

**CITY OF SALEM
SCHOOL DISTRICT**



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016

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INTRODUCTORY SECTION

Salem City School District

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

Dr. Amiot Patrick Michel
Superintendent

Herbert Schectman
Business Administrator

Pamela Bates Thomas
Director of Special Services

December 5, 2016

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

The comprehensive annual financial report of the Salem City School District (District) for the fiscal year ended June 30, 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 management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. Reporting Entity And Its Services:

Salem City School District is an independent reporting entity as established by GASB Statement No. 14. All funds of the District are included in this report. The Salem City Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and special education services for children. The District completed the 2015-2016 fiscal year with an enrollment of 1,144 students, which represents a decrease of 31 students over the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2015-2016	1,144	(1.29)%
2014-2015	1,159	(2.6)%
2013-2014	1,190	0.6%
2012-2013	1,183	(5.3)%
2011-2012	1,248	1.3%

2. Economic Condition and Outlook:

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

3. Major Initiatives:

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

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

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

The District continued an agreement with Metz Food Management Company to manage the operations of the cafeteria for the 15-16 fiscal year.

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

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

We have currently added Project Lead the Way (PLTW). In PLTW Engineering, students engage in open-ended problem solving, learn and apply the engineering design process, and use the same industry-leading technology and software as are used in the world's top companies. Students investigate topics such as aerodynamics and astronautics, biological engineering and sustainability, and digital electronics and circuit design, which gives them an opportunity to learn about different engineering disciplines before beginning post-secondary education or careers. Schools offer a minimum of three courses by the end of the third year of implementation: Introduction to Engineering Design, Principles of Engineering, and any specialization course or the capstone course. Introduction to Engineering Design includes students digging deep into the engineering design process, applying math, science, and engineering standards to hands-on projects. The students work both individually and in teams to design solutions to a variety of problems using 3D modeling software, and use an engineering notebook to document their work. Principles of Engineering include problems that engage and challenge. Students explore a broad range of engineering topics, including mechanisms, the strength of structures and materials, and automation. Students develop skills in problem solving, research, and design while learning strategies for design process documentation, collaboration, and presentation.

4. Internal Accounting Controls:

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

4. Internal Accounting Controls (cont'd):

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

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

5. Budgetary Controls:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

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

6. Accounting System and Reports:

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

7. Cash Management:

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

8. Risk Management:

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

9. Other Information:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants. The accounting firm of Bowman & Company LLP was selected by the Board of Education. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. Acknowledgements:


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

Respectfully submitted,



Dr. Amiot Michel,
Superintendent

Respectfully submitted,



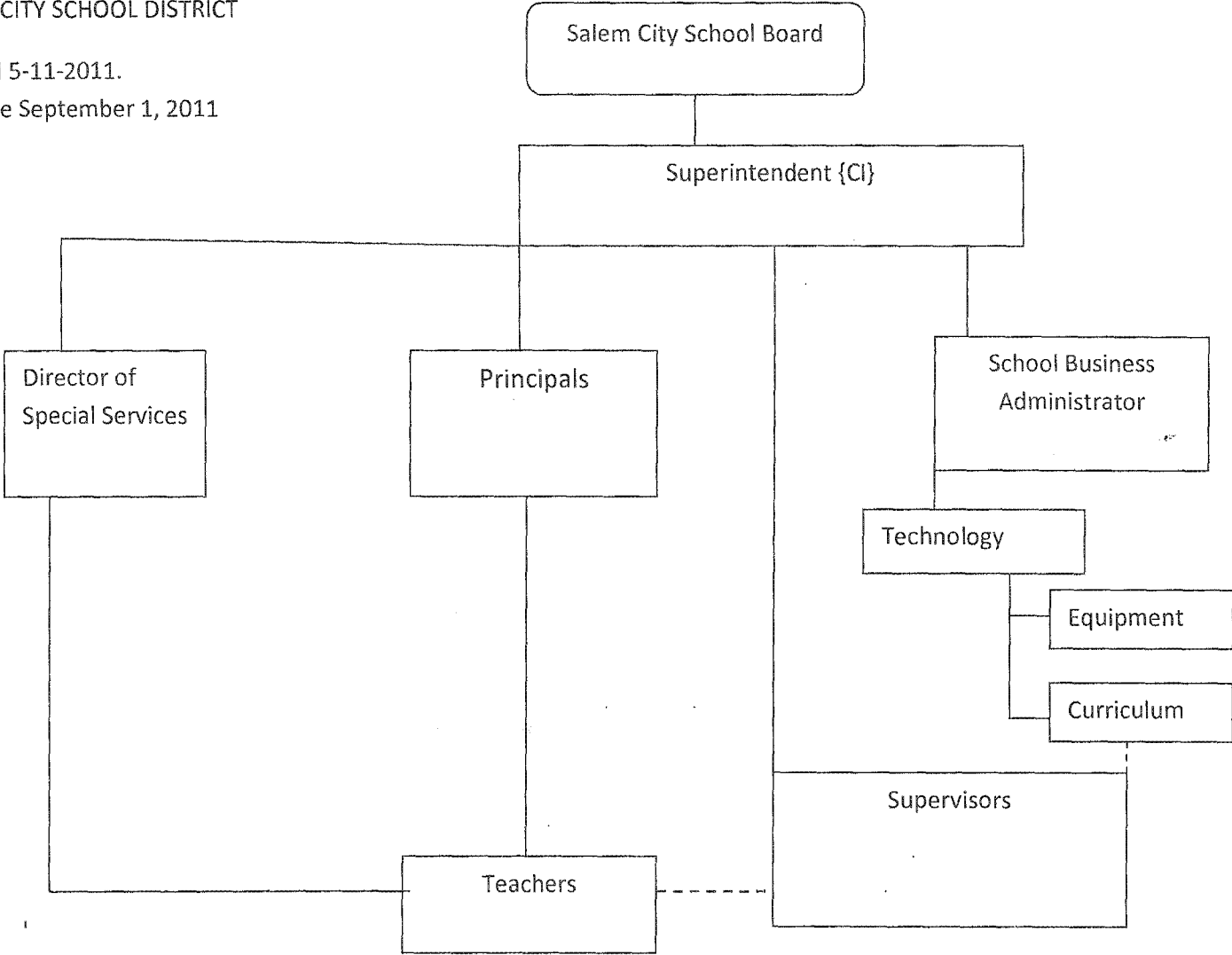
Herbert G. Schectman,
School Business Administrator

ORGANIZATIONAL FLOW CHART

SALEM CITY SCHOOL DISTRICT

Revised 5-11-2011.

Effective September 1, 2011



CITY OF SALEM SCHOOL DISTRICT
 SALEM, NEW JERSEY
 JUNE 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Yuenge Groce, President	2016
Carol Adams, Vice President	2018
Heidi Holden	2018
Daffonie Moore	2017
Katrina Tatem	2017
Joan Hoolahan	2016
Stephanie Walsh	2016
Christopher Colon	2018
Laquendala Bentley	2017
<u>Sending District Members</u>	
Alicia Sperry, Quinton	2017
<u>Other Officials</u>	
Dr. Amiot Michel, Chief School Administrator	
Herbert Schectman, Board Secretary/School Business Administrator	
Linda Jones, Treasurer of School Monies	
Barbour & Associates, Solicitor/Negotiator	

CITY OF SALEM SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
JUNE 30, 2015

Audit Firm

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

Attorney

Barbour & Associates, LLC
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Maple Shade, NJ 08052

Bond Counsel

Wilentz, Goldman & Spitzer, P.A.
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Official Depository

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Salem, NJ 08079

Insurance Agent

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Doctor

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

Architect

Garrison Architects
130 Presidential Blvd.
Bala Cynwyd, PA 19004

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Salem School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Salem School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and 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 accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2016 on our consideration of the City of Salem School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Salem School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Henry J. Ludwigsen
Certified Public Accountant
Public School Accountant No. CS 001112

Woodbury, New Jersey
December 5, 2016

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Salem School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 5, 2016.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 City of Salem School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Henry J. Ludwigen
Certified Public Accountant
Public School Accountant No. CS 001112

Woodbury, New Jersey
December 5, 2016

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

CITY OF SALEM SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

This section of City of Salem School District annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

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

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

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

CITY OF SALEM SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

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

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

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

Government-Wide Statements

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

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

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

CITY OF SALEM SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Government-Wide Statements (Cont'd)

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

CITY OF SALEM SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's *combined* total net position is \$1,653,226 on June 30, 2015. Approximately 24.6% of the total net position is from business-type activities, while the balance of the total net position of 75.4% is attributable to governmental activities.

CITY OF SALEM SCHOOL DISTRICT'S NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and Other Assets	\$ 2,794,793	\$ 2,066,118	\$ 396,329	\$ 353,820	\$ 3,191,122	\$ 2,419,938
Capital Assets	9,992,068	10,725,136	86,037	92,003	10,078,105	10,817,139
Total Assets	12,786,860	12,791,254	482,366	445,823	13,269,226	13,237,077
Deferred Outflows	1,812,757	1,001,016			1,812,757	1,001,016
Current Liabilities	2,029,349	1,475,708	75,612	123,311	2,104,961	1,599,019
Noncurrent Liabilities	11,115,115	10,044,562			11,115,115	10,044,562
Total Liabilities	13,144,464	11,520,270	75,612	123,311	13,220,076	11,643,581
Deferred Inflows	208,681	421,554			208,681	421,554
Net Investment in Capital Assets	7,977,735	8,530,136	86,037	92,003	8,063,772	8,622,139
Nonspendable	63,718					
Restricted	1,757,027	1,217,528			1,757,027	1,217,528
Unrestricted	(8,552,008)	(7,897,218)	320,717	230,509	(8,231,291)	(7,666,709)
Total Net Position	\$ 1,246,472	\$ 1,850,446	\$ 406,754	\$ 322,512	\$ 1,589,508	\$ 2,172,958

CITY OF SALEM SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

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

Changes in net position. The District's total revenues are \$32,205,484 for the fiscal period ended June 30, 2016. The state formula aid accounted for 50% of the District's revenue, 37% is derived from state and federal aid for specific programs, 8% is derived from property taxes, and the remainder, 5% from fees charged for services and miscellaneous resources.

CITY OF SALEM SCHOOL DISTRICT'S CHANGE IN NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,603,659	\$ 1,591,578			\$ 1,603,659	\$ 1,591,578
Operating Grants and Contributions	10,828,719	9,423,586	\$ 1,032,823	\$ 934,069	11,861,542	10,357,655
Business Type Activities:						
Food Service			186,753	202,130	186,753	202,130
General Revenues:						
Property Taxes	2,506,068	2,508,305			2,506,068	2,508,305
Grants and Contributions	15,983,465	17,486,250			15,983,465	17,486,250
Other	63,350	17,525	647	538	63,997	18,063
Total Revenues	30,985,261	31,027,244	1,220,223	1,136,737	32,205,484	32,163,981
Expenses:						
Instruction	10,426,831	10,129,987			10,426,831	10,129,987
Support Services	21,077,275	20,017,615			21,077,275	20,017,615
Other	85,129	96,022			85,129	96,022
Food Service			1,135,981	1,080,294	1,135,981	1,080,294
Total Expenses	31,589,235	30,243,624	1,135,981	1,080,294	32,725,216	31,323,918
Change in Net Position	(603,974)	783,620	84,242	56,443	(519,732)	840,063
Beginning Net Position	1,850,446	1,066,826	322,512	266,069	2,172,958	1,332,895
Ending Net Position	\$ 1,246,472	\$ 1,850,446	\$ 406,754	\$ 322,512	\$ 1,653,226	\$ 2,172,958

The District's total expenses are \$32,725,216 for the fiscal period ended June 30, 2016. Instruction accounted for 32% of the District's expenses, 64% is comprised of support services and 4% is related to other and business type expenses.

Governmental Activities

Revenues for the District's governmental activities amounted to \$30,985,261 while total expenses amounted to \$31,589,235. This resulted in a decrease in net position in governmental activities of \$603,974 for the 2016 fiscal year.

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

CITY OF SALEM SCHOOL DISTRICT
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2016
 (Unaudited)

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

Business-type Activities

Revenues of the District's business-type activities amounted to \$1,220,223 and expenses were \$1,135,981. Food service revenues exceeded expenses by \$84,242 for the 2016 fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. As the District completed the year, its governmental funds reported *combined* balances of \$1,653,226.

General Fund Budgetary Highlights

The District's final 15-16 budget anticipated utilizing \$1,171,555 in fund balance and \$430,830 of prior year encumbrances to fund a portion of the appropriation plan for this fiscal period.

CAPITAL ASSETS

Capital Assets

Actual expenditures for capital outlay totaled \$184,049 in the Governmental Funds. Capital outlay expenditures consist of numerous projects throughout the district and various equipment purchases.

By the end of fiscal year 2016, the District had invested a net amount of \$9,992,068 in a broad range of capital assets, including school buildings and improvements, athletic facilities, computer and audiovisual equipment, administrative offices, HVAC systems, science labs and security cameras. (Detailed information about capital assets can be found in the notes to the financial statements). Total depreciation expense for the year was \$915,018.

CITY OF SALEM SCHOOL DISTRICT'S INVESTMENT IN CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)							
	Governmental Activities		Business-Type Activities		Total		
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
Land	\$ 563,650	\$ 563,650			\$ 563,650	\$ 563,650	
Construction in Progress	131,236	16,011			131,236	16,011	
Land Improvements	147,560	162,240			147,560	162,240	
Building Improvements	8,714,474	9,443,748			8,714,474	9,443,748	
Equipment	435,148	539,487	\$ 86,037	\$ 92,003	521,185	631,490	
Total	\$ 9,992,068	\$ 10,725,136	\$ 86,037	\$ 92,003	\$ 10,078,105	\$ 10,817,139	

The District's fiscal year 2016 the following School Development Authority capital projects included these areas:

- Roof Repair, Masonry Repairs and Lintel Repairs at the Middle School
- Boiler Replacement at the Elementary School

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

CITY OF SALEM SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

DEBT ADMINISTRATION

Long-term Debt

The District has the authority to issue bonds. On February 15, 1999, the District authorized \$4,989,000 twenty-five year bond indebtedness. This long-term bond indebtedness was approved by the residents of the City of Salem. On August 20, 2008, the school bonds were refunded for \$3,670,000 producing a total present value savings of \$115,352.07. The current outstanding principal on these bonds is \$1,960,000.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The District is acutely aware of the need to improve student performance on standardized testing mandated by the State of New Jersey. The District acknowledges the need for professional development to enhance educational opportunities for the students of the District.
- The District had an increase in the net State Formula Aid for the fiscal year 2015-2016 of 3.2%.
- The District's special revenue is an unpredictable revenue source. The District avails itself of every grant opportunity to increase educational opportunities for the students.
- During the 2015-2016 budget process, \$575,523 of fund balance was used to support the budget and in 2016-2017 \$1,171,555 of fund balance was used to support the budget.
- The excess surplus generated during 2014-2015, in the amount of \$289,190 will be anticipated as revenue in the 2016-2017 budget. The excess surplus generated during 2015-2016, in the amount of \$1,214,232 will be anticipated as revenue in the 2017-2018 budget.
- The deferment of the nineteenth and twentieth state aid payments leaves the District in a precarious budgetary position regarding future budgets. The District was required to borrow moneys due to the delay in state aid payments.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF SALEM SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 1,290,213.91	\$ 286,687.09	\$ 1,576,901.00
Internal Balances	61,868.69	(61,868.69)	-
Receivables, net	1,116,574.41	155,201.35	1,271,775.76
Inventory		16,308.83	16,308.83
Prepaid Expenses	63,718.45		63,718.45
Restricted Assets:			
Restricted Cash and Cash Equivalents	262,417.24		262,417.24
Capital Assets, net	9,992,067.77	86,037.19	10,078,104.96
Total Assets	12,786,860.47	482,365.77	13,269,226.24
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 11)	1,812,757.00		1,812,757.00
LIABILITIES:			
Accounts Payable	919,065.09	72,268.44	991,333.53
Loan Payable (Short Term)	1,000,000.00		1,000,000.00
Accrued Interest	31,348.00		31,348.00
Unearned Revenue	78,936.25	3,343.80	82,280.05
Noncurrent Liabilities:			
Due within One Year	263,430.48		263,430.48
Due beyond One Year	10,851,684.65		10,851,684.65
Total Liabilities	13,144,464.47	75,612.24	13,220,076.71
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 11)	208,681.00		208,681.00
Total Deferred Inflows of Resources	208,681.00	-	208,681.00
NET POSITION:			
Net Investment in Capital Assets	7,977,735.04	86,037.19	8,063,772.23
Nonspendable	63,718.45		63,718.45
Restricted:			
Debt Service	1.74		1.74
Capital Projects	253,603.00		253,603.00
Other Purposes	1,503,422.40		1,503,422.40
Unrestricted (Deficit)	(8,552,008.63)	320,716.34	(8,231,292.29)
Total Net Position	\$ 1,246,472.00	\$ 406,753.53	\$ 1,653,225.53

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

CITY OF SALEM SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:						
Instruction:						
Regular	\$ 8,043,126.59	\$ 1,603,658.48	\$ 2,299,124.46	\$ (4,140,343.65)		\$ (4,140,343.65)
Special Education	1,512,295.54			(1,512,295.54)		(1,512,295.54)
Vocational	327,251.07			(327,251.07)		(327,251.07)
Other Instruction	544,157.83			(544,157.83)		(544,157.83)
Support Services:						
Tuition	1,558,737.15			(1,558,737.15)		(1,558,737.15)
Student and Instruction Related Services	4,306,081.84		1,678,298.75	(2,627,783.09)		(2,627,783.09)
School Administrative Services	898,514.78			(898,514.78)		(898,514.78)
General and Business Administrative Services	888,844.03			(888,844.03)		(888,844.03)
Plant Operations and Maintenance	2,098,719.80			(2,098,719.80)		(2,098,719.80)
General Unallocated Depreciation	862,539.45			(862,539.45)		(862,539.45)
Pupil Transportation	722,002.35			(722,002.35)		(722,002.35)
Unallocated Benefits	9,739,735.59		6,634,699.20	(3,105,036.39)		(3,105,036.39)
Other:						
Interest on Long-Term Debt	85,129.23		216,597.00	131,467.77		131,467.77
Total Governmental Activities	31,587,135.25	1,603,658.48	10,828,719.41	(19,154,757.36)	\$ -	(19,154,757.36)
Business-Type Activities:						
Food Service	1,135,980.67	186,752.54	1,032,822.52		83,594.39	83,594.39
Total Business-Type Activities	1,135,980.67	186,752.54	1,032,822.52	-	83,594.39	83,594.39
Total Primary Government	\$ 32,723,115.92	\$ 1,790,411.02	\$ 11,861,541.93	(19,154,757.36)	83,594.39	(19,071,162.97)
General Revenues:						
Property						
Property Taxes, Levied for General Purposes				2,392,321.00		2,392,321.00
Property Taxes, Levied for Debt Service				113,747.00		113,747.00
Federal and State Aid not Restricted				15,983,465.32		15,983,465.32
Interest and Investment Revenue					647.51	647.51
Miscellaneous Income				61,249.67		61,249.67
Total General Revenues				18,550,782.99	647.51	18,551,430.50
Change in Net Position				(603,974.37)	84,241.90	(519,732.47)
Net Position -- July 1				1,850,446.37	322,511.63	2,172,958.00
Net Position -- June 30				\$ 1,246,472.00	\$ 406,753.53	\$ 1,653,225.53

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

FUND FINANCIAL STATEMENTS

CITY OF SALEM SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 1,290,213.91				\$ 1,290,213.91
Restricted Cash and Cash Equivalents	253,603.00		\$ 8,812.50	\$ 1.74	262,417.24
Interfunds Accounts Receivable	378,149.57				378,149.57
Prepaid Expenses	63,718.45				63,718.45
Other Accounts Receivable	400.00				400.00
Receivables from Other Governments	819,251.32	\$ 296,923.09			1,116,174.41
Total Assets	\$ 2,805,336.25	\$ 296,923.09	\$ 8,812.50	\$ 1.74	\$ 3,111,073.58
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 431,234.48	\$ 128,906.46			\$ 560,140.94
Due Other Governments					
Interfunds Accounts Payable	19,202.15	316,280.88			335,483.03
Loans Payable (Short Term)	1,000,000.00				1,000,000.00
Unearned Revenue		70,123.75	\$ 8,812.50		78,936.25
Total Liabilities	1,450,436.63	515,311.09	8,812.50	\$ -	1,974,560.22
Fund Balances:					
Nonspendable	63,718.45				63,718.45
Restricted:					
Capital Reserve	253,603.00				253,603.00
Legally Restricted Excess Surplus Designated for Subsequent Year's Expenditures	289,190.11				289,190.11
Excess Surplus - Current Year	1,214,232.29				1,214,232.29
Debt Service				1.74	1.74
Assigned:					
Designated for Subsequent Year's Expenditures	286,332.89				286,332.89
Other Purposes	386,859.51				386,859.51
Unassigned (Deficit)	(1,139,036.63)	(218,388.00)			(1,357,424.63)
Total Fund Balances	1,354,899.62	(218,388.00)		1.74	1,136,513.36
Total Liabilities and Fund Balances	\$ 2,805,336.25	\$ 296,923.09	\$ 8,812.50	\$ 1.74	

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 cost of the assets is \$21,824,475.04 and the accumulated depreciation is \$11,832,407.27.	9,992,067.77
Long-term liabilities, including bonds payable, and compensated absences payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,715,554.40)
Governmental funds report the effect of certain items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the difference in the treatment of the long-term debt related items.	(22,984.73)
Accrued interest payable on long-term debt is not due and payable in the current period and therefore are not reported in the funds.	(31,348.00)
Net Pension Liability	(8,376,576.00)
Accounts Payable related to the April 1, 2017 Required PERS pension contribution that is not to be liquidated with current financial resources.	(339,722.00)
Deferred Outflows of Resources - Related to Pensions	1,812,757.00
Deferred Inflows of Resources - Related to Pensions	(208,681.00)
Net Position of Governmental Activities	\$ 1,246,472.00

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

CITY OF SALEM SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 2,392,321.00			\$ 113,747.00	\$ 2,506,068.00
Tuition Charges	1,603,658.48				1,603,658.48
Miscellaneous	61,249.67				61,249.67
State Sources	19,056,515.20	\$ 2,497,468.28	\$ 113,641.01	216,597.00	21,884,221.49
Federal Sources	128,550.66	1,479,227.45			1,607,778.11
Local Sources		31,362.13			31,362.13
Total Revenues	23,242,295.01	4,008,057.86	\$ 113,641.01	330,344.00	27,694,337.88
EXPENDITURES:					
Current:					
Regular Instruction	5,733,131.53	2,299,124.46			8,032,255.99
Special Education Instruction	1,512,295.54				1,512,295.54
Vocational Education	327,251.07				327,251.07
Other Instruction	544,157.83				544,157.83
Support Services and Undistributed Costs:					
Tuition	1,558,737.15				1,558,737.15
Student and Instruction Related Services	2,627,783.09	1,678,298.75			4,306,081.84
School Administrative Services	898,514.78				898,514.78
Other Administrative Services	875,911.42				875,911.42
Plant Operations and Maintenance	2,070,044.55				2,070,044.55
Pupil Transportation	722,002.35				722,002.35
Unallocated Benefits	6,145,256.20				6,145,256.20
Debt Service:					
Principal				235,000.00	235,000.00
Interest and Other Charges				95,343.76	95,343.76
Capital Outlay	31,566.71	36,741.65	113,641.01		181,949.37
Total Expenditures	23,046,652.22	4,014,164.86	113,641.01	330,343.76	27,504,801.85
Excess (Deficiency) of Revenues over Expenditures	195,642.79	(6,107.00)	-	0.24	189,536.03
OTHER FINANCING SOURCES (USES):					
Operating Transfers:					
Local Contribution - Transfer to Special Revenue	(7,337.00)	7,337.00			
Total Other Financing Sources and Uses	(7,337.00)	7,337.00	-	-	-
Net Change in Fund Balances	188,305.79	1,230.00		0.24	189,536.03
Fund Balance(Deficit) -- July 1	1,166,593.83	(219,618.00)		1.50	946,977.33
Fund Balance(Deficit) -- June 30	\$ 1,354,899.62	\$ (218,388.00)	\$ -	\$ 1.74	\$ 1,136,513.36

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

CITY OF SALEM SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2016

Total Net Change in Fund Balances - Governmental Funds	\$	189,536.03
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$ (915,017.91)	
Capital Outlays	<u>181,949.37</u>	(733,068.54)
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.		235,000.00
Governmental funds report the effect of certain items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the difference in the treatment of the long-term debt related items.		5,808.53
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)		4,406.00
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(8,487.39)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		(297,169.00)
Change in Net Position of Governmental Activities	\$	<u>(603,974.37)</u>

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

CITY OF SALEM SCHOOL DISTRICT
 Proprietary Funds
 Statement of Net Position
 June 30, 2016

	Business-type Activities - Enterprise Fund	Governmental Activities
	Food Service	Internal Service Fund
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 286,687.09	
Accounts Receivable:		
State	630.47	
Federal	61,271.64	
Other	16,055.95	\$ 77,243.29
Inventories	16,308.83	
Total Current Assets	<u>380,953.98</u>	<u>77,243.29</u>
Noncurrent Assets:		
Equipment	262,301.02	
Less Accumulated Depreciation	<u>(176,263.83)</u>	
Total Noncurrent Assets	<u>86,037.19</u>	
Total Assets	<u>466,991.17</u>	<u>77,243.29</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	56,893.84	15,374.60
Interfund Accounts Payable		61,868.69
Unearned Revenue:		
Lunches	347.30	
USDA Commodities	<u>2,996.50</u>	
Total Current Liabilities	<u>60,237.64</u>	<u>77,243.29</u>
NET POSITION:		
Net Investment in Capital Assets	86,037.19	
Unrestricted	<u>320,716.34</u>	
Total Net Position	<u>\$ 406,753.53</u>	<u>\$ -</u>

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

CITY OF SALEM SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

	Business-type Activities - Enterprise Fund	Governmental Activities
	Food Service	Internal Service Fund
OPERATING REVENUES:		
Charges for Services:		
Daily Sales - Non-Reimbursable Programs	\$ 33,617.59	
Special Functions	153,134.95	
Program Services		\$ 173,801.05
Total Operating Revenues	<u>186,752.54</u>	<u>173,801.05</u>
OPERATING EXPENSES:		
Salaries		5,000.00
Purchased Professional/Technical Services	435,924.25	101,472.06
Cleaning/Repair/Maintenance	26,953.43	
Other Purchased Services	8,908.02	12,984.19
General Supplies	103,034.93	
Depreciation	14,513.05	
Cost of Sales - Reimbursable Programs	513,424.35	
Cost of Sales - Non-Reimbursable Programs	33,222.64	
Other/Miscellaneous		54,344.80
Total Operating Expenses	<u>1,135,980.67</u>	<u>173,801.05</u>
Operating Income (Loss)	<u>(949,228.13)</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES):		
State Sources:		
State School Lunch Program	10,591.55	
Federal Sources:		
National School Lunch Program	593,957.70	
National School Breakfast Program	312,557.36	
National School Snack Program	8,384.88	
Fresh Fruits & Vegetables	47,740.00	
Food Distribution Program	59,591.03	
Interest and Investment Revenue	647.51	
Total Nonoperating Revenues (Expenses)	<u>1,033,470.03</u>	<u>-</u>
Change in Net Position	84,241.90	
Net Position -- July 1	<u>322,511.63</u>	<u>-</u>
Net Position -- June 30	<u>\$ 406,753.53</u>	<u>\$ -</u>

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

CITY OF SALEM SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

	Business-type Activities - Enterprise Fund	Governmental Activities
	Food Service	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers	\$ 184,072.11	\$ 199,625.40
Payments for Purchased Services	(472,804.45)	(115,291.31)
Payments to Suppliers	(595,117.84)	(84,334.09)
Net Cash Provided by (Used for) Operating Activities	(883,850.18)	\$ -
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State Sources	10,608.49	
Federal Sources	958,523.25	
Net Cash Provided by (Used for) Noncapital Financing Activities	969,131.74	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of Capital Assets	(8,547.42)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(8,547.42)	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Investment Revenue	647.51	
Net Cash Provided by (Used for) Investing Activities	647.51	-
Net Increase (Decrease) in Cash and Cash Equivalents	77,381.65	
Cash and Cash Equivalents -- July 1	209,305.44	
Cash and Cash Equivalents -- June 30	\$ 286,687.09	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)		
by Operating Activities:		
Operating Income (Loss)	\$ (949,228.13)	\$ -
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Food Distribution Program	59,591.03	
Depreciation and Net Amortization	14,513.05	
(Increase) Decrease in Accounts Receivable, Net	5,533.58	25,824.35
(Increase) Decrease in Inventories	(1,318.98)	
Increase (Decrease) in Accounts Payable	(12,051.04)	(34,758.39)
Increase (Decrease) in Interfund Payable		8,934.04
Increase (Decrease) in Unearned Revenue	(889.69)	
Total Adjustments	65,377.95	-
Net Cash Provided by (Used for) Operating Activities	\$ (883,850.18)	\$ -

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

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2016

	Trust Funds		Agency Funds	
	<u>Scholarship Trust</u>	<u>Uniform Trust</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS:				
Cash and Cash Equivalents	\$ 108,640.83	\$ 267.83	\$ 89,814.77	\$ 25,146.59
Interfund Accounts Receivable:				
Due from General Fund				19,245.64
Investments, at Fair Value:				
Certificates of Deposit	18,697.73			
Total Assets	127,338.56	267.83	\$ 89,814.77	\$ 44,392.23
LIABILITIES:				
Payable to Student Groups			\$ 89,494.77	
Payroll Deductions and Withholdings				\$ 44,348.74
Accounts Payable			320.00	
Interfund Accounts Payable:				
Due to General Fund				43.49
Total Liabilities	-	-	\$ 89,814.77	\$ 44,392.23
NET POSITION:				
Held in Trust for Scholarships	127,338.56			
Held in Trust for Uniforms		267.83		
Total Net Position	\$ 127,338.56	\$ 267.83		

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

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2016

	Scholarship <u>Trust</u>	Uniform <u>Trust</u>
ADDITIONS:		
Contributions:		
Other	\$ 101,999.98	\$ -
Total Contributions	<u>101,999.98</u>	<u>-</u>
Investment earnings:		
Interest and Investment Revenue	<u>305.89</u>	<u>0.08</u>
Net Investment Earnings	<u>305.89</u>	<u>0.08</u>
Total Additions	<u>102,305.87</u>	<u>0.08</u>
DEDUCTIONS:		
Scholarships Awarded	<u>15,500.00</u>	
Total Deductions	<u>15,500.00</u>	<u>-</u>
Change in Net Position	86,805.87	0.08
Net Position -- July 1	<u>40,532.69</u>	<u>267.75</u>
Net Position -- June 30	<u>\$ 127,338.56</u>	<u>\$ 267.83</u>

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

CITY OF SALEM SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K through 12 at its three schools. The School District has an approximate enrollment at June 30, 2015 of 1,179.

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

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control.

Component Units

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

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

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

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

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

Government-wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Salem County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The School District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

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

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

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

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

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include purchased professional and technical services, other purchased services and miscellaneous expenses. All items not meeting this definition are reported as non-operating revenues and expenses.

The School District reports the following major proprietary funds:

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

Additionally, the School District reports the following fund types:

Internal Service Fund - This fund is used to account for the financing of goods and services provided by one department to another on a cost reimbursement basis. The School District maintains one internal service fund for the Education Foundation Program.

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

The School District maintains the following fiduciary funds:

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

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

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

Uniform Trust Fund - Revenues consist of contributions from employee payroll withholdings, and interest income. Expenditures represent uniforms purchased for students who cannot afford them.

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

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

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

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

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

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

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

Cash, Cash Equivalents and Investments

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Inventories

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

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

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

Tuition Receivable

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements governmental fund and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

Short-Term Interfund Receivables / Payables

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

Capital Assets

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

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10 - 20 Years
Buildings and Improvements	10 - 50 Years
Equipment	5 - 20 Years

The School District does not possess any infrastructure assets.

