SCHOOL DISTRICT
OF

BERKELEY HEIGHTS

Berkeley Heights Board of Education
Berkeley Heights, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

BERKELEY HEIGHTS BOARD OF EDUCATION

BERKELEY HEIGHTS, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

Berkeley Heights Board of Education

Business Office

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INTRODUCTORY SECTION

BOARD OF EDUCATION

P.O. Box 147
Berkeley Heights, Union County
New Jersey 07922

December 9, 2015

Honorable President and
Members of the Board of Education
Berkeley Heights School District
County of Union, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Berkeley Heights School District for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Berkeley Heights Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-128, "Audits of State and Local Governments", and the State Treasury Circular Letter 93-05 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of the report.

1) REPORTING ENTITY AND ITS SERVICES: The Berkeley Heights School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Berkeley Heights 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 K through 12. These include regular as well as special education for handicapped youngsters. The District completed the 2013-2014 fiscal year with an enrollment of 2710 students, which is 18 students less than the previous year's enrollment. The average daily enrollment is a compilation of enrollment and attendance data for the entire year. The statistic is different than the enrollment figure for the end of the year which is the actual number of students enrolled. The following details the changes in the student average daily enrollment of the District over the last five years.

AVERAGE DAILY ENROLLMENT

Fiscal Year	Student Enrollment	Percent Change
2014-15	2666	(1.1%)
2013-14	2696	(1.1%)
2012-13	2725	(2.6%)
2011-12	2797	(0.6%)
2010-11	2815	(1.4%)
2009-10	2854	0.7%
2008-09	2832	0.2%

2) ECONOMIC CONDITION AND OUTLOOK – There has been a gradual improvement in the economy over the past several years. The ratable base for last year increased slightly, the first increase in the last three years.

The state imposed 2% tax levy cap is very restrictive. The 2% tax levy increase is approximately $760,000. This tax levy increase equates to a spending increase of 1.6%. Based on guidance from the County Office, the district took advantage of budget waivers for the 2015/2016 school year and presented a budget with a general fund tax increase of 3.11%. To increase the tax levy cap, the district used banked cap.

Although the tax increase for 2015/2016 was 3.11%, the general fund spending increase was 1.6%. The district has been able to control expenses. Utility expenses have been reduced from previous years. The district created in-district special education programs to service more students in our schools, resulting in a reduction of out-of-district tuition and transportation costs. Negotiations with the various bargaining units resulted in salary increases of 2%. The district continues to use purchasing cooperatives to take advantage of volume purchasing pricing.

The amount of funds generated as excess surplus, either budgeted expenses not spent at the end of the year or revenue in excess of what was budgeted, increased by approximately $300,000. It is required that excess surplus be used in the following years budget. The restriction on the tax levy increase will negatively impact the amount of funds that are generated each year as excess surplus. At the end of the 2014/2015 school year the district was able to make a deposit into the capital reserve account of $300,000.

Another revenue source for the district is state aid. State aid for the 2015/2016 school year remained flat. State aid is still about half of what was received eight years ago and represents only 2.6% of the budget.

3) MAJOR INITIATIVES: The high school continues to be a high performing school with 95% of its graduates going on to higher education. Advanced placement courses are offered in 20 subject areas. The class of 2015 had 38 AP Scholars, 28 AP Scholars with Honors, 41 AP Scholars with Distinction, and 10 National Scholars. The average SAT score is 551 for reading, 565 for math and 547 for writing. The class of 2015 had 4 National Merit Scholars, 4 semi-finalist and 14 commended students.

Within the budget constraints, the district continues to make upgrades to the physical plant. The district took advantage of the ROD grants offered by the NJSDA to make major improvements to the toilet rooms at three schools and necessary roof repairs. The state will reimburse the district for 40% of the costs. The district plans to move forward with additional ROD grants in next year's budget, continuing to make improvements to the schools.

In preparation for on-line state testing, the district made major technology improvements. Upgrades were made to the network structure with equipment and software upgrades. The internet connections were upgraded to a fiber optics network, which greatly enhanced the ability for staff and students to access the internet. We increased the number of network access points throughout the schools and added to the number of devices available to the students.

4) INTERNAL ACCOUNT 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 account 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.

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 and special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An Encumbrance account system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

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

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibilities for sound financial management. The following schedule presents a summary of the general fund and special revenue fund revenues for the fiscal year ended June 30, 2015, and the amount and percentage of increases in relation to prior year revenues does not include transfers from Capital Reserve, Capital Project Fund Revenue or Free Balance.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2014	Percent of Increase (Decrease)
Local Sources	$44,425,244	85.53%	1,267,263	**2.85%**
State Sources	6,946,856	13.37%	843,359	**12.14%**
Federal Sources	570,485	1.10%	37,654	**6.60%**
TOTAL	**$51,942,585**	**100.0%**	**$2,148,276**	**4.14%**

It is important to note that with the loss of state aid and budgetary restrictions, the district made conscious decisions to cut back spending. The following schedule presents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2015 and the percentage of increases and decreases in relation of prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2014	Percent Of Increase (Decrease)
Current Expense: Instruction	$21,683,149	41.37%	$271,592	**1.25%**
Undistributed Expenditures	27,036,622	51.58%	1,147,229	**4.24%**
Capital Outlay	1,354,839	2.58%	(549,473)	**(40.48)%**
Special Schools	57,816	.11%	(10,878)	**(18.91)%**
Debt Service	2,287,333	436%	(35,750)	**(1.56)%**
Total	**$52,419,759**	**100.00%**	**$823,720**	**(1.57)%**

8) DEBT ADMINISTRATION: at June 30, 2015, the District had lease purchase debt and Bonds payable of $18,990,556 and temporary Capital Project notes payable of $-0-.

