.23	8,401.37	8,274.00	612.60
Total Junior High Schools	<u>98,172.02</u>	<u>344,699.52</u>	<u>323,758.96</u>	<u>119,112.58</u>
Senior High Schools:				
Athletic Fund	206.85	132,420.76	130,631.84	1,995.77
Old Bridge High School	347,512.90	1,522,785.42	1,569,144.54	301,153.78
Total Senior High Schools	<u>347,719.75</u>	<u>1,655,206.18</u>	<u>1,699,776.38</u>	<u>303,149.55</u>
Total All Schools	<u>\$495,185.62</u>	<u>\$2,037,258.92</u>	<u>\$2,062,206.35</u>	<u>\$470,238.19</u>

OLD BRIDGE SCHOOL DISTRICT
 PAYROLL AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

H-4

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	<u>\$663,116.17</u>	<u>\$97,121,312.50</u>	<u>\$97,029,825.14</u>	<u>\$754,603.53</u>
 <u>LIABILITIES</u>				
Liabilities:				
Payroll Deductions and Withholdings	\$657,594.62	\$97,118,849.24	\$97,028,037.44	\$748,406.42
Due to General Fund	<u>5,521.55</u>	<u>2,463.26</u>	<u>1,787.70</u>	<u>6,197.11</u>
Total Liabilities	<u>\$663,116.17</u>	<u>\$97,121,312.50</u>	<u>\$97,029,825.14</u>	<u>\$754,603.53</u>

I. LONG-TERM DEBT

OLD BRIDGE SCHOOL DISTRICT
 SCHEDULE OF SERIAL BONDS
 LONG-TERM DEBT
 JUNE 30, 2016

I-1

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2015	Issued	Retired/Refunded	Balance June 30, 2016
			Date	Amount					
Refunding 2006 Bonds	1/15/2007	\$41,445,000.00	7/15/2016	\$1,445,000.00	5.00%	\$37,560,000.00	\$	\$36,115,000.00	\$ 1,445,000.00
Refunding 2016 Bonds	7/15/2016	32,215,000.00	7/15/2016	275,000.00	2.000%				
			7/15/2017	1,460,000.00	2.000%				
			7/15/2018	1,500,000.00	3.000%				
			7/15/2019	1,560,000.00	4.000%				
			7/15/2020	1,625,000.00	4.000%				
			7/15/2021	600,000.00	3.000%				
			7/15/2021	1,105,000.00	5.000%				
			7/15/2022	495,000.00	3.000%				
			7/15/2022	1,285,000.00	5.000%				
			7/15/2023	300,000.00	3.000%				
			7/15/2023	1,565,000.00	5.000%				
			7/15/2024	920,000.00	2.250%				
			7/15/2024	1,030,000.00	5.000%				
			7/15/2025	850,000.00	2.375%				
			7/15/2025	1,180,000.00	5.000%				
			7/15/2026	890,000.00	2.500%				
			7/15/2026	1,220,000.00	5.000%				
			7/15/2027	2,190,000.00	3.000%				
			7/15/2028	2,260,000.00	3.000%				
			7/15/2029	2,340,000.00	4.000%				
			7/15/2030	2,430,000.00	4.000%				
			7/15/2031	2,525,000.00	4.000%				
			7/15/2032	2,610,000.00	4.000%				
							32,215,000.00		32,215,000.00
						<u>\$37,560,000.00</u>	<u>\$32,215,000.00</u>	<u>\$36,115,000.00</u>	<u>\$33,660,000.00</u>

OLD BRIDGE SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

I-3

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$2,970,218.00	\$	\$2,970,218.00	\$2,970,218.00	\$
Miscellaneous Revenue				8,750.04	8,750.04
	<u>2,970,218.00</u>		<u>2,970,218.00</u>	<u>2,978,968.04</u>	<u>8,750.04</u>
Total Revenues					
<u>Expenditures</u>					
Regular Debt Service:					
Redemption of Principal	1,370,000.00		1,370,000.00	1,370,000.00	
Interest Payment	1,600,218.00		1,600,218.00	1,600,218.00	
	<u>2,970,218.00</u>		<u>2,970,218.00</u>	<u>2,970,218.00</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures				8,750.04	8,750.04
Fund Balance, July 1	<u>0.49</u>		<u>0.49</u>	<u>0.49</u>	
Fund Balance, June 30	<u>\$ 0.49</u>	<u>\$ -</u>	<u>\$ 0.49</u>	<u>\$ 8,750.53</u>	<u>\$8,750.04</u>

STATISTICAL SECTION (UNAUDITED)

INTRODUCTION TO THE STATISTICAL SECTION

FINANCIAL TRENDS

OLD BRIDGE SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
Unaudited

J-1

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Invested in Capital Assets, Net of										
Related Debt	\$ 58,062,805	\$ 60,466,826	\$ 61,294,520	\$ 59,015,122	\$ 97,553,404	\$ 95,478,801	\$ 98,158,437	\$ 96,076,515	\$ 87,856,037	\$ 86,055,276
Restricted	5,369,510	8,179,398	10,427,417	8,406,534	10,842,595	14,962,241	11,397,480	14,103,165	15,637,539	16,965,775
Unrestricted	<u>(7,887,039)</u>	<u>(7,972,236)</u>	<u>(9,480,469)</u>	<u>(783,437)</u>	<u>(7,699,776)</u>	<u>(7,481,561)</u>	<u>(5,834,546)</u>	<u>(6,247,986)</u>	<u>(32,831,713)</u>	<u>(33,091,813)</u>
Total Governmental Activities Net Assets	<u>\$ 55,545,276</u>	<u>\$ 60,673,987</u>	<u>\$ 62,241,469</u>	<u>\$ 66,638,219</u>	<u>\$ 100,696,223</u>	<u>\$ 102,959,481</u>	<u>\$ 103,721,371</u>	<u>\$ 103,931,694</u>	<u>\$ 70,661,863</u>	<u>\$ 69,929,238</u>
Business-Type Activities:										
Invested in Capital Assets, Net of										
Related Debt	\$ 42,792	\$ 36,764	\$ 37,185	\$ 88,147	\$ 89,677	\$ 85,742	\$ 133,959	\$ 119,546	\$ 100,939	\$ 86,111
Unrestricted	<u>68,575</u>	<u>71,867</u>	<u>60,209</u>	<u>58,056</u>	<u>113,913</u>	<u>87,319</u>	<u>85,487</u>	<u>24,571</u>	<u>(12,766)</u>	<u>(67,603)</u>
Total Business-Type Activities Net Assets	<u>\$ 111,367</u>	<u>\$ 108,631</u>	<u>\$ 97,394</u>	<u>\$ 146,203</u>	<u>\$ 203,590</u>	<u>\$ 173,060</u>	<u>\$ 219,446</u>	<u>\$ 144,117</u>	<u>\$ 88,173</u>	<u>\$ 18,508</u>
District-Wide:										
Invested in Capital Assets, Net of										
Related Debt	\$ 58,105,597	\$ 60,503,590	\$ 61,331,705	\$ 59,103,269	\$ 97,643,081	\$ 95,564,542	\$ 98,292,396	\$ 96,196,061	\$ 87,956,976	\$ 86,141,387
Restricted	5,369,510	8,179,397	13,427,417	8,406,534	10,842,595	14,962,241	11,397,480	14,103,165	15,637,539	16,965,775
Unrestricted	<u>(7,818,464)</u>	<u>(7,900,369)</u>	<u>(9,420,260)</u>	<u>(725,381)</u>	<u>(7,585,864)</u>	<u>(7,394,242)</u>	<u>(5,749,059)</u>	<u>(6,223,415)</u>	<u>(32,844,480)</u>	<u>(33,159,416)</u>
Total District-Wide Net Assets	<u>\$ 55,656,643</u>	<u>\$ 60,782,618</u>	<u>\$ 65,338,863</u>	<u>\$ 66,784,422</u>	<u>\$ 100,899,812</u>	<u>\$ 103,132,541</u>	<u>\$ 103,940,816</u>	<u>\$ 104,075,811</u>	<u>\$ 70,750,036</u>	<u>\$ 69,947,746</u>

Source: School District Financial Reports.