Deferred Outflows and Deferred Inflows of Resources

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows and Deferred Inflows of Resources (Cont'd)**

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources:

Defined Benefit Pension Plans - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the School District's proportion of expenses and liabilities to the pension as a whole, differences between the School District's pension contribution and its proportionate share of contributions, and the School District's pension contributions subsequent to the pension valuation measurement date.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2016 and 2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

Compensated Absences

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Liabilities and Long-Term Obligations**

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

Pensions

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 the Public Employees' Retirement System ("PERS"), and additions to/deductions from TPAF's and PERS's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Bond Discounts / Premiums

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

Net Position

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

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

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

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

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

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

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

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

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

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

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

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

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

Interfund Activity

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

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

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

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

The following GASB Statements became effective for the fiscal year ended June 30, 2016:

Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The adoption of this Statement had no impact on the basic financial statements of the School District.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements during the fiscal year ended June 30, 2016 which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

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

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the School District in fiscal year 2018. Management has not yet determined the impact of this Statement on the basic financial statements of the School District.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement will become effective for the School District in fiscal year 2018. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have a material impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2016, the School District's bank balances of \$2,945,504.79 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 2,874,596.12
Uninsured and Uncollateralized	<u>70,908.67</u>
Total	<u>\$ 2,945,504.79</u>

Note 3: INVESTMENTS

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

Custodial Credit Risk Related to Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party if the counterparty to the transactions fails. Other than the rules and regulations promulgated by N.J.S.A. 18A:20-37, the School District has no investment policy to limit its exposure to custodial credit risk. As of June 30, 2016, the School District's investments were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	<u>\$ 18,697.73</u>
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As of June 30, 2016, the School District had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificate of Deposit	09/04/17	\$ 7,014.42
Certificate of Deposit	04/25/17	1,131.42
Certificate of Deposit	02/20/17	2,276.86
Certificate of Deposit	02/20/17	<u>8,275.03</u>
Total Investments		<u>\$ 18,697.73</u>

Note 3: INVESTMENTS (CONT'D)

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by N.J.S.A. 18A:20-37, the School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

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

Fair Value Measurements of Investments - The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted process in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School District has the following recurring fair value measurements as of June 30, 2016:

- Certificates of Deposit of \$18,697.73 are valued using quoted market prices (Level 1 inputs).

Note 4: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1,000.00 during the fiscal year ending 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Note 4: CAPITAL RESERVE ACCOUNT (CONT'D)

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

Ending Balance June 30, 2015	\$ 201,503.00
Increased by:	
Interest Earnings	\$ 2,100.00
Deposits:	
Approved by Board Resolution	50,000.00
	52,100.00
Ending Balance June 30, 2016	\$ 253,603.00

The LRFPS balance of local support costs of uncompleted projects at June 30, 2016 exceeds \$253,603.00.

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2016 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

Description	Governmental Funds			Proprietary Funds			Total
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Internal Service Fund	Total Business-Type Activities	
Federal Awards		\$ 293,563.71	\$ 293,563.71	\$ 61,271.64		\$ 61,271.64	\$ 354,835.35
State Awards	\$ 221,171.04		221,171.04	630.47		630.47	221,801.51
Tax Levy	598,080.28		598,080.28				598,080.28
Other	400.00	3,359.38	3,759.38	16,055.95	\$ 77,243.29	93,299.24	97,058.62
	\$ 819,651.32	\$ 296,923.09	\$ 1,116,574.41	\$ 77,958.06	\$ 77,243.29	\$ 155,201.35	\$ 1,271,775.76

Note 6: INVENTORY

Inventory recorded at June 30, 2016 in business-type activities on the government-wide statement of net position and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 12,983.78
Supplies	3,325.05
	\$ 16,308.83

Note 7: CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 563,650.00			\$ 563,650.00
Construction in Progress	16,011.10	\$ 115,224.92		131,236.02
Total Capital Assets, not being Depreciated	<u>579,661.10</u>	<u>115,224.92</u>	<u>-</u>	<u>694,886.02</u>
Capital Assets, being Depreciated:				
Land Improvements	602,137.15			602,137.15
Building Improvements	18,645,221.33	37,019.00		18,682,240.33
Equipment	1,815,506.09	29,705.45		1,845,211.54
Total Capital Assets, being Depreciated	<u>21,062,864.57</u>	<u>66,724.45</u>	<u>-</u>	<u>21,129,589.02</u>
Less Accumulated Depreciation for:				
Land Improvements	(439,896.83)	(14,679.97)		(454,576.80)
Building Improvements	(9,201,473.23)	(766,293.54)		(9,967,766.77)
Equipment	(1,276,019.30)	(134,044.40)		(1,410,063.70)
Total Accumulated Depreciation	<u>(10,917,389.36)</u>	<u>(915,017.91)</u>	<u>-</u>	<u>(11,832,407.27)</u>
Total Capital Assets, being Depreciated, Net	<u>10,145,475.21</u>	<u>(848,293.46)</u>	<u>-</u>	<u>9,297,181.75</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,725,136.31</u>	<u>\$ (733,068.54)</u>	<u>\$ -</u>	<u>\$ 9,992,067.77</u>
Business-Type Activities:				
Equipment	\$ 253,753.60	8547.42		\$ 262,301.02
Less Accumulated Depreciation	(161,750.78)	\$ (14,513.05)		(176,263.83)
Business-Type Activities Capital Assets, Net	<u>\$ 92,002.82</u>	<u>\$ (5,965.63)</u>	<u>\$ -</u>	<u>\$ 86,037.19</u>

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

Governmental Activities:	
Regular Instruction	\$ 10,870.60
Other Administrative Support	12,932.61
Plant Operations and Maintenance	28,675.25
Unallocated	<u>862,539.45</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 915,017.91</u>
Business-Type Activities:	
Food Service	<u>\$ 14,513.05</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 14,513.05</u>

Note 8: SHORT-TERM OBLIGATIONS

State School Aid Anticipation Note - N.J.S.A. 18A:22-44.2 states that if a board of education of a school district is notified by the Commissioner of Education that one or more June State school aid payments will not be made until the following school budget year, and the district demonstrates through a written application to the Commissioner the need to borrow and the Commissioner approves that application, the board may borrow on or before June 30 of the current school budget year, but not earlier than June 8 of the current school budget year, a sum not exceeding the amount of the delayed State school aid payments, and may execute and deliver promissory notes therefor through private sale or delivery thereof. In accordance with this statute, on June 8, 2016, the School District issued a State School Aid Anticipation Note in the amount of \$1,000,000.00, at an annual interest rate of 3.00%, maturing on July 8, 2016. The State of New Jersey shall pay, on behalf of the School District, the required interest due on the note.

The following represents short-term debt activity for the fiscal year ended June 30, 2016:

<u>Description</u>	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
State School Aid Anticipation Note	\$ 700,861.00	\$ 1,000,000.00	\$ 700,861.00	\$ 1,000,000.00

Line of Credit - The School District entered into an agreement on May 7, 2003 with Sun National Bank for a \$1,000,000.00 line of credit. The purpose of the line of credit is to provide cash in the event a state aid payment is not made until the following school budget year. The line of credit was renewed on May 31, 2016 in the amount of \$1,000,000.00 and matures May 31, 2017. The interest rate charged for amounts advanced is 3.00%. The School District did not borrow against the line of credit for the fiscal year ended June 30, 2016.

Note 9: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2016, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 2,195,000.00		\$ 235,000.00	\$ 1,960,000.00	\$ 240,000.00
Add Amounts:					
Bond Premium	28,793.26		5,808.53	22,984.73	
Total Bonds Payable	2,223,793.26	-	240,808.53	1,982,984.73	240,000.00
Other Liabilities:					
Net Pension Liability	7,073,702.00	\$ 2,512,571.00	1,209,697.00	8,376,576.00	
Compensated Absences	747,067.01	19,445.47	10,958.08	755,554.40	23,430.48
Total Other Liabilities	7,820,769.01	2,532,016.47	1,220,655.08	9,132,130.40	23,430.48
Governmental Activity Long-Term Liabilities	\$ 10,044,562.27	\$ 2,532,016.47	\$ 1,461,463.61	\$ 11,115,115.13	\$ 263,430.48

The bonds payable are generally liquidated by the debt service fund, while compensated absences, and net pension liability are liquidated by the general fund.

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

Note 9: LONG-TERM LIABILITIES (CONTD)

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

Principal and interest due on bonds outstanding is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 240,000.00	\$ 83,593.76	\$ 323,593.76
2018	245,000.00	73,993.76	318,993.76
2019	245,000.00	61,743.76	306,743.76
2020	250,000.00	51,943.76	301,943.76
2021	245,000.00	41,943.76	286,943.76
2022-2024	735,000.00	64,062.50	799,062.50
	<u>\$ 1,960,000.00</u>	<u>\$ 377,281.30</u>	<u>\$ 2,337,281.30</u>

Bonds Authorized but not Issued - As of June 30, 2016, the School District had no authorizations to issue additional bonded debt.

Compensated Absences – As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 16 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 11. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Note 10: OPERATING LEASES

At June 30, 2016, the School District had operating lease agreements in effect for digital copiers. The future minimum rental payments under operating lease agreements are as follows:

Fiscal Year Ending June 30,	Amount
2017	\$ 58,568.28
2018	57,412.44
2019	57,412.44
2020	57,412.44
2021	57,412.44
2022	9,568.74
	<u>\$ 297,786.78</u>

Rental payments under operating leases for the fiscal year ended June 30, 2016 were \$73,167.73.

Note 11: PENSION PLANS

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

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.state.nj.us/treasury/pensions>

General Information about the Pension Plans**Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in SPRS or PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 11: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

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

The following represents the membership tiers for TPAF:

Tier Definition

- 1 Members enrolled before July 1, 2007
- 2 Members eligible for enrollment on or after July 1, 2007 and before November 2, 2008
- 3 Members eligible for enrollment on or after November 2, 2008 and on or before May 21, 2010
- 4 Members eligible for enrollment after May 21, 2010 and before June 28, 2011
- 5 Members eligible for enrollment on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The membership tiers for PERS are the same as previously noted for TPAF.

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

Note 11: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 5.77% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2016 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2016 was \$572,543.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$710,959.54.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

Note 11: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 13.89% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2016 was \$339,722.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$174,044.28.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. For the fiscal year ended June 30, 2016, employee contributions totaled \$0.00, and the School District recognized pension expense of \$0.00. There were no forfeitures during the fiscal year.

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

Teachers' Pension and Annuity Fund - At June 30, 2016, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey. The State's proportionate share of net pension liability, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>67,334,061.00</u>
	<u>\$ 67,334,061.00</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. For the June 30, 2015 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2015, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2015 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.1065340376%, which was an increase of 0.0003169834% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized \$4,111,351.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2015 measurement date.

Note 11: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System - At June 30, 2016, the School District reported a liability of \$8,376,576.00 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 used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the School District's proportion was 0.0373154743%, which was a decrease of 0.0004658757% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized pension expense of \$617,974.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2015 measurement date.

At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 199,836.00	\$ -
Changes of Assumptions	899,577.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	134,679.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	373,622.00	74,002.00
School District Contributions Subsequent to the Measurement Date	339,722.00	-
	<u>\$ 1,812,757.00</u>	<u>\$ 208,681.00</u>

\$339,722.00 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2017.

Note 11: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2017	\$ 244,282.00
2018	244,282.00
2019	244,284.00
2020	349,669.00
2021	181,837.00
	<u>\$ 1,264,354.00</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72

Note 11: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.50%	3.04%
Salary Increases:		
2012-2021	Varies Based on Experience	2.15% - 4.40% Based on Age
Thereafter	Varies Based on Experience	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2009 - June 30, 2012	July 1, 2008 - June 30, 2011

For TPAF, mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements were 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.

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and 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.

For TPAF and PERS, 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 TPAF's and PERS's target asset allocation as of June 30, 2015 are summarized in the following tables:

Note 11: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

<u>Asset Class</u>	<u>TPAF</u>		<u>Asset Class</u>	<u>PERS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>		<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%	Cash	5.00%	1.04%
US Government Bonds	1.75%	1.39%	U.S. Treasuries	1.75%	1.64%
US Credit Bonds	13.50%	2.72%	Investment Grade Credit	10.00%	1.79%
US Mortgages	2.10%	2.54%	Mortgages	2.10%	1.62%
US Inflation-Indexed Bonds	1.50%	1.47%	High Yield Bonds	2.00%	4.03%
US High Yield Bonds	2.00%	4.57%	Inflation-Indexed Bonds	1.50%	3.25%
US Equity Market	27.25%	5.63%	Broad U.S. Equities	27.25%	8.52%
Foreign-Developed Equity	12.00%	6.22%	Developed Foreign Equities	12.00%	6.88%
Emerging Markets Equity	6.40%	8.46%	Emerging Market Equities	6.40%	10.00%
Private Real Estate Property	4.25%	3.97%	Private Equity	9.25%	12.41%
Timber	1.00%	4.09%	Hedge Funds/Absolute Return	12.00%	4.72%
Farmland	1.00%	4.61%	Real Estate (Property)	2.00%	6.83%
Private Equity	9.25%	9.15%	Commodities	1.00%	5.32%
Commodities	1.00%	3.58%	Global Debt ex U.S.	3.50%	-0.40%
Hedge Funds - MultiStrategy	4.00%	4.59%	REIT	4.25%	5.12%
Hedge Funds - Equity Hedge	4.00%	5.68%			
Hedge Funds - Distressed	4.00%	4.30%			
	<u>100.00%</u>			<u>100.00%</u>	

Discount Rate - The discount rates used to measure the total pension liability were 4.13% and 4.68% for TPAF as of June 30, 2015 and 2014, respectively, and 4.90% and 5.39% for PERS as of June 30, 2015 and 2014, respectively. For TPAF and PERS, the respective single blended discount rates were 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 rates for TPAF and PERS 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 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 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note 11: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2015, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.13%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	TPAF		
	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	80,024,015.00	67,334,061.00	56,400,907.00
	<u>\$ 80,024,015.00</u>	<u>\$ 67,334,061.00</u>	<u>\$ 56,400,907.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
School District's Proportionate Share of the Net Pension Liability	\$ 10,411,059.00	\$ 8,376,576.00	\$ 6,670,880.00

Pension Plan Fiduciary Net Position

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 respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, 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. For additional information about TPAF and PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions/annrpts.shtml.

Note 12: STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving postemployment 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 premiums changed from a pre-funding 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 free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

Note 13: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2016, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs, and non-contributory insurance were \$783,499.00, \$979,403.00 and \$39,029.00, respectively.

Note 14: RISK MANAGEMENT

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

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

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

Note 15: DEFERRED COMPENSATION

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

Lincoln Investments
Met Life Resources
Midland National
GWN Securities, Inc.
National Insurance Group
AXA Equitable

Note 16: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2016, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$755,554.40 and \$0.00, respectively.

Note 17: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 378,149.57	\$ 19,202.15
Special Revenue		316,280.88
Proprietary		61,868.69
Fiduciary	19,202.15	
	<u>\$ 397,351.72</u>	<u>\$ 397,351.72</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2017, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

	<u>Transfer In:</u>
	Special Revenue Fund
<u>Transfer Out:</u>	
General	<u>\$ 7,337.00</u>
	<u>\$ 7,337.00</u>

The School District transferred \$7,337.00 from the General Fund to the Special Revenue Fund for Local Share of Preschool Education program.

Note 18: CONTINGENCIES

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

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

Note 19: CONCENTRATIONS

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

Note 20: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$1,139,036.63 in the general fund and \$218,388.00 in the special revenue 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 a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$1,357,424.63 is less than the June state aid payments.

Note 21: FUND BALANCES**NONSPENDABLE**

As stated in note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable fund balances of the School District, as of June 30, 2016, are summarized as follows:

General Fund - The School District records prepaid expenses. As a result, because prepaid expenses are recorded as an asset, even though it does not represent expendable financial resources, it is necessary to set aside fund balance at fiscal year-end by an amount equal to the carrying value of the prepaid expenses. As of June 30, 2016, the nonspendable fund balance was \$63,718.45.

Note 21: FUND BALANCES (CONT'D)**RESTRICTED**

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

General Fund -

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$1,214,232.29. Additionally, \$289,190.11 of excess fund balance generated during 2014-2015 has been restricted and designated for utilization in the 2016-2017 budget.

For Capital Reserve Account - As of June 30, 2016, the balance in the capital reserve account is \$253,603.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2017 \$1.74 of debt service fund balance at June 30, 2016.

ASSIGNED

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

General Fund -

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2017 \$286,332.89 of general fund balance at June 30, 2016.

Other Purposes - As of June 30, 2016, the School District had \$386,859.51 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Note 21: FUND BALANCES (CONT'D)**UNASSIGNED**

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

General Fund - As of June 30, 2016, the fund balance of the general fund was a deficit of \$1,139,036.63, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 20, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$1,139,036.63 is less than the last state aid payment.

Special Revenue Fund - As of June 30, 2016, the fund balance of the special revenue fund was a deficit of \$218,388.00 thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 20, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$218,388.00 is less than the last state aid payment.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Capital Reserve for Local Share less Excess Costs					
Local Sources:					
Ad Valorem Taxes - Local Tax Levy	\$ 2,392,321.00	\$ -	\$ 2,392,321.00	\$ 2,392,321.00	\$ -
Tuition from Other LEA's Within State	1,388,626.00	-	1,388,626.00	1,603,658.48	215,032.48
Interest Earned on Capital Reserve Funds	2,100.00	-	2,100.00	-	-
Miscellaneous	4,500.00	-	4,500.00	61,249.67	56,749.67
Total - Local Sources	3,787,547.00	-	3,787,547.00	4,059,329.15	271,782.15
State Sources:					
PARCC Readiness Aid	9,640.00	-	9,640.00	9,640.00	-
Per Pupil Growth Aid	9,640.00	-	9,640.00	9,640.00	-
Extraordinary Aid	100,000.00	-	100,000.00	185,685.00	85,685.00
Categorical Special Education Aid	538,956.00	-	538,956.00	538,956.00	-
Equalization Aid	13,079,730.00	-	13,079,730.00	13,079,730.00	-
Categorical Security Aid	404,168.00	-	404,168.00	404,168.00	-
Adjustment Aid	2,182,845.00	-	2,182,845.00	2,182,845.00	-
Categorical Transportation Aid	159,661.00	-	159,661.00	159,661.00	-
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	979,403.00	979,403.00
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)	-	-	-	783,499.00	783,499.00
TPAF Non-Contributory Insurance (On-Behalf-Non-Budgeted)	-	-	-	39,029.00	39,029.00
Reimbursed TPAF Social Security (Non-Budgeted)	-	-	-	721,417.20	721,417.20
Total State Sources	16,484,640.00	-	16,484,640.00	19,093,673.20	2,609,033.20
Federal Sources:					
Impact Aid	25,000.00	-	25,000.00	34,329.58	9,329.58
Medicaid Reimbursement	49,641.00	-	49,641.00	94,221.08	44,580.08
Total - Federal Sources	74,641.00	-	74,641.00	128,550.66	53,909.66
Total Revenues	20,346,828.00	-	20,346,828.00	23,281,553.01	2,934,725.01
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	347,221.00	147.42	347,368.42	343,957.90	3,410.52
Grades 1-5 - Salaries of Teachers	1,719,773.00	(17,602.06)	1,702,170.94	1,698,382.74	3,788.20
Grades 6-8 - Salaries of Teachers	981,990.00	8,215.61	990,205.61	989,571.68	633.93
Grades 9-12 - Salaries of Teachers	2,063,387.00	42,746.91	2,106,133.91	2,105,669.38	464.53
Regular Programs - Home Instruction:					
Salaries of Teachers	6,000.00	2,272.25	8,272.25	8,272.25	-
Purchased Professional-Educational Services	17,699.00	11,280.93	28,979.93	23,440.93	5,539.00
Other Purchased Services (400-500 series)	250.00	-	250.00	-	250.00
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	165,534.00	(1,562.32)	163,971.68	149,547.15	14,424.53
Purchased Professional-Educational Services	31,060.00	(21,415.00)	9,645.00	9,645.00	-
Purchased Technical Services	76,000.00	(11,415.58)	64,584.42	58,583.88	6,000.54
Other Purchased Services (400-500 series)	56,446.00	(13,776.10)	42,669.90	39,535.09	3,134.81
General Supplies	171,095.63	52,907.97	224,003.60	208,697.66	15,305.94
Textbooks	25,269.52	19,278.25	44,547.77	44,547.77	-
Other Objects	7,650.00	50,448.09	58,098.09	53,280.10	4,817.99
TOTAL REGULAR PROGRAMS - INSTRUCTION	5,669,375.15	121,526.37	5,790,901.52	5,733,131.53	57,769.99

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	\$ 586,640.00	\$ 101,664.33	\$ 688,304.33	\$ 685,534.00	\$ 2,770.33
Other Salaries for Instruction	118,635.00	(3,914.24)	114,720.76	108,848.90	5,871.86
Other Purchased Services (400-500 series)	3,535.00	(2,206.30)	1,328.70	1,293.70	35.00
General Supplies	6,350.00	(846.19)	5,503.81	3,731.15	1,772.66
Other Objects	2,220.00	(1,435.00)	785.00	715.00	70.00
Total Multiple Disabilities	717,380.00	93,262.60	810,642.60	800,122.75	10,519.85
Resource Room/Resource Center:					
Salaries of Teachers	700,178.00	(118,910.17)	581,267.83	576,585.12	4,682.71
Purchased Professional - Educational Services	1,000.00	(1,000.00)	-	-	-
General Supplies	3,500.00	400.29	3,900.29	3,687.79	212.50
Textbooks	500.00	(500.00)	-	-	-
Total Resource Room/Resource Center	705,178.00	(120,009.88)	585,168.12	580,272.91	4,895.21
Preschool Disabilities - Full-Time:					
Salaries of Teachers	68,681.00	1,120.17	69,801.17	69,507.35	293.82
Other Salaries for Instruction	13,726.00	1,790.16	15,516.16	15,201.16	315.00
Supplies & Materials	1,700.00	(125.00)	1,575.00	1,045.69	529.31
Other Objects	60.00	-	60.00	-	60.00
Total Preschool Disabilities - Full-Time	84,167.00	2,785.33	86,952.33	85,754.20	1,198.13
Special Education - Home Instruction					
Salaries of Teachers	15,500.00	5,343.75	20,843.75	20,843.75	-
Purchased Professional - Educational Services	38,418.00	(11,532.72)	26,885.28	25,301.93	1,583.35
Total Special Education - Home Instruction	53,918.00	(6,188.97)	47,729.03	46,145.68	1,583.35
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,560,643.00	(30,150.92)	1,530,492.08	1,512,295.54	18,196.54
Basic Skills/Remedial - Instruction					
Salaries of Teachers	45,161.00	(45,161.00)	-	-	-
Total Basic Skills/Remedial - Instruction	45,161.00	(45,161.00)	-	-	-
Vocational Programs - Local - Instruction					
Salaries of Teachers	286,847.00	3,961.62	290,808.62	290,699.53	109.09
Purchase Prof/Educ Services	30,000.00	(30,000.00)	-	-	-
Other Purchased Services (400-500 series)	4,000.00	(4,000.00)	-	-	-
General Supplies	14,043.85	23,006.50	37,050.35	36,551.54	498.81
Textbooks	3,500.00	(3,500.00)	-	-	-
Total Vocational Programs - Local - Instruction	338,390.85	(10,531.88)	327,858.97	327,251.07	607.90
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	31,700.00	6,951.00	38,651.00	36,878.20	1,772.80
Purchased Services (300-500 series)	7,500.00	(367.00)	7,133.00	7,133.00	-
Supplies and Materials	5,650.00	5,642.48	11,292.48	11,246.45	46.03
Other Objects	900.00	8,959.05	9,859.05	9,853.39	5.66
Total School-Spon. Cocurricular Actvts. - Inst.	45,750.00	21,185.53	66,935.53	65,111.04	1,824.49

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
School-Spon. Cocurricular Athletics - Inst.					
Salaries	\$ 259,605.00	\$ (12,851.73)	\$ 246,753.27	\$ 234,260.93	\$ 12,492.34
Purchased Services (300-500 series)	54,720.00	13,007.53	67,727.53	63,250.25	4,477.28
Supplies and Materials	43,000.00	48,047.83	91,047.83	49,294.61	41,753.22
Other Objects	6,400.00	-	6,400.00	6,230.00	170.00
Total School-Spon. Cocurricular Athletics - Inst.	363,725.00	48,203.63	411,928.63	353,035.79	58,892.84
Before/After School Program - Inst.					
Salaries of Teachers	4,500.00	(4,500.00)	-	-	-
Total Before/After School Program - Inst.	4,500.00	(4,500.00)	-	-	-
Alternative Education Program - Inst.					
Salaries of Teachers	26,500.00	(7,195.00)	19,305.00	19,305.00	-
Salaries	35,000.00	22,361.50	57,361.50	43,206.00	14,155.50
Purchased Prof-Technical Services	35,000.00	(35,000.00)	-	-	-
Total Alternative Education Program - Inst.	96,500.00	(19,833.50)	76,666.50	62,511.00	14,155.50
Community Services Programs/Operations					
Purchased Services (300-500 series)	30,000.00	33,500.00	63,500.00	63,500.00	-
Total Community Services Programs/Operations	30,000.00	33,500.00	63,500.00	63,500.00	-
Total Instruction	8,154,045.00	114,238.23	8,268,283.23	8,116,835.97	151,447.26
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	67,224.03	982.94	68,206.97	39,600.80	28,606.17
Tuition to Other LEAs Within the State - Special	146,519.17	14,959.91	161,479.08	84,836.78	76,642.30
Tuition-County Voc. - Regular	22,000.00	37,113.00	59,113.00	51,442.74	7,670.26
Tuition to CSSD & Regional Day Schools	829,704.00	(257,099.26)	572,604.74	569,645.81	2,958.93
Tuition to Private Schools for the Disabled - Within State	469,788.00	219,396.02	689,184.02	689,184.02	-
Tuition - State Facilities	124,027.00	-	124,027.00	124,027.00	-
Tuition - Other	24,750.00	(24,750.00)	-	-	-
Total Undistributed Expenditures - Instruction:	1,684,012.20	(9,397.39)	1,674,614.81	1,558,737.15	115,877.66
Undist. Expend. - Attend. & Social Work					
Salaries	159,499.00	(13,921.55)	145,577.45	127,941.06	17,636.39
Sal. Of Family Supp Team	34,117.00	-	34,117.00	32,867.24	1,249.76
Other Purchased Services (400-500 series)	2,260.00	(100.00)	2,160.00	-	2,160.00
Supplies and Materials	1,500.00	(500.00)	1,000.00	-	1,000.00
Other Objects	845.00	7,553.34	8,398.34	7,400.06	998.28
Total Undist. Expend. - Attend. & Social Work	198,221.00	(6,968.21)	191,252.79	168,208.36	23,044.43
Undist. Expend. - Health Services					
Salaries	167,271.00	2,969.60	170,240.60	169,265.60	975.00
Purchased Professional and Technical Services	28,220.00	(1,059.00)	27,161.00	24,420.00	2,741.00
Other Purchased Services (400-500 series)	200.00	(170.00)	30.00	-	30.00
Supplies and Materials	4,394.00	1,177.94	5,571.94	5,571.94	-
Other Objects	150.00	(122.12)	27.88	-	27.88
Total Undist. Expend. - Health Services	200,235.00	2,796.42	203,031.42	199,257.54	3,773.88

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Required Supplementary Information
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Speech, OT, PT & Related Svcs					
Salaries	\$ 89,217.00	\$ 77,754.00	\$ 166,971.00	\$ 166,689.00	\$ 282.00
Purchased Professional - Educational Services	212,000.00	(108,358.87)	103,641.13	99,231.00	4,410.13
Supplies and Materials	1,500.00	3,000.00	4,500.00	2,286.70	2,213.30
Other Objects	100.00	-	100.00	-	100.00
Total Undist. Expend. - Speech, OT, PT & Related Svcs	<u>302,817.00</u>	<u>(27,604.87)</u>	<u>275,212.13</u>	<u>268,206.70</u>	<u>7,005.43</u>
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	264,011.00	(17,467.27)	246,543.73	245,329.92	1,213.81
Purchased Professional - Educational Services	51,000.00	-	51,000.00	39,864.00	11,136.00
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	<u>315,011.00</u>	<u>(17,467.27)</u>	<u>297,543.73</u>	<u>285,193.92</u>	<u>12,349.81</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	401,317.00	(22,430.06)	378,886.94	377,944.34	942.60
Salaries of Secretarial and Clerical Assistants	71,663.00	(2,118.72)	69,544.28	68,409.10	1,135.18
Other Salaries	62,490.00	(34,469.47)	28,020.53	21,183.05	6,837.48
Purchased Professional - Educational Services	500.00	(285.31)	214.69	-	214.69
Other Purchased Prof. and Tech. Services	9,703.00	(3,899.33)	5,803.67	3,503.67	2,300.00
Other Purchased Services (400-500 series)	2,700.00	2,119.17	4,819.17	4,669.17	150.00
Supplies and Materials	17,765.00	7,120.10	24,885.10	23,401.83	1,483.27
Other Objects	300.00	25.00	325.00	325.00	-
Total Undist. Expend. - Guidance	<u>566,438.00</u>	<u>(53,938.62)</u>	<u>512,499.38</u>	<u>499,436.16</u>	<u>13,063.22</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	350,377.00	(17,109.52)	333,267.48	284,574.01	48,693.47
Salaries of Secretarial and Clerical Assistants	77,863.00	-	77,863.00	74,668.00	3,195.00
Purchased Professional - Educational Services	60,000.00	(24,171.10)	35,828.90	17,524.50	18,304.40
Other Purchased Prof. and Tech. Services	28,950.00	-	28,950.00	18,000.00	10,950.00
Mis. Purchase Serv. (400-500 series other than Residential Costs)	11,650.00	(3,420.78)	8,229.22	4,950.88	3,278.34
Supplies and Materials	5,500.00	735.85	6,235.85	6,133.16	102.69
Other Objects	500.00	(160.29)	339.71	56.30	283.41
Total Undist. Expend. - Child Study Teams	<u>534,840.00</u>	<u>(44,125.84)</u>	<u>490,714.16</u>	<u>405,906.85</u>	<u>84,807.31</u>
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Other Professional Staff	103,399.00	-	103,399.00	102,799.77	599.23
Salaries of Secr and Clerical Assist.	38,498.00	-	38,498.00	37,251.45	1,246.55
Other Salaries	1,500.00	30,736.10	32,236.10	31,839.36	396.74
Other Purch Services (400-500)	4,900.00	-	4,900.00	1,890.34	3,009.66
Supplies and Materials	1,500.00	(146.92)	1,353.08	-	1,353.08
Other Objects	2,750.00	(1,830.00)	920.00	920.00	-
Total Undist. Expend. - Improvement of Inst. Serv.	<u>152,547.00</u>	<u>28,759.18</u>	<u>181,306.18</u>	<u>174,700.92</u>	<u>6,605.26</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	195,574.00	(13,909.30)	181,664.70	177,233.13	4,431.57
Salaries of Technology Coordinators	183,710.00	-	183,710.00	183,104.37	605.63
Purchased Professional and Technical Services	1,750.00	(1,000.00)	750.00	-	750.00
Supplies and Materials	8,700.00	6,181.25	14,881.25	13,077.31	1,803.94
Other Objects	50.00	24,489.20	24,539.20	24,539.20	-
Total Undist. Expend. - Edu. Media Serv./Sch. Library	<u>389,784.00</u>	<u>15,761.15</u>	<u>405,545.15</u>	<u>397,954.01</u>	<u>7,591.14</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Serv.	\$ 29,500.00	\$ 184,713.60	\$ 214,213.60	\$ 211,213.60	\$ 3,000.00
Other Purchased Services (400-500 series)	12,700.00	(60.76)	12,639.24	7,695.24	4,944.00
Supplies and Materials	7,075.00	1,811.17	8,886.17	8,113.79	772.38
Other Objects	2,885.00	26.00	2,911.00	1,896.00	1,015.00
Total Undist. Expend. - Instructional Staff Training Serv.	52,160.00	186,490.01	238,650.01	228,918.63	9,731.38
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	184,284.00	(977.30)	183,306.70	183,306.70	-
Legal Services	57,905.71	53,317.13	111,222.84	93,910.73	17,312.11
Audit Fees	42,500.00	700.00	43,200.00	43,200.00	-
Architectural/Engineering Services	-	951.25	951.25	951.25	-
Other Purchased Professional Services	17,012.50	1,936.40	18,948.90	18,948.90	-
Communications/Telephone	45,000.00	41,089.22	86,089.22	56,866.55	29,222.67
BOE Other Purchased Services	16,000.00	(9,142.94)	6,857.06	6,857.06	-
Other Purchased Services (400-500 series)	123,503.00	12,973.62	136,476.62	136,476.62	-
Supplies and Materials	3,050.00	(280.82)	2,769.18	2,769.18	-
BOE In-House Training/Meeting Supplies	3,800.00	772.95	4,572.95	4,572.95	-
Judgements Against The School District	102,000.00	(32,000.00)	70,000.00	-	70,000.00
Miscellaneous Expenditures	4,350.00	1,969.43	6,319.43	6,319.43	0.00
BOE Membership Dues and Fees	12,500.00	(321.55)	12,178.45	12,178.45	-
Total Undist. Expend. - Supp. Serv. - General Admin.	611,905.21	70,987.39	682,892.60	566,357.82	116,534.78
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	618,285.00	2,143.75	620,428.75	619,521.17	907.58
Salaries of Other Professional Staff	107,583.00	-	107,583.00	106,897.08	685.92
Salaries of Secretarial and Clerical Assistants	96,171.00	(2,093.06)	94,077.94	89,155.16	4,922.78
Purchased Professional and Technical Services	1,000.00	11,784.16	12,784.16	9,200.00	3,584.16
Other Purchased Services (400-500 series)	25,300.00	(5,064.81)	20,235.19	16,715.81	3,519.38
Supplies and Materials	12,650.00	30,446.54	43,096.54	40,326.83	2,769.71
Other Objects	5,650.00	11,048.73	16,698.73	16,698.73	-
Total Undist. Expend. - Support Serv. - School Admin.	866,639.00	48,265.31	914,904.31	898,514.78	16,389.53
Undistributed Expenditures - Central Services					
Salaries	247,849.00	286.95	248,135.95	248,135.95	-
Unused Vacation Payments	-	30,982.18	30,982.18	30,982.18	-
Purchased Professional Services	14,200.00	9,672.15	23,872.15	19,484.15	4,388.00
Misc. Purch. Services (400-500 Series)	8,500.00	(3,879.42)	4,620.58	4,620.58	-
Supplies and Materials	6,000.00	(1,002.16)	4,997.84	4,997.84	-
Miscellaneous Expenditures	1,750.00	(417.10)	1,332.90	1,332.90	-
Total Undist. Expend. - Central Services	278,299.00	35,642.60	313,941.60	309,553.60	4,388.00
Undist. Expend. -Required Maintenance for School Facilities					
Cleaning, Repair, and Maintenance Services	160,586.00	117,188.68	277,774.68	260,607.33	17,167.35
General Supplies	27,000.00	(17,283.57)	9,716.43	9,716.43	-
Total Undist. Expend. -Required Maintenance for School Facilities	187,586.00	99,905.11	287,491.11	270,323.76	17,167.35