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

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

11) OTHER INFORMATION:
a) Independent Audit - State statues require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Noke and Heard, LLP, CPA's, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related ORB Circular A-128 and State Treasury Circular Letter 04-04 ORB. 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.

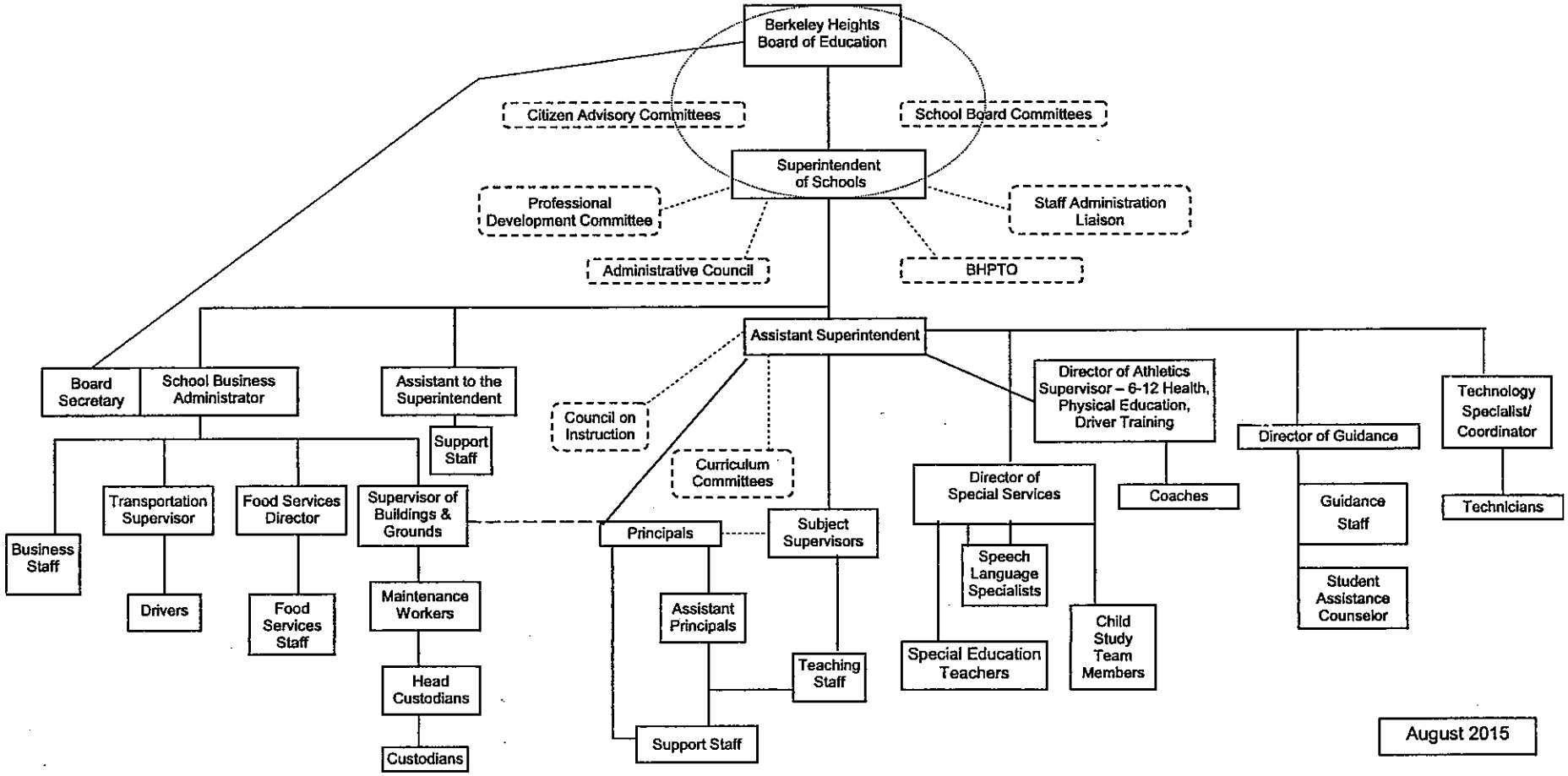
12) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Berkeley Heights School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of 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,

Judith A. Rattner
Superintendent

Donna A. Felezzola
School Business Administrator/
Board Secretary

BERKELEY HEIGHTS PUBLIC SCHOOLS
2015-2016 Table of Organization



BOARD OF EDUCATION TOWNSHIP OF BERKELEY HEIGHTS
BERKELEY HEIGHTS, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION	TERM ENDS
Helen Kirsch, President	2016
Gerard J. Crisonino, Vice President	2014
Bill Cassano	2017
Christine Reilly	2015
Douglas Reinstein	2017
John Sincaglia	2016
Denis Smalley	2016
Jeane Parker (Mountainside Representative)	

OTHER OFFICIALS

Judith A. Rattner, Superintendent

Donna A. Felezzola, Board Secretary/School Business Administrator

Harold Kessler, Treasurer

Vito A. Gagliardi, Jr., Esq., Board Attorney

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

CONSULTANTS AND ADVISORS

ARCHITECT

Solutions Architecture
81 Clay Street
Newark, New Jersey 07104

AUDIT FIRM

Noke and Heard, L.L.P.
Certified Public Accountants
469 Morris Avenue
Summit, New Jersey 07901

ATTORNEY

Porzio, Bromberg & Newman PC
100 South Gate Parkway
Morristown, New Jersey 07962

OFFICIAL DEPOSITORY

Investors Savings
441 Springfield Avenue
Berkeley Heights, New Jersey 07922

FINANCIAL SECTION

NOKE AND HEARD, L.L.P.
Certified Public Accountants
469 MORRIS AVENUE
SUMMIT, N.J. 07901-1564

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of The Board of Education
Township of Berkeley Heights
County of Union
Berkeley Heights, New Jersey

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of The Berkeley Heights School District, in the County of Union, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

We believe 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 materials respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The Berkeley Heights Board of Education, in the County of Union, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 14 through 23 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 Berkeley Heights Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations,* and schedule of expenditures of state financial assistance as required by *New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid,* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, 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.