OLD BRIDGE SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
Unaudited

J-3

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Restricted	\$ 1,546,677.96	\$ 6,989,514.05	\$ 7,425,617.77	\$ 6,888,190.57	\$ 9,370,675.04	\$ 12,842,264.81	\$ 11,348,966.43	\$ 14,063,423.81	\$ 15,637,538.47	\$ 16,957,024.66
Unassigned	955,016.18	828,293.43	(1,008,776.22)	(783,437.18)	(351,952.81)	(955,731.82)	(152,151.24)	(313,111.93)	(1,173,111.23)	(307,766.96)
Total General Fund	<u>\$ 2,501,694.14</u>	<u>\$ 7,817,807.48</u>	<u>\$ 6,416,841.55</u>	<u>\$ 6,104,753.39</u>	<u>\$ 9,018,722.23</u>	<u>\$ 11,886,532.99</u>	<u>\$ 11,196,815.19</u>	<u>\$ 13,750,311.88</u>	<u>\$ 14,464,427.24</u>	<u>\$ 16,649,257.70</u>
All Other Governmental Funds:										
Restricted	\$ 1,270,451.11	\$ 30,264.00	\$ 1,491,535.60	\$	\$	\$	\$	\$	\$	\$
Unassigned, Reported in:										
Special Revenue	(20,646.60)	(20,639.00)		0.86	39,740.60	39,740.82	39,741.05	39,741.27	0.49	8,750.53
Debt Service Fund	30,264.29	0.29	0.63							
Capital Projects Fund	2,522,116.36	1,180,258.44	1,510,263.44	1,518,342.43	1,478,147.02	2,080,235.33	8,772.05			
Total All Other Governmental Funds	<u>\$ 3,802,185.16</u>	<u>\$ 1,189,883.73</u>	<u>\$ 3,001,799.67</u>	<u>\$ 1,518,343.29</u>	<u>\$ 1,517,887.62</u>	<u>\$ 2,119,976.15</u>	<u>\$ 48,513.10</u>	<u>\$ 39,741.27</u>	<u>\$ 0.49</u>	<u>\$ 8,750.53</u>
Total Fund Balances	<u>\$ 6,303,879.30</u>	<u>\$ 9,007,691.21</u>	<u>\$ 9,418,641.22</u>	<u>\$ 7,623,096.68</u>	<u>\$ 10,536,609.85</u>	<u>\$ 14,006,509.14</u>	<u>\$ 11,245,328.29</u>	<u>\$ 13,790,053.15</u>	<u>\$ 14,464,427.73</u>	<u>\$ 16,658,008.23</u>

Source: School District Financial Reports.

OLD BRIDGE SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited

J-4

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax Levy	\$ 84,161,790	\$ 85,772,775	\$ 85,994,209	\$ 86,583,139	\$ 87,267,729	\$ 88,954,889	\$ 87,890,380	\$ 91,021,964	\$ 92,745,337	\$ 94,107,762
Tuition	174,014	187,624	123,965	71,965	139,310	201,918	56,470	15,537	62,812	43,257
Miscellaneous	4,694,132	826,958	2,739,282	979,789	973,061	753,252	586,197	439,174	776,935	552,274
State Sources	51,899,333	54,297,430	53,839,280	48,330,400	51,288,220	54,202,576	59,891,525	58,442,338	60,847,262	62,796,874
Federal Sources	3,347,369	3,284,622	3,413,731	12,479,273	4,197,730	5,600,111	3,594,770	3,480,747	3,454,844	3,464,000
Total Revenue	144,276,639	144,369,409	146,110,467	148,444,566	143,866,051	149,712,745	152,019,343	153,399,760	157,887,190	160,964,167
Expenditures										
Instruction:										
Regular	38,940,440	40,280,263	41,279,234	43,377,753	40,675,109	42,112,753	42,433,185	42,599,210	44,998,542	45,811,988
Special Education	8,464,663	8,947,319	9,842,542	10,509,996	10,958,260	11,537,804	12,344,037	12,734,116	12,704,153	13,243,808
Other Special Instruction	3,336,092	3,343,844	3,931,633	4,407,024	4,281,001	3,995,933	4,097,260	4,509,196	3,894,104	3,947,352
Other Instruction	1,252,716	1,294,814	1,333,123	1,374,002	1,224,881	1,190,846	1,550,109	1,498,785	1,522,409	1,587,085
Community Service Programs	3,008	3,149	4,903	5,094	4,923	1,804	5,391	5,509	6,251	5,780
Support Services and Undistributed Costs:										
Tuition	5,576,902	5,002,064	4,991,278	3,959,743	4,795,178	3,889,177	3,598,461	3,809,108	3,647,825	3,258,588
Student and Instruction Related Services	11,248,822	11,281,666	11,676,482	12,612,212	12,218,098	11,993,355	12,929,390	13,204,868	13,093,451	13,759,863
School Administrative Services	4,724,941	7,074,612	7,348,113	7,450,578	7,531,279	7,880,028	5,330,317	5,347,983	5,387,933	5,388,633
Other Administrative Services	3,198,003	1,524,015	1,610,491	1,566,863	1,490,366	1,570,167	3,328,140	3,342,005	3,433,312	3,602,537
Plant Operation and Maintenance	13,556,388	13,969,307	14,589,722	13,274,657	12,135,155	12,209,133	12,062,359	13,079,679	13,796,935	13,811,146
Pupil Transportation	8,392,674	8,333,417	8,555,547	8,726,344	8,338,059	8,469,076	8,559,093	8,744,518	8,520,544	8,569,297
Employee Benefits	32,330,419	33,309,245	30,490,818	31,447,520	32,655,944	35,130,337	38,483,452	37,335,484	41,162,535	41,027,476
Special Schools	683,670	715,131	745,977	722,191	77,590	35,917	19,442	37,315	69,121	119,207
Debt Service:										
Principal	820,000	860,000	905,000	1,010,000	1,065,000	1,115,000	1,170,000	1,230,000	1,295,000	1,370,000
Interest	1,895,432	2,094,068	2,036,377	1,928,594	1,882,219	1,832,969	1,784,119	1,729,969	1,666,844	1,600,218
Capital Outlay	4,285,148	3,632,684	6,358,278	7,867,539	1,619,478	3,278,547	5,963,609	1,647,290	2,013,856	1,667,608
Total Expenditures	138,709,318	141,665,597	145,699,517	150,240,110	140,952,537	146,242,845	153,658,362	150,855,035	157,212,815	158,770,587
Excess (Deficiency) of Revenues										
Over/(Under) Expenditures	5,567,321	2,703,812	410,950	(1,795,545)	2,913,513	3,469,899	(1,639,019)	2,544,725	674,375	2,193,581
Other Financing Sources (Uses)										
Cancellation of Capital Projects - Local Share							(1,122,162)	(8,772)		
Transfers In				251,711	39,740	1,700,000	355,985	8,772		
Transfers Out	(4,227)			(251,711)	(39,740)	(1,700,000)	(355,985)			
Total Other Financing Sources (Uses)	(4,227)			-	-	-	(1,122,162)	-		
Net Change in Fund Balances	\$ 5,563,093	\$ 2,703,812	\$ 410,950	\$ (1,795,545)	\$ 2,913,513	\$ 3,469,899	\$ (2,761,181)	\$ 2,544,725	\$ 674,375	\$ 2,193,581
Debt Service as a Percentage of Noncapital Expenditures	2.02%	2.14%	2.11%	2.06%	2.12%	2.06%	2.00%	1.98%	1.91%	1.89%

Source: School District Financial Reports.