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Other Oper. & Maint. Of Plant					
Salaries	\$ 828,049.00	\$ (65,998.82)	\$ 762,050.18	\$ 659,349.40	\$ 102,700.78
Unused Vacation Payments	-	6,017.89	6,017.89	6,017.89	-
Purchased Professional and Technical Services	64,720.35	(22,876.37)	41,843.98	34,876.98	6,967.00
Cleaning, Repair and Maintenance Services	56,226.79	10,274.09	66,500.88	66,500.88	-
Rental of Land, Building & Other than Lease Purchases	2,000.00	(2,000.00)	-	-	-
Other Purchased Property Services	38,000.00	1,127.24	39,127.24	39,032.75	94.49
Insurance	112,927.00	(10,549.55)	102,377.45	102,377.45	-
Miscellaneous Purchased Services	9,550.00	(3,404.70)	6,145.30	5,438.61	706.69
General Supplies	147,832.36	(17,021.93)	130,810.43	111,914.38	18,896.05
Energy - Natural Gas	82,500.00	(9,460.83)	73,039.17	54,547.59	18,491.58
Energy - Electricity	620,000.00	(45,723.84)	574,276.16	555,600.68	18,675.48
Energy - Gasoline	-	16,455.50	16,455.50	8,248.77	8,206.73
Other Objects	750.00	-	750.00	355.00	395.00
Total Undist. Expend. - Other Oper. & Maint. Of Plant	<u>1,962,555.50</u>	<u>(143,161.32)</u>	<u>1,819,394.18</u>	<u>1,644,260.38</u>	<u>175,133.80</u>
Total Undist. Expend. - Oper. & Maint. Of Plant	<u>2,150,141.50</u>	<u>(43,256.21)</u>	<u>2,106,885.29</u>	<u>1,914,584.14</u>	<u>192,301.15</u>
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	-	49,812.73	49,812.73	39,462.89	10,349.84
Purchased Professional and Technical Services	75,000.00	(74,300.00)	700.00	700.00	-
Cleaning, Repair and Maintenance Services	-	26,586.85	26,586.85	8,650.28	17,936.57
General Supplies	-	1,911.33	1,911.33	1,807.78	103.55
Total Undist. Expend. - Care and Upkeep of Grounds	<u>75,000.00</u>	<u>4,010.91</u>	<u>79,010.91</u>	<u>50,620.95</u>	<u>28,389.96</u>
Undist. Expend. - Security					
Salaries	86,803.80	561.00	87,364.80	85,940.45	1,424.35
Purchased Professional and Technical Services	8,000.00	6,101.00	14,101.00	14,101.00	-
General Supplies	5,825.00	(840.74)	4,984.26	4,798.01	186.25
Total Undist. Expend. - Security	<u>100,628.80</u>	<u>5,821.26</u>	<u>106,450.06</u>	<u>104,839.46</u>	<u>1,610.60</u>
Undist. Expend. - Student Transportation Serv.					
Other Purchased Prof. and Tech. Services	215.00	-	215.00	155.00	60.00
Contract Serv (Aid in Lieu of Payment - Choice School)	70,720.00	-	70,720.00	48,620.00	22,100.00
Contract Services (Other than Between Home & School)-Vendors	115,000.00	42,021.55	157,021.55	147,705.75	9,315.80
Contract Services - (Between Home and Sch) - Joint Agrmts	38,596.00	-	38,596.00	-	38,596.00
Contr Serv (Spl. Ed. Students) - Joint Agrmt	625,430.25	-	625,430.25	525,521.60	99,908.65
General Supplies	500.00	-	500.00	-	500.00
Total Undist. Expend. - Student Transportation Serv.	<u>850,461.25</u>	<u>42,021.55</u>	<u>892,482.80</u>	<u>722,002.35</u>	<u>170,480.45</u>
UNALLOCATED BENEFITS					
Group Insurance	500.00	-	500.00	339.28	160.72
Social Security Contributions	265,000.00	-	265,000.00	225,622.37	39,377.63
Other Retirement Contributions - PERS	340,000.00	-	340,000.00	320,813.00	19,187.00
Unemployment Compensation	59,000.00	-	59,000.00	54,462.90	4,537.10
Workmen's Compensation	186,257.00	(2,948.10)	183,308.90	152,763.82	30,545.08
Health Benefits	3,168,649.00	(365,908.81)	2,802,740.19	2,522,366.97	280,373.22
Tuition Reimbursement	12,000.00	-	12,000.00	9,019.52	2,980.48
Other Employee Benefits	371,298.00	16,821.31	388,119.31	336,520.14	51,599.17
TOTAL UNALLOCATED BENEFITS	<u>4,402,704.00</u>	<u>(352,035.60)</u>	<u>4,050,668.40</u>	<u>3,621,908.00</u>	<u>428,760.40</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
On-Behalf Contributions					
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	\$ -	\$ -	\$ -	\$ 979,403.00	\$ (979,403.00)
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)	-	-	-	783,499.00	(783,499.00)
TPAF Non-Contributory Insurance (On-Behalf-Non-Budgeted)	-	-	-	39,029.00	(39,029.00)
Reimbursed TPAF Social Security (Non-Budgeted)	-	-	-	721,417.20	(721,417.20)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	2,523,348.20	(2,523,348.20)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	4,402,704.00	(352,035.60)	4,050,668.40	6,145,256.20	(2,094,587.80)
TOTAL UNDISTRIBUTED EXPENDITURES	13,731,843.96	(114,238.23)	13,617,605.73	14,898,249.54	(1,280,643.81)
TOTAL GENERAL CURRENT EXPENSE	21,885,888.96	-	21,885,888.96	23,015,085.51	(1,129,196.55)
CAPITAL OUTLAY					
Equipment					
School-Sponsored and Other Instructional Programs	18,887.00	-	18,887.00	18,887.00	-
Undistributed Expenditures:					
Required Maintenance for School Facilities	35,000.00	-	35,000.00	11,095.80	23,904.20
Architect/Engineer Serv	-	68,730.69	68,730.69	1,583.91	67,146.78
Total Equipment	53,887.00	68,730.69	122,617.69	31,566.71	91,050.98
Total Capital Outlay Expenditures	53,887.00	68,730.69	122,617.69	31,566.71	91,050.98
Interest Deposit to Capital Reserve	2,100.00	-	2,100.00	2,100.00	-
TOTAL CAPITAL OUTLAY	55,987.00	68,730.69	124,717.69	33,666.71	91,050.98
TOTAL EXPENDITURES	21,941,875.96	68,730.69	22,010,606.65	23,048,752.22	(1,038,145.57)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,595,047.96)	(68,730.69)	(1,663,778.65)	232,800.79	1,896,579.44
Other Financing Sources (Uses):					
Operating Transfers Out:					
Contribution to Whole School Reform - General Fund	(13,042,446.00)	(74,172.58)	(13,116,618.58)	(12,873,344.86)	(243,273.72)
Local Contribution - Transfer to Special Revenue Fund	(7,337.00)	-	(7,337.00)	(7,337.00)	-
Operating Transfers In:					
Contribution to Whole School Reform - General Fund	13,042,446.00	74,172.58	13,116,618.58	12,873,344.86	243,273.72
Total Other Financing Sources (Uses):	(7,337.00)	-	(7,337.00)	(7,337.00)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,602,384.96)	(68,730.69)	(1,671,115.65)	225,463.79	1,896,579.44
Fund Balance, July 1	2,701,093.83	-	2,701,093.83	2,701,093.83	-
Fund Balance, June 30	\$ 1,098,708.87	\$ (68,730.69)	\$ 1,029,978.18	\$ 2,926,557.62	\$ 1,896,579.44

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Recapitulation:					
Fund Balances:					
Nonspendable				\$ 63,718.45	
Restricted:					
Capital Reserve				253,603.00	
Legally Restricted Excess Surplus Designated for Subsequent Year's Expenditures				289,190.11	
Excess Surplus - Current Year				1,214,232.29	
Assigned:					
Designated for Subsequent Year's Expenditures				286,332.89	
Other Purposes - Funds 11 - 13				328,203.62	
Other Purposes - Fund 15				58,655.89	
Unassigned				<u>432,621.37</u>	
				2,926,557.62	
Reconciliation to Governmental Funds Statements(GAAP):					
Last June State Aid Payments Not recognized on GAAP Basis				<u>(1,571,658.00)</u>	
				<u>\$ 1,354,899.62</u>	

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2016

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
REVENUES:												
Capital Reserve for Local Share Less Excess Costs												
Local Sources:												
Aid Valorem Taxes - Local Tax Levy	\$ 2,392,321.00	\$ -	\$ 2,392,321.00	\$ -	\$ -	\$ -	\$ 2,392,321.00	\$ -	\$ 2,392,321.00	\$ 2,392,321.00	\$ -	\$ 2,392,321.00
Tuition from Other LEA's Within State	1,388,626.00	-	1,388,626.00	-	-	-	1,388,626.00	-	1,388,626.00	1,603,658.48	-	1,603,658.48
Interest Earned on Capital Reserve Funds	2,100.00	-	2,100.00	-	-	-	2,100.00	-	2,100.00	-	-	-
Miscellaneous	4,500.00	-	4,500.00	-	-	-	4,500.00	-	4,500.00	61,249.67	-	61,249.67
Total - Local Sources	3,787,547.00	-	3,787,547.00	-	-	-	3,787,547.00	-	3,787,547.00	4,059,329.15	-	4,059,329.15
State Sources:												
PARCC Readiness Aid	9,640.00	-	9,640.00	-	-	-	9,640.00	-	9,640.00	9,640.00	-	9,640.00
Per Pupil Growth Aid	9,640.00	-	9,640.00	-	-	-	9,640.00	-	9,640.00	9,640.00	-	9,640.00
Extraordinary Aid	100,000.00	-	100,000.00	-	-	-	100,000.00	-	100,000.00	185,685.00	-	185,685.00
Categorical Special Education Aid	538,956.00	-	538,956.00	-	-	-	538,956.00	-	538,956.00	538,956.00	-	538,956.00
Equalization Aid	13,079,730.00	-	13,079,730.00	-	-	-	13,079,730.00	-	13,079,730.00	13,079,730.00	-	13,079,730.00
Categorical Security Aid	404,168.00	-	404,168.00	-	-	-	404,168.00	-	404,168.00	-	-	-
Adjustment Aid	2,182,845.00	-	2,182,845.00	-	-	-	2,182,845.00	-	2,182,845.00	2,182,845.00	-	2,182,845.00
Categorical Transportation Aid	159,661.00	-	159,661.00	-	-	-	159,661.00	-	159,661.00	159,661.00	-	159,661.00
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	-	-	-	-	-	-	979,403.00	-	979,403.00
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)	-	-	-	-	-	-	-	-	-	783,499.00	-	783,499.00
TPAF Non-Contributory Insurance (On-Behalf-Non-Budgeted)	-	-	-	-	-	-	-	-	-	39,029.00	-	39,029.00
Reimbursed TPAF Social Security (Non-Budgeted)	-	-	-	-	-	-	-	-	-	721,417.20	-	721,417.20
Total State Sources	16,484,640.00	-	16,484,640.00	-	-	-	16,484,640.00	-	16,484,640.00	19,093,673.20	-	19,093,673.20
Federal Sources:												
Impact Aid	25,000.00	-	25,000.00	-	-	-	25,000.00	-	25,000.00	34,329.58	-	34,329.58
Medicaid Reimbursement	49,641.00	-	49,641.00	-	-	-	49,641.00	-	49,641.00	94,221.08	-	94,221.08
Total - Federal Sources	74,641.00	-	74,641.00	-	-	-	74,641.00	-	74,641.00	128,550.66	-	128,550.66
Total Revenues	20,346,828.00	-	20,346,828.00	-	-	-	20,346,828.00	-	20,346,828.00	23,281,553.01	-	23,281,553.01
EXPENDITURES:												
Current Expense:												
Regular Programs - Instruction												
Kindergarten - Salaries of Teachers	-	347,221.00	347,221.00	-	147.42	147.42	-	347,368.42	347,368.42	-	343,957.90	343,957.90
Grades 1-5 - Salaries of Teachers	-	1,719,773.00	1,719,773.00	-	(17,602.06)	(17,602.06)	-	1,702,170.94	1,702,170.94	-	1,698,382.74	1,698,382.74
Grades 6-8 - Salaries of Teachers	-	981,990.00	981,990.00	-	8,215.61	8,215.61	-	990,205.61	990,205.61	-	989,571.68	989,571.68
Grades 9-12 - Salaries of Teachers	-	2,063,387.00	2,063,387.00	-	42,746.91	42,746.91	-	2,106,133.91	2,106,133.91	-	2,105,669.38	2,105,669.38
Regular Programs - Home Instruction:												
Salaries of Teachers	6,000.00	-	6,000.00	2,272.25	-	2,272.25	8,272.25	-	8,272.25	8,272.25	-	8,272.25
Purchased Professional-Educational Services	17,699.00	-	17,699.00	11,280.93	-	11,280.93	28,979.93	-	28,979.93	23,440.93	-	23,440.93
Other Purchased Services (400-500 series)	250.00	-	250.00	-	-	-	250.00	-	250.00	-	-	-
Regular Programs - Undistributed Instruction												
Other Salaries for Instruction	-	165,534.00	165,534.00	-	(1,562.32)	(1,562.32)	-	163,971.68	163,971.68	-	149,547.15	149,547.15
Purchased Professional-Educational Services	-	31,060.00	31,060.00	-	(21,415.00)	(21,415.00)	-	9,645.00	9,645.00	-	9,645.00	9,645.00
Purchased Technical Services	-	76,000.00	76,000.00	-	(11,415.58)	(11,415.58)	-	64,584.42	64,584.42	-	58,583.88	58,583.88
Other Purchased Services (400-500 series)	-	56,446.00	56,446.00	-	(13,776.10)	(13,776.10)	-	42,669.90	42,669.90	-	39,535.09	39,535.09
General Supplies	-	171,095.63	171,095.63	-	52,907.97	52,907.97	-	224,003.60	224,003.60	-	208,697.66	208,697.66
Textbooks	-	25,269.52	25,269.52	-	19,278.25	19,278.25	-	44,547.77	44,547.77	-	44,547.77	44,547.77
Other Objects	-	7,650.00	7,650.00	-	50,448.09	50,448.09	-	58,098.09	58,098.09	-	53,280.10	53,280.10
TOTAL REGULAR PROGRAMS - INSTRUCTION	23,949.00	5,645,426.15	5,669,375.15	13,553.18	107,973.19	121,526.37	37,502.18	5,753,399.34	5,790,901.52	31,713.18	5,701,418.35	5,733,131.53
SPECIAL EDUCATION - INSTRUCTION												
Multiple Disabilities:												
Salaries of Teachers	-	586,640.00	586,640.00	-	101,664.33	101,664.33	-	688,304.33	688,304.33	-	685,534.00	685,534.00
Other Salaries for Instruction	-	118,635.00	118,635.00	-	(3,914.24)	(3,914.24)	-	114,720.76	114,720.76	-	108,848.90	108,848.90
Other Purchased Services (400-500 series)	-	3,535.00	3,535.00	-	(2,206.30)	(2,206.30)	-	1,328.70	1,328.70	-	1,293.70	1,293.70
General Supplies	-	6,350.00	6,350.00	-	(846.19)	(846.19)	-	5,503.81	5,503.81	-	3,731.15	3,731.15
Other Objects	-	2,220.00	2,220.00	-	(1,435.00)	(1,435.00)	-	785.00	785.00	-	715.00	715.00
Total Multiple Disabilities	-	717,380.00	717,380.00	-	93,262.60	93,262.60	-	810,642.60	810,642.60	-	800,122.75	800,122.75
Resource Room/Resource Center:												
Salaries of Teachers	-	700,178.00	700,178.00	-	(118,910.17)	(118,910.17)	-	581,267.83	581,267.83	-	576,585.12	576,585.12
Purchase Professional - Educational Services	-	1,000.00	1,000.00	-	(1,000.00)	(1,000.00)	-	-	-	-	-	-
General Supplies	-	3,500.00	3,500.00	-	400.29	400.29	-	3,900.29	3,900.29	-	3,687.79	3,687.79
Textbooks	-	500.00	500.00	-	(500.00)	(500.00)	-	-	-	-	-	-
Total Resource Room/Resource Center	-	705,178.00	705,178.00	-	(120,009.88)	(120,009.88)	-	585,168.12	585,168.12	-	580,272.91	580,272.91
Preschool Disabilities - Full-Time:												
Salaries of Teachers	-	68,681.00	68,681.00	-	1,120.17	1,120.17	-	69,801.17	69,801.17	-	69,507.35	69,507.35
Other Salaries for Instruction	-	13,726.00	13,726.00	-	1,790.16	1,790.16	-	15,516.16	15,516.16	-	15,201.16	15,201.16
Supplies & Materials	-	1,700.00	1,700.00	-	(125.00)	(125.00)	-	1,575.00	1,575.00	-	1,045.69	1,045.69
Other Objects	-	60.00	60.00	-	-	-	-	60.00	60.00	-	-	-
Total Preschool Disabilities - Full-Time	-	84,167.00	84,167.00	-	2,785.33	2,785.33	-	86,952.33	86,952.33	-	85,754.20	85,754.20
Special Education - Home Instruction												
Salaries of Teachers	15,500.00	-	15,500.00	5,343.75	-	5,343.75	20,843.75	-	20,843.75	20,843.75	-	20,843.75
Purchase Professional - Educational Services	38,418.00	-	38,418.00	(11,532.72)	-	(11,532.72)	26,885.28	-	26,885.28	25,301.93	-	25,301.93
Total Special Education - Home Instruction	53,918.00	-	53,918.00	(6,188.97)	-	(6,188.97)	47,729.03	-	47,729.03	46,145.68	-	46,145.68
TOTAL SPECIAL EDUCATION - INSTRUCTION	53,918.00	1,506,725.00	1,560,643.00	(6,188.97)	(23,961.95)	(30,150.92)	47,729.03	1,482,763.05	1,530,492.08	46,145.68	1,466,149.86	1,512,295.54
Basic Skills/Remedial - Instruction												
Salaries of Teachers	-	45,161.00	45,161.00	-	(45,161.00)	(45,161.00)	-	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	-	45,161.00	45,161.00	-	(45,161.00)	(45,161.00)	-	-	-	-	-	-

CITY OF SALEM SCHOOL DISTRICT
Required Supplementary Information
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2016

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Vocational Programs - Local - Instruction												
Salaries of Teachers	\$ -	\$ 286,847.00	\$ 286,847.00	\$ -	\$ 3,961.62	\$ 3,961.62	\$ -	\$ 290,808.62	\$ 290,808.62	\$ -	\$ 290,699.53	\$ 290,699.53
Purchase Prof/Educ Services	-	30,000.00	30,000.00	-	(30,000.00)	(30,000.00)	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	4,000.00	4,000.00	-	(4,000.00)	(4,000.00)	-	-	-	-	-	-
General Supplies	-	14,043.85	14,043.85	-	23,006.50	23,006.50	-	37,050.35	37,050.35	-	36,551.54	36,551.54
Textbooks	-	3,500.00	3,500.00	-	(3,500.00)	(3,500.00)	-	-	-	-	-	-
Total Vocational Programs - Local - Instruction	-	338,390.85	338,390.85	-	(10,531.88)	(10,531.88)	-	327,858.97	327,858.97	-	327,251.07	327,251.07
School-Spon. Cocurricular Actvts. - Inst.												
Salaries	-	31,700.00	31,700.00	-	6,951.00	6,951.00	-	38,651.00	38,651.00	-	36,878.20	36,878.20
Purchased Services (300-500 series)	-	7,500.00	7,500.00	-	(367.00)	(367.00)	-	7,133.00	7,133.00	-	7,133.00	7,133.00
Supplies and Materials	-	5,650.00	5,650.00	-	5,642.48	5,642.48	-	11,292.48	11,292.48	-	11,246.45	11,246.45
Other Objects	-	900.00	900.00	-	8,959.05	8,959.05	-	9,859.05	9,859.05	-	9,853.39	9,853.39
Total School-Spon. Cocurricular Actvts. - Inst.	-	45,750.00	45,750.00	-	21,185.53	21,185.53	-	66,935.53	66,935.53	-	65,111.04	65,111.04
School-Spon. Cocurricular Athletics - Inst.												
Salaries	-	259,605.00	259,605.00	-	(12,851.73)	(12,851.73)	-	246,753.27	246,753.27	-	234,260.93	234,260.93
Purchased Services (300-500 series)	-	54,720.00	54,720.00	-	13,007.53	13,007.53	-	67,727.53	67,727.53	-	63,250.25	63,250.25
Supplies and Materials	-	43,000.00	43,000.00	-	48,047.83	48,047.83	-	91,047.83	91,047.83	-	49,294.61	49,294.61
Other Objects	-	6,400.00	6,400.00	-	-	-	-	6,400.00	6,400.00	-	6,230.00	6,230.00
Total School-Spon. Cocurricular Athletics - Inst.	-	363,725.00	363,725.00	-	48,203.63	48,203.63	-	411,928.63	411,928.63	-	353,035.79	353,035.79
Before/After School Program - Inst.												
Salaries of Teachers	-	4,500.00	4,500.00	-	(4,500.00)	(4,500.00)	-	-	-	-	-	-
Total Before/After School Program - Inst.	-	4,500.00	4,500.00	-	(4,500.00)	(4,500.00)	-	-	-	-	-	-
Alternative Education Program - Inst.												
Salaries of Teachers	-	26,500.00	26,500.00	-	(7,195.00)	(7,195.00)	-	19,305.00	19,305.00	-	19,305.00	19,305.00
Salaries	-	35,000.00	35,000.00	-	22,361.50	22,361.50	-	57,361.50	57,361.50	-	43,206.00	43,206.00
Purchased Prof-Technical Services	-	35,000.00	35,000.00	-	(35,000.00)	(35,000.00)	-	-	-	-	-	-
Total Alternative Education Program - Inst.	-	96,500.00	96,500.00	-	(19,833.50)	(19,833.50)	-	76,666.50	76,666.50	-	62,511.00	62,511.00
Community Services Programs/Operations												
Purchased Services (300-500 series)	30,000.00	-	30,000.00	33,500.00	-	33,500.00	63,500.00	-	63,500.00	63,500.00	-	63,500.00
Total Community Services Programs/Operations	30,000.00	-	30,000.00	33,500.00	-	33,500.00	63,500.00	-	63,500.00	63,500.00	-	63,500.00
Total Instruction	107,867.00	8,046,178.00	8,154,045.00	40,864.21	73,374.02	114,238.23	148,731.21	8,119,552.02	8,268,283.23	141,358.86	7,975,477.11	8,116,835.97
Undistributed Expenditures - Instruction:												
Tuition to Other LEAs Within the State - Regular	67,224.03	-	67,224.03	982.94	-	982.94	68,206.97	-	68,206.97	39,600.80	-	39,600.80
Tuition to Other LEAs Within the State - Special	146,519.17	-	146,519.17	14,959.91	-	14,959.91	161,479.08	-	161,479.08	84,836.78	-	84,836.78
Tuition-County Voc.-Regular	22,000.00	-	22,000.00	37,113.00	-	37,113.00	59,113.00	-	59,113.00	51,442.74	-	51,442.74
Tuition to CSSD & Regional Day Schools	829,704.00	-	829,704.00	(257,099.26)	-	(257,099.26)	572,604.74	-	572,604.74	569,645.81	-	569,645.81
Tuition to Private Schools for the Disabled - Within State	469,788.00	-	469,788.00	219,396.02	-	219,396.02	689,184.02	-	689,184.02	689,184.02	-	689,184.02
Tuition - State Facilities	124,027.00	-	124,027.00	-	-	-	124,027.00	-	124,027.00	124,027.00	-	124,027.00
Tuition - Other	24,750.00	-	24,750.00	(24,750.00)	-	(24,750.00)	-	-	-	-	-	-
Total Undistributed Expenditures - Instruction:	1,684,012.20	-	1,684,012.20	(9,397.39)	-	(9,397.39)	1,674,614.81	-	1,674,614.81	1,558,737.15	-	1,558,737.15
Undist. Expend. - Attend. & Social Work												
Salaries	-	159,499.00	159,499.00	-	(13,921.55)	(13,921.55)	-	145,577.45	145,577.45	-	127,941.06	127,941.06
Sal. Of Family Supp Team	34,117.00	-	34,117.00	-	-	-	34,117.00	-	34,117.00	32,867.24	-	32,867.24
Other Purchased Services (400-500 series)	2,000.00	260.00	2,260.00	-	(100.00)	(100.00)	2,000.00	160.00	2,160.00	-	-	-
Supplies and Materials	1,000.00	500.00	1,500.00	-	(500.00)	(500.00)	1,000.00	-	1,000.00	-	-	-
Other Objects	845.00	-	845.00	-	7,553.34	7,553.34	845.00	7,553.34	8,398.34	-	7,400.06	7,400.06
Total Undist. Expend. - Attend. & Social Work	37,962.00	160,259.00	198,221.00	-	(6,968.21)	(6,968.21)	37,962.00	153,290.79	191,252.79	32,867.24	135,341.12	168,208.36
Undist. Expend. - Health Services												
Salaries	-	167,271.00	167,271.00	-	2,969.60	2,969.60	-	170,240.60	170,240.60	-	169,265.60	169,265.60
Purchased Professional and Technical Services	23,000.00	5,220.00	28,220.00	-	(1,059.00)	(1,059.00)	23,000.00	4,161.00	27,161.00	22,500.00	1,920.00	24,420.00
Other Purchased Services (400-500 series)	-	200.00	200.00	-	(170.00)	(170.00)	-	30.00	30.00	-	-	-
Supplies and Materials	-	4,394.00	4,394.00	-	1,177.94	1,177.94	-	5,571.94	5,571.94	-	5,571.94	5,571.94
Other Objects	-	150.00	150.00	-	(122.12)	(122.12)	-	27.88	27.88	-	-	-
Total Undist. Expend. - Health Services	23,000.00	177,235.00	200,235.00	-	2,796.42	2,796.42	23,000.00	180,031.42	203,031.42	22,500.00	176,757.54	199,257.54
Undist. Expend. - Speech, OT, PT & Related Svcs												
Salaries	89,217.00	-	89,217.00	77,754.00	-	77,754.00	166,971.00	-	166,971.00	166,689.00	-	166,689.00
Purchased Professional - Educational Services	212,000.00	-	212,000.00	(108,358.87)	-	(108,358.87)	103,641.13	-	103,641.13	99,231.00	-	99,231.00
Supplies and Materials	1,500.00	-	1,500.00	3,000.00	-	3,000.00	4,500.00	-	4,500.00	2,286.70	-	2,286.70
Other Objects	100.00	-	100.00	-	-	-	100.00	-	100.00	-	-	-
Total Undist. Expend. - Speech, OT, PT & Related Svcs	302,817.00	-	302,817.00	(27,604.87)	-	(27,604.87)	275,212.13	-	275,212.13	268,206.70	-	268,206.70
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.												
Salaries	264,011.00	-	264,011.00	(17,467.27)	-	(17,467.27)	246,543.73	-	246,543.73	245,329.92	-	245,329.92
Purchased Professional - Educational Services	51,000.00	-	51,000.00	-	-	-	51,000.00	-	51,000.00	39,864.00	-	39,864.00
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	315,011.00	-	315,011.00	(17,467.27)	-	(17,467.27)	297,543.73	-	297,543.73	285,193.92	-	285,193.92