Other Information (Continued)

The introductory section, financial schedules and statistical section 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 9, 2015 on our consideration of The Berkeley Heights Board of Education's internal control over financial reporting and 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 the 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 Berkeley Heights Board of Education's internal control over financial reporting and compliance

DONALD C. HEARD
Certified Public Accountant
Licensed Public School Accountant
No. 20CS00118000
Noke and Heard, L.L.P.

December 9, 2015

REQUIRED SUPPLEMENTARY INFORMATION – PART I

BERKELEY HEIGHTS SCHOOL DISTRICT
UNION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

The discussion and analysis of the Berkeley Heights School District's financial performance provides an overall review of the Berkeley Heights School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the Berkeley Heights School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Berkeley Heights School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2015 are as follows:

In total, net assets are $31,785,089. Net assets for governmental activities are $31,785,474. Net assets of the business-type activity, which represents food service, are ($385). This reflects a decrease in net assets in the amount of $11,591,889. This figure is based on new auditing requirement to account for future pension liability.

General revenues accounted for $51,755,827 in revenue or 97.3 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $1,456,354 or 2.7 percent to total revenues of $53,212,181.

The School District had $52,051,736 in expenses; only $1,456,354 of these expenses was offset by program specific charges for service, grants or contributions. General revenues of $51,755,827 including property taxes of $39,023,102 were used to offset the net expenses after program revenues.

Using the Basic Financial Statements

This annual report consists of financial statements and notes to those statements. This report is organized to show the reader the Berkeley Heights School District as a financial whole, or as an entire operating entity.

The statement of net assets and statement of activities provide information about the activities of the whole Berkeley Heights School District, presenting both an aggregate view of the Berkeley Heights School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Berkeley Heights School District's most significant funds. For the Berkeley Heights School District, the General fund is the most significant fund.

BERKELEY HEIGHTS SCHOOL DISTRICT
UNION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Reporting the Berkeley Heights School District as a Whole

Statement of Net Assets and Statement of Activities

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

These two statements report the Berkeley Heights School Districts net assets and changes in those assets. This change in net assets is important because it identifies whether the financial position of the Berkeley Heights School District, as a whole, has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Berkeley Heights School District's property tax base, current property tax laws in New Jersey, state regulations and requirements, facility conditions, required educational programs, contractual obligations and the general economic condition of the area.

In the statement of Net Assets and the Statement of Activities, the Berkeley Heights School District is divided into two distinct kinds of activities:

Governmental Activities - Most of the Berkeley Heights School District's programs and services are reported here including general education instruction, special education tuition and instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Business-Type Activity - This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

BERKELEY HEIGHTS SCHOOL DISTRICT
UNION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Reporting the Berkeley Heights School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detail information about the Berkeley Heights School District's major funds. The Berkeley Heights School District uses many funds to account for a multitude of financial transaction. However, these fund financial statements focus on the Berkeley Heights School District's most significant funds. The Berkeley Heights School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Project Fund and Debt Service Fund.

Governmental Funds

Most of the Berkeley Heights School District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short:-term view of the Berkeley Heights School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the Statement of Net Assets and the Statement of Activities and the governmental funds are reconciled in the financial statements.

The Berkeley Heights School District as a Whole

The perspective of the Statement of Net Assets is of the Berkeley Heights School District as a whole. Table 1 provides a summary of the Berkeley Heights School District's net assets for 2015.

BERKELEY HEIGHTS SCHOOL DISTRICT
UNION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total assets equal $66,444,036. Total assets for Governmental Activities is $66,381,757. Total assets for Business Type Activities is $62,279.

Table 1 Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets:						
Current and Other Assets	$ 5,393,388	$ 5,352,623	13,384	$(32,976)	$5,406,772	$5,319,647
Capital Assets, Net	60,988,369	62,092,079	48,895	60,044	61,037,264	62,152,123
Total Assets	$66,381,757	$ 67,444,702	$62,279	$27,068	66,444,036	$67,471,770
Liabilities:						
Current and Other Liabilities	$ 3,993,642	$ 3,741,599	$ 62,664	$13,203	$ 4,056,306	$ 3,754,802
Net Pension	11,851,934	-	-	-	11,851,934	
Long-Term Liabilities	18,750,707	20,339,990	-0-	-0-	18,750,707	20,339,990
Total Liabilities	$ 34,596,283	$24,081,589	$ 62,664	$13,203	34,658,947	$24,094,792
Net Positions:						
Invested in Capital Assets Net of Related Debt	$ 41,730,079	$41,311,030	$ 48,895	$60,044	$ 41,778,974	$41,371,074
Restricted	3,025,633	3,083,519		-0-	3,025,633	3,083,519
Unrestricted	(12,970,038)	(1,031,436)	(49,280)	(46,179)	(13,019,518)	(1,077,615)
Total Net Positions	$31,785,473	$43,363,113	($385)	$13,865	$31,785,089	$43,376,978

BERKELEY HEIGHTS SCHOOL DISTRICT
UNION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Table 2 reflects the change in net assets for Fiscal Years ended June 30, 2014 and June 30, 2015.