**OLD BRIDGE SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited**

J-5

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Interest Earned	\$ 37,234.04	\$ 32,518.14	\$ 29,806.75	\$ 33,444.27	\$ 88,331.79	\$ 150,604.31	\$ 185,140.11	\$ 325,896.83	\$ 500,909.69	\$ 454,317.93
Insurance Reimbursement					263,349.13				90,757.48	
ASFDF							59,665.92			905.00
Refund of Prior Year Expenditures	11,330.36	17,029.12						25,872.59		
Sale of Browntown School						600,000.00				
Registration Fees	39,165.00	32,962.50	13,745.00	25,975.00	4,425.00	3,750.00				
Rentals	12,376.96	8,044.28	43,355.32	46,421.58	57,193.44	7,135.75	16,453.09	19,348.88	42,301.44	79,001.61
E-Rate	78,184.89	65,253.02	40,076.53	98,875.55	80,143.65	61,058.72		95,444.07	105,577.56	35,910.00
Tuition Refunds					30,459.95			29,748.00		
Building Application Fee		320.00	590.00	760.00	800.00	12,279.00	695.00	1,040.00	3,515.00	
Planetarium										840.00
Vandalism							1,050.00	95.00	2,729.77	11,183.32
Retiree Drug Program				25,975.00		50,062.14				
Daycare Tuition	265,336.50	248,356.00	247,385.50	213,475.00	23,270.00					
Community School Close-Out					53,304.87					
Advertising		299.45	668.42	1,320.21	2,259.08	9,000.02	7,868.70	15,600.00		
Transportation Ventures	23,521.16	24,482.10	25,398.83	31,019.51	63,445.55	20,169.04	71,232.11			
Easement									29,000.00	
Other	40,839.02	8,514.74	14,144.20	13,787.87	35,446.81	38,145.67	96,101.11	40,493.22	18,788.21	86,506.33
Total	\$ 507,987.93	\$ 437,779.35	\$ 415,170.55	\$ 491,053.99	\$ 702,429.27	\$ 952,204.65	\$ 438,206.04	\$ 553,538.59	\$ 793,579.15	\$ 668,664.19

REVENUE CAPACITY

OLD BRIDGE SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
Unaudited

J-6

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Regular</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total Assessed Value</u>	<u>Tax-Exempt Property</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate</u>	<u>Estimated Actual (County Equalized Value)</u>
2007	\$ 97,428,300	\$2,670,475,100	\$ 9,137,200	\$329,575,900	\$ 50,693,700	\$ 177,960,400	\$ 3,335,270,600	\$ 381,738,000	\$ 3,339,763,515	2.54	\$ 7,832,951,151
2008	58,594,300	2,766,934,800	10,569,700	334,046,800	50,502,200	168,378,200	3,389,026,000	371,253,500	3,375,373,060	2.54	7,917,186,942
2009	60,767,300	2,762,914,100	10,202,400	340,455,300	50,246,400	164,023,700	3,388,609,200	372,158,400	3,339,763,515	2.54	8,001,438,489
2010	55,630,100	2,773,163,700	9,998,200	339,460,400	48,610,000	163,823,700	3,390,686,100	374,155,200	3,395,973,211	2.56	7,832,492,723
2011	54,894,600	2,772,812,500	9,825,300	353,469,800	46,073,000	163,588,400	3,400,663,600	374,845,700	3,404,867,872	2.59	7,562,460,359
2012	53,300,500	2,776,133,200	9,106,500	351,393,400	45,733,200	162,536,700	3,398,205,500	380,012,400	3,402,578,488	2.60	7,334,724,052
2013	52,633,000	2,780,083,800	9,760,300	342,230,000	44,862,700	161,764,700	3,391,334,500	380,908,200	3,395,470,040	2.64	6,898,557,578
2014	54,531,000	2,787,731,500	10,160,200	333,021,900	44,862,700	161,519,700	3,391,827,000	381,200,500	3,395,350,100	2.71	6,807,582,255
2015	57,145,900	2,796,022,500	9,782,100	343,576,400	45,135,400	161,519,700	3,413,182,000	381,341,400	3,416,582,520	2.74	7,009,317,782
2016	51,446,600	2,817,879,400	9,148,500	347,275,200	45,347,000	161,519,700	3,432,616,400	382,129,200	3,435,833,471	2.777	7,355,860,113

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 ordered by the County Board of Taxation.

**OLD BRIDGE SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of assessed value)
*Unaudited***

J-7

Fiscal Year Ended June 30,	Board of Education Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Old Bridge Township	Middlesex County	
2007	\$ 2.46	\$ 0.08	\$ 2.54	\$ 0.81	\$ 0.64	\$ 3.99
2008	2.46	0.08	2.54	0.82	0.68	4.04
2009	2.46	0.08	2.54	0.87	0.70	4.11
2010	2.47	0.09	2.56	0.94	0.70	4.20
2011	2.50	0.09	2.59	0.98	0.75	4.32
2012	2.51	0.09	2.60	1.00	0.77	4.37
2013	2.55	0.09	2.64	1.01	0.78	4.43
2014	2.62	0.09	2.71	1.02	0.80	4.53
2015	2.648	0.087	2.735	0.948	0.884	4.567
2016	2.695	0.0817	2.777	0.961	0.910	4.648

Source: Municipal Tax Collector and Business Administrator

N.J.S.A. 10A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the Net Valuation Taxable.

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

**OLD BRIDGE SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
*Unaudited***

J-8

<u>Taxpayer</u>	<u>2016</u>			<u>2007</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Middlesex Builders, Inc.	\$ 20,000,000	1	0.582%	\$ 24,500,000	1	0.734%
Madison Realty Company	17,300,000	2	0.504%	17,500,000	4	0.524%
Route Nine Plaza LLC	15,227,200	3	0.443%			
Heritage Old Bridge, LLC	14,800,000	4	0.431%	20,000,000	2	0.599%
Aldercrest, Inc., Section 3	14,425,600	5	0.420%	14,425,600	5	0.432%
Aldercrest, Inc., Section 2	14,425,600	6	0.420%	14,425,600	6	0.432%
Aldercrest, Inc., Section 1	14,131,200	7	0.411%	14,131,200	7	0.423%
Wilf, Harry, Joe, Leonard and Zygmunt				18,000,000	3	0.539%
Old Bridge Partners I, LLC				13,854,500	8	0.415%
Woodhaven Village NC	13,612,800	8	0.396%			
Hudson 90 Matawan LP	11,700,000	9	0.341%			
Nieuw Amsterdam c/o Smith and Kriegman	11,400,000	10	0.332%	11,400,000	10	0.341%
Parkwood Gardens Assoc.				13,000,000	9	0.389%
	<u>\$ 147,022,400</u>		<u>4.279%</u>	<u>\$ 161,236,900</u>		<u>4.828%</u>

Source: Municipal Tax Assessor

**OLD BRIDGE SCHOOL DISTRICT
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
SCHOOL DISTRICT COLLECTION ONLY
*Unaudited***

J-9

<u>Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2007	\$ 84,161,790	\$ 84,161,790	100.00%	\$
2008	85,772,775	85,772,775	100.00%	
2009	85,994,209	85,994,209	100.00%	
2010	86,583,139	86,583,139	100.00%	
2011	87,267,729	87,267,729	100.00%	
2012	88,954,889	88,954,889	100.00%	
2013	87,890,380	87,890,380	100.00%	
2014	88,061,995	88,061,995	100.00%	
2015	92,745,337	92,745,337	100.00%	
2016	94,107,762	94,107,762	100.00%	

Source: Township 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.