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2016

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Undist. Expend. - Guidance												
Salaries of Other Professional Staff	\$ -	\$ 401,317.00	\$ 401,317.00	\$ -	\$ (22,430.06)	\$ (22,430.06)	\$ -	\$ 378,886.94	\$ 378,886.94	\$ -	\$ 377,944.34	\$ 377,944.34
Salaries of Secretarial and Clerical Assistants	-	71,663.00	71,663.00	-	(2,118.72)	(2,118.72)	-	69,544.28	69,544.28	-	68,409.10	68,409.10
Other Salaries	-	62,490.00	62,490.00	-	(34,469.47)	(34,469.47)	-	28,020.53	28,020.53	-	21,183.05	21,183.05
Purchased Professional - Educational Services	-	500.00	500.00	-	(285.31)	(285.31)	-	214.69	214.69	-	-	-
Other Purchased Prof. and Tech. Services	-	9,703.00	9,703.00	-	(3,899.33)	(3,899.33)	-	5,803.67	5,803.67	-	5,503.67	5,503.67
Other Purchased Services (400-500 series)	-	2,700.00	2,700.00	-	2,119.17	2,119.17	-	4,819.17	4,819.17	-	4,669.17	4,669.17
Supplies and Materials	-	17,765.00	17,765.00	-	7,120.10	7,120.10	-	24,885.10	24,885.10	-	23,401.83	23,401.83
Other Objects	-	300.00	300.00	-	25.00	25.00	-	325.00	325.00	-	325.00	325.00
Total Undist. Expend. - Guidance	-	566,438.00	566,438.00	-	(53,938.62)	(53,938.62)	-	512,499.38	512,499.38	-	499,436.16	499,436.16
Undist. Expend. - Child Study Teams												
Salaries of Other Professional Staff	350,377.00	-	350,377.00	(17,109.52)	-	(17,109.52)	333,267.48	-	333,267.48	284,574.01	-	284,574.01
Salaries of Secretarial and Clerical Assistants	77,863.00	-	77,863.00	-	-	-	77,863.00	-	77,863.00	74,668.00	-	74,668.00
Purchased Professional - Educational Services	60,000.00	-	60,000.00	(24,171.10)	-	(24,171.10)	35,828.90	-	35,828.90	17,524.50	-	17,524.50
Other Purchased Prof. and Tech. Services	28,950.00	-	28,950.00	-	-	-	28,950.00	-	28,950.00	18,000.00	-	18,000.00
Mis. Purchase Serv. (400-500 series)	11,650.00	-	11,650.00	(3,420.78)	-	(3,420.78)	8,229.22	-	8,229.22	4,950.88	-	4,950.88
Supplies and Materials	5,900.00	-	5,900.00	735.85	-	735.85	6,235.85	-	6,235.85	6,133.16	-	6,133.16
Other Objects	500.00	-	500.00	(160.29)	-	(160.29)	339.71	-	339.71	56.30	-	56.30
Total Undist. Expend. - Child Study Teams	534,840.00	-	534,840.00	(44,125.84)	-	(44,125.84)	490,714.16	-	490,714.16	405,906.85	-	405,906.85
Undist. Expend. - Improvement of Inst. Serv.												
Salaries of Other Professional Staff	103,399.00	-	103,399.00	-	-	-	103,399.00	-	103,399.00	102,799.77	-	102,799.77
Salaries of Sec and Clerical Assist.	38,498.00	-	38,498.00	-	-	-	38,498.00	-	38,498.00	37,251.45	-	37,251.45
Other Salaries	-	1,500.00	1,500.00	1,976.92	28,759.18	30,736.10	1,976.92	30,259.18	32,236.10	1,976.92	29,862.44	31,839.36
Other Purch Services (400-500)	4,900.00	-	4,900.00	-	-	-	4,900.00	-	4,900.00	1,890.34	-	1,890.34
Supplies and Materials	1,500.00	-	1,500.00	(146.92)	-	(146.92)	1,353.08	-	1,353.08	-	-	-
Other Objects	2,750.00	-	2,750.00	(1,830.00)	-	(1,830.00)	920.00	-	920.00	920.00	-	920.00
Total Undist. Expend. - Improvement of Inst. Serv.	151,047.00	1,500.00	152,547.00	-	28,759.18	28,759.18	151,047.00	30,259.18	181,306.18	144,838.48	29,862.44	174,700.92
Undist. Expend. - Edu. Media Serv./Sch. Library												
Salaries	-	195,574.00	195,574.00	-	(13,909.30)	(13,909.30)	-	181,664.70	181,664.70	-	177,233.13	177,233.13
Salaries of Technology Coordinators	-	183,710.00	183,710.00	-	-	-	-	183,710.00	183,710.00	-	183,104.37	183,104.37
Purchased Professional and Technical Services	-	1,750.00	1,750.00	-	(1,000.00)	(1,000.00)	-	750.00	750.00	-	-	-
Supplies and Materials	-	8,700.00	8,700.00	-	6,181.25	6,181.25	-	14,881.25	14,881.25	-	13,077.31	13,077.31
Other Objects	-	50.00	50.00	-	24,489.20	24,489.20	-	24,539.20	24,539.20	-	24,539.20	24,539.20
Total Undist. Expend. - Edu. Media Serv./Sch. Library	-	389,784.00	389,784.00	-	15,761.15	15,761.15	-	405,545.15	405,545.15	-	397,954.01	397,954.01
Undist. Expend. - Instructional Staff Training Serv.												
Purchased Professional - Educational Service	3,000.00	26,500.00	29,500.00	-	184,713.60	184,713.60	3,000.00	211,213.60	214,213.60	-	211,213.60	211,213.60
Other Purchased Services (400-500 series)	2,000.00	10,700.00	12,700.00	-	(60.76)	(60.76)	2,000.00	10,639.24	12,639.24	90.00	7,605.24	7,695.24
Supplies and Materials	3,500.00	3,575.00	7,075.00	-	1,811.17	1,811.17	3,500.00	5,386.17	8,886.17	2,727.62	5,386.17	8,113.79
Other Objects	2,000.00	885.00	2,885.00	-	26.00	26.00	2,000.00	911.00	2,911.00	985.00	911.00	1,896.00
Total Undist. Expend. - Instructional Staff Training Serv.	10,500.00	41,660.00	52,160.00	-	186,490.01	186,490.01	10,500.00	228,150.01	238,650.01	3,802.62	225,116.01	228,918.63
Undist. Expend. - Supp. Serv. - General Admin.												
Salaries	184,284.00	-	184,284.00	(977.30)	-	(977.30)	183,306.70	-	183,306.70	183,306.70	-	183,306.70
Legal Services	57,905.71	-	57,905.71	53,317.13	-	53,317.13	111,222.84	-	111,222.84	93,910.73	-	93,910.73
Audit Fees	42,500.00	-	42,500.00	700.00	-	700.00	43,200.00	-	43,200.00	43,200.00	-	43,200.00
Architectural/Engineering Services	-	-	-	951.25	-	951.25	951.25	-	951.25	951.25	-	951.25
Other Purchased Professional Services	17,012.50	-	17,012.50	1,936.40	-	1,936.40	18,948.90	-	18,948.90	18,948.90	-	18,948.90
Communications/Telephone	45,000.00	-	45,000.00	41,089.22	-	41,089.22	86,089.22	-	86,089.22	56,866.55	-	56,866.55
BOE Other Purchased Services	16,000.00	-	16,000.00	(9,142.94)	-	(9,142.94)	6,857.06	-	6,857.06	6,857.06	-	6,857.06
Miscellaneous Purchased Services	123,503.00	-	123,503.00	12,973.62	-	12,973.62	136,476.62	-	136,476.62	136,476.62	-	136,476.62
Supplies and Materials	3,050.00	-	3,050.00	(280.82)	-	(280.82)	2,769.18	-	2,769.18	2,769.18	-	2,769.18
BOE In-House Training/Meeting Supplies	3,800.00	-	3,800.00	772.95	-	772.95	4,572.95	-	4,572.95	4,572.95	-	4,572.95
Judgments Against The School District	102,000.00	-	102,000.00	(32,000.00)	-	(32,000.00)	70,000.00	-	70,000.00	-	-	-
Miscellaneous Expenditures	4,350.00	-	4,350.00	1,969.43	-	1,969.43	6,319.43	-	6,319.43	6,319.43	-	6,319.43
BOE Membership Dues and Fees	12,500.00	-	12,500.00	(321.55)	-	(321.55)	12,178.45	-	12,178.45	12,178.45	-	12,178.45
Total Undist. Expend. - Supp. Serv. - General Admin.	611,905.21	-	611,905.21	70,987.39	-	70,987.39	682,892.60	-	682,892.60	566,357.82	-	566,357.82
Undist. Expend. - Support Serv. - School Admin.												
Salaries of Principals/Assistant Principals	-	618,285.00	618,285.00	-	2,143.75	2,143.75	-	620,428.75	620,428.75	-	619,521.17	619,521.17
Salaries of Other Professional Staff	107,583.00	-	107,583.00	-	-	-	107,583.00	-	107,583.00	106,897.08	-	106,897.08
Salaries of Secretarial and Clerical Assistants	-	96,171.00	96,171.00	-	(2,093.06)	(2,093.06)	-	94,077.94	94,077.94	-	89,155.16	89,155.16
Purchased Professional and Technical Services	-	1,000.00	1,000.00	-	11,784.16	11,784.16	-	12,784.16	12,784.16	-	9,200.00	9,200.00
Other Purchased Services (400-500 series)	400.00	24,900.00	25,300.00	(20.00)	(5,044.81)	(5,044.81)	380.00	19,855.19	20,235.19	-	16,715.81	16,715.81
Supplies and Materials	650.00	12,000.00	12,650.00	-	30,446.54	30,446.54	650.00	42,446.54	43,096.54	-	40,326.83	40,326.83
Other Objects	800.00	4,850.00	5,650.00	20.00	11,028.73	11,048.73	820.00	15,878.73	16,698.73	820.00	-	16,698.73
Total Undist. Expend. - Support Serv. - School Admin.	109,433.00	757,206.00	866,639.00	-	48,265.31	48,265.31	109,433.00	805,471.31	914,904.31	107,717.08	790,797.70	898,514.78
Undistributed Expenditures - Central Services												
Salaries	247,849.00	-	247,849.00	286.95	-	286.95	248,135.95	-	248,135.95	248,135.95	-	248,135.95
Unused Vacation Payments	-	-	-	30,982.18	-	30,982.18	30,982.18	-	30,982.18	30,982.18	-	30,982.18
Purchased Professional Services	14,200.00	-	14,200.00	9,672.15	-	9,672.15	23,872.15	-	23,872.15	19,484.15	-	19,484.15
Misc. Purch. Services (400-500 Series)	8,500.00	-	8,500.00	(3,879.42)	-	(3,879.42)	4,620.58	-	4,620.58	4,620.58	-	4,620.58
Supplies and Materials	6,000.00	-	6,000.00	(1,002.16)	-	(1,002.16)	4,997.84	-	4,997.84	4,997.84	-	4,997.84
Miscellaneous Expenditures	1,750.00	-	1,750.00	(417.10)	-	(417.10)	1,332.90	-	1,332.90	1,332.90	-	1,332.90
Total Undist. Expend. - Central Services	278,299.00	-	278,299.00	35,642.60	-	35,642.60	313,941.60	-	313,941.60	309,553.60	-	309,553.60

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2016

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Undist. Expend.-Required Maintenance for School Facilities												
Cleaning, Repair, and Maintenance Services	\$ 160,586.00	\$ -	\$ 160,586.00	\$ 117,188.68	\$ -	\$ 117,188.68	\$ 277,774.68	\$ -	\$ 277,774.68	\$ 260,607.33	\$ -	\$ 260,607.33
General Supplies	27,000.00	-	27,000.00	(17,283.57)	-	(17,283.57)	9,716.43	-	9,716.43	9,716.43	-	9,716.43
Total Undist. Expend. -Required Maint. for School Facilities	187,586.00	-	187,586.00	99,905.11	-	99,905.11	287,491.11	-	287,491.11	270,323.76	-	270,323.76
Undist. Expend. - Other Oper. & Maint. Of Plant												
Salaries	828,049.00	-	828,049.00	(65,998.82)	-	(65,998.82)	762,050.18	-	762,050.18	659,349.40	-	659,349.40
Unused Vacation Payments	-	-	-	6,017.89	-	6,017.89	6,017.89	-	6,017.89	6,017.89	-	6,017.89
Purchased Professional and Technical Services	64,720.35	-	64,720.35	(22,876.37)	-	(22,876.37)	41,843.98	-	41,843.98	34,876.98	-	34,876.98
Cleaning, Repair and Maintenance Services	56,226.79	-	56,226.79	10,274.09	-	10,274.09	66,500.88	-	66,500.88	66,500.88	-	66,500.88
Rental of Land, Building & Other than Lease Purchases	2,000.00	-	2,000.00	(2,000.00)	-	(2,000.00)	-	-	-	-	-	-
Other Purchased Property Services	38,000.00	-	38,000.00	1,127.24	-	1,127.24	39,127.24	-	39,127.24	39,032.75	-	39,032.75
Insurance	112,927.00	-	112,927.00	(10,549.55)	-	(10,549.55)	102,377.45	-	102,377.45	102,377.45	-	102,377.45
Miscellaneous Purchased Services	9,550.00	-	9,550.00	(3,404.70)	-	(3,404.70)	6,145.30	-	6,145.30	5,438.61	-	5,438.61
General Supplies	147,832.36	-	147,832.36	(17,021.93)	-	(17,021.93)	130,810.43	-	130,810.43	111,914.38	-	111,914.38
Energy - Natural Gas	82,500.00	-	82,500.00	(9,460.83)	-	(9,460.83)	73,039.17	-	73,039.17	54,547.59	-	54,547.59
Energy - Electricity	620,000.00	-	620,000.00	(45,723.84)	-	(45,723.84)	574,276.16	-	574,276.16	555,600.68	-	555,600.68
Energy - Gasoline	-	-	-	16,455.50	-	16,455.50	16,455.50	-	16,455.50	8,248.77	-	8,248.77
Other Objects	750.00	-	750.00	-	-	-	750.00	-	750.00	355.00	-	355.00
Total Undist. Expend. - Other Oper. & Maint. Of Plant	1,962,555.50	-	1,962,555.50	(143,161.32)	-	(143,161.32)	1,819,394.18	-	1,819,394.18	1,644,260.38	-	1,644,260.38
Total Undist. Expend. - Oper. & Maint. Of Plant	2,150,141.50	-	2,150,141.50	(43,256.21)	-	(43,256.21)	2,106,885.29	-	2,106,885.29	1,914,584.14	-	1,914,584.14
Undist. Expend. - Care and Upkeep of Grounds												
Salaries	-	-	-	49,812.73	-	49,812.73	49,812.73	-	49,812.73	39,462.89	-	39,462.89
Purchased Professional and Technical Services	75,000.00	-	75,000.00	(74,300.00)	-	(74,300.00)	700.00	-	700.00	700.00	-	700.00
Cleaning, Repair and Maintenance Services	-	-	-	26,586.85	-	26,586.85	26,586.85	-	26,586.85	8,650.28	-	8,650.28
General Supplies	-	-	-	1,911.33	-	1,911.33	1,911.33	-	1,911.33	1,807.78	-	1,807.78
Total Undist. Expend. - Care and Upkeep of Grounds	75,000.00	-	75,000.00	4,010.91	-	4,010.91	79,010.91	-	79,010.91	50,620.95	-	50,620.95
Undist. Expend. - Security												
Salaries	-	86,803.80	86,803.80	-	561.00	561.00	-	87,364.80	87,364.80	-	85,940.45	85,940.45
Purchased Professional and Technical Services	-	8,000.00	8,000.00	-	6,101.00	6,101.00	-	14,101.00	14,101.00	-	14,101.00	14,101.00
General Supplies	-	5,825.00	5,825.00	-	(840.74)	(840.74)	-	4,984.26	4,984.26	-	4,798.01	4,798.01
Total Undist. Expend. - Security	-	100,628.80	100,628.80	-	5,821.26	5,821.26	-	106,450.06	106,450.06	-	104,839.46	104,839.46
Undist. Expend. - Student Transportation Serv.												
Other Purchased Prof. and Tech. Services	215.00	-	215.00	-	-	-	215.00	-	215.00	155.00	-	155.00
Contract Serv (Aid in Lieu of Payment - Choice School)	70,720.00	-	70,720.00	-	-	-	70,720.00	-	70,720.00	48,620.00	-	48,620.00
Contract Serv (Other than Bet. Home & School)-Vendors	-	115,000.00	115,000.00	-	42,021.55	42,021.55	-	157,021.55	157,021.55	-	147,705.75	147,705.75
Contract Serv (Between Home and Sch) - Joint Agrmts	38,596.00	-	38,596.00	-	-	-	38,596.00	-	38,596.00	-	-	-
Contr Serv (Spl. Ed. Students) - Joint Agrmt	625,430.25	-	625,430.25	-	-	-	625,430.25	-	625,430.25	525,521.60	-	525,521.60
General Supplies	500.00	-	500.00	-	-	-	500.00	-	500.00	-	-	-
Total Undist. Expend. - Student Transportation Serv.	735,461.25	115,000.00	850,461.25	-	42,021.55	42,021.55	735,461.25	157,021.55	892,482.80	574,296.60	147,705.75	722,002.35
UNALLOCATED BENEFITS												
Group Insurance	500.00	-	500.00	-	-	-	500.00	-	500.00	339.28	-	339.28
Social Security Contributions	265,000.00	-	265,000.00	-	-	-	265,000.00	-	265,000.00	225,622.37	-	225,622.37
Other Retirement Contributions - PERS	340,000.00	-	340,000.00	-	-	-	340,000.00	-	340,000.00	320,813.00	-	320,813.00
Unemployment Compensation	59,000.00	-	59,000.00	-	-	-	59,000.00	-	59,000.00	54,462.90	-	54,462.90
Workmen's Compensation	186,257.00	-	186,257.00	(2,948.10)	-	(2,948.10)	183,308.90	-	183,308.90	152,763.82	-	152,763.82
Health Benefits	695,025.00	2,473,624.00	3,168,649.00	(80,878.01)	(285,030.80)	(365,908.81)	614,146.99	2,188,593.20	2,802,740.19	419,535.63	2,102,831.34	2,522,366.97
Tuition Reimbursement	12,000.00	-	12,000.00	-	-	-	12,000.00	-	12,000.00	9,019.52	-	9,019.52
Other Employee Benefits	70,558.00	300,740.00	371,298.00	-	16,821.31	16,821.31	70,558.00	317,561.31	388,119.31	20,143.01	316,377.13	336,520.14
TOTAL UNALLOCATED BENEFITS	1,628,340.00	2,774,364.00	4,402,704.00	(83,826.11)	(268,209.49)	(352,035.60)	1,544,513.89	2,506,154.51	4,050,668.40	1,202,699.53	2,419,208.47	3,621,908.00
On-Behalf Contributions												
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	-	-	-	-	-	-	979,403.00	-	979,403.00
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)	-	-	-	-	-	-	-	-	-	783,499.00	-	783,499.00
TPAF Non-Contributory Insurance (On-Behalf-Non-Budgeted)	-	-	-	-	-	-	-	-	-	39,029.00	-	39,029.00
Reimbursed TPAF Social Security (Non-Budgeted)	-	-	-	-	-	-	-	-	-	721,417.20	-	721,417.20
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	2,523,348.20	-	2,523,348.20
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,628,340.00	2,774,364.00	4,402,704.00	(83,826.11)	(268,209.49)	(352,035.60)	1,544,513.89	2,506,154.51	4,050,668.40	3,726,047.73	2,419,208.47	6,145,256.20
TOTAL UNDISTRIBUTED EXPENDITURES	8,647,769.16	5,084,074.80	13,731,843.96	(115,036.79)	798.56	(114,238.23)	8,532,732.37	5,084,873.36	13,617,605.73	9,971,230.88	4,927,018.66	14,898,249.54
TOTAL GENERAL CURRENT EXPENSE	8,755,636.16	13,130,252.80	21,885,888.96	(74,172.58)	74,172.58	(0.00)	8,681,463.58	13,204,425.38	21,885,888.96	10,112,589.74	12,902,495.77	23,015,085.51
CAPITAL OUTLAY												
Equipment												
School Sponsored and other Instructional Programs	18,887.00	-	18,887.00	-	-	-	18,887.00	-	18,887.00	18,887.00	-	18,887.00
Undistributed Expenditures:												
Required Maintenance for School Facilities	35,000.00	-	35,000.00	-	-	-	35,000.00	-	35,000.00	11,095.80	-	11,095.80
Architect/Engineer Serv	-	-	-	68,730.69	-	68,730.69	68,730.69	-	68,730.69	1,583.91	-	1,583.91
Total Equipment	53,887.00	-	53,887.00	68,730.69	-	68,730.69	122,617.69	-	122,617.69	31,566.71	-	31,566.71
Interest Deposit to Capital Reserve	2,100.00	-	2,100.00	-	-	-	2,100.00	-	2,100.00	2,100.00	-	2,100.00
TOTAL CAPITAL OUTLAY	55,987.00	-	55,987.00	68,730.69	-	68,730.69	124,717.69	-	124,717.69	33,666.71	-	33,666.71
TOTAL EXPENDITURES	8,811,623.16	13,130,252.80	21,941,875.96	(5,441.89)	74,172.58	68,730.69	8,806,181.27	13,204,425.38	22,010,606.65	10,146,256.45	12,902,495.77	23,048,752.22

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2016

	ORIGINAL BUDGET			BUDGET TRANSFERS			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 11,535,204.84	\$ (13,130,252.80)	\$ (1,595,047.96)	\$ 5,441.89	\$ (74,172.58)	\$ (68,730.69)	\$ 11,540,646.73	\$ (13,204,425.38)	\$ (1,663,778.65)	\$ 13,135,296.56	\$ (12,902,495.77)	\$ 232,800.79
Other Financing Sources (Uses):												
Operating Transfers Out:												
Contr. to Whole School Reform - General Fund	(13,042,446.00)	-	(13,042,446.00)	(74,172.58)	-	(74,172.58)	(13,116,618.58)	-	(13,116,618.58)	(12,873,344.86)	-	(12,873,344.86)
Local Contribution - Transfer to Special Revenue Fund	(7,337.00)	-	(7,337.00)	-	-	-	(7,337.00)	-	(7,337.00)	(7,337.00)	-	(7,337.00)
Operating Transfers In:												
Contr. to Whole School Reform - General Fund	-	13,042,446.00	13,042,446.00	-	74,172.58	74,172.58	-	13,116,618.58	13,116,618.58	-	12,873,344.86	12,873,344.86
Total Other Financing Sources (Uses):	(13,049,783.00)	13,042,446.00	(7,337.00)	(74,172.58)	74,172.58	-	(13,123,955.58)	13,116,618.58	(7,337.00)	(12,880,681.86)	12,873,344.86	(7,337.00)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,514,578.16)	(87,806.80)	(1,602,384.96)	(68,730.69)	-	(68,730.69)	(1,583,308.85)	(87,806.80)	(1,671,115.65)	254,614.70	(29,150.91)	225,463.79
Fund Balance, July 1	2,613,287.03	87,806.80	2,701,093.83	-	-	-	2,613,287.03	87,806.80	2,701,093.83	2,613,287.03	87,806.80	2,701,093.83
Fund Balance, June 30	\$ 1,098,708.87	\$ -	\$ 1,098,708.87	\$ (68,730.69)	\$ -	\$ (68,730.69)	\$ 1,029,978.18	\$ -	\$ 1,029,978.18	\$ 2,867,901.73	\$ 58,655.89	\$ 2,926,557.62

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Other Local Programs	\$ 45,257.13	\$ 45,257.13	\$ 17,358.13	\$ 27,899.00	
Total - Local Sources	45,257.13	45,257.13	17,358.13	27,899.00	
State Sources:					
Preschool Education	\$ 2,191,145.00	49,576.78	2,240,721.78	2,146,890.47	93,831.31
Other State Programs	309,439.00	8,304.05	317,743.05	312,489.00	5,254.05
Total - State Sources	2,500,584.00	57,880.83	2,558,464.83	2,459,379.47	99,085.36
Federal Sources:					
Title I	732,941.00	261,636.29	994,577.29	955,157.27	39,420.02
Title II	46,540.00	102,386.52	148,926.52	145,926.52	3,000.00
I.D.E.A., Part B	390,690.00	(57,528.00)	333,162.00	333,162.00	
I.D.E.A., Part B, Preschool Incentive		7,617.00	7,617.00	7,617.00	
Vocational-Federal Secondary	10,418.00	2,190.38	12,608.38	12,598.00	10.38
Other Federal Programs		23,095.48	23,095.48	23,095.48	
Total - Federal Sources	1,180,589.00	339,397.67	1,519,986.67	1,477,556.27	42,430.40
Total Revenues	3,681,173.00	442,535.63	4,123,708.63	3,954,293.87	169,414.76
EXPENDITURES:					
Instruction:					
Salaries	544,830.00	(39,881.29)	504,948.71	494,208.50	10,740.21
Salaries of Teachers	966,030.00	(29,013.66)	937,016.34	913,152.47	23,863.87
Other Salaries for Instruction	284,922.00	(711.75)	284,210.25	282,151.83	2,058.42
Purchased Professional and Educational Services	44,713.00	11,203.08	55,916.08	45,116.08	10,800.00
Purchased Professional - Educational Services	10,000.00	(5,982.45)	4,017.55	3,632.00	385.55
Other Purchased Services (400-500 series)	2,000.00	1,386.50	3,386.50	3,386.50	
Tuition	315,000.00	18,162.00	333,162.00	333,162.00	
Supplies and Material	79,730.00	153,791.41	233,521.41	176,443.10	57,078.31
Other Objects	9,680.00	7,596.74	17,276.74	13,799.14	3,477.60
Total Instruction	2,256,905.00	116,550.58	2,373,455.58	2,265,051.62	108,403.96
Support Services:					
Salaries	148,791.00	30,575.08	179,366.08	179,366.08	
Salaries of Supervisors of Instruction	102,198.00	3,000.00	105,198.00	104,699.92	498.08
Salaries of Principals/Asst. Principals/Program Directors	24,258.00	420.60	24,678.60	24,678.54	0.06
Salaries of Other Professional Staff	359,705.00	(152,714.81)	206,990.19	206,990.19	
Salaries of Secretarial and Clerical Assistants	18,380.00	41,246.90	59,626.90	58,932.52	694.38
Salaries - Other	118,179.00	(8,442.55)	109,736.45	106,804.64	2,931.81
Personal Services - Employee Benefits	575,257.00	120,272.35	695,529.35	694,689.81	839.54
Purchased Professional and Educational Services		220,005.18	220,005.18	213,746.34	6,258.84
Purchased Professional - Educational Services	7,500.00	193.81	7,693.81		7,693.81
Other Purchased Professional Services	5,000.00	(5,000.00)			
Cleaning, Repair & Maintenance Services	8,000.00		8,000.00	8,000.00	
Rentals	6,000.00		6,000.00	6,000.00	
Other Purchased Services (400-500 series)		8,159.31	8,159.31	3,850.22	4,309.09
Contracted Transportation Services - Field Trips	7,500.00	(4,000.00)	3,500.00	2,236.34	1,263.66
Travel	3,000.00	(478.00)	2,522.00	2,053.47	468.53
Miscellaneous Purchased Service	34,500.00		34,500.00	31,494.51	3,005.49
Supplies and Material	4,000.00	19,505.87	23,505.87	12,666.27	10,839.60
Other Objects	2,000.00	16,001.75	18,001.75	17,632.75	369.00
Total Support Services	1,424,268.00	288,745.49	1,713,013.49	1,673,841.60	39,171.89
Facilities Acquisition/Construction:					
Construction Services		18,132.00	18,132.00	4,128.00	14,004.00
Instructional Equipment		497.91	497.91		497.91
Noninstructional Equipment		18,609.65	18,609.65	18,609.65	
Total Facilities Acquisition and Construction Services		37,239.56	37,239.56	22,737.65	14,501.91
Total Expenditures	3,681,173.00	442,535.63	4,123,708.63	3,961,630.87	162,077.76
Other Financing Sources (Uses):					
Transfer from/(to) General Fund				7,337.00	(7,337.00)
Total Other Financing Sources (Uses)				7,337.00	(7,337.00)
Total Expenditures and Other Financing Sources (Uses)	3,681,173.00	442,535.63	4,123,708.63	3,954,293.87	169,414.76
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2016

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 23,281,553.01	\$ 3,954,293.87
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(19,311.22)
Prior Year		71,845.21
Interest Earned and Allocated to Capital Reserve netted on GAAP Statements	(2,100.00)	
The June 2015 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	1,534,500.00	219,618.00
The June 2016 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(1,571,658.00)	(218,388.00)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 23,242,295.01</u>	<u>\$ 4,008,057.86</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 23,048,752.22	\$ 3,961,630.87
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		(19,311.22)
Prior Year		71,845.21
Interest Earned and Allocated to Capital Reserve netted on GAAP Statements	(2,100.00)	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 23,046,652.22</u>	<u>\$ 4,014,164.86</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Three Fiscal Years

	<u>Measurement Date Ending June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0373154743%	0.0377813500%	0.0349458710%
School District's Proportionate Share of the Net Pension Liability	\$ 8,376,576.00	\$ 7,073,702.00	\$ 6,678,850.00
School District's Covered Payroll (Plan Measurement Period)	\$ 2,760,036.00	\$ 2,738,892.00	\$ 2,580,056.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	303.50%	258.27%	258.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Three Fiscal Years

	<u>Fiscal Year Ended June 30,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 339,722.00	\$ 320,813.00	\$ 311,464.00
Contributions in Relation to the Contractually Required Contribution	<u>(339,722.00)</u>	<u>(320,813.00)</u>	<u>(311,464.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 2,445,899.00	\$ 2,588,244.00	\$ 2,557,351.00
Contributions as a Percentage of School District's Covered-Employee Payroll	13.89%	12.40%	12.18%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Three Fiscal Years

	<u>Measurement Date Ending June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>67,334,061.00</u>	<u>56,769,558.00</u>	<u>56,554,811.00</u>
	<u>\$ 67,334,061.00</u>	<u>\$ 56,769,558.00</u>	<u>\$ 56,554,811.00</u>
School District's Covered-Employee Payroll	\$ 12,028,444.00	\$ 12,408,732.00	\$ 12,292,876.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	559.79%	457.50%	460.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.
 However, until a full 10-year trend is compiled, this presentation will only include information
 for those years for which information is available.