Table 2
Change in Assets

	Governmental Activities		Business- Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services	$4,936,257	$4,824,779	$885,869	$781,599	$5,822,126	$5,606,378
Operating Grants	570,485	549,731			570,485	549,731
Total Program Revenues	$5,506,742	$5,374,510	$885,869	$781,599	6,392,611	$6,156,109
General Revenues:						
Property Taxes	$39,023,112	$37,878,567			$39,023,112	$37,878,567
Grants and Entitlements	6,946,856	6,103,497			6,946,856	6,103,497
Interest	5,068	12,324	281	203	5,349	12,527
Transfers	0	(29,000)		29,000	0	0
Miscellaneous	844,253	2,062,777			844,253	2,062,777
Total General Revenues	46,819,289	$46,028,165	281	$ 29,203	$46,819,570	$46,057,368
Total Revenues	$52,326,031	$51,402,675	$886,150	$810,802	$53,212,181	$52,213,477
Function/Program Expenses:						
Instruction	$ 22,482,588	$22,138,253			$22,482,588	$22,138,253
Support Services:						
Tuition, Students and Instructional Staff	6,782,764	6,688,067			6,782,764	6,688,067
Admin. and Employee Benefits	3,652,240	3,487,238			3,652,240	3,487,238
Operation & Maint. of Plant	3,563,551	3,270,281			3,563,551	3,270,281
Pupil Transportation	1,676,714	1,643,770			1,676,714	1,643,770
Unallocated Benefits	11,856,736	11,295,272			11,856,736	11,295,272
Special Schools	60,479	71,548			60,479	71,548
Capital Outlay	1,145,177	2,248,192			1,145,177	2,248,192
Interest on Long-Term Debt	746,260	742,994			746,260	742,994
Food Service			900,400	810,732	900,400	810,732
Unallocated Depreciation	85,227	91,337			85,227	91,337
Total Expenses	$52,051,736	$51,676,952	$ 900,400	$810,732	$52,952,136	$52,487,684
Incr. (decrease) in Net Assets	274,295	(274,277)	(14,250)	70	260,045	(274,207)
Net Assets-beginning year*	31,511,179	43,637,390	(13,865)	13,795	31,525,044	43,651,185
Net Assets-end year	$31,785,474	$43,363,113	(385)	$13,865	$31,785,089	$43,376,978

*based on new auditing requirement to account for total pension liability

BERKELEY HEIGHTS SCHOOL DISTRICT
UNION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The total increase in Net Assets for Governmental Activities is $274,295. The total decrease in Net Assets for Business Type Activities is ($14,250). The total increase in Net Assets is $260,045.

Governmental Activities

The Statement of Activities reflects the cost of program services and the charges for services, grants and contributions offsetting those services. Table 3a, for Governmental Activities, indicates the total cost of services and the percentage cost of services. It identifies the cost of these services supported by tax revenues and unrestricted state entitlement.

Table 3a.
Governmental Activities

	Revenue			
	2014-2015	2013-2014	Amount of Increase (Decrease)	Percent Change
Local Sources	$44,808,690	$44,766,347	$ 42,343	.09%
State Sources	6,946,856	6,103,497	843,359	13.82%
Federal Sources	570,485	532,831	37,654	7.07%
Total Revenues	52,326,031	$51,402,675	$923,356	1.80%

	Total Cost of Service			
	2014-2015	2013-2014	Amount of Increase (Decrease)	Percent Change
Instruction	$22,482,588	$22,138,253	344,335	1.56%
Support Services:				
Tuition Students & Instructional Staff	6,782,764	6,688,067	94,697	1.42%
Admin & Employee Benefits	3,652,240	3,487,238	165,002	4.73%
Operation & Maintenance of Plant	3,563,551	3,270,281	293,270	8.97%
Pupil Transportation	1,676,714	1,643,770	32,944	2.00%
Employee Benefits	11,856,736	11,295,272	561,464	4.97%
Special Schools	60,479	71,548	(11,069)	(15.47%)
Capital Outlay	1,145,177	2,248,192	(1,103,015)	(49.06%)
Interest on Long-Term Debt	746,260	742,994	3,266	.44%
Unallocated Appropriation	85,227	91,337	(6,110)	(6.69%)
Total Expenses	$52,051,736	$51,676,952	374,784	.73%

BERKELEY HEIGHTS SCHOOL DISTRICT
UNION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The Governmental Activities in the chart on the preceding page demonstrate that $22,482,588 for 2014/2015 and $22,138,253 for 2013/2014 are allocated to School Based Budgets and are identified as Instruction. Additionally, Tuition, Student and Instructional Staff Activities are $66,782,764 and $6,688,067 respectively. Combined resources from Instruction and Pupil and Instructional Staff total $29,265,352 and $28,826,320 respectively.

Pupil transportation costs reflect the cost for salaries for district drivers to transport students to and from school and for athletic and co-curricular activities, maintenance of fleet and contracted transportation services for student transportation.

Business-Type Activity

Table 3b.
Business Activities

	Total Cost of Service	
	2014-2015	2013-2014
Revenue		
Charges for Services	$885,869	$781,599
Operating Grants	-0-	-0-
Transfers and Interest	281	$ 29,203
	$886,150	$810,802
Function/Program Expenses		
Food Service	900,400	$810,732
Total Expenses	900,400	$810,732
Net Asset Gain (Loss)	(14,250)	$ 70

The business-type activity of the Berkeley Heights School District is the food service operation. This program had revenues of $886,869 for 2014/2015 and $810,802 for 2013/2014 and expenses were $900,400 for 2014/2015 and $810,732 for 2013/2014. For fiscal year 2014 the Food Service Operation realized a net gain of $70 and for Fiscal Year 2015 there was a net loss of ($14,250).