DEBT CAPACITY

**OLD BRIDGE SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
Unaudited**

J-10

Fiscal Year Ended June 30,	Governmental Activities		Bond Anticipation Notes (BANS)	Business- Type Capital Leases	Total District	Percentage of Personal Income (a)	Per Capita (a)
	Serial Bonds	Capital Leases					
2007	\$ 46,210,000	\$ 1,205,057	\$ 2,373,000	N/A	\$ 49,788,057	1.61%	\$ 763.42
2008	45,350,000	702,900	1,771,947	N/A	47,824,847	1.49%	730.40
2009	44,445,000	361,614	N/A	N/A	44,806,614	1.43%	679.49
2010	43,435,000	1,191,041	N/A	N/A	44,626,041	1.41%	681.82
2011	42,370,000	2,632,209	N/A	N/A	45,002,209	1.39%	684.62
2012	41,255,000	1,789,424	N/A	N/A	43,044,424	1.25%	826.06
2013	40,085,000	300,803	N/A	N/A	40,385,803	1.16%	772.33
2014	38,855,000	N/A	N/A	N/A	38,855,000	1.10%	740.29
2015	37,560,000	565,000	N/A	N/A	38,125,000	*	*
2016	33,660,000	463,181	N/A	N/A	34,123,181	*	*

*Data was not provided by School District.

Source: School District Financial Records

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

**OLD BRIDGE SCHOOL DISTRICT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
*Unaudited***

J-11

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Estimated Actual County Equalized Value</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Population</u>	<u>Per Capita</u>
2007	\$ 46,210,000	\$	\$46,210,000	\$7,832,951,151	0.59%	65,217 R	709 R
2008	45,350,000		45,350,000	7,917,186,942	0.57%	65,478 R	693 R
2009	44,445,000		44,445,000	8,001,438,489	0.56%	65,942 R	674 R
2010	43,435,000		43,435,000	7,832,492,723	0.55%	65,417 R	664 R
2011	42,370,000		42,370,000	7,562,460,359	0.56%	65,770 R	644 R
2012	41,255,000		41,255,000	7,334,724,052	0.56%	66,236 R	623 R
2013	40,085,000		40,085,000	6,898,557,578	0.58%	66,676 R	601 R
2014	38,855,000		38,855,000	6,807,582,255	0.57%	67,087 R	579 R
2015	37,560,000		37,560,000	7,009,317,782	0.54%	67,215	559
2016	33,660,000		33,660,000	7,355,860,113	0.46%	*	*

*Data was not provided by School District.

Source: School District Financial Reports

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

R - Revised

**OLD BRIDGE SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015
Unaudited**

J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Township of Old Bridge	\$ 49,355,751	100.00%	\$ 49,355,751
Middlesex County General Obligation Debt		7.166%	<u>38,031,316</u>
Sub-Total Overlapping Debt			87,387,067
Old Bridge School District Direct Debt			<u>36,196,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 123,583,067</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Middlesex 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 Old Bridge. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

OLD BRIDGE SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)
Unaudited

J-13

Legal Debt Margin Calculation

		Equalized Valuation Basis
	2013	\$ 6,789,458,458
	2014	6,949,041,180
	2015	<u>7,297,802,010</u>
	(A)	<u>\$21,036,301,648</u>
Average Equalized Valuation of Taxable Property	[A/3]	<u>\$ 7,012,100,549</u>
Debt Limit (4.0% of Average Equalization Value)	[B]	\$ 280,484,022 (a)
Net Bonded School Debt	[C]	<u>33,660,000</u>
Legal Debt Margin	[B-C]	<u>\$ 246,824,022</u>

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Transitional Year</u> <u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$ 221,637,213	\$ 255,054,784	\$ 240,297,786	\$ 314,944,412	\$ 310,769,308	\$ 302,374,796	\$ 290,060,397	\$ 280,322,265	\$ 275,234,864	\$ 280,484,022
Total Net Debt Applicable to Limit	<u>45,598,000</u>	<u>46,210,000</u>	<u>45,350,000</u>	<u>43,435,000</u>	<u>42,370,000</u>	<u>41,255,000</u>	<u>40,085,000</u>	<u>38,855,000</u>	<u>37,560,000</u>	<u>33,660,000</u>
Legal Debt Margin	<u>\$ 176,039,213</u>	<u>\$ 208,844,784</u>	<u>\$ 194,947,786</u>	<u>\$ 271,509,412</u>	<u>\$ 268,399,308</u>	<u>\$ 261,119,796</u>	<u>\$ 249,975,397</u>	<u>\$ 241,467,265</u>	<u>\$ 237,674,864</u>	<u>\$ 246,824,022</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.57%	18.12%	18.87%	13.79%	13.63%	13.64%	13.82%	13.86%	13.65%	12.00%

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 N.J.S. 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts.

DEMOGRAPHIC AND ECONOMIC INFORMATION

**OLD BRIDGE SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

J-14

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2006	64,669 R	\$ 2,857,981,786 R	\$ 44,194 R	3.20%
2007	65,217 R	3,033,829,623 R	46,519 R	2.80%
2008	65,478 R	3,159,182,544 R	48,248 R	3.50%
2009	65,942 R	3,022,055,918 R	45,829 R	8.40%
2010	65,417 R	3,046,600,524 R	46,572 R	8.70%
2011	65,770 R	3,215,034,910 R	48,883 R	8.40%
2012	66,236 R	3,329,087,596 R	50,261 R	8.60%
2013	66,676 R	3,351,602,492 R	50,267	7.20%
2014	67,087 R	3,521,128,282	52,486	5.60%
2015	67,215	*	*	4.60%

*Data not available

Source:

a = Population information provided by the N.J. Department 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 municipality estimated based upon the 2000 Census published by the U.S. Bureau of Economic Analysis.

d = Unemployment Data provided by the N.J. Department of Labor and Workforce Development.

R - Revised

**OLD BRIDGE SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED**

J-15

<u>Employer</u>	2016		2007	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
Blonder - Tongue Labs	*	*	225	*
Madison Industries	*	*	128	*
Madison Chemicals	*	*	100	*
Old Bridge Chemicals	*	*	100	*
CPS Chemical	*	*	100	*
Old Bridge Board of Education	*	*	1,144	*
	*	*	1,797	*
	*	*	1,797	*

*Data was not provided by School District.

Districts may obtain principal employer information from various sources such as their local Chamber of Commerce, Local Economic Development Agency, or other creditable source for their municipality.

Old Bridge Employees include Full-Time and Part-Time (Noon Hour Supervisors).