CITY OF SALEM SCHOOL DISTRICT
Required Supplementary Information
Schedule of the School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last 10 Fiscal Years

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

CITY OF SALEM SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2016

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 4.68% as of June 30, 2014, to 4.13% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES

CITY OF SALEM SCHOOL DISTRICT
 General Fund
 Combining Balance Sheet
 June 30, 2016

	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Assets:			
Cash and Cash Equivalents	\$ 1,290,213.91		\$ 1,290,213.91
Restricted Cash and Cash Equivalents:			
Capital Reserve	253,603.00		253,603.00
Interfund Accounts Receivable:			
Operating Fund (11-13)		\$ 310,453.96	310,453.96
Special Revenue Fund	316,280.88		316,280.88
Proprietary Fund	61,868.69		61,868.69
Intergovernmental Accounts Receivable:			
State	1,792,829.04		1,792,829.04
Other	598,080.28		598,080.28
Prepaid Expenses		63,718.45	63,718.45
Other Accounts Receivable	400.00		400.00
Total Assets	\$ 4,313,275.80	\$ 374,172.41	\$ 4,687,448.21
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 115,717.96	\$ 315,516.52	\$ 431,234.48
Loan Payable (Short Term)	1,000,000.00		1,000,000.00
Interfund Accounts Payable:			
Blended Resource Fund (15)	310,453.96		310,453.96
Trust and Agency	19,202.15		19,202.15
Total Liabilities	1,445,374.07	315,516.52	1,760,890.59
Fund Balances:			
Nonspendable		63,718.45	63,718.45
Restricted:			
Capital Reserve	253,603.00		253,603.00
Excess Surplus Designated for Subsequent Year's Expenditures	289,190.11		289,190.11
Assigned:			
Designated for Subsequent Year's Expenditures	286,332.89		286,332.89
Other Purposes	328,203.62	58,655.89	386,859.51
Unassigned	496,339.82	(63,718.45)	432,621.37
Total Fund Balances	2,867,901.73	58,655.89	2,926,557.62
Total Liabilities and Fund Balances	\$ 4,313,275.80	\$ 374,172.41	\$ 4,687,448.21

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Combined Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2016

District-wide

<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to Whole School Reform	\$ 13,116,618.58		\$ 12,814,688.97	\$ 301,929.61
General Fund Reserve for Encumbrances at June 30, 2015	87,806.80		87,806.80	
Combined General Fund Contribution & State Resources	<u>13,204,425.38</u>	<u>100.00%</u>	<u>12,902,495.77</u>	<u>301,929.61</u>
Totals	<u>\$ 13,204,425.38</u>	<u>100.00%</u>	<u>\$ 12,902,495.77</u>	<u>\$ 301,929.61</u>

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2016

School: John Fenwick School

<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to Whole School Reform	\$ 2,771,178.23		\$ 2,623,036.57	\$ 148,141.66
General Fund Reserve for Encumbrances at June 30, 2015	9,586.57		9,586.57	
Combined General Fund Contribution & State Resources	<u>2,780,764.80</u>	<u>100.00%</u>	<u>2,632,623.14</u>	<u>148,141.66</u>
Totals	<u>\$ 2,780,764.80</u>	<u>100.00%</u>	<u>\$ 2,632,623.14</u>	<u>\$ 148,141.66</u>

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2016

School: Salem Middle School

<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to Whole School Reform	\$ 4,417,048.37		\$ 4,369,535.73	\$ 47,512.64
General Fund Reserve for Encumbrances at June 30, 2015	67,114.38		67,114.38	
Combined General Fund Contribution & State Resources	4,484,162.75	100.00%	4,436,650.11	47,512.64
Totals	<u>\$ 4,484,162.75</u>	<u>100.00%</u>	<u>\$ 4,436,650.11</u>	<u>\$ 47,512.64</u>

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2016

School: Salem High School

<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to Whole School Reform	\$ 5,928,391.98		\$ 5,822,116.67	\$ 106,275.31
General Fund Reserve for Encumbrances at June 30, 2015	11,105.85		11,105.85	
Combined General Fund Contribution & State Resources	<u>5,939,497.83</u>	<u>100.00%</u>	<u>5,833,222.52</u>	<u>106,275.31</u>
Totals	<u>\$ 5,939,497.83</u>	<u>100.00%</u>	<u>\$ 5,833,222.52</u>	<u>\$ 106,275.31</u>

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Combined Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

<u>District-wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ <u>(Unfavorable)</u>
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 347,221.00	\$ 147.42	\$ 347,368.42	\$ 343,957.90	\$ 3,410.52
Grades 1-5 - Salaries of Teachers	1,719,773.00	(17,602.06)	1,702,170.94	1,698,382.74	3,788.20
Grades 6-8 - Salaries of Teachers	981,990.00	8,215.61	990,205.61	989,571.68	633.93
Grades 9-12 - Salaries of Teachers	2,063,387.00	42,746.91	2,106,133.91	2,105,669.38	464.53
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	165,534.00	(1,562.32)	163,971.68	149,547.15	14,424.53
Purchased Prof- Educational Services	31,060.00	(21,415.00)	9,645.00	9,645.00	-
Purchased Technical Services	76,000.00	(11,415.58)	64,584.42	58,583.88	6,000.54
Other Purchased Services (400-500 series)	56,446.00	(13,776.10)	42,669.90	39,535.09	3,134.81
General Supplies	171,095.63	52,907.97	224,003.60	208,697.66	15,305.94
Textbooks	25,269.52	19,278.25	44,547.77	44,547.77	-
Other Objects	7,650.00	50,448.09	58,098.09	53,280.10	4,817.99
TOTAL REGULAR PROGRAMS - INSTRUCTION	5,645,426.15	107,973.19	5,753,399.34	5,701,418.35	51,980.99
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	586,640.00	101,664.33	688,304.33	685,534.00	2,770.33
Other Salaries for Instruction	118,635.00	(3,914.24)	114,720.76	108,848.90	5,871.86
Other Purchased Services (400-500 series)	3,535.00	(2,206.30)	1,328.70	1,293.70	35.00
General Supplies	6,350.00	(846.19)	5,503.81	3,731.15	1,772.66
Other Objects	2,220.00	(1,435.00)	785.00	715.00	70.00
Total Multiple Disabilities	717,380.00	93,262.60	810,642.60	800,122.75	10,519.85

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Combined Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

<u>District-wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Resource Room/Resource Center:					
Salaries of Teachers	\$ 700,178.00	\$ (118,910.17)	\$ 581,267.83	\$ 576,585.12	\$ 4,682.71
Purchased Prof- Educational Services	1,000.00	(1,000.00)	-	-	-
General Supplies	3,500.00	400.29	3,900.29	3,687.79	212.50
Textbooks	500.00	(500.00)	-	-	-
Total Resource Room/Resource Center	705,178.00	(120,009.88)	585,168.12	580,272.91	4,895.21
Preschool Disabilities - Full-Time:					
Salaries of Teachers	68,681.00	1,120.17	69,801.17	69,507.35	293.82
Other Salaries for Instruction	13,726.00	1,790.16	15,516.16	15,201.16	315.00
Supplies & Materials	1,700.00	(125.00)	1,575.00	1,045.69	529.31
Other Objects	60.00	-	60.00	-	60.00
Total Preschool Disabilities - Full-Time:	84,167.00	2,785.33	86,952.33	85,754.20	1,198.13
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,506,725.00	(23,961.95)	1,482,763.05	1,466,149.86	16,613.19
Basic Skills/Remedial - Instruction					
Salaries of Teachers	45,161.00	(45,161.00)	-	-	-
Total Basic Skills/Remedial - Instruction	45,161.00	(45,161.00)	-	-	-
Vocational Programs - Local - Instruction					
Salaries of Teachers	286,847.00	3,961.62	290,808.62	290,699.53	109.09
Purchase Prof/Educ Services	30,000.00	(30,000.00)	-	-	-
Other Purchased Services (400-500 series)	4,000.00	(4,000.00)	-	-	-
General Supplies	14,043.85	23,006.50	37,050.35	36,551.54	498.81
Textbooks	3,500.00	(3,500.00)	-	-	-
Total Vocational Programs - Local - Instruction	338,390.85	(10,531.88)	327,858.97	327,251.07	607.90

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Combined Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

<u>District-wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
School-Spon. Cocurricular Activities. - Inst.					
Salaries	\$ 31,700.00	\$ 6,951.00	\$ 38,651.00	\$ 36,878.20	\$ 1,772.80
Purchased Services (300-500 series)	7,500.00	(367.00)	7,133.00	7,133.00	-
Supplies and Materials	5,650.00	5,642.48	11,292.48	11,246.45	46.03
Other Objects	900.00	8,959.05	9,859.05	9,853.39	5.66
Total School-Spon. Cocurricular Activities. - Inst.	45,750.00	21,185.53	66,935.53	65,111.04	1,824.49
School-Spon. Cocurricular Athletics - Inst.					
Salaries	259,605.00	(12,851.73)	246,753.27	234,260.93	12,492.34
Purchased Services (300-500 series)	54,720.00	13,007.53	67,727.53	63,250.25	4,477.28
Supplies and Materials	43,000.00	48,047.83	91,047.83	49,294.61	41,753.22
Other Objects	6,400.00	-	6,400.00	6,230.00	170.00
Total School-Spon. Cocurricular Athletics - Inst.	363,725.00	48,203.63	411,928.63	353,035.79	58,892.84
Before/After School Program - Inst.					
Salaries of Teachers	4,500.00	(4,500.00)	-	-	-
Total Before/After School Program - Inst.	4,500.00	(4,500.00)	-	-	-
Alternative Education Program - Inst.					
Salaries of Teachers	26,500.00	(7,195.00)	19,305.00	19,305.00	-
Salaries	35,000.00	22,361.50	57,361.50	43,206.00	14,155.50
Purchased Prof-Technical Services	35,000.00	(35,000.00)	-	-	-
Total Alternative Education Program - Inst.	96,500.00	(19,833.50)	76,666.50	62,511.00	14,155.50
Total Instruction	8,046,178.00	73,374.02	8,119,552.02	7,975,477.11	144,074.91

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Combined Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

<u>District-wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	\$ 159,499.00	\$ (13,921.55)	\$ 145,577.45	\$ 127,941.06	\$ 17,636.39
Other Purchased Services (400-500 series)	260.00	(100.00)	160.00	-	160.00
Supplies and Materials	500.00	(500.00)	-	-	-
Other Objects	-	7,553.34	7,553.34	7,400.06	153.28
	<u>160,259.00</u>	<u>(6,968.21)</u>	<u>153,290.79</u>	<u>135,341.12</u>	<u>17,949.67</u>
Total Undistributed Expend. - Attend. & Social Work					
Undistributed Expenditures - Health Services					
Salaries	167,271.00	2,969.60	170,240.60	169,265.60	975.00
Purchased Professional and Technical Services	5,220.00	(1,059.00)	4,161.00	1,920.00	2,241.00
Other Purchased Services (400-500 series)	200.00	(170.00)	30.00	-	30.00
Supplies and Materials	4,394.00	1,177.94	5,571.94	5,571.94	-
Other Objects	150.00	(122.12)	27.88	-	27.88
	<u>177,235.00</u>	<u>2,796.42</u>	<u>180,031.42</u>	<u>176,757.54</u>	<u>3,273.88</u>
Total Undistributed Expenditures - Health Services					
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	401,317.00	(22,430.06)	378,886.94	377,944.34	942.60
Salaries of Secretarial and Clerical Assistants	71,663.00	(2,118.72)	69,544.28	68,409.10	1,135.18
Other Salaries	62,490.00	(34,469.47)	28,020.53	21,183.05	6,837.48
Purchased Prof- Educational Services	500.00	(285.31)	214.69	-	214.69
Other Purchased Prof. and Tech. Services	9,703.00	(3,899.33)	5,803.67	3,503.67	2,300.00
Other Purchased Services (400-500 series)	2,700.00	2,119.17	4,819.17	4,669.17	150.00
Supplies and Materials	17,765.00	7,120.10	24,885.10	23,401.83	1,483.27
Other Objects	300.00	25.00	325.00	325.00	-
	<u>566,438.00</u>	<u>(53,938.62)</u>	<u>512,499.38</u>	<u>499,436.16</u>	<u>13,063.22</u>
Total Undist. Expend. - Other Supp. Serv. Students-Reg.					
Undist. Expend. - Improvement of Inst. Serv.					
Other Salaries	1,500.00	28,759.18	30,259.18	29,862.44	396.74
	<u>1,500.00</u>	<u>28,759.18</u>	<u>30,259.18</u>	<u>29,862.44</u>	<u>396.74</u>
Total Undist. Expend. - Improvement of Inst. Serv.					

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Combined Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

<u>District-wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ <u>(Unfavorable)</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 195,574.00	\$ (13,909.30)	\$ 181,664.70	\$ 177,233.13	\$ 4,431.57
Salaries of Technology Coordinators	183,710.00	-	183,710.00	183,104.37	605.63
Purchased Professional and Technical Services	1,750.00	(1,000.00)	750.00	-	750.00
Supplies and Materials	8,700.00	6,181.25	14,881.25	13,077.31	1,803.94
Other Objects	50.00	24,489.20	24,539.20	24,539.20	-
	<u>389,784.00</u>	<u>15,761.15</u>	<u>405,545.15</u>	<u>397,954.01</u>	<u>7,591.14</u>
Total Undist. Expend. - Edu. Media Serv./Sch. Library					
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Servic	26,500.00	184,713.60	211,213.60	211,213.60	-
Other Purchased Services (400-500 series)	10,700.00	(60.76)	10,639.24	7,605.24	3,034.00
Supplies and Materials	3,575.00	1,811.17	5,386.17	5,386.17	-
Other Objects	885.00	26.00	911.00	911.00	-
	<u>41,660.00</u>	<u>186,490.01</u>	<u>228,150.01</u>	<u>225,116.01</u>	<u>3,034.00</u>
Total Undist. Expend. - Instructional Staff Training Serv.					
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	618,285.00	2,143.75	620,428.75	619,521.17	907.58
Salaries of Secretarial and Clerical Assistants	96,171.00	(2,093.06)	94,077.94	89,155.16	4,922.78
Purchased Professional and Technical Services	1,000.00	11,784.16	12,784.16	9,200.00	3,584.16
Other Purchased Services (400-500 series)	24,900.00	(5,044.81)	19,855.19	16,715.81	3,139.38
Supplies and Materials	12,000.00	30,446.54	42,446.54	40,326.83	2,119.71
Other Objects	4,850.00	11,028.73	15,878.73	15,878.73	-
	<u>757,206.00</u>	<u>48,265.31</u>	<u>805,471.31</u>	<u>790,797.70</u>	<u>14,673.61</u>
Total Undist. Expend. - Support Serv. - School Admin.					

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Combined Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

<u>District-wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Security					
Salaries	\$ 86,803.80	\$ 561.00	\$ 87,364.80	\$ 85,940.45	\$ 1,424.35
Purchased Professional and Technical Services	8,000.00	6,101.00	14,101.00	14,101.00	-
General Supplies	5,825.00	(840.74)	4,984.26	4,798.01	186.25
Total Undist. Expend. - Security	100,628.80	5,821.26	106,450.06	104,839.46	1,610.60
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	115,000.00	42,021.55	157,021.55	147,705.75	9,315.80
Total Undist. Expend. - Student Transportation Serv.	115,000.00	42,021.55	157,021.55	147,705.75	9,315.80
UNALLOCATED BENEFITS					
Health Benefits	2,473,624.00	(285,030.80)	2,188,593.20	2,102,831.34	85,761.86
Other Employee Benefits	300,740.00	16,821.31	317,561.31	316,377.13	1,184.18
TOTAL UNALLOCATED BENEFITS	2,774,364.00	(268,209.49)	2,506,154.51	2,419,208.47	86,946.04
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,774,364.00	(268,209.49)	2,506,154.51	2,419,208.47	86,946.04
TOTAL UNDISTRIBUTED EXPENDITURES	5,084,074.80	798.56	5,084,873.36	4,927,018.66	157,854.70
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	13,130,252.80	74,172.58	13,204,425.38	12,902,495.77	301,929.61
TOTAL SCHOOL BASED EXPENDITURES	13,130,252.80	74,172.58	13,204,425.38	12,902,495.77	301,929.61
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	13,042,446.00	74,172.58	13,116,618.58	12,873,344.86	243,273.72
Total Other Financing Sources:	13,042,446.00	74,172.58	13,116,618.58	12,873,344.86	243,273.72

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Combined Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2016

<u>District-wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ <u>(Unfavorable)</u>
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	\$ (87,806.80)	\$ -	\$ (87,806.80)	\$ (29,150.91)	\$ 58,655.89
Fund Balance, July 1	<u>87,806.80</u>	<u>-</u>	<u>87,806.80</u>	<u>87,806.80</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,655.89</u>	<u>\$ 58,655.89</u>

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

School: John Fenwick School

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ <u>(Unfavorable)</u>
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 347,221.00	\$ 147.42	\$ 347,368.42	\$ 343,957.90	\$ 3,410.52
Grades 1-5 - Salaries of Teachers	805,429.00	1,927.32	807,356.32	803,568.12	3,788.20
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	131,565.00	(2,728.39)	128,836.61	115,251.61	13,585.00
Purchased Prof- Educational Services	4,300.00	3,533.00	7,833.00	7,833.00	-
Purchased Technical Services	20,000.00	2,822.59	22,822.59	21,182.45	1,640.14
Other Purchased Services (400-500 series)	8,000.00	-	8,000.00	6,500.19	1,499.81
General Supplies	46,450.77	(725.00)	45,725.77	32,105.20	13,620.57
Other Objects	5,300.00	(1,201.31)	4,098.69	3,798.69	300.00
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,368,265.77	3,775.63	1,372,041.40	1,334,197.16	37,844.24
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	68,015.00	87,808.75	155,823.75	153,888.42	1,935.33
Other Salaries for Instruction	24,639.00	(1,562.14)	23,076.86	18,965.00	4,111.86
General Supplies	1,600.00	(83.49)	1,516.51	665.75	850.76
Other Objects	70.00	-	70.00	-	70.00
Total Multiple Disabilities	94,324.00	86,163.12	180,487.12	173,519.17	6,967.95
Resource Room/Resource Center:					
Salaries of Teachers	85,773.00	(43,600.06)	42,172.94	-	42,172.94
Salaries of Teachers	1,400.00	-	1,400.00	39,515.23	(38,115.23)
General Supplies	-	-	-	717.78	(717.78)
Total Resource Room/Resource Center	87,173.00	(43,600.06)	43,572.94	40,233.01	3,339.93

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

<u>School: John Fenwick School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 68,681.00	\$ 1,120.17	\$ 69,801.17	\$ 69,507.35	\$ 293.82
Other Salaries for Instruction	13,726.00	1,790.16	15,516.16	15,201.16	315.00
Supplies & Materials	1,700.00	(125.00)	1,575.00	1,045.69	529.31
Other Objects	60.00	-	60.00	-	60.00
	<u>84,167.00</u>	<u>2,785.33</u>	<u>86,952.33</u>	<u>85,754.20</u>	<u>1,198.13</u>
Total Preschool Disabilities - Full-Time:					
	<u>84,167.00</u>	<u>2,785.33</u>	<u>86,952.33</u>	<u>85,754.20</u>	<u>1,198.13</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>265,664.00</u>	<u>45,348.39</u>	<u>311,012.39</u>	<u>299,506.38</u>	<u>11,506.01</u>
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	2,500.00	-	2,500.00	2,132.00	368.00
Supplies & Materials	300.00	(253.97)	46.03	-	46.03
	<u>2,800.00</u>	<u>(253.97)</u>	<u>2,546.03</u>	<u>2,132.00</u>	<u>414.03</u>
Total School-Spon. Cocurricular Actvts. - Inst.					
	<u>2,800.00</u>	<u>(253.97)</u>	<u>2,546.03</u>	<u>2,132.00</u>	<u>414.03</u>
Total Instruction	<u>1,636,729.77</u>	<u>48,870.05</u>	<u>1,685,599.82</u>	<u>1,635,835.54</u>	<u>49,764.28</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	55,192.00	(5,135.02)	50,056.98	34,812.50	15,244.48
Other Purchased Services (400-500 series)	260.00	(100.00)	160.00	-	160.00
Supplies and Materials	500.00	(500.00)	-	-	-
Other Objects	-	7,545.34	7,545.34	7,392.06	153.28
	<u>55,952.00</u>	<u>1,810.32</u>	<u>57,762.32</u>	<u>42,204.56</u>	<u>15,557.76</u>
Total Undistributed Expend. - Attend. & Social Work					
	<u>55,952.00</u>	<u>1,810.32</u>	<u>57,762.32</u>	<u>42,204.56</u>	<u>15,557.76</u>
Undistributed Expenditures - Health Services					
Salaries	32,856.00	1,535.15	34,391.15	34,391.15	-
Purchased Professional and Technical Services	5,220.00	(1,059.00)	4,161.00	1,920.00	2,241.00
Other Purchased Services (400-500 series)	200.00	(170.00)	30.00	-	30.00
Supplies and Materials	2,000.00	942.01	2,942.01	2,942.01	-
	<u>40,276.00</u>	<u>1,248.16</u>	<u>41,524.16</u>	<u>39,253.16</u>	<u>2,271.00</u>
Total Undistributed Expenditures - Health Services					
	<u>40,276.00</u>	<u>1,248.16</u>	<u>41,524.16</u>	<u>39,253.16</u>	<u>2,271.00</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

<u>School: John Fenwick School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	\$ 64,008.00	\$ 314.09	\$ 64,322.09	\$ 64,322.09	\$ -
Other Salaries	20,747.00	(13,909.52)	6,837.48	-	6,837.48
Other Purchased Prof. and Tech. Services	300.00	-	300.00	-	300.00
Other Purchased Services	150.00	-	150.00	-	150.00
Supplies and Materials	1,000.00	2,136.52	3,136.52	2,998.33	138.19
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	86,205.00	(11,458.91)	74,746.09	67,320.42	7,425.67
Undist. Expend. - Improvement of Inst. Serv.					
Other Salaries	1,000.00	3,212.13	4,212.13	3,815.39	396.74
Total Undist. Expend. - Improvement of Inst. Serv.	1,000.00	3,212.13	4,212.13	3,815.39	396.74
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	41,860.00	(15,795.68)	26,064.32	21,633.25	4,431.07
Salaries of Technology Coordinators	94,458.00	0.03	94,458.03	94,458.03	-
Purchased Professional and Technical Services	750.00	-	750.00	-	750.00
Supplies and Materials	2,500.00	7,220.89	9,720.89	9,019.66	701.23
Total Undist. Expend. - Edu. Media Serv./Sch. Library	139,568.00	(8,574.76)	130,993.24	125,110.94	5,882.30
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Prof- Educational Services	5,000.00	18,181.43	23,181.43	23,181.43	-
Other Purchased Services (400-500 series)	2,000.00	-	2,000.00	1,936.92	63.08
Supplies and Materials	1,075.00	2,198.32	3,273.32	3,273.32	-
Total Undist. Expend. - Instructional Staff Training Serv.	8,075.00	20,379.75	28,454.75	28,391.67	63.08

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

<u>School: John Fenwick School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	\$ 72,773.00	\$ -	\$ 72,773.00	\$ 72,021.56	\$ 751.44
Salaries of Secretarial and Clerical Assistants	19,640.00	-	19,640.00	17,785.38	1,854.62
Other Purchased Services (400-500 series)	5,000.00	(954.66)	4,045.34	1,380.03	2,665.31
Supplies and Materials	1,500.00	(398.00)	1,102.00	602.00	500.00
Other Objects	950.00	350.00	1,300.00	1,300.00	-
Total Undist. Expend. - Support Serv. - School Admin.	99,863.00	(1,002.66)	98,860.34	93,088.97	5,771.37
Undist. Expend. - Security					
Salaries	16,233.80	(475.50)	15,758.30	14,536.65	1,221.65
Purchased Professional and Technical Services	4,000.00	180.00	4,180.00	4,180.00	-
General Supplies	550.00	2,483.55	3,033.55	3,033.55	-
Total Undist. Expend. - Security	20,783.80	2,188.05	22,971.85	21,750.20	1,221.65
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	6,500.00	948.41	7,448.41	7,069.94	378.47
Total Undist. Expend. - Student Transportation Serv.	6,500.00	948.41	7,448.41	7,069.94	378.47
UNALLOCATED BENEFITS					
Health Benefits	571,264.00	(25,435.31)	545,828.69	487,433.53	58,395.16
Other Employee Benefits	82,363.00	-	82,363.00	81,348.82	1,014.18
TOTAL UNALLOCATED BENEFITS	653,627.00	(25,435.31)	628,191.69	568,782.35	59,409.34
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	653,627.00	(25,435.31)	628,191.69	568,782.35	59,409.34
TOTAL UNDISTRIBUTED EXPENDITURES	1,111,849.80	(16,684.82)	1,095,164.98	996,787.60	98,377.38
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	2,748,579.57	32,185.23	2,780,764.80	2,632,623.14	148,141.66
TOTAL SCHOOL BASED EXPENDITURES	2,748,579.57	32,185.23	2,780,764.80	2,632,623.14	148,141.66

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2016

School: John Fenwick School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	\$ 2,738,993.00	\$ 32,185.23	\$ 2,771,178.23	\$ 2,623,538.89	\$ 147,639.34
Total Other Financing Sources:	<u>2,738,993.00</u>	<u>32,185.23</u>	<u>2,771,178.23</u>	<u>2,623,538.89</u>	<u>147,639.34</u>
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(9,586.57)	-	(9,586.57)	(9,084.25)	502.32
Fund Balance, July 1	<u>9,586.57</u>	<u>-</u>	<u>9,586.57</u>	<u>9,586.57</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 502.32</u>	<u>\$ 502.32</u>

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

School: Middle School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Grades 1-5 - Salaries of Teachers	\$ 914,344.00	\$ (19,529.38)	\$ 894,814.62	\$ 894,814.62	\$ -
Grades 6-8 - Salaries of Teachers	981,990.00	8,215.61	990,205.61	989,571.68	633.93
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	33,969.00	1,086.07	35,055.07	34,215.54	839.53
Purchased Prof- Educational Services	1,760.00	(1,215.00)	545.00	545.00	-
Purchased Technical Services	26,000.00	-	26,000.00	21,639.60	4,360.40
Other Purchased Services (400-500 series)	16,446.00	(1,520.00)	14,926.00	13,646.00	1,280.00
General Supplies	73,894.86	(4,428.43)	69,466.43	69,466.43	-
Textbooks	20,269.52	-	20,269.52	20,269.52	-
Other Objects	2,100.00	24,321.40	26,421.40	21,903.41	4,517.99
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,070,773.38	6,930.27	2,077,703.65	2,066,071.80	11,631.85
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	402,592.00	1,744.00	404,336.00	403,501.00	835.00
Other Salaries for Instruction	70,561.00	(3,966.48)	66,594.52	65,094.52	1,500.00
Other Purchased Services	35.00	-	35.00	-	35.00
General Supplies	1,750.00	2,198.74	3,948.74	3,026.84	921.90
Other Objects	650.00	-	650.00	650.00	-
Total Multiple Disabilities	475,588.00	(23.74)	475,564.26	472,272.36	3,291.90

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

School: Middle School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Resource Room/Resource Center:					
Salaries of Teachers	\$ 209,690.00	\$ (41,911.92)	\$ 167,778.08	\$ 167,153.08	\$ 625.00
General Supplies	1,500.00	870.00	2,370.00	1,500.00	870.00
Total Resource Room/Resource Center	<u>211,190.00</u>	<u>(41,041.92)</u>	<u>170,148.08</u>	<u>168,653.08</u>	<u>1,495.00</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>686,778.00</u>	<u>(41,065.66)</u>	<u>645,712.34</u>	<u>640,925.44</u>	<u>4,786.90</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	<u>45,161.00</u>	<u>(45,161.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Basic Skills/Remedial - Instruction	<u>45,161.00</u>	<u>(45,161.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	9,200.00	-	9,200.00	8,838.00	362.00
Other Purchased Services (400-500 series)	2,500.00	(2,390.00)	110.00	110.00	-
Supplies and Materials	3,850.00	5,803.02	9,653.02	9,653.02	-
Other Objects	900.00	4,091.56	4,991.56	4,985.90	5.66
Total School-Spon. Cocurricular Actvts. - Inst.	<u>16,450.00</u>	<u>7,504.58</u>	<u>23,954.58</u>	<u>23,586.92</u>	<u>367.66</u>
School-Spon. Cocurricular Athletics - Inst.					
Salaries	9,000.00	(2,832.00)	6,168.00	6,168.00	-
Other Purchased Services (400-500 series)	2,720.00	(1,929.52)	790.48	-	790.48
Supplies and Materials	3,000.00	-	3,000.00	996.00	2,004.00
Total School-Spon. Cocurricular Athletics - Inst.	<u>14,720.00</u>	<u>(4,761.52)</u>	<u>9,958.48</u>	<u>7,164.00</u>	<u>2,794.48</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

School: Middle School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Before/After School Program - Inst. Salaries of Teachers	\$ 2,500.00	\$ (2,500.00)	\$ -	\$ -	\$ -
Total Before/After School Program - Inst.	<u>2,500.00</u>	<u>(2,500.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Alternative Education Program - Inst. Salaries	<u>15,000.00</u>	<u>3,450.00</u>	<u>18,450.00</u>	<u>4,294.50</u>	<u>14,155.50</u>
Total Alternative Education Program - Inst.	<u>15,000.00</u>	<u>3,450.00</u>	<u>18,450.00</u>	<u>4,294.50</u>	<u>14,155.50</u>
Total Instruction	<u>2,851,382.38</u>	<u>(75,603.33)</u>	<u>2,775,779.05</u>	<u>2,742,042.66</u>	<u>33,736.39</u>
Undistributed Expend. - Attend. & Social Work Salaries	58,576.00	(17,145.00)	41,431.00	39,938.00	1,493.00
Other Objects	<u>-</u>	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>-</u>
Total Undistributed Expend. - Attend. & Social Work	<u>58,576.00</u>	<u>(17,141.00)</u>	<u>41,435.00</u>	<u>39,942.00</u>	<u>1,493.00</u>
Undistributed Expenditures - Health Services Salaries	53,606.00	281.00	53,887.00	53,037.00	850.00
Supplies and Materials	1,200.00	122.12	1,322.12	1,322.12	-
Other Objects	<u>150.00</u>	<u>(122.12)</u>	<u>27.88</u>	<u>-</u>	<u>27.88</u>
Total Undistributed Expenditures - Health Services	<u>54,956.00</u>	<u>281.00</u>	<u>55,237.00</u>	<u>54,359.12</u>	<u>877.88</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

School: Middle School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	\$ 117,421.00	\$ (22,559.00)	\$ 94,862.00	\$ 93,919.40	\$ 942.60
Salaries of Secretarial and Clerical Assistants	41,858.00	(1,274.50)	40,583.50	40,185.07	398.43
Other Salaries	20,560.00	(20,560.00)	-	-	-
Purchased Prof- Educational Services	500.00	(285.31)	214.69	-	214.69
Other Purchased Services	350.00	(83.00)	267.00	267.00	-
Supplies and Materials	4,500.00	368.31	4,868.31	4,868.31	-
	<u>185,189.00</u>	<u>(44,393.50)</u>	<u>140,795.50</u>	<u>139,239.78</u>	<u>1,555.72</u>
Total Undist. Expend. - Other Supp. Serv. Students-Reg.					
Undist. Expend. - Improvement of Inst. Serv.					
Other Salaries	500.00	12,083.74	12,583.74	12,583.74	-
	<u>500.00</u>	<u>12,083.74</u>	<u>12,583.74</u>	<u>12,583.74</u>	<u>-</u>
Total Undist. Expend. - Improvement of Inst. Serv.					
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	62,441.00	1,771.35	64,212.35	64,212.35	-
Salaries of Technology Coordinators	49,902.00	0.06	49,902.06	49,901.79	0.27
Supplies and Materials	1,200.00	(97.29)	1,102.71	-	1,102.71
Other Objects	50.00	24,489.20	24,539.20	24,539.20	-
	<u>113,593.00</u>	<u>26,163.32</u>	<u>139,756.32</u>	<u>138,653.34</u>	<u>1,102.98</u>
Total Undist. Expend. - Edu. Media Serv./Sch. Library					
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Prof- Educational Services	8,500.00	31,635.65	40,135.65	40,135.65	-
Other Purchased Services (400-500 series)	1,700.00	1,242.51	2,942.51	-	2,942.51
Supplies and Materials	500.00	636.23	1,136.23	1,136.23	-
Other Objects	885.00	26.00	911.00	911.00	-
	<u>11,585.00</u>	<u>33,540.39</u>	<u>45,125.39</u>	<u>42,182.88</u>	<u>2,942.51</u>
Total Undist. Expend. - Instructional Staff Training Serv.					