The Board of Education continues to work to increase sales in the program and reduce operating costs. The Board has opted out of the State sponsored Child Nutrition Program which limits the price of lunches and restricts types and sizes of offerings. The cafeterias located in each school building offer flexibility in food selection, menu offerings and pricing that meets the needs of the students.

BERKELEY HEIGHTS SCHOOL DISTRICT
UNION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Although the Board has opted out to of the Child Nutrition Program it still provides either a free or reduced lunch to students according to family's needs and the state guidelines. The Berkeley Heights Board of Education and school administrators ensure that all students who are eligible for Free/Reduced lunch submit the proper forms for eligibility in a timely manner.

The Board of Education contracts with a food service management company to manage the cafeterias with the goal of operating a program at no cost to the district. Each year the district and the food service management company work together to make improvements in the menu offerings and services provided. One area of focus is on providing healthy options at a realistic price. During the 2014/2015 school year, the district made purchases of equipment to improve the operations of all kitchens.

Sources of Revenue
The local tax revenues have been stable for several years. The dependence upon state revenue for governmental activities is minimal. For all governmental activities, state revenues support approximately 13% of the budget. The community, as a whole provides 86% of the support and Federal revenue accounts for 1% of the total cost of programs for Berkeley Heights School District students.

Table 4
Sources of Revenue

Fiscal Year Ended	Local Tax Levy	Tuition Revenue	Other Local Revenue	State Revenue	Federal Revenue
June 30, 2015	$39,023,112	$4,936,257	$ 849,321	$6,946,856	$570,485
June 30, 2014	$37,878,567	$4,824,779	$2,063,215	$6,103,497	$532,617

The total revenue from all sources is $52,326,031 for 2014/2015 and $51,402,675 for 2013/2014.

The School District's Funds
Information about the School District's major funds are included in the Audit Report. These funds are accounted for using the modified accrual basis of accounting.

General Fund Budgeting Highlights
The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. Most of the district's basic services are included here. This fund includes the cost of regular and special education instruction, support services (speech, guidance, nursing, etc.) administration, transportation and operations of buildings and grounds.

BERKELEY HEIGHTS SCHOOL DISTRICT
UNION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

During the course of the fiscal 2015 year, the School District amended its General Fund budget as needed within the guidelines established by the state. The School District uses a program based budgeting system and the budgeting system is designed to tightly control total program budgets but provide flexibility for program management.

Regular instruction costs, special education tuition, transportation and related services are a significant portion of the expense budget.

Tuition revenues for students attending Berkeley Heights Schools amount to $4,936,257 for 2014/2015 which is 62% of total revenues. Tuition revenue is generated by the preschool program and special education programs for out of district students. Additionally, Mountainside pays tuition for their students attending Governor Livingston High School.

The district can maintain a fund balance of 2% of its operating budget for unanticipated emergency situations. During the 2015 school year, the district was able to manage spending and at years' end the fund balance was at 2%, $889,987.

Capital Assets and Debt Administration

Capital Assets

The Berkeley Heights School Districts' investment in capital assets for its governmental and business type activities as of June 30, 2015 and June 30, 2014 amounts to $61,037,264 and $62,152,123, respectively (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, building and building improvements, machinery, equipment and vehicles.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Sites	$14,043,000	$14,043,000			$14,043,000	$14,043,000
Site Improvements	2,804,851	2,780,151			2,804,851	2,780,151
Building Improvements	64,715,549	64,660,488			64,715,549	64,660,488
Machinery & Equipment	3,755,375	3,607,170	85,854	85,854	3,841,229	3,693,024
Total	85,318,775	$85,090,809	85,854	$85,854	$85,404,629	$85,176,663
Less: Accumulated Depreciation	24,330,406	22,998,730	36,959	25,810	24,367,365	23,024,540
Total	60,988,369	$62,092,079	48,895	$60,044	61,037,264	$62,152,123

Additional information on Berkeley Heights School Districts' capital assets can be found in the notes of this report.

Debt

At June 30, 2015, the Berkeley Heights School District had no long-term debt payable from proprietary fund resources. Long-term liabilities include debt service, compensated absences and capital lease obligations as follows:

	2015	2014
Bonds and Notes Payable	$17,675,000	$19,325,000
Lease Purchase Obligation	1,315,556	1,297,252
Compensated Absences	1,860,850	1,809,814
Total	$20,851,406	$22,432,066

More Detailed information about the Board's long term liabilities is presented in Note 5 and 6 to the financial statements.

Current Issues

The Berkeley Heights School District has been and continues to utilize sound accounting practices during a period of unstable economic conditions and uncertainty in State funding. The state imposed cap on property tax increases of 2% has effected how the district budgets and plans for current and future expenses.

The audit for the 2014/2015 school year reflects the new accounting requirements of GASB #68. The CAFR has been revised to account for the net pension liability, pension related deferred inflows/outflows and actual pension expense. The schedules summarizing this information are in the L section of the audit. This new information impacts the information shown in Table 2 – Change in Assets and the information presented in Schedule A.

Enrollment in the Berkeley Heights School District decreased slightly in the 2014/2015 school year, approximately 1%. The special education enrollment has remained constant overall, but there has been a slight decrease in the number of students in out of district placements. Although enrollment has remained fairly constant, addressing new programs, changing testing platforms and classroom requirements continues to be a challenge in relation to available resources.