OPERATING INFORMATION

**OLD BRIDGE SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED**

J-16

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction:										
Regular	553.4	557.8	568.6	562.0	535.9	529.8	538.1	542.4	533.0	536.0
Special Education	150.0	157.6	164.1	164.2	172.5	169.6	171.0	166.5	172.0	174.0
Other Special Education	100.5	121.5	131.5	144.5	147.0	155.0	170.0	166.0	163.0	161.0
Support Services:										
Student and Instruction Related Services	134.0	135.0	136.0	140.0	136.2	133.2	144.4	144.7	146.0	148.6
School Administrative Services	63.0	63.0	64.0	64.0	60.0	60.2	61.7	57.2	56.2	57.2
General and Business Administration	24.5	24.5	25.5	26.5	26.5	26.9	25.8	29.8	29.2	25.8
Plant Operations and Maintenance	51.2	49.2	48.7	49.2	33.2	30.8	31.4	31.4	31.6	31.6
Pupil Transportation	64.0	65.0	59.0	62.0	58.0	53.0	56.0	61.0	59.0	59.0
Special Schools	3.0	3.0	3.0	3.0						
Total	<u>1,143.6</u>	<u>1,176.6</u>	<u>1,200.4</u>	<u>1,215.4</u>	<u>1,169.3</u>	<u>1,158.5</u>	<u>1,198.4</u>	<u>1,199.0</u>	<u>1,190.0</u>	<u>1,193.2</u>

Source: District Personnel Office

**OLD BRIDGE SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

J-17

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio (b)</u>	<u>Average Daily Enrollment (ADE) (c)</u>	<u>Average Daily Attendance (ADA) (c)</u>	<u>Percentage Change in (ADE)</u>	<u>Student Attendance Percentage</u>
2007	9,758.0	\$ 131,708,738	\$13,498	6.79%	703.4	13.9	9,758.0	9,293.2	-0.92%	95.20%
2008	9,661.0	135,078,845	13,982	3.59%	715.4	13.5	9,648.3	9,195.4	-1.05%	95.30%
2009	9,633.0	136,399,862	14,160	1.27%	732.7	13.1	9,610.4	9,151.0	-0.96%	95.20%
2010	9,521.0	139,433,977	14,645	3.43%	726.2	13.1	9,484.7	9,019.7	-0.94%	95.10%
2011	9,403.0	136,385,841	14,505	2.44%	707.4	13.3	9,415.4	8,921.9	-0.94%	94.80%
2012	9,291.0	140,016,329	15,070	2.90%	699.4	13.3	9,203.3	8,746.2	-2.25%	95.00%
2013	9,195.5	146,190,431	15,898	9.61%	709.0	13.0	9,101.6	8,636.2	-1.11%	94.89%
2014	8,989.5	146,247,776	16,269	2.33%	711.0	12.6	8,880.9	8,443.5	2.42%	95.08%
2015	9,079.0	148,568,109	16,364	0.59%	708.0	12.8	9,018.0	8,555.0	1.30%	94.87%
2016	9,016.0	151,138,440	16,763	0.58%	712.0	12.7	8,917.0	8,443.0	-1.13%	94.68%

Source: School District Financial Records

Note: Enrollment based on annual October District count.

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents of certificated staff.
- (c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

OLD BRIDGE SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
Unaudited

J-18
Sheet #1

<u>District Building</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Old Bridge High School - Main Building:										
Square Feet	209,715	209,715	209,715	209,715	209,715	209,715	209,715	209,715	209,715	209,715
Capacity (Students)	2,183	2,183	2,183	2,183	2,183	2,183	2,183	2,183	2,183	2,183
Enrollment	2,291	2,291	2,291	2,291	2,341	2,291	2,367	2,223	2,227	2,227
Old Bridge High School - Grade Nine Center:										
Square Feet	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500
Capacity (Students)	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122
Enrollment	748	748	748	748	711	742	637	692	741	741
Jonas Salk Middle School:										
Square Feet	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500
Capacity (Students)	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181
Enrollment	1,272	1,272	1,272	1,272	985	1,036	1,024	1,007	983	983
Carl Sandburg Middle School:										
Square Feet	181,400	181,400	181,400	181,400	181,400	181,400	181,400	181,400	181,400	181,400
Capacity (Students)	1,284	1,284	1,284	1,284	1,284	1,284	1,284	1,284	1,284	1,284
Enrollment	1,201	1,201	1,201	1,201	1,249	1,188	1,163	1,160	1,164	1,164
M. Scott Carpenter Elementary School:										
Square Feet	32,950	32,950	32,950	32,950	32,950	32,950	32,950	32,950	32,950	32,950
Capacity (Students)	303	303	303	303	303	303	303	303	303	303
Enrollment	302	302	302	302	285	279	290	295	304	304
Cheesequake Elementary School:										
Square Feet	30,100	30,100	30,100	30,100	30,100	30,100	30,100	30,100	30,100	30,100
Capacity (Students)	329	329	329	329	329	329	329	329	329	329
Enrollment	324	324	324	324	316	302	290	298	295	295
Leroy Gordon Cooper Elementary School:										
Square Feet	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050
Capacity (Students)	245	245	245	245	245	245	245	245	245	245
Enrollment	186	186	186	186	272	261	263	250	233	233
Virgil I. Grissom Elementary School:										
Square Feet	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700
Capacity (Students)	269	269	269	269	269	269	269	269	269	269
Enrollment	229	229	229	229	234	235	222	210	208	208
Madison Park Elementary School:										
Square Feet	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750
Capacity (Students)	383	383	383	383	383	383	383	383	383	383
Enrollment	338	338	338	338	316	298	282	271	278	278
James A. McDivitt Elementary School:										
Square Feet	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capacity (Students)	564	564	564	564	564	564	564	564	564	564
Enrollment	555	555	555	555	532	550	520	553	441	441

OLD BRIDGE SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
Unaudited

J-18
Sheet #2

<u>District Building</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2009</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Memorial Elementary School:										
Square Feet	32,200	32,200	32,200	32,200	32,200	32,200	32,200	32,200	32,200	32,200
Capacity (Students)	377	377	377	377	377	377	377	377	377	377
Enrollment	436	436	436	436	432	420	398	393	393	393
William A. Miller Elementary School:										
Square Feet	28,900	28,900	28,900	28,900	28,900	28,900	28,900	28,900	28,900	28,900
Capacity (Students)	269	269	269	269	269	269	269	269	269	269
Enrollment	353	353	353	353	337	313	352	344	341	341
Walter M. Schirra Elementary School:										
Square Feet	36,570	36,570	36,570	36,570	36,570	36,570	36,570	36,570	36,570	36,570
Capacity (Students)	499	499	499	499	499	499	499	499	499	499
Enrollment	420	420	420	420	374	334	366	355	356	356
Alan B. Shepard Elementary School:										
Square Feet	27,302	27,302	27,302	27,302	27,302	27,302	27,302	27,302	27,302	27,302
Capacity (Students)	353	353	353	353	353	353	353	353	353	353
Enrollment	343	343	343	343	290	292	269	255	274	274
Southwood Elementary School:										
Square Feet	408,000	408,000	408,000	408,000	408,000	408,000	408,000	408,000	408,000	408,000
Capacity (Students)	383	383	383	383	383	383	383	383	383	383
Enrollment	380	380	380	380	316	390	304	290	433	433
Raymond E. Voorhees Elementary School:										
Square Feet	39,410	39,410	39,410	39,410	39,410	39,410	39,410	39,410	39,410	39,410
Capacity (Students)	557	557	557	557	557	557	557	557	557	557
Enrollment	464	464	464	464	413	390	364	325	346	346

Source: School District Facilities Office

OLD BRIDGE SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITY
LAST TEN FISCAL YEARS