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

School: Middle School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	\$ 249,912.00	\$ 4,743.83	\$ 254,655.83	\$ 254,499.69	\$ 156.14
Salaries of Secretarial and Clerical Assistants	33,191.00	(2,805.70)	30,385.30	28,706.78	1,678.52
Purchased Professional and Technical Services	1,000.00	-	1,000.00	1,000.00	-
Other Purchased Services (400-500 series)	8,400.00	(1,775.15)	6,624.85	6,486.19	138.66
Supplies and Materials	4,500.00	3,439.31	7,939.31	7,360.31	579.00
Other Objects	2,900.00	85.19	2,985.19	2,985.19	-
	<u>299,903.00</u>	<u>3,687.48</u>	<u>303,590.48</u>	<u>301,038.16</u>	<u>2,552.32</u>
Total Undist. Expend. - Support Serv. - School Admin.					
Undist. Expend. - Security					
Salaries	26,204.00	-	26,204.00	26,038.31	165.69
Purchased Professional and Technical Services	4,000.00	700.00	4,700.00	4,700.00	-
General Supplies	275.00	856.71	1,131.71	1,131.71	-
	<u>30,479.00</u>	<u>1,556.71</u>	<u>32,035.71</u>	<u>31,870.02</u>	<u>165.69</u>
Total Undist. Expend. - Security					
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	11,500.00	3,940.18	15,440.18	15,440.18	-
	<u>11,500.00</u>	<u>3,940.18</u>	<u>15,440.18</u>	<u>15,440.18</u>	<u>-</u>
Total Undist. Expend. - Student Transportation Serv.					
UNALLOCATED BENEFITS					
Health Benefits	855,883.00	(59,527.70)	796,355.30	793,439.15	2,916.15
Other Employee Benefits	118,083.00	7,946.08	126,029.08	125,859.08	170.00
	<u>973,966.00</u>	<u>(51,581.62)</u>	<u>922,384.38</u>	<u>919,298.23</u>	<u>3,086.15</u>
TOTAL UNALLOCATED BENEFITS					
TOTAL UNDISTRIBUTED EXPENDITURES	<u>1,740,247.00</u>	<u>(31,863.30)</u>	<u>1,708,383.70</u>	<u>1,694,607.45</u>	<u>13,776.25</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

School: Middle School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	\$ 4,591,629.38	\$ (107,466.63)	\$ 4,484,162.75	\$ 4,436,650.11	\$ 47,512.64
TOTAL SCHOOL BASED EXPENDITURES	4,591,629.38	(107,466.63)	4,484,162.75	4,436,650.11	47,512.64
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	4,524,515.00	(107,466.63)	4,417,048.37	4,375,327.12	41,721.25
Total Other Financing Sources:	4,524,515.00	(107,466.63)	4,417,048.37	4,375,327.12	41,721.25
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(67,114.38)	-	(67,114.38)	(61,322.99)	5,791.39
Fund Balance, July 1	67,114.38	-	67,114.38	67,114.38	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 5,791.39	\$ 5,791.39

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Grades 9-12 - Salaries of Teachers	\$ 2,063,387.00	\$ 42,746.91	\$ 2,106,133.91	\$ 2,105,669.38	\$ 464.53
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	-	80.00	80.00	80.00	-
Purchased Prof- Educational Services	25,000.00	(23,733.00)	1,267.00	1,267.00	-
Purchased Technical Services	30,000.00	(14,238.17)	15,761.83	15,761.83	-
Other Purchased Services (400-500 series)	32,000.00	(12,256.10)	19,743.90	19,388.90	355.00
General Supplies	50,750.00	58,061.40	108,811.40	107,126.03	1,685.37
Textbooks	5,000.00	19,278.25	24,278.25	24,278.25	-
Other Objects	250.00	27,328.00	27,578.00	27,578.00	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,206,387.00	97,267.29	2,303,654.29	2,301,149.39	2,504.90
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	116,033.00	12,111.58	128,144.58	128,144.58	-
Other Salaries for Instruction	23,435.00	1,614.38	25,049.38	24,789.38	260.00
Other Purchased Services (400-500 series)	3,500.00	(2,206.30)	1,293.70	1,293.70	-
General Supplies	3,000.00	(2,961.44)	38.56	38.56	-
Other Objects	1,500.00	(1,435.00)	65.00	65.00	-
Total Multiple Disabilities	147,468.00	7,123.22	154,591.22	154,331.22	260.00

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Resource Room/Resource Center:					
Salaries of Teachers	\$ 403,315.00	\$ (33,398.19)	\$ 369,916.81	\$ 369,916.81	\$ -
Purchased Prof- Educational Services	1,000.00	(1,000.00)	-	-	-
General Supplies	2,000.00	(469.71)	1,530.29	1,470.01	60.28
Textbooks	500.00	(500.00)	-	-	-
	<u>406,815.00</u>	<u>(35,367.90)</u>	<u>371,447.10</u>	<u>371,386.82</u>	<u>60.28</u>
Total Resource Room/Resource Center					
	<u>406,815.00</u>	<u>(35,367.90)</u>	<u>371,447.10</u>	<u>371,386.82</u>	<u>60.28</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>554,283.00</u>	<u>(28,244.68)</u>	<u>526,038.32</u>	<u>525,718.04</u>	<u>320.28</u>
Vocational Programs - Local - Instruction					
Salaries of Teachers	286,847.00	3,961.62	290,808.62	290,699.53	109.09
Purchase Prof/Educ Services	30,000.00	(30,000.00)	-	-	-
Purchased Services (300-500 series)	4,000.00	(4,000.00)	-	-	-
General Supplies	14,043.85	23,006.50	37,050.35	36,551.54	498.81
Textbooks	3,500.00	(3,500.00)	-	-	-
	<u>338,390.85</u>	<u>(10,531.88)</u>	<u>327,858.97</u>	<u>327,251.07</u>	<u>607.90</u>
Total Vocational Programs - Local - Instruction					
	<u>338,390.85</u>	<u>(10,531.88)</u>	<u>327,858.97</u>	<u>327,251.07</u>	<u>607.90</u>
School-Spon. Cocurricular Activities - Inst.					
Salaries	20,000.00	6,951.00	26,951.00	25,908.20	1,042.80
Purchased Services (300-500 series)	5,000.00	2,023.00	7,023.00	7,023.00	-
Supplies and Materials	1,500.00	93.43	1,593.43	1,593.43	-
Other Objects	-	4,867.49	4,867.49	4,867.49	-
	<u>26,500.00</u>	<u>13,934.92</u>	<u>40,434.92</u>	<u>39,392.12</u>	<u>1,042.80</u>
Total School-Spon. Cocurricular Activities. - Inst.					
	<u>26,500.00</u>	<u>13,934.92</u>	<u>40,434.92</u>	<u>39,392.12</u>	<u>1,042.80</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
School-Spon. Cocurricular Athletics - Inst.					
Salaries	\$ 250,605.00	\$ (10,019.73)	\$ 240,585.27	\$ 228,092.93	\$ 12,492.34
Purchased Services (300-500 series)	52,000.00	14,937.05	66,937.05	63,250.25	3,686.80
Supplies and Materials	40,000.00	48,047.83	88,047.83	48,298.61	39,749.22
Other Objects	6,400.00	-	6,400.00	6,230.00	170.00
	<u>349,005.00</u>	<u>52,965.15</u>	<u>401,970.15</u>	<u>345,871.79</u>	<u>56,098.36</u>
Total School-Spon. Cocurricular Athletics - Inst.					
Before/After School Program - Inst.					
Salaries of Teachers	2,000.00	(2,000.00)	-	-	-
	<u>2,000.00</u>	<u>(2,000.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Before/After School Program - Inst.					
Alternative Education Program - Inst.					
Salaries of Teachers	26,500.00	(7,195.00)	19,305.00	19,305.00	-
Salaries	20,000.00	18,911.50	38,911.50	38,911.50	-
Purchased Prof-Technical Services	35,000.00	(35,000.00)	-	-	-
	<u>81,500.00</u>	<u>(23,283.50)</u>	<u>58,216.50</u>	<u>58,216.50</u>	<u>-</u>
Total Alternative Education Program - Inst.					
Total Instruction	<u>3,558,065.85</u>	<u>100,107.30</u>	<u>3,658,173.15</u>	<u>3,597,598.91</u>	<u>60,574.24</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	45,731.00	8,358.47	54,089.47	53,190.56	898.91
Other Objects	-	4.00	4.00	4.00	-
	<u>45,731.00</u>	<u>8,362.47</u>	<u>54,093.47</u>	<u>53,194.56</u>	<u>898.91</u>
Total Undistributed Expend. - Attend. & Social Work					

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undistributed Expenditures - Health Services					
Salaries	\$ 80,809.00	\$ 1,153.45	\$ 81,962.45	\$ 81,837.45	\$ 125.00
Supplies and Materials	1,194.00	113.81	1,307.81	1,307.81	-
	<u>82,003.00</u>	<u>1,267.26</u>	<u>83,270.26</u>	<u>83,145.26</u>	<u>125.00</u>
Total Undistributed Expenditures - Health Services					
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	219,888.00	(185.15)	219,702.85	219,702.85	-
Salaries of Secretarial and Clerical Assistants	29,805.00	(844.22)	28,960.78	28,224.03	736.75
Other Salaries	21,183.00	0.05	21,183.05	21,183.05	-
Other Purchased Prof. and Tech. Services	9,403.00	(3,899.33)	5,503.67	3,503.67	2,000.00
Other Purchased Services (400-500 series)	2,200.00	2,202.17	4,402.17	4,402.17	-
Supplies and Materials	12,265.00	4,615.27	16,880.27	15,535.19	1,345.08
Other Objects	300.00	25.00	325.00	325.00	-
	<u>295,044.00</u>	<u>1,913.79</u>	<u>296,957.79</u>	<u>292,875.96</u>	<u>4,081.83</u>
Total Undist. Expend. - Other Supp. Serv. Students-Reg.					
Undist. Expend. - Improvement of Inst. Serv.					
Other Salaries	-	13,463.31	13,463.31	13,463.31	-
	<u>-</u>	<u>13,463.31</u>	<u>13,463.31</u>	<u>13,463.31</u>	<u>-</u>
Total Undist. Expend. - Improvement of Inst. Serv.					
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	91,273.00	115.03	91,388.03	91,387.53	0.50
Salaries of Technology Coordinators	39,350.00	(0.09)	39,349.91	38,744.55	605.36
Purchased Professional and Technical Services	1,000.00	(1,000.00)	-	-	-
Supplies and Materials	5,000.00	(942.35)	4,057.65	4,057.65	-
	<u>136,623.00</u>	<u>(1,827.41)</u>	<u>134,795.59</u>	<u>134,189.73</u>	<u>605.86</u>
Total Undist. Expend. - Edu. Media Serv./Sch. Library					

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Prof- Educational Services	\$ 13,000.00	\$ 134,896.52	\$ 147,896.52	\$ 147,896.52	\$ -
Other Purchased Services (400-500 series)	7,000.00	(1,303.27)	5,696.73	5,668.32	28.41
Supplies and Materials	2,000.00	(1,023.38)	976.62	976.62	-
	<u>22,000.00</u>	<u>132,569.87</u>	<u>154,569.87</u>	<u>154,541.46</u>	<u>28.41</u>
Total Undist. Expend. - Instructional Staff Training Serv.					
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	295,600.00	(2,600.08)	292,999.92	292,999.92	-
Salaries of Secretarial and Clerical Assistants	43,340.00	712.64	44,052.64	42,663.00	1,389.64
Purchased Professional and Technical Services	-	11,784.16	11,784.16	8,200.00	3,584.16
Other Purchased Services (400-500 series)	11,500.00	(2,315.00)	9,185.00	8,849.59	335.41
Supplies and Materials	6,000.00	27,405.23	33,405.23	32,364.52	1,040.71
Other Objects	1,000.00	10,593.54	11,593.54	11,593.54	-
	<u>357,440.00</u>	<u>45,580.49</u>	<u>403,020.49</u>	<u>396,670.57</u>	<u>6,349.92</u>
Total Undist. Expend. - Support Serv. - School Admin.					
Undist. Expend. - Security					
Salaries	44,366.00	1,036.50	45,402.50	45,365.49	37.01
Purchased Professional and Technical Services	-	5,221.00	5,221.00	5,221.00	-
General Supplies	5,000.00	(4,181.00)	819.00	632.75	186.25
	<u>49,366.00</u>	<u>2,076.50</u>	<u>51,442.50</u>	<u>51,219.24</u>	<u>223.26</u>
Total Undist. Expend. - Security					
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	97,000.00	37,132.96	134,132.96	125,195.63	8,937.33
	<u>97,000.00</u>	<u>37,132.96</u>	<u>134,132.96</u>	<u>125,195.63</u>	<u>8,937.33</u>
Total Undist. Expend. - Student Transportation Serv.					

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

School: High School

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
UNALLOCATED BENEFITS					
Health Benefits	\$ 1,046,477.00	\$ (200,067.79)	\$ 846,409.21	\$ 821,958.66	\$ 24,450.55
Other Employee Benefits	100,294.00	8,875.23	109,169.23	109,169.23	-
TOTAL UNALLOCATED BENEFITS	<u>1,146,771.00</u>	<u>(191,192.56)</u>	<u>955,578.44</u>	<u>931,127.89</u>	<u>24,450.55</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>1,146,771.00</u>	<u>(191,192.56)</u>	<u>955,578.44</u>	<u>931,127.89</u>	<u>24,450.55</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>2,231,978.00</u>	<u>49,346.68</u>	<u>2,281,324.68</u>	<u>2,235,623.61</u>	<u>45,701.07</u>
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	<u>5,790,043.85</u>	<u>149,453.98</u>	<u>5,939,497.83</u>	<u>5,833,222.52</u>	<u>106,275.31</u>
TOTAL SCHOOL BASED EXPENDITURES	<u>5,790,043.85</u>	<u>149,453.98</u>	<u>5,939,497.83</u>	<u>5,833,222.52</u>	<u>106,275.31</u>
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	<u>5,778,938.00</u>	<u>149,453.98</u>	<u>5,928,391.98</u>	<u>5,874,478.85</u>	<u>53,913.13</u>
Total Other Financing Sources:	<u>5,778,938.00</u>	<u>149,453.98</u>	<u>5,928,391.98</u>	<u>5,874,478.85</u>	<u>53,913.13</u>
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(11,105.85)	-	(11,105.85)	41,256.33	52,362.18
Fund Balance, July 1	<u>11,105.85</u>	<u>-</u>	<u>11,105.85</u>	<u>11,105.85</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,362.18</u>	<u>\$ 52,362.18</u>

SPECIAL REVENUE FUND

CITY OF SALEM SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2016

	N.C.L.B.		I.D.E.A. Part B		Total Carried Forward
	Title I	Title II	Basic	Preschool	
	Part A	Part A - Training			
REVENUES:					
Federal Sources	\$ 955,157.27	\$ 145,926.52	\$ 333,162.00	\$ 7,617.00	\$ 1,441,862.79
State Sources					
Local Sources					
Total Revenues	955,157.27	145,926.52	333,162.00	7,617.00	1,441,862.79
EXPENDITURES:					
Instruction:					
Salaries	494,208.50				494,208.50
Salaries of Teachers					
Other Salaries for Instruction				7,083.34	7,083.34
Purchased Services Professional/Educational Services	34,295.00				34,295.00
Other Purchased Services (400-500 series)					
Tuition			333,162.00		333,162.00
Supplies and Material	103,906.09				103,906.09
Other Objects	5,638.21				5,638.21
Total Instruction	638,047.80		333,162.00	7,083.34	978,293.14
Support Services:					
Salaries	128,813.20	48,300.88			177,114.08
Salaries of Supervisors of Instruction					
Salaries of Principals/Asst. Principals/Program Directors					
Salaries of Other Professional Staff					
Salaries of Secretarial and Clerical Assistants					
Salaries - Other					
Personal Services - Employee Benefits	120,080.53	12,100.00		533.66	132,714.19
Other Purchased Professional and Educational Services	66,414.89	85,525.64			151,940.53
Cleaning, Repair & Maintenance Services					
Rentals					
Other Purchased Services (400-500 series)	1,800.00				1,800.00
Contracted Transportation Services - Field Trips					
Travel					
Miscellaneous Purchased Services					
Supplies and Material					
Other Objects	0.85				0.85
Total Support Services	317,109.47	145,926.52		533.66	463,569.65
Facilities Acquisition/Construction:					
Construction Services					
Noninstructional Equipment					
Total Facilities Acquisition & Construction Services					
Total Expenditures	955,157.27	145,926.52	333,162.00	7,617.00	1,441,862.79
Other Financing Sources (Uses):					
Transfer from/(to) General Fund					
Total Other Financing Sources (Uses)					
Total Expenditures and Other Financing Sources (Uses)	955,157.27	145,926.52	333,162.00	7,617.00	1,441,862.79
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2016

	Total Brought Forward	McKinney Education for Homeless Children	Perkins Vocational	Family Friendly Centers	School Based Youth Services	Total Carried Forward
REVENUES:						
Federal Sources	\$ 1,441,862.79	\$ 3,914.47	\$ 12,598.00			\$ 1,458,375.26
State Sources				\$ 45,463.00	\$ 267,026.00	312,489.00
Local Sources						
Total Revenues	1,441,862.79	3,914.47	12,598.00	45,463.00	267,026.00	1,770,864.26
EXPENDITURES:						
Instruction:						
Salaries	494,208.50					494,208.50
Salaries of Teachers				24,843.00		24,843.00
Other Salaries for Instruction	7,083.34					7,083.34
Purchased Services Professional/Educational Services	34,295.00		8,001.08			42,296.08
Other Purchased Services (400-500 series)						
Tuition	333,162.00					333,162.00
Supplies and Material	103,906.09	455.70	3,084.21	7,378.39	3,284.32	118,108.71
Other Objects	5,638.21			2,688.43		8,326.64
Total Instruction	978,293.14	455.70	11,085.29	34,909.82	3,284.32	1,028,028.27
Support Services:						
Salaries	177,114.08		1,238.00			178,352.08
Salaries of Supervisors of Instruction				3,000.00		3,000.00
Salaries of Principals/Asst. Principals/Program Directors						
Salaries of Other Professional Staff				2,086.50	108,553.08	110,639.58
Salaries of Secretarial and Clerical Assistants				2,984.00	37,684.90	40,668.90
Salaries - Other						
Personal Services - Employee Benefits	132,714.19		94.71	2,482.68	43,839.34	179,130.92
Other Purchased Professional and Educational Services	151,940.53				52,175.00	204,115.53
Cleaning, Repair & Maintenance Services						
Rentals						
Other Purchased Services (400-500 series)	1,800.00	1,009.30	180.00		860.92	3,850.22
Contracted Transportation Services - Field Trips						
Travel						
Miscellaneous Purchased Services						
Supplies and Material		2,449.47			3,926.54	6,376.01
Other Objects	0.85				16,701.90	16,702.75
Total Support Services	463,569.65	3,458.77	1,512.71	10,553.18	263,741.68	742,835.99
Facilities Acquisition/Construction:						
Construction Services						
Noninstructional Equipment						
Total Facilities Acquisition and Construction Services						
Total Expenditures	1,441,862.79	3,914.47	12,598.00	45,463.00	267,026.00	1,770,864.26
Other Financing Sources (Uses):						
Transfer from/(to) General Fund						
Total Other Financing Sources (Uses)						
Total Expenditures and Other Financing Sources (Uses)	1,441,862.79	3,914.47	12,598.00	45,463.00	267,026.00	1,770,864.26
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2016

	Total Brought Forward	Preschool Education Aid	Health and Wellness Foundation Grant	NJ Principal Arts Grant	SJ Energy Solutions Arts Grant	Safety Grant	Positive Change Innovation Grant	NSLP Equipment Assistance Grant	Total
REVENUES:									
Federal Sources	\$ 1,458,375.26							\$ 19,181.01	\$ 1,477,556.27
State Sources	312,489.00	\$ 2,146,890.47							2,459,379.47
Local Sources			\$ 8,038.75	\$ 832.00	\$ 1,000.00	\$ 4,128.00	\$ 3,359.38		17,358.13
Total Revenues	1,770,864.26	2,146,890.47	8,038.75	832.00	1,000.00	4,128.00	3,359.38	19,181.01	3,954,293.87
EXPENDITURES:									
Instruction:									
Salaries	494,208.50								494,208.50
Salaries of Teachers	24,843.00	888,309.47							913,152.47
Other Salaries for Instruction	7,083.34	275,068.49							282,151.83
Purchased Services Professional/Educational Services	42,296.08		2,820.00						45,116.08
Purchased Professional/Educational Services		3,632.00							3,632.00
Other Purchased Services (400-500 series)		3,386.50							3,386.50
Tuition	333,162.00								333,162.00
Supplies and Material	118,108.71	55,220.64	3,113.75						176,443.10
Other Objects	8,326.64	4,472.50			1,000.00				13,799.14
Total Instruction	1,028,028.27	1,230,089.60	5,933.75		1,000.00				2,265,051.62
Support Services:									
Salaries	178,352.08						1,014.00		179,366.08
Salaries of Supervisors of Instruction	3,000.00	101,699.92							104,699.92
Salaries of Principals/Asst. Principals/Program Directors		24,678.54							24,678.54
Salaries of Other Professional Staff	110,639.58	96,350.61							206,990.19
Salaries of Secretarial and Clerical Assistants	40,668.90	18,263.62							58,932.52
Salaries - Other		106,804.64							106,804.64
Personal Services - Employee Benefits	179,130.92	515,481.31					77.58		694,689.81
Other Purchased Professional and Educational Services	204,115.53	7,693.81	1,105.00	832.00					213,746.34
Cleaning, Repair & Maintenance Services		8,000.00							8,000.00
Rentals		6,000.00							6,000.00
Other Purchased Services (400-500 series)	3,850.22								3,850.22
Contracted Transportation Services - Field Trips		2,236.34							2,236.34
Travel		2,053.47							2,053.47
Miscellaneous Purchased Services		31,494.51							31,494.51
Supplies and Material	6,376.01	2,451.10	1,000.00				2,267.80	571.36	12,666.27
Other Objects	16,702.75	930.00							17,632.75
Total Support Services	742,835.99	924,137.87	2,105.00	832.00			3,359.38	571.36	1,673,841.60
Facilities Acquisition/Construction:									
Construction Services						4,128.00			4,128.00
Noninstructional Equipment								18,609.65	18,609.65
Total Facilities Acquisition and Construction Services						4,128.00		18,609.65	22,737.65
Total Expenditures	1,770,864.26	2,154,227.47	8,038.75	832.00	1,000.00	4,128.00	3,359.38	19,181.01	3,961,630.87
Other Financing Sources (Uses):									
Transfer from/(to) General Fund		7,337.00							7,337.00
Total Other Financing Sources (Uses)		7,337.00							7,337.00
Total Expenditures and Other Financing Sources (Uses)	1,770,864.26	2,146,890.47	8,038.75	832.00	1,000.00	4,128.00	3,359.38	19,181.01	3,954,293.87
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF SALEM SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 920,567.00	\$ (8,393.66)	\$ 912,173.34	\$ 888,309.47	\$ 23,863.87
Other Salaries for Instruction	284,922.00	(7,795.09)	277,126.91	275,068.49	2,058.42
Purchased Services Professional/Educational Services	10,000.00	(5,982.45)	4,017.55	3,632.00	385.55
Other Purchased Services (400-500 series)	2,000.00	1,386.50	3,386.50	3,386.50	-
Supplies and Materials	31,345.00	23,875.64	55,220.64	55,220.64	-
Other Objects	6,500.00	(1,847.50)	4,652.50	4,472.50	180.00
Total Instruction	1,255,334.00	1,243.44	1,256,577.44	1,230,089.60	26,487.84
Support Services:					
Salaries of Supervisors of Instruction	102,198.00	-	102,198.00	101,699.92	498.08
Salaries of Principals/Asst. Principals/Program Directors	24,258.00	420.60	24,678.60	24,678.54	0.06
Salaries of Other Professional Staff	95,729.00	621.61	96,350.61	96,350.61	-
Salaries of Secretarial and Clerical Assistants	18,380.00	478.00	18,858.00	18,263.62	594.38
Salaries - Other	118,179.00	(8,442.55)	109,736.45	106,804.64	2,931.81
Personal Services - Employee Benefits	499,567.00	15,957.93	515,524.93	515,481.31	43.62
Other Purchased Professional and Educational Services	7,500.00	193.81	7,693.81	7,693.81	-
Other Purchased Professional Services	5,000.00	(5,000.00)	-	-	-
Cleaning, Repair & Maintenance Services	8,000.00	-	8,000.00	8,000.00	-
Rentals	6,000.00	-	6,000.00	6,000.00	-
Contracted Transportation Services - Field Trips	7,500.00	(4,000.00)	3,500.00	2,236.34	1,263.66
Travel	3,000.00	(478.00)	2,522.00	2,053.47	468.53
Miscellaneous Purchased Services	34,500.00	-	34,500.00	31,494.51	3,005.49
Supplies and Material	4,000.00	75.16	4,075.16	2,451.10	1,624.06
Other Objects	2,000.00	(1,070.00)	930.00	930.00	-
Total Support Services	935,811.00	(1,243.44)	934,567.56	924,137.87	10,429.69
Total Expenditures	\$ 2,191,145.00	\$ -	\$ 2,191,145.00	\$ 2,154,227.47	\$ 36,917.53

Calculation of Budget and Carryover

Total 2015-2016 Preschool Education Aid Allocation	\$ 2,183,808.00
Add: Actual Preschool Education Aid Carryover June 30, 2015	-
Add: Budgeted Transfer from the General Fund 2015-16	7,337.00
Total Preschool Education Aid Funds Available for 2015-16 Budget	2,191,145.00
Less: 2015-16 Budgeted Preschool Education Aid (Prior Year Budgeted Carryover)	2,191,145.00
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2016	-
Add: June 30, 2016 Unexpended Preschool Education Aid	36,917.53
2015-16 Carryover - Preschool Education Aid/Preschool	\$ 36,917.53
2015-16 Preschool Education Aid Carryover Budgeted for Preschool Programs 2016-17	\$ -

CITY OF SALEM SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - Full Day 3yr and 4 yr - Regular
Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 920,567.00	\$ (8,393.66)	\$ 912,173.34	\$ 888,309.47	\$ 23,863.87
Other Salaries for Instruction	284,922.00	(7,795.09)	277,126.91	275,068.49	2,058.42
Purchased Services Professional/Educational Services	10,000.00	(5,982.45)	4,017.55	3,632.00	385.55
Other Purchased Services (400-500 series)	2,000.00	1,386.50	3,386.50	3,386.50	-
Supplies and Materials	31,345.00	23,875.64	55,220.64	55,220.64	-
Other Objects	6,500.00	(1,847.50)	4,652.50	4,472.50	180.00
Total Instruction	1,255,334.00	1,243.44	1,256,577.44	1,230,089.60	26,487.84
Support Services:					
Salaries of Supervisors of Instruction	102,198.00	-	102,198.00	101,699.92	498.08
Salaries of Principals/Asst. Principals/Program Directors	24,258.00	420.60	24,678.60	24,678.54	0.06
Salaries of Other Professional Staff	95,729.00	621.61	96,350.61	96,350.61	-
Salaries of Secretarial and Clerical Assistants	18,380.00	478.00	18,858.00	18,263.62	594.38
Salaries - Other	118,179.00	(8,442.55)	109,736.45	106,804.64	2,931.81
Personal Services - Employee Benefits	499,567.00	15,957.93	515,524.93	515,481.31	43.62
Other Purchased Professional and Educational Services	7,500.00	193.81	7,693.81	7,693.81	-
Other Purchased Professional Services	5,000.00	(5,000.00)	-	-	-
Cleaning, Repair & Maintenance Services	8,000.00	-	8,000.00	8,000.00	-
Rentals	6,000.00	-	6,000.00	6,000.00	-
Contracted Transportation Services - Field Trips	7,500.00	(4,000.00)	3,500.00	2,236.34	1,263.66
Travel	3,000.00	(478.00)	2,522.00	2,053.47	468.53
Miscellaneous Purchased Services	34,500.00	-	34,500.00	31,494.51	3,005.49
Supplies and Material	4,000.00	75.16	4,075.16	2,451.10	1,624.06
Other Objects	2,000.00	(1,070.00)	930.00	930.00	-
Total Support Services	935,811.00	(1,243.44)	934,567.56	924,137.87	10,429.69
Total Expenditures	\$ 2,191,145.00	\$ -	\$ 2,191,145.00	\$ 2,154,227.47	\$ 36,917.53

CAPITAL PROJECTS FUND

CITY OF SALEM SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2016

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditure to Date</u>		<u>Unexpended Balance June 30, 2016</u>
			<u>Prior Years</u>	<u>Current Year</u>	
(a) Roof Repairs, Masonry Repairs and Lintel Repairs at Middle School	06/25/13	\$ 1,400,921.01	\$ 1,287,280.00	\$ 113,641.01	\$ -
(b) Boiler Replacement of John Fenwick Elementary School	05/01/09	16,011.10	16,011.10	-	-
		<u>\$ 1,416,932.11</u>	<u>\$ 1,303,291.10</u>	<u>\$ 113,641.01</u>	<u>\$ -</u>

CITY OF SALEM SCHOOL DISTRICT
 Capital Projects Fund
 Summary Statement of Revenues, Expenditures and Changes in Fund Balance--Budgetary Basis
 For the Fiscal Year Ended June 30, 2016

Revenues and Other Financing Sources:	
State Sources	\$ 113,641.01
	113,641.01
Total Revenues	113,641.01
Expenditures and Other Financing Uses:	
Other Purchase Professional-Technical Service	113,641.01
Construction Services	-
	-
Total Expenditures	113,641.01
Excess (Deficiency) of Revenues Over (Under) Expenditures	-
Net Change in Fund Balance	-
Fund Balance - July 1	-
Fund Balance - June 30	\$ -

CITY OF SALEM SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Roof Repairs, Masonry Repairs and Lintel Repairs at Middle School
 From Inception and for the Fiscal Year Ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources	\$ 1,287,280.00	\$ 113,641.01	\$ 1,400,921.01	\$ 1,400,921.01
Total Revenues	1,287,280.00	113,641.01	1,400,921.01	1,400,921.01
Expenditures and Other Financing Uses:				
Other Purchase Professional-Technical Service		113,641.01	113,641.01	113,641.01
Construction Services	1,287,280.00		1,287,280.00	1,287,280.00
Total Expenditures	1,287,280.00	113,641.01	1,400,921.01	1,400,921.01
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Additional Project Information:				
Project Number	4630-090-12-0AEC			
Grant Date	06/25/13			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,230,364.00			
Additional Authorized Cost	\$ 170,557.01			
Revised Authorized Cost	\$ 1,400,921.01			
Percentage Increase over Original Authorized Cost	14%			
Percentage Completion	100%			
Original Target Completion Date	04/02/15			
Revised Target Completion Date	07/31/15			

CITY OF SALEM SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Boiler Replacement of John Fenwick Elementary School
 From Inception and for the Fiscal Year Ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources	\$ 16,011.10		\$ 16,011.10	\$ 24,823.60
Total Revenues	16,011.10	-	16,011.10	24,823.60
Expenditures and Other Financing Uses:				
Other Purchase Professional-Technical Service	16,011.10		16,011.10	24,823.60
Total Expenditures	16,011.10	-	16,011.10	24,823.60
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Additional Project Information:				
Project Number	4630-070-08-0HAY			
Grant Date	05/01/09			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 15,000.00			
Additional Authorized Cost	\$ 9,823.60			
Revised Authorized Cost	\$ 24,823.60			
Percentage Increase over Original Authorized Cost	65%			
Percentage Completion	N/A - not Finalized			
Original Target Completion Date	06/30/15			
Revised Target Completion Date	N/A			

PROPRIETARY FUNDS

CITY OF SALEM SCHOOL DISTRICT
 Proprietary Fund
 Statement of Net Position
 June 30, 2016

	<u>Enterprise Fund</u> <u>Food</u> <u>Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 286,687.09
Accounts Receivable:	
State	630.47
Federal	61,271.64
Other	16,055.95
Inventories	16,308.83
Total Current Assets	380,953.98
Noncurrent Assets:	
Equipment	262,301.02
Less Accumulated Depreciation	(176,263.83)
Total Noncurrent Assets	86,037.19
Total Assets	466,991.17
LIABILITIES:	
Current Liabilities:	
Accounts Payable	56,893.84
Unearned Revenue:	
Lunches	347.30
USDA Commodities	2,996.50
Total Current Liabilities	60,237.64
NET POSITION:	
Net Investment in Capital Assets	86,037.19
Unrestricted	320,716.34
Total Net Position	\$ 406,753.53

CITY OF SALEM SCHOOL DISTRICT
Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

	<u>Enterprise Fund</u> Food <u>Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Non-Reimbursable Programs	\$ 33,617.59
Special Functions and Miscellaneous	153,134.95
	186,752.54
OPERATING EXPENSES:	
Purchased Professional/Technical Services	435,924.25
Cleaning/Repair/Maintenance	26,953.43
Other Purchased Services	8,908.02
General Supplies	103,034.93
Depreciation	14,513.05
Cost of Sales - Reimbursable Programs	513,424.35
Cost of Sales - Non-Reimbursable Programs	33,222.64
	1,135,980.67
Total Operating Expenses	1,135,980.67
Operating Income (Loss)	(949,228.13)
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
School Lunch Program	10,591.55
Federal Sources:	
National School Lunch Program	593,957.70
National School Breakfast Program	312,557.36
National Snack Program	8,384.88
Fresh Fruits & Vegetables	47,740.00
Food Distribution Program	59,591.03
Interest and Investment Revenue	647.51
	1,033,470.03
Total Nonoperating Revenues (Expenses)	1,033,470.03
Change in Net Position	84,241.90
Net Position -- July 1	322,511.63
Net Position -- June 30	\$ 406,753.53

CITY OF SALEM SCHOOL DISTRICT
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

	<u>Enterprise Fund</u> Food Service
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 184,072.11
Payments for Purchased Services	(472,804.45)
Payments to Suppliers	<u>(595,117.84)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(883,850.18)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State Sources	10,608.49
Federal Sources	<u>958,523.25</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>969,131.74</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of Capital Assets	<u>(8,547.42)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(8,547.42)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Investment Revenue	<u>647.51</u>
Net Cash Provided by (Used for) Investing Activities	<u>647.51</u>
Net Increase (Decrease) in Cash and Cash Equivalents	77,381.65
Cash and Cash Equivalents -- July 1	<u>209,305.44</u>
Cash and Cash Equivalents -- June 30	<u>\$ 286,687.09</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (949,228.13)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Food Distribution Program	59,591.03
Depreciation and Net Amortization	14,513.05
(Increase) Decrease in Accounts Receivable, Net	5,533.58
(Increase) Decrease in Inventories	(1,318.98)
Increase (Decrease) in Accounts Payable	(12,051.04)
Increase (Decrease) in Unearned Revenue	<u>(889.69)</u>
Total Adjustments	<u>65,377.95</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (883,850.18)</u>

CITY OF SALEM SCHOOL DISTRICT
 Proprietary Fund
 Governmental Activities
 Internal Service Fund
 Statement of Net Position
 June 30, 2016

	Forman S. Acton Education Foundation <u>Program</u>
ASSETS:	
Current Assets:	
Accounts Receivable	\$ 77,243.29
Total Assets	77,243.29
LIABILITIES:	
Current Liabilities:	
Accounts Payable	15,374.60
Interfund Accounts Payable	61,868.69
Total Liabilities	77,243.29
NET POSITION:	
Unrestricted	-
Total Net Position	\$ -

CITY OF SALEM SCHOOL DISTRICT
 Proprietary Fund
 Governmental Activities
 Internal Service Fund
 Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2016

	Forman S. Acton Education Foundation <u>Program</u>
OPERATING REVENUES:	
Charges for Service:	
Program Services	\$ 173,801.05
Total Operating Revenues	173,801.05
OPERATING EXPENSES:	
Salaries	5,000.00
Purchased Professional/Technical Services	101,472.06
Other Purchased Services	12,984.19
Other/Miscellaneous	54,344.80
Total Operating Expenses	173,801.05
Change in Net Position	-
Net Position -- July 1	-
Net Position -- June 30	\$ -

CITY OF SALEM SCHOOL DISTRICT
Proprietary Fund
Governmental Activities
Internal Service Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