There is increased emphasis on student achievement based on standardized test scores. The state has changed the testing requirements and the way the tests are administered. Standardized tests are now on-line tests. This requirement has caused the district to upgrade the technology in the classroom and the technology infrastructure to support the additional devices added in the classroom.

Fortunately, the Berkeley Heights School District has entered this period of time with a strong and prudent budget. We continually monitor costs and look for ways to do things more efficiently and look for opportunities to share services. As a way of addressing the budget constraints and a 2% tax levy increase, the district has entered into short term lease agreements for the purchase of technology, instructional, maintenance and transportation equipment.

Contacting the Berkeley Heights School District's Financial Management

The Management Discussion and Analysis of this financial report is designed to provide citizens, taxpayers and investors with a snapshot of the Berkeley Heights School District's finances. Also, to reflect the Berkeley Heights School District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Donna A. Felezzola; School Business Administrator/Board Secretary.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

(SECTION A)

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

STATEMENT OF NET POSITION
JUNE 30, 2015

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Assets:			
Cash and cash equivalents	$ 3,481,383	$ -	$ 3,481,383
Receivables			
Local	-	-	-
State	-	-	-
Federal	-	-	-
Other	752,972	-	752,972
Enterprise fund	-	2,241	2,241
Interfund	510	-	510
Inventory	-	11,143	11,143
Restricted assets:			
Cash and cash equivalents	1,158,523	-	1,158,523
Investments	-	-	-
Capital reserve account - Cash	-	-	-
Capital assets - Net (Note 4)	60,988,369	48,895	61,037,264
Total assets	66,381,757	62,279	66,444,036
Deferred outflows of resources:			
Changes in Assumptions - Pensions	431,162	-	431,162
Total deferred outflows of resources	431,162	-	431,162
Liabilities:			
Accounts payable	181,361	12,592	193,953
Other payables	1,422,678	-	1,422,678
Cash overdraft	-	32,205	32,205
Contracts payable	-	-	-
Interest payable	267,724	-	267,724
Grant anticipation notes	-	-	-
Payable to state government	373	-	373
Interfund payable	-	-	-
Deferred revenue	20,807	17,867	38,674
Noncurrent liabilities (Note 6)			
Due within one year	2,100,699	-	2,100,699
Due beyond one year	18,750,707	-	18,750,707
Net pension liability	11,512,344	-	11,512,344
Total liabilities	34,256,693	62,664	34,319,357
Deferred inflows of resources:			
Investment gains - Pensions	686,073	-	686,073
Changes in proportions - Pensions	84,679	-	84,679
Total deferred inflows of resources	770,752	-	770,752
Net position:			
Invested in capital assets, net of related debt	41,730,079	48,895	41,778,974
Restricted for:			
Debt service	52,216	-	52,216
Capital projects	-	-	-
Permanent endowment - Nonexpendable	-	-	-
Other purposes	2,973,417	-	2,973,417
Unrestricted/(deficit)	(12,970,238)	(49,280)	(13,019,518)
Total net position	$31,785,474	$ (385)	$31,785,089

The accompanying notes to financial statements are an integral part of this statement.

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUE AND CHANGE IN NET ASSETS: GOVERNMENTAL ACTIVITIES	NET (EXPENSES) REVENUE AND CHANGE IN NET ASSETS: BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental activities:						
Instruction:						
Regular	$16,698,786	$ -	$ 464,788	$(16,233,998)	$ -	$(16,233,998)
Special education	4,099,047	-	-	(4,099,047)	-	(4,099,047)
Other special instruction	385,388	-	-	(385,388)	-	(385,388)
Vocational	-	-	-	-	-	-
Other instruction	1,299,367	-	-	(1,299,367)	-	(1,299,367)
Nonpublic school programs	-	-	-	-	-	-
Support services:						
Tuition	1,460,886	-	-	(1,460,886)	-	(1,460,886)
Student & Inst. related services	5,321,878	-	105,697	(5,216,181)	-	(5,216,181)
School administration services	1,176,379	-	-	(1,176,379)	-	(1,176,379)
General and business admin. services	2,475,861	-	-	(2,475,861)	-	(2,475,861)
Plant operation and maintenance	3,563,551	-	-	(3,563,551)	-	(3,563,551)
Pupil transportation	1,676,714	-	-	(1,676,714)	-	(1,676,714)
Business & other support services	11,856,736	-	-	(11,856,736)	-	(11,856,736)
Special schools	60,479	-	-	(60,479)	-	(60,479)
Interest on long-term debt	746,260	-	-	(746,260)	-	(746,260)
Plant and equipment purchases	1,145,177	-	-	(1,145,177)	-	(1,145,177)
Unallocated depreciation	85,227	-	-	(85,227)	-	(85,227)
Total governmental activities	52,051,736	-	570,485	(51,481,251)	-	(51,481,251)
Business-type activities:						
Food service	900,400	885,869	-	-	(14,531)	(14,531)
Total primary government	$52,952,136	$ 885,869	$ 570,485	(51,481,251)	(14,531)	(51,495,782)
General revenues:						
Taxes:						
Property taxes levied for general purposes, net				37,312,415	-	37,312,415
Taxes levied for debt service				1,710,697	-	1,710,697
Federal and State aid not restricted				6,946,856	-	6,946,856
Tuition received				4,936,257	-	4,936,257
Bond refinancing				-	-	-
Capital lease purchases				383,446	-	383,446
Investment earnings				5,068	281	5,349
Miscellaneous income				460,807	-	460,807
Transfers				-	-	-
Total general revenues, special items, extraordinary items & transfers				51,755,546	281	51,755,827
Changes in net position				274,295	-	260,045
Net position - Beginning as restated				31,511,179	(14,250)	31,525,044
Net position - Ending				$ 31,785,474	$ (385)	$ 31,785,089

The accompanying notes to financial statements are an integral part of this statement.