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

School Number	Fiscal Years Ending June 30										
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	
School Facilities*											
Old Bridge High School Main Building (Effective July 1, 2005)	40	\$ 978,013.00	\$ 1,328,787.00	\$ 940,088.00	\$ 1,011,087.00	\$ 1,215,370.00	\$ 1,013,462.00	\$ 1,063,375.00	\$ 1,376,635.00	\$ 1,044,803.00	\$ 1,202,364.66
Alan B. Shepard Elementary School	82	206,997.00	176,541.00	170,543.00	124,612.00	114,786.00	152,701.00	140,682.00	123,724.00	130,032.00	127,250.34
OBHS-GNC (Formerly Carl Sandburg Middle School)	103	507,484.00	465,756.00	482,190.00	399,733.00	512,008.00	367,862.00	356,828.00	323,346.00	296,436.00	388,209.31
Cheesequake Elementary School	105	204,548.00	205,304.00	158,158.00	142,973.00	266,897.00	155,901.00	169,559.00	197,106.00	162,152.00	166,248.83
James A. McDivitt Elementary School	108	199,551.00	263,145.00	234,569.00	221,470.00	171,991.00	176,477.00	191,842.00	261,668.00	209,976.00	162,533.70
Jonas Salk Middle School	110	505,883.00	409,524.00	493,803.00	438,731.00	469,101.00	384,823.00	427,131.00	423,349.00	349,164.00	285,758.52
Leroy Gordon Cooper Elementary School	113	145,813.00	167,309.00	106,594.00	78,717.00	126,265.00	109,553.00	110,892.00	121,385.00	176,160.00	163,673.90
Madison Park Elementary School	120	165,619.00	172,213.00	160,487.00	134,623.00	156,983.00	184,674.00	210,981.00	212,747.00	155,079.00	202,975.94
Memorial Elementary School	130	191,127.00	212,404.00	208,237.00	150,218.00	146,528.00	127,926.00	157,793.00	254,270.00	168,186.00	115,898.92
M. Scott Carpenter Elementary School	133	215,681.00	174,505.00	184,115.00	127,075.00	314,834.00	147,114.00	152,129.00	174,918.00	181,320.00	180,254.56
Raymond E. Voorhees Elementary School	140	186,392.00	194,925.00	174,011.00	166,118.00	176,283.00	179,379.00	200,300.00	207,657.00	241,934.00	213,452.09
Southwood Elementary School	150	168,071.00	224,162.00	145,603.00	136,245.00	145,513.00	137,319.00	164,951.00	166,549.00	181,976.00	202,060.25
Virgil I. Gnssom Elementary School	163	157,760.00	160,655.00	149,201.00	144,673.00	133,842.00	134,808.00	143,743.00	165,344.00	136,004.00	121,267.90
Walter M. Schirra Elementary School	165	177,658.00	184,998.00	161,623.00	221,270.00	145,672.00	167,467.00	161,048.00	193,269.00	202,176.00	164,835.04
William A. Miller Elementary School	170	164,429.00	181,777.00	129,423.00	77,013.00	78,960.00	98,154.00	110,993.00	123,874.00	114,616.00	133,303.50
Other Facilities	999	1,455,876.00	1,270,163.00	1,069,989.00	748,193.30	1,057,373.00	1,053,246.00	977,150.00	1,177,134.00	1,084,881.00	952,111.78
Total School Facilities		\$5,630,902.00	\$5,792,168.00	\$4,968,634.00	\$4,322,751.30	\$5,232,406.00	\$4,610,888.00	\$4,739,397.00	\$5,503,175.00	\$4,836,895.00	\$ 4,782,199.24

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

Source: School District records.

**OLD BRIDGE SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2016
Unaudited**

J-20

<u>Type of Coverage</u>	<u>Limits</u>	<u>Company</u>	<u>Policy Number</u>
General Liability Aggr. Products/Comp Op Aggr. Each Occurrence Pers. and Advert. Injury Medical Expenses	\$ 5,000,000 5,000,000 5,000,000 5,000,000 10,000	SAIF	NA
Property Blanket Building/Contents Deductible - \$5,000	250,539,554	SAIF	PR1401 251
Flood	5,000,000	SAIF	PR1401 251
Boiler and Machinery	250,539,554	SAIF	PR1401 251
Crime Employee Dishonesty Forgery and Alteration M & S on Premises Computer Fraud Deductible \$5,000/\$1,000	500,000 100,000 25,000 25,000	SAIF	PR1401 251
Auto CSL Uninsured/Underinsured Comp. and Coll. Deductible	10,000,000 15/30/5 1,000	SAIF	PR1401 251
School Board Legal Aggr. Deductible \$25,000 Each Claim	10,000,000	SAIF	NA
Umbrella Aggr. Retention \$10,000	5,000,000	SAIF	NA
Excess Workers' Comp. Part I Statutory Policy Limit Supplemental	2,000,000 2,500	NA	NA
Surety Bonds: Himanshu Shah Joseph Marra	500,000 100,000	Selective Selective	B1145135 B1150483
Student Accident: Blanket Student Accident	\$1,000,000	Bollinger	P615

SINGLE AUDIT SECTION

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**INDEPENDENT AUDITOR'S 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**

The Honorable President and Members
of the Board of Education
Old Bridge Board of Education
County of Middlesex
Matawan, New Jersey 07747

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Old Bridge Board of Education, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Old Bridge Board of Education's basic financial statements, and have issued our report thereon dated October 27, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Old Bridge 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 Old Bridge School 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of the Old Bridge School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the 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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


JOSEPH J. FACCONI
Licensed Public School Accountant #194


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
October 27, 2016

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM ADMINISTRATIVE
REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL
AWARDS (UNIFORM GUIDANCE)**

The Honorable President and Members
of the Board of Education
Old Bridge Board of Education
County of Middlesex
Matawan, New Jersey 07747

Report on Compliance for Each Major Program

We have audited the Old Bridge Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. The Old Bridge School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Old Bridge School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *New Jersey State Aid/Grant Compliance Supplement*, 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 the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJOMB 15-08)*. Those standards and the Uniform Guidance 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 Old Bridge School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Old Bridge School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

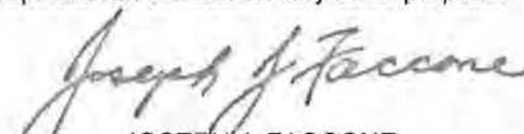
Management of the Old Bridge School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Old Bridge School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB's 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 Old Bridge 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 and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Report on Internal Control over Compliance (Continued)

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 NJOMB's 15-08. Accordingly, this report is not suitable for any other purpose.