	Forman S. Acton Education Foundation <u>Program</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 199,625.40
Payments for Purchased Services	(115,291.31)
Payments to Suppliers	<u>(84,334.09)</u>
Net Cash Provided by (Used for) Operating Activities	<u>-</u>
Cash and Cash Equivalents -- July 1	<u>-</u>
Cash and Cash Equivalents -- June 30	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (Used for) Operating Activities:	
(Increase) Decrease in Accounts Receivable, net	\$ 25,824.35
Increase (Decrease) in Accounts Payable	(34,758.39)
Increase (Decrease) in Interfund Payable	<u>8,934.04</u>
Total Adjustments	<u>-</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ -</u>

FIDUCIARY FUNDS

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2016

	<u>Trust Funds</u>		<u>Agency Funds</u>		<u>Total</u>
	<u>Scholarship Trust</u>	<u>Uniform Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	
ASSETS:					
Cash and Cash Equivalents	\$ 108,640.83	\$ 267.83	\$ 89,814.77	\$ 25,146.59	\$ 223,870.02
Interfund Accounts Receivable:					
Due from General Fund				19,245.64	19,245.64
Investments, at Fair Value:					
Certificates of Deposit	18,697.73				18,697.73
Total Assets	127,338.56	267.83	\$ 89,814.77	\$ 44,392.23	\$ 261,813.39
LIABILITIES:					
Payable to Student Groups			\$ 89,494.77		\$ 89,494.77
Payroll Deductions and Withholdings				\$ 44,348.74	44,348.74
Accounts Payable			320.00		320.00
Interfunds Accounts Payable:					
Due General Fund				43.49	43.49
Total Liabilities	-	-	\$ 89,814.77	\$ 44,392.23	134,207.00
NET POSITION:					
Held in Trust for Scholarships	127,338.56				127,338.56
Held in Trust for Uniforms		267.83			267.83
Total Net Position	\$ 127,338.56	\$ 267.83			\$ 127,606.39

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2016

	Scholarship <u>Trust</u>	Uniform <u>Trust</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Other	\$ 101,999.98		\$ 101,999.98
Total Contributions	101,999.98	-	101,999.98
Investment Earnings:			
Interest and Investment Revenue	305.89	\$ 0.08	305.97
Net Investment Earnings	305.89	0.08	305.97
Total Additions	102,305.87	0.08	102,305.95
DEDUCTIONS:			
Scholarships Awarded	15,500.00		15,500.00
Total Deductions	15,500.00	-	15,500.00
Change in Net Position	86,805.87	0.08	86,805.95
Net Position -- July 1	40,532.69	267.75	40,800.44
Net Position -- June 30	\$ 127,338.56	\$ 267.83	\$ 127,606.39

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2016

	<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>
John Fenwick School	\$ 13,466.94	\$ 5,266.26	\$ 5,937.75	\$ 12,795.45
Salem Middle School	15,863.57	18,015.50	19,026.24	14,852.83
Salem High School	54,429.23	55,910.41	56,832.15	53,507.49
Athletic Fund	2,898.97	49,827.00	44,386.97	8,339.00
Total	<u>\$ 86,658.71</u>	<u>\$ 129,019.17</u>	<u>\$ 126,183.11</u>	<u>\$ 89,494.77</u>

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
ASSETS:				
Cash and Cash Equivalents - Payroll	\$ 30.27	\$ 7,896,312.95	\$ 7,896,325.08	\$ 18.14
Cash and Cash Equivalents - Agency	25,156.15	7,591,937.00	7,591,964.70	25,128.45
Interfund Accounts Receivable:				
Due from General Fund	18,698.39	19,245.64	18,698.39	19,245.64
Total Assets	\$ 43,884.81	\$ 15,507,495.59	\$ 15,506,988.17	\$ 44,392.23
LIABILITIES:				
Payroll Deductions and Withholdings - Agency	\$ 43,884.81	\$ 7,611,127.02	\$ 7,610,663.09	\$ 44,348.74
Net Payroll		7,896,325.08	7,896,325.08	
Interfund Accounts Payable:				
Due to General Fund		43.49		43.49
Total Liabilities	\$ 43,884.81	\$ 15,507,495.59	\$ 15,506,988.17	\$ 44,392.23

LONG-TERM DEBT

CITY OF SALEM SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2016

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>					
Refunding School Bonds, Series 2008	08/20/08	\$ 3,670,000.00	02/15/17	\$ 240,000.00	4.000%	\$ 2,195,000.00		\$ 235,000.00	\$ 1,960,000.00
			02/15/18	245,000.00	5.000%				
			02/15/19	245,000.00	4.000%				
			02/15/20	250,000.00	4.000%				
			02/15/21	245,000.00	4.125%				
			02/15/22	245,000.00	4.250%				
			02/15/23	250,000.00	4.250%				
			02/15/24	240,000.00	4.500%				
						\$ 2,195,000.00	\$ -	\$ 235,000.00	\$ 1,960,000.00
						\$ 2,195,000.00	\$ -	\$ 235,000.00	\$ 1,960,000.00

CITY OF SALEM SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 113,747.00		\$ 113,747.00	\$ 113,747.00	
Total Local Sources	113,747.00	\$ -	113,747.00	113,747.00	\$ -
State Sources:					
Debt Service Aid Type II	216,597.00		216,597.00	216,597.00	
Total State Sources	216,597.00	-	216,597.00	216,597.00	-
Total Revenues	330,344.00	-	330,344.00	330,344.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	95,344.00		95,344.00	95,343.76	0.24
Redemption of Principal	235,000.00		235,000.00	235,000.00	-
Total Expenditures	330,344.00	-	330,344.00	330,343.76	0.24
Excess (Deficiency) of Revenues Over (Under) Expenditures				0.24	0.24
Fund Balance, July 1	1.50	-	1.50	1.50	-
Fund Balance, June 30	\$ 1.50	\$ -	\$ 1.50	\$ 1.74	\$ 0.24

STATISTICAL SECTION

FINANCIAL TRENDS INFORMATION

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that Exhibits J-1, J-2, J-3 and J-4 are only presented for the last nine years as the School District's full year of operations were for the year ended June 30, 2006; thus ten year comparative financial information is unavailable.

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

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities										
Net Investment in Capital Assets	\$ 7,977,735.04	\$ 8,530,136.31	\$ 7,792,923.73	\$ 7,376,169.84	\$ 6,365,180.46	\$ 6,116,295.74	\$ 5,943,565.41	\$ 5,110,887.59	\$ 3,080,202.40	\$ 2,059,005.46
Nonspendable	63,718.45									
Restricted	1,757,027.14	1,217,528.21	792,710.31	532,252.99	1,814,016.06	445,678.49	894,663.33	2,939,252.90	3,725,567.04	3,911,200.91
Unrestricted (Deficit)	(8,552,008.63)	(7,897,218.15)	(839,958.48)	(1,023,041.02)	(1,093,119.65)	(1,105,188.75)	(1,303,884.66)	(743,875.19)	214,312.39	252,208.75
Total Governmental Activities Net Position	\$ 1,246,472.00	\$ 1,850,446.37	\$ 7,745,675.56	\$ 6,885,381.81	\$ 7,086,076.87	\$ 5,456,785.48	\$ 5,534,344.08	\$ 7,306,265.30	\$ 7,020,081.83	\$ 6,222,415.12
Business-Type Activities										
Net Investment in Capital Assets	\$ 86,037.19	\$ 92,002.82	\$ 108,283.72	\$ 97,351.29	\$ 112,546.92	\$ 88,112.96	\$ 99,420.78	\$ 53,104.00	\$ 61,526.37	\$ 70,346.96
Unrestricted (Deficit)	320,716.34	230,508.81	157,784.73	147,594.47	150,411.64	165,407.66	143,491.82	184,395.58	135,971.37	206,589.15
Total Business-Type Activities Net Position	\$ 406,753.53	\$ 322,511.63	\$ 266,068.45	\$ 244,945.76	\$ 262,958.56	\$ 253,520.62	\$ 242,912.60	\$ 237,499.58	\$ 197,497.74	\$ 276,936.11
Government-Wide										
Net Investment in Capital Assets	\$ 8,063,772.23	\$ 8,622,139.13	\$ 7,901,207.45	\$ 7,473,521.13	\$ 6,477,727.38	\$ 6,204,408.70	\$ 6,042,986.19	\$ 5,163,991.59	\$ 3,141,728.77	\$ 2,129,352.42
Nonspendable	63,718.45									
Restricted	1,757,027.14	1,217,528.21	792,710.31	532,252.99	1,814,016.06	445,678.49	894,663.33	2,939,252.90	3,725,567.04	3,911,200.91
Unrestricted (Deficit)	(8,231,292.29)	(7,666,709.34)	(682,173.75)	(875,446.55)	(942,708.01)	(939,781.09)	(1,160,392.84)	(559,479.61)	350,283.76	458,797.90
Total Government-Wide Net Position	\$ 1,653,225.53	\$ 2,172,958.00	\$ 8,011,744.01	\$ 7,130,327.57	\$ 7,349,035.43	\$ 5,710,306.10	\$ 5,777,256.68	\$ 7,543,764.88	\$ 7,217,579.57	\$ 6,499,351.23

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

Source: District Records

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

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental Activities										
Instruction:										
Regular	\$ 8,043,126.59	\$ 7,844,400.41	\$ 7,779,874.47	\$ 8,190,283.78	\$ 8,113,641.04	\$ 8,160,387.93	\$ 8,127,220.30	\$ 7,300,591.45	\$ 7,020,932.28	\$ 7,620,245.76
Special Education	1,512,295.54	1,456,129.05	1,599,850.77	1,627,578.53	1,610,863.99	1,650,229.47	1,966,434.09	1,716,484.59	1,890,818.93	1,811,626.07
Other Special Education			43,409.32	42,528.00		61,426.46	213,715.85	361,700.78	1,230,793.50	1,194,531.36
Vocational	327,251.07	312,490.08	313,132.46	319,057.44	379,765.76	391,878.73	408,879.09	387,241.85	464,232.54	453,218.92
Other Instruction	544,157.83	516,967.49	559,597.71	569,677.40	507,181.82	388,031.11	482,335.27	378,612.60	405,233.90	359,610.86
Support Services:										
Tuition	1,558,737.15	1,688,068.31	1,551,552.20	903,669.25	1,159,700.85	1,109,041.02	1,513,852.71	1,248,774.20	1,442,908.91	1,097,607.00
Student & Instruction Related Services	4,306,081.84	4,409,158.61	4,259,946.08	4,132,287.16	4,135,688.14	4,253,565.15	4,298,446.48	3,966,793.97	3,977,933.89	2,921,833.68
School Administrative Services	898,514.78	894,600.73	847,193.71	891,522.09	948,154.08	945,451.78	1,000,985.41	992,946.23	938,737.31	1,909,288.71
General & Business Administrative Services	888,844.03	858,186.43	775,548.46	794,560.83	749,358.19	860,797.54	789,431.69	917,271.58	957,223.92	926,162.03
Plant Operations and Maintenance	2,098,719.80	2,234,247.71	2,395,325.22	2,382,235.26	2,292,826.72	2,280,342.25	2,480,463.00	3,251,422.53	2,105,420.97	2,111,915.08
General Unallocated Depreciation	862,539.45	769,394.01	739,275.52	655,929.35	583,140.48	541,362.76	347,654.78	304,849.13	317,667.70	269,183.26
Pupil Transportation	722,002.35	758,956.62	779,764.20	554,695.40	558,027.05	647,115.59	673,562.46	580,916.43	706,741.67	696,467.88
Interest on Long-term Debt	85,129.23	96,021.62	114,031.76	124,530.76	132,611.28	139,235.16	145,387.50	152,349.44	179,413.44	187,102.50
Unallocated Benefits	9,739,735.59	8,405,002.64	5,497,323.19	5,965,616.95	5,124,360.98	5,195,766.16	5,183,180.38	4,607,364.71	5,815,748.86	5,855,809.96
Amortization of Debt Issuance Costs					9,430.56	9,801.49	10,420.28	5,681.40	1,600.00	1,600.00
Total Governmental Activities Expenses	31,587,135.25	30,243,623.71	27,255,825.07	27,154,172.20	26,304,750.94	26,634,432.60	27,641,969.29	26,173,000.89	27,455,407.82	27,416,203.07
Business-type Activities:										
Food Service	1,135,980.67	1,080,294.12	994,423.84	988,376.37	971,284.21	892,713.69	914,037.00	901,173.58	941,585.13	892,432.98
Total Business-type Activities Expense	1,135,980.67	1,080,294.12	994,423.84	988,376.37	971,284.21	892,713.69	914,037.00	901,173.58	941,585.13	892,432.98
Total District Expenses	\$ 32,723,115.92	\$ 31,323,917.83	\$ 28,250,248.91	\$ 28,142,548.57	\$ 27,276,035.15	\$ 27,527,146.29	\$ 28,556,006.29	\$ 27,074,174.47	\$ 28,396,992.95	\$ 28,308,636.05

(Continued)

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

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)	\$ 1,603,658.48	\$ 1,591,578.52	\$ 2,181,600.50	\$ 1,924,860.66	\$ 2,587,043.08	\$ 2,269,504.22	\$ 2,169,821.80	\$ 2,241,663.19	\$ 2,624,213.11	\$ 2,581,883.00
Operating Grants and Contributions	10,828,719.41	9,423,585.68	5,997,565.55	6,104,717.22	5,658,776.87	5,768,250.70	5,598,516.07	5,334,219.05	5,843,778.18	7,258,815.83
Total Governmental Activities Program Revenues	<u>12,432,377.89</u>	<u>11,015,164.20</u>	<u>8,179,166.05</u>	<u>8,029,577.88</u>	<u>8,245,819.95</u>	<u>8,037,754.92</u>	<u>7,768,337.87</u>	<u>7,575,882.24</u>	<u>8,467,991.29</u>	<u>9,840,698.83</u>
Business-type activities:										
Charges for Services:										
Food Service	186,752.54	202,129.98	249,149.56	255,521.32	259,200.56	252,885.44	257,995.82	334,874.31	290,492.59	284,880.40
Operating Grants and Contributions	1,032,822.52	934,069.12	765,974.43	714,427.50	720,642.75	649,537.00	661,501.79	605,014.15	565,497.59	531,778.50
Total Business-type Activities Program Revenues	<u>1,219,575.06</u>	<u>1,136,199.10</u>	<u>1,015,123.99</u>	<u>969,948.82</u>	<u>979,843.31</u>	<u>902,422.44</u>	<u>919,497.61</u>	<u>939,888.46</u>	<u>855,990.18</u>	<u>816,658.90</u>
Total District Program Revenues	<u>\$ 13,651,952.95</u>	<u>\$ 12,151,363.30</u>	<u>\$ 9,194,290.04</u>	<u>\$ 8,999,526.70</u>	<u>\$ 9,225,663.26</u>	<u>\$ 8,940,177.36</u>	<u>\$ 8,687,835.48</u>	<u>\$ 8,515,770.70</u>	<u>\$ 9,323,981.47</u>	<u>\$ 10,657,357.73</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (19,154,757.36)	\$ (19,228,459.51)	\$ (19,076,659.02)	\$ (19,124,594.32)	\$ (18,058,930.99)	\$ (18,596,677.68)	\$ (19,873,631.42)	\$ (18,597,118.65)	\$ (18,987,416.53)	\$ (17,575,504.24)
Business-type Activities	83,594.39	55,904.98	20,700.15	(18,427.55)	8,559.10	9,708.75	5,460.61	38,714.88	(85,594.95)	(75,774.08)
Total District-wide Net Expense	<u>\$ (19,071,162.97)</u>	<u>\$ (19,172,554.53)</u>	<u>\$ (19,055,958.87)</u>	<u>\$ (19,143,021.87)</u>	<u>\$ (18,050,371.89)</u>	<u>\$ (18,586,968.93)</u>	<u>\$ (19,868,170.81)</u>	<u>\$ (18,558,403.77)</u>	<u>\$ (19,073,011.48)</u>	<u>\$ (17,651,278.32)</u>

(Continued)

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

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,366,655.00	\$ 2,366,655.00
Taxes Levied for Debt Service	113,747.00	115,984.00	119,943.00	119,909.00	123,446.00	105,301.00	82,972.00	74,698.00	79,412.00	80,006.00
Federal and State Aid not Restricted	15,983,465.32	17,486,250.20	17,402,959.62	16,383,157.56	17,194,441.41	16,119,494.15	16,289,726.70	16,282,267.86	17,178,440.24	14,236,181.84
Federal and State Aid Restricted				(7,853.49)	(23,010.83)	(250,457.08)	(782,856.51)			576,968.33
Miscellaneous Income	61,249.67	17,525.12	14,519.41	28,552.32	56,618.86	80,735.32	129,493.79	140,672.19	167,926.00	214,505.75
Amortization of Premium Received on Sale of Bonds			7,209.74	7,812.87	8,238.56	8,628.84	8,994.37	4,579.57		
Loss on Disposal of Asset						63,095.85	(18,941.15)	(11,236.50)	(7,350.00)	
Total Governmental Activities	18,550,782.99	20,012,080.32	19,936,952.77	18,923,899.26	19,752,055.00	18,519,119.08	18,101,710.20	18,883,302.12	19,785,083.24	17,474,316.92
Business-type Activities:										
Interest and Investment Revenue	647.51	538.20	422.54	414.75	878.84	899.27	202.41	1,286.96	6,156.58	13,886.18
Loss on Disposal of Asset							(250.00)			
Total Business-type Activities	647.51	538.20	422.54	414.75	878.84	899.27	(47.59)	1,286.96	6,156.58	13,886.18
Total Government-wide	\$ 18,551,430.50	\$ 20,012,618.52	\$ 19,937,375.31	\$ 18,924,314.01	\$ 19,752,933.84	\$ 18,520,018.35	\$ 18,101,662.61	\$ 18,884,589.08	\$ 19,791,239.82	\$ 17,488,203.10
Change in Net Position										
Governmental Activities	\$ (603,974.37)	\$ 783,620.81	\$ 860,293.75	\$ (200,695.06)	\$ 1,693,124.01	\$ (77,558.60)	\$ (1,771,921.22)	\$ 286,183.47	\$ 797,666.71	\$ (101,187.32)
Business-type Activities	84,241.90	56,443.18	21,122.69	(18,012.80)	9,437.94	10,608.02	5,413.02	40,001.84	(79,438.37)	(61,887.90)
Total District	\$ (519,732.47)	\$ 840,063.99	\$ 881,416.44	\$ (218,707.86)	\$ 1,702,561.95	\$ (66,950.58)	\$ (1,766,508.20)	\$ 326,185.31	\$ 718,228.34	\$ (163,075.22)

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

Source: District Records

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

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Reserved							\$ 670,252.67	\$ 1,461,912.73	\$ 1,195,139.25	\$ 467,494.24
Unreserved (Deficit)							(247,198.40)	107,058.57	1,019,100.46	1,024,679.11
Restricted	\$ 1,757,025.40	\$ 851,244.01	\$ 561,551.90	\$ 237,222.39	\$ 155,489.20	\$ 79,580.47				
Assigned	673,192.40	1,310,564.75	1,509,398.42	1,452,459.46	2,698,764.65	1,299,216.45				
Unassigned (Deficit)	(1,075,318.18)	(995,214.93)	(1,040,961.66)	(1,106,648.97)	(1,073,394.99)	(1,005,547.93)				
Total General Fund	\$ 1,354,899.62	\$ 1,166,593.83	\$ 1,029,988.66	\$ 583,032.88	\$ 1,780,858.86	\$ 373,248.99	\$ 423,054.27	\$ 1,568,971.30	\$ 2,214,239.71	\$ 1,492,173.35
All Other Governmental Funds										
Nonspendable	\$ 63,718.45									
Reserved							\$ 12,853.49	\$ 178,399.00	\$ 1,386,584.85	\$ 935,616.26
Unreserved, Reported in:										
Special Revenue Fund (Deficit)							(160,614.00)	(117,890.80)	(27,985.00)	(27,985.00)
Capital Projects Fund							252,582.95	1,337,432.45	1,204,078.62	2,571,265.65
Debt Service Fund							12,088.28	16,872.78	5,207.45	5,206.95
Restricted	1.74	\$ 1.50	\$ 1.26	\$ 1.02	\$ 0.78	\$ 48,125.76				
Assigned					7,853.49					
Unassigned (Deficit)	(282,106.45)	(219,618.00)	(215,892.00)	(184,337.00)	(180,053.00)	(147,492.00)				
Total All Other Governmental Funds	\$ (218,386.26)	\$ (219,616.50)	\$ (215,890.74)	\$ (184,335.98)	\$ (172,198.73)	\$ (99,366.24)	\$ 116,910.72	\$ 1,414,813.43	\$ 2,567,885.92	\$ 3,484,103.86

(1) In accordance with GASB 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify fund Balance was changed. See the notes to the financial statements.

Source: District Records

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

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Tax Levy	\$ 2,506,068.00	\$ 2,508,305.00	\$ 2,512,264.00	\$ 2,512,230.00	\$ 2,515,767.00	\$ 2,497,622.00	\$ 2,475,293.00	\$ 2,467,019.00	\$ 2,446,067.00	\$ 2,446,661.00
Tuition Charges	1,603,658.48	1,591,578.52	2,181,600.50	1,924,860.66	2,579,740.58	2,269,504.22	2,169,821.80	2,241,663.19	2,624,213.11	2,581,883.00
Miscellaneous	61,249.67	17,525.12	14,519.41	28,552.32	63,921.36	80,735.32	129,493.79	140,672.19	167,926.00	217,225.75
Local Sources	31,362.13	14,468.54	17,847.71	2,000.00	12,529.00	26,196.00	1,606.81	780.85		
State Sources	21,884,221.49	22,809,234.23	21,925,543.85	20,966,847.51	20,700,708.77	19,738,703.56	17,232,806.72	19,373,346.79	20,896,425.53	19,712,009.60
Federal Sources	1,607,778.11	1,607,360.11	1,457,133.61	1,519,027.27	2,139,980.51	2,122,845.29	4,653,829.24	2,242,359.27	2,125,792.89	2,359,956.40
Total Revenue	27,694,337.88	28,548,471.52	28,108,909.08	26,953,517.76	28,012,647.22	26,735,606.39	26,662,851.36	26,465,841.29	28,260,424.53	27,317,735.75
Expenditures										
Instruction										
Regular Instruction	8,032,255.99	7,832,368.97	7,750,373.88	8,141,996.46	8,065,550.91	8,114,973.37	8,081,900.24	7,273,223.32	7,013,115.36	7,611,698.55
Special Education Instruction	1,512,295.54	1,456,129.05	1,599,850.77	1,627,578.53	1,610,863.99	1,650,229.47	1,966,434.09	1,716,484.59	1,890,818.93	1,811,626.07
Other Special Instruction			43,409.32	42,528.00		61,426.46	213,715.85	361,700.78	1,230,793.50	1,194,531.36
Vocational Education	327,251.07	312,490.08	313,132.46	319,057.44	379,765.76	391,878.73	408,879.09	387,241.85	464,232.54	453,218.92
Other Instruction	544,157.83	516,967.49	559,597.71	569,677.40	507,181.82	388,031.11	482,335.27	378,612.60	405,233.90	359,610.86
Support Services:										
Tuition	1,558,737.15	1,688,068.31	1,551,552.20	903,669.25	1,159,700.85	1,109,041.02	1,513,852.71	1,248,774.20	1,442,908.91	1,097,607.00
Student & Instruction Related Services	4,306,081.84	4,409,158.61	4,259,946.08	4,132,287.16	4,135,688.14	4,253,565.15	4,298,446.48	3,966,793.97	3,977,933.89	2,921,833.68
School Administrative Services	898,514.78	894,600.73	847,193.71	891,522.09	948,154.08	945,451.78	1,000,985.41	992,946.23	938,737.31	926,162.03
Other Administrative Services	875,911.42	845,071.30	761,355.07	780,005.11	734,114.93	845,851.53	766,480.45	889,083.17	921,988.79	1,879,420.62
Plant Operations and Maintenance	2,070,044.55	2,205,485.79	2,365,934.09	2,352,093.42	2,268,610.60	2,262,315.81	2,462,123.14	3,233,551.52	2,088,662.28	2,105,665.72
Pupil Transportation	721,489.31	758,956.62	779,764.20	554,695.40	558,027.05	647,115.59	673,562.46	580,916.43	706,741.67	696,467.88
Unallocated Benefits	6,145,769.24	5,828,935.32	5,513,939.29	6,002,694.88	5,467,370.55	5,209,157.13	5,020,151.08	4,651,124.82	5,783,431.15	5,732,563.97
Capital Outlay	181,949.37	1,330,516.08	999,115.52	1,489,578.60	469,599.33	525,556.90	1,087,310.82	2,246,300.20	1,242,625.38	924,219.92
Debt Service:										
Principal	235,000.00	230,000.00	230,000.00	220,000.00	215,000.00	205,000.00	200,000.00	175,000.00	165,000.00	160,000.00
Interest and Other Charges	95,343.76	106,843.76	118,343.76	128,243.76	135,231.00	141,637.50	147,637.50	162,428.51	182,352.50	189,952.50
Total Expenditures	27,504,801.85	28,415,592.11	27,693,508.06	28,155,627.50	26,654,859.01	26,751,231.55	28,323,814.59	28,264,182.19	28,454,576.11	28,064,579.08
Excess (Deficiency) of Revenues Over (Under) Expenditures	189,536.03	132,879.41	415,401.02	(1,202,109.74)	1,357,788.21	(15,625.16)	(1,660,963.23)	(1,798,340.90)	(194,151.58)	(746,843.33)
Other Financing Sources (Uses)										
Refunding Bond Proceeds								3,674,000.00		
Bonds Refunded								(3,674,000.00)		
Cancellation of State Aid				(7,853.49)	(23,010.83)	(250,457.08)	(782,856.51)			
Total Other Financing Sources (Uses)	-	-	-	(7,853.49)	(23,010.83)	(250,457.08)	(782,856.51)	-	-	-
Net Change in Fund Balances	\$ 189,536.03	\$ 132,879.41	\$ 415,401.02	\$ (1,209,963.23)	\$ 1,334,777.38	\$ (266,082.24)	\$ (2,443,819.74)	\$ (1,798,340.90)	\$ (194,151.58)	\$ (746,843.33)
Debt Service as a Percentage of Noncapital Expenditures	1.2%	1.2%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%

Source: District Records

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

	Fiscal Year Ending June 30,									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Refunds of Prior Year Expenses	\$ 3,861.90	\$ 3,715.66	\$ 4,442.78	\$ 7,606.37	\$ 15,577.41	\$ 21,116.37	\$ 16,352.84	\$ 10,065.02		
Reimbursements								4,785.84	\$ 3,698.20	\$ 4,799.69
Cancellation of Prior Years' Payables			490.50	4,274.31	16,021.50	502.00	40,540.16			
Cancellation of Prior Years' Outstanding Checks	412.00							785.00		
Donations				50.00				800.00		
Rentals	2,375.00	3,970.00	2,975.00	3,295.00	2,530.00	2,340.00	4,652.00	400.00	100.00	915.00
Child Study Team Services Provided to their LEA's						46,700.00	46,700.00	109,040.00	97,543.00	52,005.00
Sale of Equipment					50.00					
Excess Revenue - Food Service Fund										26,300.00
NJ Clean Energy Program					10,664.00					
Anti-Bullying Bill					897.00					
Interest on Investments	5,650.58	5,741.67	4,883.91	5,574.02	7,632.59	1,926.99	2,661.25	13,147.02	54,929.76	132,511.97
Miscellaneous	48,950.19	4,097.79	1,726.22	7,752.62	3,246.36	8,149.96	18,587.54	1,649.31	11,655.04	694.09
	<u>\$ 61,249.67</u>	<u>\$ 17,525.12</u>	<u>\$ 14,518.41</u>	<u>\$ 28,552.32</u>	<u>\$ 56,618.86</u>	<u>\$ 80,735.32</u>	<u>\$ 129,493.79</u>	<u>\$ 140,672.19</u>	<u>\$ 167,926.00</u>	<u>\$ 217,225.75</u>

Source: District Records

REVENUE CAPACITY INFORMATION

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

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

Year Ended	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2016	\$ 5,272,300	\$ 142,121,500	\$ 346,900	\$ 151,100	\$ 36,575,100	\$ 22,642,396	\$ 6,181,900	\$ 213,291,196	\$ 2,276,638	\$ 215,567,834	\$ 96,357,341	\$ 148,802,571	\$ 1.148
2015	6,617,200	146,713,500	406,500	151,100	40,344,400	21,392,396	6,181,900	221,806,996	2,155,317	223,962,313	93,375,241	182,708,281	1.111
2014	6,662,100	149,017,800	406,500	151,100	43,754,600	22,891,396	6,181,900	229,065,396	2,159,934	231,225,330	92,998,641	220,204,853	1.078
2013	5,207,300	149,992,100	406,500	167,700	44,342,843	22,891,396	6,181,900	229,189,739	2,142,019	231,331,758	93,141,441	223,829,116	1.079
2012	5,204,500	152,171,600	406,500	167,700	44,545,043	22,891,396	6,181,900	231,568,639	2,455,218	234,023,857	93,429,141	217,707,718	1.073
2011	5,097,100	152,826,700	406,500	167,700	44,629,943	22,891,396	6,224,000	232,243,339	2,419,575	234,662,914	93,249,741	230,035,003	1.072
2010	5,300,100	154,040,900	406,500	167,700	45,835,742	22,891,396	6,224,000	234,866,338	2,442,075	237,308,413	91,438,841	234,866,339	1.052
2009	5,345,200	154,347,300	507,300	167,700	46,241,343	22,891,396	6,808,300	236,308,539	2,319,740	238,628,279	91,528,341	258,624,116	1.038
2008	5,180,600	155,078,300	534,900	165,800	48,814,990	22,945,396	18,410,100	251,130,086	2,722,458	253,852,544	79,541,641	259,497,259	0.972
2007	5,065,500	155,733,400	534,900	165,800	53,904,890	20,213,818	17,907,500	253,525,808	2,664,760	256,190,568	73,819,696	204,275,741	0.955

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

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

Source: Municipal Tax Assessor

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

Year Ended Dec. 31,	District Direct Rate			Overlapping Rate		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	City of Salem	County of Salem	
2016	\$ 1.096	\$ 0.052	\$ 1.148	\$ 2.028	\$ 0.740	\$ 3.916
2015	1.061	0.051	1.111	1.947	0.808	3.866
2014	1.027	0.050	1.078	1.851	0.917	3.846
2013	1.027	0.052	1.079	1.812	0.932	3.823
2012	1.022	0.051	1.073	1.753	0.902	3.728
2011	1.019	0.053	1.072	1.706	0.909	3.687
2010	1.008	0.044	1.052	1.609	0.930	3.591
2009	1.007	0.031	1.038	1.509	0.959	3.506
2008	0.940	0.032	0.972	1.430	0.937	3.339
2007	0.924	0.031	0.955	1.160	0.770	2.885

Source: Municipal Tax Collector

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

<u>Taxpayer</u>	2016			2007		
	<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>
	Ardagh Glass Container Inc	\$ 9,849,600	1	4.6%	\$ 12,947,418	1
PSEG Power, LLC	6,554,200	2	3.0%	11,048,300	3	4.36%
Incollingo's Salem Properties	2,985,200	3	1.4%	2,985,200	5	1.18%
Sterigenics E Corporation	2,596,300	4	1.2%	2,596,300	6	1.02%
Salem Manor Holding	2,534,700	5	1.2%	2,534,700	8	1.00%
Verizon	2,276,638	6	1.1%			
Aluchem, Inc.	2,116,778	7	1.0%	3,154,000	4	1.24%
Salem Chestnut Apartments	1,968,100	8	0.9%	2,552,400	7	1.01%
Ardagh Glass Container Inc	1,724,770	9	0.8%			
Tilbury Road Associates, Inc.	1,601,857	10	0.7%	2,425,100	9	0.96%
Whispering Waters Apartments				11,811,800	2	4.66%
Eddism Barbera, & Co. T/A				1,970,700	10	0.78%
Total	\$ 34,208,143		15.87%	\$ 54,025,918		21.31%

Sources: Tax Assessor's Records

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

Collected within the Fiscal Year of the Levy (1)

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School Taxes Levied</u> <u>for the Fiscal Year</u>	<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	<u>Collections in</u> <u>Subsequent Years</u>
2016	\$ 2,506,068.00	\$ 1,907,987.72	76.13%	\$ 598,080.28
2015	2,508,305.00	2,109,585.04	84.10%	398,719.96
2014	2,512,264.00	2,312,903.92	92.06%	199,360.08
2013	2,512,230.00	2,113,509.92	84.13%	398,720.08
2012	2,515,767.00	2,515,767.00	100.00%	
2011	2,497,622.00	2,298,261.88	92.02%	199,360.12
2010	2,475,293.00	2,475,293.00	100.00%	
2009	2,467,019.00	2,467,019.00	100.00%	
2008	2,446,067.00	2,446,067.00	100.00%	
2007	2,446,661.00	2,446,661.00	100.00%	

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

Source: District Records

Debt Capacity Information

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2016	\$ 1,960,000.00	-	-	-	-	\$ 1,960,000.00	Unavailable	Unavailable	
2015	2,195,000.00	-	-	-	-	2,195,000.00	Unavailable	\$ 448.51	
2014	2,425,000.00	-	-	-	-	2,425,000.00	1.14%	489.80	
2013	2,655,000.00	-	-	-	-	2,655,000.00	1.29%	531.64	
2012	2,875,000.00	-	-	-	-	2,875,000.00	1.40%	569.76	
2011	3,090,000.00	-	-	-	-	3,090,000.00	1.49%	607.31	
2010	3,295,000.00	-	-	-	-	3,295,000.00	1.63%	643.18	
2009	3,495,000.00	-	-	-	-	3,495,000.00	1.55%	600.41	
2008	3,674,000.00	-	-	-	-	3,674,000.00	1.67%	649.35	
2007	3,839,000.00	-	-	-	-	3,839,000.00	1.85%	677.31	

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

Sources: (1) District Records

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

(3) Population information provided by the NJ Dept Of Labor and Workforce Development

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding (1)			Percentage of Actual Taxable Value of Property (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2016	\$ 1,960,000.00	\$ -	\$ 1,960,000.00	0.91%	Unavailable
2015	2,195,000.00	-	2,195,000.00	0.98%	\$ 448.51
2014	2,425,000.00	-	2,425,000.00	1.05%	489.80
2013	2,655,000.00	-	2,655,000.00	1.15%	531.64
2012	2,875,000.00	-	2,875,000.00	1.23%	569.76
2011	3,090,000.00	-	3,090,000.00	1.32%	607.31
2010	3,295,000.00	-	3,295,000.00	1.39%	643.18
2009	3,495,000.00	-	3,495,000.00	1.46%	600.41
2008	3,674,000.00	-	3,674,000.00	1.45%	649.35
2007	3,839,000.00	-	3,839,000.00	1.50%	677.31

Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Population information provided by the NJ Dept Of Labor and Workforce Development

CITY OF SALEM SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2015
 Unaudited

<u>Governmental Unit</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Salem City (3)</u>
Municipal Debt: (1)				
Salem City School District	\$ 2,195,000.00	\$ 2,195,000.00		
City of Salem	35,526,112.95	32,766,508.91	\$ 2,759,604.04	\$ 2,759,604.04
Overlapping Debt Apportioned to Municipality:				
County of Salem - City's Share (1)	54,575,774.06	14,181,341.95	40,394,432.11	<u>1,401,659.00</u>
Total Direct and Overlapping Debt				<u><u>\$ 4,161,263.04</u></u>

Sources:

- (1) 2015 Annual Debt Statement
- (2) Official Statements
- (3) Such debt is allocated as a proportion of the City's share of the total 2015 Equalized Value, which is 4.124%.
 The source for this computation was the 2015 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.
 Assessed value data used to estimate applicable percentages provided by County of Salem.
 Debt outstanding provided by applicable governmental unit.