NOKE AND HEARD, L.L.P. – CERTIFIED PUBLIC ACCOUNTANTS – SUMMIT, NEW JERSEY

FUND FINANCIAL STATEMENTS

(SECTION B)

GOVERNMENTAL FUNDS

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECT FUND	DEBT SERVICE FUND	PERMANENT FUND	TOTAL GOVERNMENTAL FUNDS
Assets:						
Cash and cash equivalents	$ 3,481,383	$ 28	$ -	$ 52,216	$ -	$ 3,533,627
Receivables, net	-	-	-	-	-	-
Due from other funds	510	-	-	-	-	510
Receivables from other governments	706,341	3,721	-	-	-	710,062
Receivables - Other	42,910	-	-	-	-	42,910
Inventory	-	-	-	-	-	-
Restricted cash	1,106,279	-	-	-	-	1,106,279
Total assets	$ 5,337,423	$ 3,749	$ -	$ 52,216	$ -	$ 5,393,388
Liabilities and fund balance:						
Liabilities:						
Accounts payable	$ 180,142	$ 1,219	$ -	$ -	$ -	$ 181,361
Other payables	1,422,678	-	-	-	-	1,422,678
Contracts payable	-	-	-	-	-	-
Prepaid 2015-16 activity fees	19,100	-	-	-	-	19,100
Interfund payable	-	-	-	-	-	-
Payable to Federal government	-	-	-	-	-	-
Payable to State government	-	373	-	-	-	373
Deferred revenue	-	1,707	-	-	-	1,707
Total liabilities	1,621,920	3,299	-	-	-	1,625,219
Fund balance:						
Non-spendable inventory						
Restricted for:						
Legally restricted	-	-	-	-	-	-
Capital reserve account	1,106,279	-	-	-	-	1,106,279
Excess surplus current year	833,018	-	-	-	-	833,018
Debt Service Fund	-	-	-	45,981	-	45,981
Capital Project Fund	-	-	-	-	-	-
Designated for subsequent year	820,791	-	-	6,235	-	827,026
Assigned to:						
Year-end encumbrances	170,663	450	-	-	-	171,113
Unassigned:						
General fund	784,752	-	-	-	-	784,752
Special revenue fund	-	-	-	-	-	-
Total fund balances	3,715,503	450	-	52,216	-	3,768,169
Total liabilities and fund balances	$ 5,337,423	$ 3,749	$ -	$ 52,216	$ -	

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:	
Capital assets used by governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $85,318,775 and the accumulated depreciation is $24,330,406. (See Note 4)	60,988,369
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 6)	(20,851,407)
Accrued interest long term debt	(267,724)
Net assets of governmental activities	$ 43,637,407

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECT FUND	DEBT SERVICE FUND	PERMANENT FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:						
Local sources:						
Local tax levy	$ 37,312,415	$ -	$ -	$ 1,710,697	$ -	$ 39,023,112
Tuition charges	4,936,257	-	-	-	-	4,936,257
Interest earned - Capital Reserve Fund	3,118	-	-	-	-	3,118
Interest earned investments	1,950	-	-	-	-	1,950
Miscellaneous	455,264	5,543	-	-	-	460,807
Total local sources	42,709,004	5,543	-	1,710,697	-	44,425,244
State sources	6,324,258	-	-	622,598	-	6,946,856
Federal sources	-	570,485	-	-	-	570,485
Total revenue	49,033,262	576,028	-	2,333,295	-	51,942,585
Expenditures:						
Current:						
Regular instruction	15,592,164	474,975	-	-	-	16,067,139
Special education instruction	3,983,191	-	-	-	-	3,983,191
Other special instruction	376,066	-	-	-	-	376,066
Other instruction	1,256,753	-	-	-	-	1,256,753
Support services and undistributed costs:						
Tuition	1,460,886	-	-	-	-	1,460,886
Student and inst. related services	5,064,370	105,697	-	-	-	5,170,067
School administrative services	1,116,454	-	-	-	-	1,116,454
Other administrative services	2,394,629	-	-	-	-	2,394,629
Plant operations and maintenance	3,433,047	-	-	-	-	3,433,047
Pupil transportation	1,604,803	-	-	-	-	1,604,803
Other support services	-	-	-	-	-	-
Employee benefits	11,856,736	-	-	-	-	11,856,736
Special schools	57,816	-	-	-	-	57,816
Debt service:						
Principal	-	-	-	1,650,000	-	1,650,000
Interest	-	-	-	637,333	-	637,333
Capital outlay	1,354,839	-	-	-	-	1,354,839
Total expenditures	49,551,754	580,672	-	2,287,333	-	52,419,759

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECT FUND	DEBT SERVICE FUND	PERMANENT FUND	TOTAL GOVERNMENTAL FUNDS
(Continued from prior page)						
Excess (deficiency) of revenues over expenditures	(518,492)	(4,644)	-	45,692	-	(477,174)
Other financing sources (uses)						
Bond proceeds	-	-	-	-	-	-
Capital lease purchases	377,192	-	-	6,254	-	383,446
Transfer to Enterprise Fund	-	-	-	-	-	-
Transfers to General Fund	-	-	-	-	-	-
Total other financing sources	377,192	-	-	6,254	-	383,446
Net change in fund balances	(141,300)	(4,644)	-	52,216	-	(93,728)
Fund balances - July 1	3,856,803	5,094	-	-	-	3,861,897
Fund balances - June 30	$ 3,715,503	$ 450	$ -	$ 52,216	$ -	$ 3,768,169