 JOSEPH J. FACCONI
 Licensed Public School Accountant #194


 SAMUEL KLEIN AND COMPANY
 CERTIFIED PUBLIC ACCOUNTANTS

OLD BRIDGE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Schedule A

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Number	Award Amount	Grant Period	Balance at June 30, 2015	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	June 30, 2016		
												(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education:														
General Fund:														
Medical Assistance Program	93.778	1605NJSMAP	N/A	\$ 188,419.90	7/1/14 - 6/30/15	\$ (72,970.21)	\$ -	\$ 72,970.21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medical Assistance Program	93.778	1605NJSMAP	N/A	151,601.88	7/1/15 - 6/30/16			132,918.22	(151,801.88)			(18,883.66)		
Total General Fund						(72,970.21)		205,888.43	(151,801.88)			(18,883.66)		
U.S. Department of Education:														
Passed-Through State Department of Education:														
Special Revenue Fund:														
Title I, Part A	84.010A	S010A150030	NCLB-3845-15	725,398.00	7/1/14 - 6/30/15	(227,028.31)		227,028.31						
Title I, Part A Carryover	84.010A	S010A150030	NCLB-3845-15	725,398.00	7/1/15 - 6/30/16			55,411.89	(55,411.89)					
Title I, Part A	84.010A	S010A150030	NCLB-3845-16	801,502.00	7/1/15 - 6/30/16			470,384.00	(688,606.60)			(216,222.60)		
Title II, Part A	84.367A	S367A150029	NCLB-3845-15	196,574.00	7/1/14 - 6/30/15	(115,871.62)		115,871.00		0.62				
Title II, Part A - Carryover	84.367A	S367A150029	NCLB-3845-15	196,574.00	7/1/15 - 6/30/16			24,668.97	(24,668.97)					
Title II, Part A	84.367A	S367A150029	NCLB-3845-16	216,835.00	7/1/15 - 6/30/16			126,925.03	(200,465.04)			(73,540.01)		
Title III	84.365A	S365A150030	NCLB-3845-15	63,424.00	7/1/14 - 6/30/15	(37,415.35)		37,415.35						
Title III Carryover	84.365A	S365A150030	NCLB-3845-15	63,424.00	7/1/15 - 6/30/16			7,643.70	(7,643.70)					
Title III	84.365A	S365A150030	NCLB-3845-16	63,801.00	7/1/15 - 6/30/16			38,450.95	(58,855.75)			(20,404.81)		
Title III Immigrant	84.365A	S365A150030	NCLB-3845-16	4,553.00	7/1/15 - 6/30/16			950.00	(950.25)			(0.25)		
Title III Immigrant Carryover	84.365A	S365A150030	NCLB-3845-14	42,145.00	9/1/13 - 8/31/14	(5,332.00)		5,332.00						
IDEA Part B, Basic Regular	84.027	H027A150100	IDEA-3845-15	2,063,487.00	7/1/14 - 6/30/15	(22,944.14)		22,944.00		0.14				
IDEA Part B, Basic Regular Carryover	84.027	H027A150100	IDEA-3845-15	2,063,487.00	7/1/15 - 6/30/16			19,538.86	(19,538.96)					
IDEA Part B, Basic Regular	84.027	H027A150100	IDEA-3845-16	2,161,888.00	7/1/15 - 6/30/16			2,000,982.14	(2,141,345.13)			(140,362.99)		
IDEA Part B, Preschool Handicapped Carryover	84.173A	H173A150114	IDEA-3845-16	61,720.00	7/1/15 - 6/30/16			5,747.00	(5,747.00)					
IDEA Part B, Preschool Handicapped	84.173A	H173A150114	IDEA-3845-16	64,619.00	7/1/15 - 6/30/16			58,872.00	(64,619.00)			(5,747.00)		
Perkins Grant	84.048A	S048A150030	NCLB-3845-16	52,946.00	7/1/15 - 6/30/16			15,964.00	(44,346.00)			(28,462.00)		
Total Special Revenue Fund						(408,591.42)		3,234,029.00	(3,312,198.00)	0.76		(486,759.68)		
U.S. Department of Agriculture:														
Passed-Through State Department of Agriculture:														
Enterprise Fund:														
Food Distribution Program	10.550	16161NJ304N1099	N/A	218,184.61	9/1/14 - 6/30/15	4,483.24			(4,483.24)					
Food Distribution Program	10.550	16161NJ304N1099	N/A	49,805.79	7/1/15 - 6/30/16			49,805.79	(46,414.44)				3,391.35	A
National School Lunch Program	10.555	16161NJ304N1099	N/A	858,904.56	9/1/14 - 6/30/15	(71,154.56)		71,154.56						
National School Lunch Program	10.555	16161NJ304N1099	N/A	955,107.05	7/1/15 - 6/30/16			903,276.01	(955,107.05)			(51,831.04)		
National School Breakfast Program	10.553	16161NJ304N1089	N/A	81,589.28	9/1/14 - 6/30/15	(10,297.08)		10,297.08						
National School Breakfast Program	10.553	16161NJ304N1089	N/A	84,693.10	7/1/15 - 6/30/16			79,219.29	(84,693.10)			(5,473.81)		
Total Enterprise Fund						(76,968.40)		1,113,752.73	(1,090,697.83)			(57,304.85)	3,391.35	
Total Federal Awards						\$ (558,530.03)	\$ -	\$ 4,553,670.16	\$ (4,554,697.71)	\$ 0.76	\$ -	\$ (562,948.17)	\$ 3,391.35	\$ -