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

Legal Debt Margin Calculation for Fiscal Year 2015

<u>Equalized Valuation Basis (1)</u>	
2015	\$ 147,340,903
2014	180,565,502
2013	<u>211,918,390</u>

[A] \$ 539,824,795

Average equalized valuation of taxable property [A/3] \$ 179,941,598

Debt limit (4 % of average equalization value) (2)	[B] \$ 7,197,664
Total Net Debt Applicable to Limit (3)	[C] <u>1,960,000</u>

Legal Debt Margin **[B-C]** \$ 5,237,664

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt limit	\$ 7,197,663.93	\$ 8,135,799.63	\$ 8,606,655.08	\$ 8,882,850.71	\$ 9,282,874.59	\$ 9,935,803.00	\$ 10,202,247.00	\$ 9,582,674.00	\$ 8,173,419.00	\$ 6,794,736.00
Total net debt applicable to limit	<u>1,960,000.00</u>	<u>2,195,000.00</u>	<u>2,425,000.00</u>	<u>2,655,000.00</u>	<u>2,875,000.00</u>	<u>3,090,000.00</u>	<u>3,295,000.00</u>	<u>3,495,000.00</u>	<u>3,674,000.00</u>	<u>3,839,000.00</u>
Legal debt margin	<u>\$ 5,237,663.93</u>	<u>\$ 5,940,799.63</u>	<u>\$ 6,181,655.08</u>	<u>\$ 6,227,850.71</u>	<u>\$ 6,907,247.00</u>	<u>\$ 6,087,674.00</u>	<u>\$ 4,499,419.00</u>	<u>\$ 2,955,736.00</u>	<u>\$ 2,001,356.00</u>	<u>\$ 1,551,487.40</u>
Total net debt applicable to the limit as a percentage of debt limit	27.23%	26.98%	28.18%	29.89%	30.97%	31.10%	32.30%	36.47%	44.95%	56.50%

Sources:

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

Demographic and Economic Information

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2015	4,894	Unavailable	Unavailable	14.1%
2014	4,951	\$ 212,150,350	\$ 42,850	15.3%
2013	4,994	206,062,428	41,262	20.1%
2012	5,046	205,962,582	40,817	17.4%
2011	5,088	207,681,984	40,818	17.0%
2010	5,123	202,153,580	39,460	18.2%
2009	5,821	225,942,115	38,815	16.9%
2008	5,658	220,050,936	38,892	10.2%
2007	5,668	207,505,480	36,610	4.9%
2006	5,718	199,655,406	34,917	8.2%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income by municipality-estimated based upon the 2010 Census published
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

CITY OF SALEM SCHOOL DISTRICT
 Principal Employers
 Current Year and Nine Years Ago
 Unaudited

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
	NOT AVAILABLE			NOT AVAILABLE		
	_____		_____	_____		_____
	=====		=====	=====		=====

Operating Information

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

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

Function/Program	Fiscal Year Ended June 30,									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Instruction:										
Regular	132	124	125	130	129	137	139	121	122	136
Special education	33	36	38	37	34	37	44	44	41	58
Other special education	-	-	-	-	-	-	-	-	-	2
Support Services:										
Student & instruction related services	23	36	37	39	34	37	42	60	63	54
General administrative services	4	3	3	3	3	3	3	3	3	3
School administrative services	17	13	13	13	16	17	19	19	14	13
Business administrative services	5	5	5	5	5	5	5	5	7	7
Plant operations and maintenance	16	18	16	17	17	20	21	20	23	25
Pupil transportation		-	-	-	-	-	-	-	-	-
Total	230	235	237	244	238	256	273	272	273	298

Source: District Personnel Records

CITY OF SALEM SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ending June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Teacher/Pupil Ratio			Average Daily		% Change Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School	(ADE)	(ADA)		
2016	1,174	\$ 26,992,509	\$ 22,992	1.34%	208	1:16	1:10	1:7	1,144	1,059	-1.29%	92.6%
2015	1,179	26,748,232	22,687	4.37%	200	1:13	1:9	1:7	1,159	1,065	-2.61%	91.9%
2014	1,212	26,346,049	21,738	-0.39%	200	1:12	1:10	1:6	1,190	1,083	0.59%	91.0%
2013	1,206	26,317,805	21,822	4.49%	206	1:11	1:9	1:7	1,183	1,090	-5.21%	92.1%
2012	1,237	25,835,029	20,885	0.80%	197	1:10	1:9	1:8	1,248	1,154	1.27%	92.5%
2011	1,249	25,879,037	20,720	2.41%	211	1:8	1:9	1:8	1,232	1,134	-2.89%	92.0%
2010	1,329	26,888,866	20,232	10.77%	225	1:8	1:8	1:9	1,269	1,166	-8.71%	91.9%
2009	1,406	25,680,453	18,265	-1.55%	224	1:8	1:9	1:10	1,390	1,268	-1.77%	91.2%
2008	1,448	26,864,598	18,553	3.74%	226	1:6	1:7	1:8	1,415	1,299	-3.54%	91.8%
2007	1,498	26,790,407	17,884	8.76%	250	1:5	1:7	1:7	1,467	1,340	-0.14%	91.3%

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

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

	Fiscal Year Ended June 30,									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Elementary</u>										
John Fenwick (1953)										
Square Feet	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913
Capacity (students)	455	455	455	455	455	455	455	455	455	455
Enrollment	457	469	460	420	402	363	384	386	420	419
<u>Middle School</u>										
Salem City Middle School (1912)										
Square Feet	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431
Capacity (students)	772	772	772	772	772	772	772	772	772	772
Enrollment	396	391	425	439	452	447	469	467	486	512
<u>High School</u>										
Salem City High School (1970)										
Square Feet	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700
Capacity (students)	879	879	879	879	879	879	879	879	879	879
Enrollment	321	319	327	347	383	439	476	553	542	567
<u>Other</u>										
Maintenance Garage (1985)										
Square Feet	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Storage Garage (1985)										
Square Feet	960	960	960	960	960	960	960	960	960	960
Storage Shed (1980)										
Square Feet	288	288	288	288	288	288	288	288	288	288
Athletic Storage (2000)										
Square Feet	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144
Greenhouse #1 (1990)										
Square Feet	10,565	10,565	10,565	10,565	10,565	10,565	10,565	10,565	10,565	10,565
Greenhouse #2 (1990)										
Square Feet	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056
Maintenance Building										
Square Feet (2006)	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600
Garage Building										
Square Feet (2005)	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016
Mini Barn										
Square Feet (2005)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Garage Buildings (2)										
Square Feet (2007)	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344
TCU Trailers (6)										
Square Feet (2012)	6,336	6,336	6,336	6,336	6,336	N/A	N/A	N/A	N/A	N/A

Number of Schools at June 30, 2016

 Elementary = 1

 Middle School = 1

 High School = 1

Source: District records, ASSA Report

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

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

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

* School Facilities	Project #	Fiscal Year Ended June 30,										
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	
District Wide	N/A	\$ 11,095.80										\$ 55,010.18
Elementary School	N/A	66,996.36	\$ 85,948.80	\$ 46,915.32	\$ 34,856.56	\$ 19,808.66	\$ 10,617.78	\$ 22,608.86	\$150,433.36	\$ 21,238.00		2,711.89
Middle School	N/A	52,573.37	98,074.40	19,873.36	24,803.39	37,390.78	31,965.00	55,992.78	211,155.23	33,327.00		5,674.31
High School	N/A	150,754.03	51,242.65	56,208.61	187,861.99	60,187.61	76,532.71	4,657.25	559,686.38	55,941.97		11,939.47
Total		<u>\$ 281,419.56</u>	<u>\$ 235,265.85</u>	<u>\$ 122,997.29</u>	<u>\$ 247,521.94</u>	<u>\$ 117,387.05</u>	<u>\$ 119,115.49</u>	<u>\$ 83,258.89</u>	<u>\$ 921,274.97</u>	<u>\$ 110,506.97</u>		<u>\$ 75,335.85</u>

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

Source: District Records

CITY OF SALEM SCHOOL DISTRICT

Insurance Schedule

June 30, 2016

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property:		
Real & Personal Property	\$ 350,000,000	\$ 5,000
Demolition and Increased Cost of Construction	10,000,000	
Loss of Income/Tuition	2,103,786	
Earthquake	50,000,000	
Flood Zones	15,000,000	500,000
Other Flood Zones	75,000,000	10,000
Extra Expense	50,000,000	5,000
Valuable Papers and Records	10,000,000	5,000
Pollutant Cleanup and Removal	250,000	
Arson Reward	10,000	
Fire Department Service Charge	10,000	
Accounts Receivable	250,000	
Terrorism	1,000,000	
Electronic Data Processing:		
Blanket Hardware/Software	1,082,977	1,000
Transit	25,000	
Loss of Income	10,000	
Flood:		
Flood Hazard Area Flood	500,000	
Other Zones	10,000	
Equipment Breakdown	100,000,000	5,000
Comprehensive General Liability:		
Bodily Injury and Property Damage	6,000,000	
Products and Completed Operations	6,000,000	
Sexual Abuse	6,000,000	
Personal Injury and Advertising Injury	6,000,000	
Employee Benefits Liability	6,000,000	1,000
Terrorism	1,000,000	
Premises Medical Payments:		
Per Person	5,000	
Per Accident	10,000	
Automobile Liability:		
Bodily Injury and Property Damage	6,000,000	1,000
Uninsured/Underinsured Motorists-Private Passenger Auto	1,000,000	
Uninsured/Underinsured Motorists-All Other Vehicles		
Per Person	15,000	
Per Accident	30,000	
Property Damage	5,000	
Personal Injury Protection	250,000	
Medical Payments for Private Passenger Vehicles	10,000	
Medical Payments for All Other Vehicles	5,000	
Terrorism	1,000,000	
Crime:		
Dishonesty with Faithful Performance	100,000	500
Forgery or Alteration	100,000	500
Theft, Disappearance, & Destruction	50,000	500
Computer Fraud	50,000	500
Employers' Liability:		
Coverage B:		
Bodily Injury Each Accident	2,000,000	-
Bodily Injury Each Employee	2,000,000	
Policy Limit Bodily Injury by Disease	2,000,000	
School Leaders Errors & Omissions:		
Coverage A: Per Policy Period	3,000,000	25,000
Coverage B: Per Each Claim/Per Policy Period	100,000/300,000	25,000
Student Accident	500,000	
Workers' Compensation	2,000,000	
Environmental Impairment Liability (Aggregate)	11,000,000	25,000
Surety Bonds:		
Treasurer	300,000	
Board Secretary/Business Administrator	50,000	

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the City of Salem School District's, in the County of Salem, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2016. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Henry J. Ludwigsen
Certified Public Accountant
Public School Accountant No. CS 001112

Woodbury, New Jersey
December 5, 2016

CITY OF SALEM SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2016

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2015
					From	To	
General Fund:							
U.S. Department of Education:							
Passed-through State Department of Education: Impact Aid	84.041	S041B163141	N/A	\$ 34,329.58	10/01/08	12/31/10	
U.S. Department of Health and Human Services:							
Passed-through State Department of Education: Medical Assistance Program	93.778	1605NJ5MAP	N/A	94,221.08	07/01/15	06/30/16	
Total General Fund							-
Special Revenue Fund:							
U.S. Department of Education							
Passed-through State Department of Education:							
N.C.L.B.:							
Title I, Part A	84.010	S010A150030	NCLB463016	994,577.00	07/01/15	06/30/16	
Title I, Part A	84.010	S010A150030	NCLB463015	958,648.00	07/01/14	06/30/15	\$ (126,205.21)
Total Title I, Part A							(126,205.21)
Title II, Part A	84.367	S367A150029	NCLB463016	145,927.00	07/01/15	06/30/16	
Title II, Part A	84.367	S367A150029	NCLB463015	71,935.00	07/01/14	06/30/15	(664.25)
Total Title II, Part A							(664.25)
I.D.E.A. Part B:							
Special Education Cluster:							
I.D.E.A. Part B, Basic Regular	84.027	H027A150100	IDEA463016	333,162.00	07/01/15	06/30/16	
I.D.E.A. Preschool Incentive	84.173	H173A150114	IDEA463016	7,617.00	07/01/15	06/30/16	
I.D.E.A. Preschool Incentive	84.173	H173A150114	IDEA463015	7,337.00	07/01/14	06/30/15	(1,454.00)
Total I.D.E.A. Part B Special Education Cluster							(1,454.00)
Education for Homeless Children and Youth							
McKinney - Education for Homeless Children & Youth	84.196	S196A150031	09-BR12-H02	3,914.47	07/01/15	06/30/16	
McKinney - Education for Homeless Children & Youth	84.196	S196A150031	09-BR12-H02	7,178.54	09/01/14	08/31/15	(2,035.28)
Total McKinney - Education for Homeless Children & Youth							(2,035.28)
Carl D. Perkins Vocational and Technical:							
Education Act of 1998 - Secondary	84.048	V048A140030	PERK463016	12,598.00	07/01/15	06/30/16	
Education Act of 1998 - Secondary	84.048	V048A140030	PERK463015	12,257.00	07/01/14	06/30/15	(2,397.00)
Total Education Act of 1998 - Secondary							(2,397.00)
Total U.S. Department of Education							(132,755.74)
U.S. Department of Agriculture:							
Passed-through State Department of Agriculture: Equipment Assistance Grant	10.579	15151NJ354N8103	Unavailable	19,181.01	06/15/15	02/01/16	9,590.21
Total U.S. Department of Agriculture							9,590.21
Total Special Revenue Fund							(123,165.53)
Enterprise Fund:							
U.S. Department of Agriculture							
Passed-through State Department of Education:							
Fresh Fruit & Vegetable Program	10.582	16161NJ304L1603	Unavailable	47,740.00	07/01/15	06/30/16	
Fresh Fruit & Vegetable Program	10.582	16161NJ304L1603	Unavailable	25,740.00	07/01/14	06/30/15	(2,668.89)
Total Fresh Fruit & Vegetable Program							(2,668.89)
Child Nutrition Cluster:							
Cash Assistance:							
National School Lunch Program	10.555	16161NJ304N1099	Unavailable	593,957.70	07/01/15	06/30/16	
National School Lunch Program	10.555	16161NJ304N1099	Unavailable	580,020.96	07/01/14	06/30/15	(36,019.26)
National School Breakfast Program	10.553	16161NJ304N1099	Unavailable	312,557.36	07/01/15	06/30/16	
National School Breakfast Program	10.553	16161NJ304N1099	Unavailable	263,737.07	07/01/14	06/30/15	(18,246.22)
National School Snack Program	10.555	16161NJ304N1099	Unavailable	8,384.88	07/01/15	06/30/16	
National School Snack Program	10.555	16161NJ304N1099	Unavailable	8,119.64	07/01/14	06/30/15	(220.58)
Non-Cash Assistance (Food Distribution):							
Food Distribution Program	10.555	16161NJ304N1099	Unavailable	58,779.35	07/01/15	06/30/16	
Food Distribution Program	10.555	16161NJ304N1099	Unavailable	47,184.70	07/01/14	06/30/15	3,808.18
Total Child Nutrition Cluster							(50,677.88)
Total Enterprise Fund							(53,346.77)
Total Federal Financial Assistance							\$ (176,512.30)

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

Carryover / (Walkover)	Cash Received	Budgetary Expenditures			Passed- Trough to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2016		
		Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
	\$ 34,329.58	\$ (34,329.58)		\$ (34,329.58)						
	94,221.08	(94,221.08)		(94,221.08)						
-	128,550.66	(128,550.66)	-	(128,550.66)	-	-	-	-	-	-
	665,541.54 126,205.21	(955,157.27)		(955,157.27)			\$ (289,615.73)			
-	791,746.75	(955,157.27)	-	(955,157.27)	-	-	-	(289,615.73)	-	-
	143,026.00 664.25	(145,926.52)		(145,926.52)				(2,900.52)		
-	143,690.25	(145,926.52)	-	(145,926.52)	-	-	-	(2,900.52)	-	-
	333,162.00 7,440.00 1,454.00	(333,162.00) (7,617.00)		(333,162.00) (7,617.00)				(177.00)		
-	342,056.00	(340,779.00)	-	(340,779.00)	-	-	-	(177.00)	-	-
	3,223.01 2,035.28	(3,914.47)		(3,914.47)				(691.46)		
-	5,258.29	(3,914.47)	-	(3,914.47)	-	-	-	(691.46)	-	-
	12,419.00 2,397.00	(12,598.00)		(12,598.00)				(179.00)		
-	14,816.00	(12,598.00)	-	(12,598.00)	-	-	-	(179.00)	-	-
-	1,297,567.29	(1,458,375.26)	-	(1,458,375.26)	-	-	-	(293,563.71)	-	-
	9,590.80	(19,181.01)		(19,181.01)						
	9,590.80	(19,181.01)		(19,181.01)						
	1,307,158.09	(1,477,556.27)		(1,477,556.27)				(293,563.71)		
	42,216.38 2,668.89	(47,740.00)		(47,740.00)				(5,523.62)		
	44,885.27	(47,740.00)		(47,740.00)				(5,523.62)		
	557,849.25 36,019.26 293,105.11 18,246.22 8,197.56 220.58	(593,957.70) (312,557.36) (8,384.88)		(593,957.70) (312,557.36) (8,384.88)				(36,108.45) (19,452.25) (187.32)		
	58,779.35	(55,782.85) (3,808.18)		(55,782.85) (3,808.18)				\$ 2,996.50		
-	972,417.33	(974,490.97)	-	(974,490.97)	-	-	-	(55,748.02)	2,996.50	-
-	1,017,302.60	(1,022,230.97)	-	(1,022,230.97)	-	-	-	(61,271.64)	2,996.50	-
\$ -	\$ 2,453,011.35	\$ (2,628,337.90)	\$ -	\$ (2,628,337.90)	\$ -	\$ -	\$ -	\$ (354,835.35)	\$ 2,996.50	\$ -

CITY OF SALEM SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2016

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2015		
			From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover / (Walkover)
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster							
Equalization Aid	495-034-5120-078	\$ 13,079,730.00	07/01/15	06/30/16			
Equalization Aid	495-034-5120-078	13,079,730.00	07/01/14	06/30/15	\$ (1,224,979.35)		
School Choice	495-034-5120-068	11,224.00	07/01/14	06/30/15	(1,051.18)		
Special Education Categorical Aid	495-034-5120-089	538,956.00	07/01/15	06/30/16			
Special Education Categorical Aid	495-034-5120-089	538,956.00	07/01/14	06/30/15	(50,475.81)		
Security Aid	495-034-5120-084	404,168.00	07/01/15	06/30/16			
Security Aid	495-034-5120-084	404,168.00	07/01/14	06/30/15	(37,852.27)		
Adjustment Aid	495-034-5120-085	2,171,621.00	07/01/15	06/30/16			
Adjustment Aid	495-034-5120-085	2,171,621.00	07/01/14	06/30/15	(203,382.71)		
Additional Adjustment Aid	495-034-5120-085	11,224.00	07/01/15	06/30/16			
PARCC Readiness Aid	495-034-5120-098	9,640.00	07/01/15	06/30/16			
PARCC Readiness Aid	495-034-5120-098	9,640.00	07/01/14	06/30/15	(902.83)		
Per Pupil Growth Aid	495-034-5120-097	9,640.00	07/01/15	06/30/16			
Per Pupil Growth Aid	495-034-5120-097	9,640.00	07/01/14	06/30/15	(902.83)		
Total State Aid - Public Cluster					(1,519,546.98)	-	-
Transportation Aid							
Transportation Aid	495-034-5120-014	159,661.00	07/01/15	06/30/16			
Transportation Aid	495-034-5120-014	159,661.00	07/01/14	06/30/15	(14,953.02)		
Total Transportation Aid					(14,953.02)	-	-
Extraordinary Special Education Aid							
Extraordinary Special Education Aid	100-034-5120-473	185,685.00	07/01/15	06/30/16			
Extraordinary Special Education Aid	100-034-5120-473	205,919.00	07/01/14	06/30/15	(204,225.00)		
Total - Extraordinary Special Education Aid					(204,225.00)	-	-
T.P.A.F. Social Security Aid							
T.P.A.F. Social Security Aid	495-034-5094-003	721,417.20	07/01/15	06/30/16			
Total General Fund					(1,738,725.00)	-	-
Special Revenue Fund:							
New Jersey Department of Education:							
Preschool Education Aid							
Preschool Education Aid	495-034-5120-086	2,183,808.00	07/01/15	06/30/16			
Preschool Education Aid	495-034-5120-086	2,196,216.00	07/01/14	06/30/15	(219,618.00)		
Total - Preschool Education Aid					(219,618.00)		-
Passed Through General Fund:							
Preschool Education Aid - Local Contribution							
Preschool Education Aid - Local Contribution	495-034-5120-089	7,337.00	07/01/15	06/30/16			
School Based Youth Services							
School Based Youth Services	11XWSP	267,026.00	07/01/15	06/30/16			
School Based Youth Services	11XWSP	266,449.85	07/01/14	06/30/15		849.63	
Total - School Based Youth Services					-	849.63	-
Family Friendly Centers							
Family Friendly Centers	11XWSP	45,463.00	07/01/15	06/30/16			
Total Special Revenue Fund					(219,618.00)	849.63	-
Capital Projects Fund:							
New Jersey School Development Authority:							
Additional State School Building Aid - SDA Grants							
Additional State School Building Aid - SDA Grants	100-034-5120-016	1,425,744.61	Project Completion				
Debt Service Fund:							
New Jersey Department of Education:							
Debt Service Aid							
Debt Service Aid	495-034-5120-075	216,597.00	07/01/15	06/30/16			

Cash Received	Budgetary Expenditures	Passed- Trough to Subrecipients	Adjustments	Repayment of Prior Year's Balances	Balance June 30, 2016			Memo Only	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2016	Cumulative Total Expenditures
\$ 11,825,089.00	\$ (13,079,730.00)				\$ (1,254,641.00)			\$ (1,254,641.00)	\$ (13,079,730.00)
1,224,979.35									(13,079,730.00)
1,051.18									(11,224.00)
487,258.00	(538,956.00)				(51,698.00)			(51,698.00)	(538,956.00)
50,475.81									(538,956.00)
365,399.00	(404,168.00)				(38,769.00)			(38,769.00)	(404,168.00)
37,852.27									(404,168.00)
1,963,313.00	(2,171,621.00)				(208,308.00)			(208,308.00)	(2,171,621.00)
203,382.71									(2,171,621.00)
10,147.00	(11,224.00)				(1,077.00)			(1,077.00)	(11,224.00)
8,715.00	(9,640.00)				(925.00)			(925.00)	(9,640.00)
902.83									(9,640.00)
8,715.00	(9,640.00)				(925.00)			(925.00)	(9,640.00)
902.83									(9,640.00)
16,188,182.98	(16,224,979.00)	-	-	-	(1,556,343.00)	-	-	(1,556,343.00)	(32,449,958.00)
144,346.00	(159,661.00)				(15,315.00)			(15,315.00)	(159,661.00)
14,953.02									(159,661.00)
159,299.02	(159,661.00)	-	-	-	(15,315.00)	-	-	(15,315.00)	(319,322.00)
	(185,685.00)				(185,685.00)				(185,685.00)
204,225.00									(205,919.00)
204,225.00	(185,685.00)	-	-	-	(185,685.00)	-	-	-	(391,604.00)
685,931.16	(721,417.20)				(35,486.04)				(721,417.20)
17,237,638.16	(17,291,742.20)	-	-	-	(1,792,829.04)	-	-	(1,571,658.00)	(34,616,828.27)
1,965,420.00	(2,146,890.47)				(218,388.00)	\$ 36,917.53		(218,388.00)	(2,183,808.00)
219,618.00									(2,196,216.00)
2,185,038.00	(2,146,890.47)	-	-	-	(218,388.00)	36,917.53	-	(218,388.00)	(4,380,024.00)
7,337.00	(7,337.00)								(7,337.00)
267,026.00	(267,026.00)						\$ -		(267,026.00)
		\$ 754.33	A	\$ (1,603.96)					(265,695.52)
267,026.00	(267,026.00)	-	754.33	(1,603.96)	-	-	-	-	(532,721.52)
45,463.00	(45,463.00)								(45,463.00)
2,504,864.00	(2,466,716.47)	-	754.33	(1,603.96)	(218,388.00)	36,917.53	-	(218,388.00)	(4,965,545.52)
113,641.01	(113,641.01)		8,812.50	B		8,812.50			(1,425,744.61)
216,597.00	(216,597.00)								(216,597.00)

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2016

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2015		
			From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover / (Walkover)
Enterprise Fund:							
New Jersey Department of Agriculture:							
State School Lunch Program	100-010-3350-023	\$ 10,591.55	07/01/15	06/30/16			
State School Lunch Program	100-010-3350-023	10,322.95	07/01/14	06/30/15	\$ (647.41)		
Total - State School Lunch Program					(647.41)	-	-
Total Enterprise Fund					(647.41)	-	-
Total State Financial Assistance Subject to Major Program Determination for State Single Audit					\$ (1,958,990.41)	\$ 849.63	\$ -
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of the Treasury:							
On-behalf Contributions:							
T.P.A.F. Pension Contributions	495-034-5094-002	783,499.00	07/01/15	06/30/16			
T.P.A.F. Pension Contributions - Non-Contributory Insurance	495-034-5094-004	39,029.00	07/01/15	06/30/16			
T.P.A.F. Pension Contributions - Post-Retirement Medical	495-034-5094-001	979,403.00	07/01/15	06/30/16			
Total General Fund (Non-Cash Assistance)					-	-	-
Total State Financial Assistance					\$ (1,958,990.41)	\$ 849.63	\$ -

(A) - Difference in Liquidation of Prior Year Accounts Payable
 (B) - Project Revisions

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

Cash Received	Budgetary Expenditures	Passed- Trough to Subrecipients	Adjustments	Repayment of Prior Year's Balances	Balance June 30, 2016			Memo Only	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2016	Cumulative Total Expenditures
\$ 9,961.08 647.41	\$ (10,591.55)				\$ (630.47)				\$ (10,591.55) (10,322.95)
10,608.49	(10,591.55)	-	-	-	(630.47)	-	-	-	(20,914.50)
10,608.49	(10,591.55)	-	-	-	(630.47)	-	-	-	(20,914.50)
<u>\$ 20,083,348.66</u>	<u>\$ (20,099,288.23)</u>	<u>\$ -</u>	<u>\$ 9,566.83</u>	<u>\$ (1,603.96)</u>	<u>\$ (2,011,847.51)</u>	<u>\$ 45,730.03</u>	<u>\$ -</u>	<u>\$ (1,790,046.00)</u>	<u>\$ (41,245,629.90)</u>
\$ 783,499.00 39,029.00 979,403.00	\$ (783,499.00) (39,029.00) (979,403.00)								\$ (783,499.00) (39,029.00) (979,403.00)
1,801,931.00	(1,801,931.00)	-	-	-	-	-	-	-	(1,801,931.00)
<u>\$ 21,885,279.66</u>	<u>\$ (21,901,219.23)</u>	<u>\$ -</u>	<u>\$ 9,566.83</u>	<u>\$ (1,603.96)</u>	<u>\$ (2,011,847.51)</u>	<u>\$ 45,730.03</u>	<u>\$ -</u>	<u>\$ (1,790,046.00)</u>	<u>\$ (43,047,560.90)</u>

CITY OF SALEM SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2016

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the City of Salem School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$(37,158.00) for the general fund and \$53,763.99 for the special revenue fund. See Exhibit C-3, notes to required supplementary Information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 128,550.66	\$ 19,056,515.20	\$ 19,185,065.86
Special Revenue	1,479,227.45	2,497,468.28	3,976,695.73
Capital Projects		113,641.01	113,641.01
Debt Service		216,597.00	216,597.00
Food Service	1,022,230.97	10,591.55	1,032,822.52
Total Awards and Financial Assistance	<u>\$ 2,630,009.08</u>	<u>\$ 21,894,813.04</u>	<u>\$ 24,524,822.12</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2014-2015. Adjustments are identified and explained as footnotes to Exhibits K-3 and K-4.

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2016, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance and post-retirement medical costs related to TPAF members.

Note 7: MAJOR PROGRAMS

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

CITY OF SALEM SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>S010A150030</u>	<u>Title I, Part A Cluster</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Dollar threshold used to determine Type A programs \$ 750,000.00

Auditee qualified as low-risk auditee? X yes no

SALEM CITY BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) 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 New Jersey Circular 15-08-OMB? yes no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
	State Aid - Public Cluster
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-085	Additional Adjustment Aid
495-034-5120-068	School Choice Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness Aid

Dollar threshold used to determine Type A programs \$ 750,000.00

Auditee qualified as low-risk auditee? yes no

CITY OF SALEM SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 2- Schedule of Financial Statement Findings

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

None

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

None

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None

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

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings.

FEDERAL AWARDS

No Prior Year Findings.

STATE FINANCIAL ASSISTANCE PROGRAMS

No Prior Year Findings.