A = Inventory Value at June 30, 2016

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

**DLD BRIDGE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Schedule B

State Grantor Program Title	Grant or State Project Number	Award Amount	Grant Period	June 30, 2015		Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures Pass-Through Funds	Budgetary Expenditures Direct	Adjustments	Repayment of Prior Year's Balance	June 30, 2016		Memo	
				Deferred Revenue (Accounts Receivable)	Due to Grantor							Deferred Revenue (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:															
General Fund:															
Equalization Aid	16-496-034-5120-078	\$ 36,867,100.00	7/1/15 - 6/30/16	\$	\$	\$	\$ 36,867,100.00	\$ (36,867,100.00)	\$	\$	\$	\$	\$	\$ 3,843,369.50	\$ 36,867,100.00
Special Education Aid	16-496-034-5120-060	5,499,282.00	7/1/15 - 6/30/16				5,499,282.00	(5,499,282.00)						549,928.20	5,499,282.00
TRANSPORTATION AID	16-496-034-5120-014	841,635.00	7/1/15 - 6/30/16				841,635.00	(841,635.00)						84,163.50	841,635.00
Additional Adjustment Aid	16-496-034-5120-085	437,066.00	7/1/15 - 6/30/16				437,066.00	(437,066.00)						43,706.60	437,066.00
PARCC Readiness Aid	16-496-034-5120-068	86,680.00	7/1/15 - 6/30/16				86,680.00	(86,680.00)						8,668.00	86,680.00
Per Pupil Growth Aid	16-496-034-5120-097	86,680.00	7/1/15 - 6/30/16				86,680.00	(86,680.00)						8,668.00	86,680.00
Security Aid	16-496-034-5120-064	817,494.00	7/1/15 - 6/30/16				817,494.00	(817,494.00)						81,749.40	817,494.00
On-Behalf TPAF Post-Retirement Medical Benefit Contributions	16-100-034-5095-001	10,878,770.00	7/1/15 - 6/30/16				10,878,770.00	(10,878,770.00)							10,878,770.00
Reimbursed TPAF Social Security Contribution	15-100-034-5095-002	4,552,716.29	7/1/14 - 6/30/15	(229,712.63)			229,712.63								
Reimbursed TPAF Social Security Contribution	16-100-034-5095-002	4,540,732.87	7/1/15 - 6/30/16				4,540,732.87	(4,540,732.87)				(229,905.58)			4,540,732.87
Extraordinary Aid	16-496-034-5120-044	2,218,785.00	7/1/14 - 6/30/15	(2,218,785.00)			2,218,785.00								2,091,331.00
Nonpublic Transportation Aid	Unknown	149,236.00	7/1/14 - 6/30/15	(149,236.00)			149,236.00	(149,236.00)				(2,091,331.00)			2,091,331.00
Nonpublic Transportation Aid	Unknown	147,052.00	7/1/15 - 6/30/16				147,052.00	(147,052.00)				(147,052.00)			147,052.00
Total General Fund				(2,597,733.83)			82,423,266.14	(82,293,822.87)				(2,468,288.56)		4,420,453.00	82,293,822.87
Special Revenue Fund:															
N.J. Nonpublic Aid:															
Textbook Aid	16-100-034-5120-064	57,156.00	7/1/15 - 6/30/16				57,156.00	(54,032.00)							54,032.00
Textbook Aid	15-100-034-5120-064	88,339.00	7/1/14 - 6/30/15		3,865.00						(3,865.00)		3,127.00		
Nursing Services	16-100-034-5120-070	90,090.00	7/1/15 - 6/30/16				90,090.00	(84,897.00)					5,293.00		84,897.00
Nursing Services	15-100-034-5120-070	108,077.00	7/1/14 - 6/30/15		18,364.00						(18,364.00)				
Technology	16-100-034-5120-373	25,026.00	7/1/15 - 6/30/16				25,026.00	(22,419.00)					3,607.00		22,419.00
Technology	15-100-034-5120-373	36,704.00	7/1/14 - 6/30/15		2,472.00						(2,472.00)				
Security	16-100-034-5120-509	25,025.00	7/1/15 - 6/30/16				25,025.00	(21,415.00)					3,610.00		21,415.00
Auxiliary Services:															
Public Transportation	16-100-034-5120-068	22,358.00	7/1/15 - 6/30/16				22,358.00	(22,358.00)							22,358.00
Compensatory Education	14-100-034-5120-067	118,444.00	7/1/15 - 6/30/16				118,444.00	(71,912.00)					46,532.00		71,912.00
Compensatory Education	15-100-034-5120-067	109,288.00	7/1/14 - 6/30/15		26,971.00						(26,971.00)				
English as a Second Language	16-100-034-5120-067	25,883.00	7/1/15 - 6/30/16				25,883.00	(15,530.00)					10,353.00		15,530.00
Handicapped Services:															
Supplemental Instruction	16-100-034-5120-066	30,816.00	7/1/15 - 6/30/16				30,816.00	(30,816.00)							30,816.00
Supplemental Instruction	15-100-034-5120-066	78,249.00	7/1/14 - 6/30/15		2,354.00						(2,354.00)				
Examination and Classification	16-100-034-5120-065	52,860.00	7/1/15 - 6/30/16				52,860.00	(33,752.00)					18,908.00		33,752.00
Examination and Classification	15-100-034-5120-066	45,031.00	7/1/14 - 6/30/15		3,054.00						(5,054.00)				
Corrective Speech	16-100-034-5120-066	52,672.00	7/1/15 - 6/30/16				52,672.00	(35,951.00)					16,721.00		35,951.00
Corrective Speech	15-100-034-5120-066	66,263.00	7/1/14 - 6/30/15		20,321.00						(20,321.00)				
Home Instruction	16-100-034-5120-066	7,513.00	7/1/15 - 6/30/16				7,513.00	(7,513.00)				(7,513.00)			7,513.00
Home Instruction	15-100-034-5120-066	1,906.00	7/1/14 - 6/30/15	(1,906.00)			1,906.00								
NJ Achievement Grant	16-TG05-A01	171,820.00	7/1/15 - 6/30/16				171,820.00	(101,115.43)					(31,836.43)		101,115.43
Total Special Revenue Fund				(1,906.00)	78,901.00		572,318.00	(501,510.43)			(78,901.00)	(39,349.43)	108,251.00		501,510.43
Capital Projects Fund:															
Educational Facilities Construction Financing Aid	3545-110-14-1007		7/1/14 - Ongoing	(208,597.37)									(208,597.37)		
Total Capital Projects Fund				(208,597.37)									(208,597.37)		
State Department of Agriculture:															
Enterprise Fund:															
National School Lunch Program	15-100-010-3360-067		7/1/14 - 6/30/15	(2,323.81)			2,323.81								
National School Lunch Program	16-100-010-3360-067		7/1/15 - 6/30/16				27,596.48	(21,258.01)					(3,659.53)		31,359.01
Total Enterprise Fund				(2,323.81)			30,023.29	(21,258.01)					(3,659.53)		31,359.01
Total State Financial Assistance				\$ (2,810,581.01)	\$ 78,901.00	\$ -	\$ 83,025,809.43	\$ (82,826,692.31)	\$ -	\$ -	\$ (78,901.00)	\$ (2,719,894.89)	\$ -	\$ 108,251.00	\$ 4,420,453.00
Less: On-Behalf TPAF Pension System Contributions								(10,878,770.00)							
Total for State Financial Assistance - Major Program Determination								\$ (51,947,922.31)							

The accompanying Notes to Schedule of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

OLD BRIDGE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2016

1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Old Bridge School District. The School District is defined in Note 1(A) to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed-through other government agencies is included on the Schedule of Federal Awards and State Financial Assistance.

2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. This basis of accounting is described in Note 1 to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(1,459.00) for the general fund and \$ - 0 - for the special revenue fund. See Note 2 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 151,801.88	\$ 62,295,363.87	\$ 62,447,165.75
Special Revenue Fund	3,312,198.00	501,510.43	3,813,708.43
Food Service	<u>1,089,605.94</u>	<u>31,359.01</u>	<u>1,120,964.95</u>
Totals	<u>\$ 4,553,605.82</u>	<u>\$ 62,828,233.31</u>	<u>\$ 67,381,839.13</u>

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.

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loans payable outstanding to federal or state entities at June 30, 2016.

6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively.

TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

On-Behalf TPAF Post-Retirement Medical Benefit Contributions represents the amount paid directly by the State of New Jersey for post-retirement medical benefits for TPAF members retired from the District for the year ended June 30, 2016.

7. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

8. DE MINIMIS INDIRECT COST RATE

The District has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**OLD BRIDGE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section I - Summary of Auditor's Results

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes √ No

2) Significant deficiencies identified?

_____ Yes √ None Reported

Noncompliance material to basic financial statements noted?

_____ Yes √ No

Federal Awards

Internal control over major programs:

1) Material weakness(es) identified?

_____ Yes √ No

2) Significant deficiencies identified?

_____ Yes √ None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of the Uniform Guidance?

_____ Yes √ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Numbers</u>	<u>Name of Federal Program</u>
84.010	S010A150030	Title I, Part A
84.027	H027A150100	IDEA, Part B - Basic
10.555	16161NJ304N1099	National School Lunch

Dollar threshold used to distinguish between Type A and Type B Programs:

\$750,000.00

Auditee qualified as low-risk auditee?

 √ Yes _____ No

**OLD BRIDGE 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 Financial Assistance

Internal control over major programs:

- 1) Material weakness(es) identified _____ Yes √ No
- 2) Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes √ None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 and 15-08?

_____ Yes √ No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
16-495-034-5120-078	Equalization Aid
16-495-034-5095-002	Reimbursed TPAF Social Security Contributions
16-495-034-5120-089	Special Education Aid
16-495-034-5120-044	Extraordinary Aid

Dollar threshold used to distinguish between Type A and Type B programs:

\$1,558,438.00

Auditee qualified as low-risk auditee?

 √ Yes _____ No

Section II - Financial Statement Findings:

No financial statement findings that are required to be reported under *Government Auditing Standards*.

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

a) Federal Award Findings and Questioned Costs:

There were no findings or questioned costs for federal awards.

b) State Award Findings and Questioned Costs:

There were no findings or questioned costs for state financial assistance.

**OLD BRIDGE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR ENDED JUNE 30, 2016**

There were no prior years' findings.