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

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

Total net change in fund balances - Governmental funds (FROM B-2)	$ (93,728)
Amounts reported for governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation expense	(1,331,676)
Capital outlays (Net of adjustment)	227,966
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	1,650,000
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.	
Bonds issued (Refunding issue net)	-
Capital lease proceeds	(450,000)
Capital lease repayments	431,696
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.	
June 30, 2014	158,797
June 30, 2015	(267,724)
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 (+).	
Compensated absences payments	220,418
Compensated absences earned	(271,454)
Change in net assets of governmental activities	$ 274,295

PROPRIETARY FUNDS

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

Business-type Activity - Enterprise Fund

	FOOD SERVICE
Assets:	
Current assets:	
Cash and cash equivalents	$ -
Accounts receivable	2,241
Inventories	11,143
Total current assets	13,384
Noncurrent assets:	
Machinery and equipment	85,854
Less accumulated depreciation	(36,959)
Total noncurrent assets	48,895
Total assets	$ 62,279
Liabilities:	
Current liabilities:	
Accounts payable	$ 12,592
Deferred revenue	17,867
Cash overdraft	32,205
Total current liabilities	62,664
Net position	
Invested in capital assets	48,895
Unrestricted (deficit)	(49,280)
Total net position	(385)
Total liabilities and net position	$ 62,279

The accompanying notes to the financial statements are an integral part of this statement.

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	FOOD SERVICE
Operating revenues:	
Charges for services:	
Daily sales - Reimbursable programs	$ -
Daily sales - Non-reimbursable programs	885,869
Miscellaneous	-
Total operating revenues	885,869
Operating expenses:	
Cost of sales	645,764
Salaries	116,554
Employee benefits	8,791
Supplies and materials	32,979
Purchased professional services	85,163
Depreciation	11,149
Total operating expenses	900,400
Operating income (loss)	(14,531)
Non-operating revenues (expenses):	
State sources:	
State school lunch program	-
Federal sources:	
National school lunch program	-
Special milk program	-
Food distribution program	-
Interest earned	281
Total non-operating revenues	281
Net income (loss) before transfers	(14,250)
Transfers from General Fund	-
Change in net position	(14,250)
Total net position - Beginning	13,865
Total net position - Ending	$ (385)

The accompanying notes to the financial statements are an integral part of this statement.

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Business-type Activities - Enterprise Funds	FOOD SERVICE
Cash flows from operating activities:	
Receipts from customers	$ 883,628
Payments to employees and benefits	(125,525)
Payments to suppliers	(719,594)
Net cash provided by (used for) operating activities	38,509
Cash flows from non-capital financing activities:	
State sources	-
Federal sources	-
Operating subsidies and transfers to other funds	-
Net cash provided by (used for) non-capital financing activities	-
Cash flows from capital and related financing activities:	
Acquisition of capital assets	-
Cash flows from investing activities:	
Advance repaid	-
Interest earned	-
Net cash provided by (used for) investing activities	-
Net increase (decrease) in cash and cash equivalents	38,509
Balances - Beginning of year	(70,714)
Balances - End of year (deficit)	$ (32,205)
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ (14,250)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Transfer from General Fund	-
Depreciation	11,149
Food distribution program	-
(Increase) decrease in accounts receivable	24,117
(Increase) decrease in inventories	237
Increase (decrease) in deferred revenue	8,176
Increase (decrease) in accounts payable	9,080
Total adjustments	52,759
Net cash provided by (used for) operating activities	$ 38,509

The accompanying notes to the financial statements are an integral part of this statement.

FIDUCIARY FUNDS

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	UNEMPLOYMENT COMPENSATION TRUST	AGENCY FUND
ASSETS:		
Cash and cash equivalents	$ 285,043	$1,006,232
Total assets	$ 285,043	$1,006,232
LIABILITIES:		
Accounts payable	$ -	$ -
Payable to district	-	-
Payable to student groups	-	-
Payroll deductions and withholdings	-	1,006,232
Total liabilities	-	$1,006,232
NET POSITION:		
Held in trust for unemployment claims and other purposes	$ 285,043	

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	UNEMPLOYMENT COMPENSATION TRUST
ADDITIONS:	
Contributions:	
Plan member	$ 44,032
Board contributions	33,542
Total contributions	77,574
Investment earnings:	
Interest	3
Net investment earnings	3
Total additions	77,577
DEDUCTIONS:	
Quarterly contribution reports	-
Unemployment claims	33,542
Refunds of contributions	-
Total deductions	33,542
Change in net position	44,035
Net position - Beginning of the year	241,008
Net position - End of the year	$ 285,043

NOTES TO THE

FINANCIAL STATEMENTS

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Berkeley Heights School District is a type II district located in the County of Union, State of New Jersey. As a type II district, the school district functions independently through a Board of Education. The Board is comprised of seven members elected to three-year terms and one sending district member appointed annually. The purpose of the District is to educate students in Grades K-12. The Berkeley Heights School District has an approximate enrollment at June 30, 2015 of 2,684 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB (Codification of Governmental Accounting and Financial Reporting Standards), is the degree of oversight responsibility maintained by the 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 and account groups of the District over which the Board exercises operating control. The operations of the District include elementary, middle and high schools located in Berkeley Heights Township. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Fund Accounting

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds and accounts are grouped, in the financial statements in this report, into seven fund types within three broad fund categories and two account groups as follows:

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Governmental Funds

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

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

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

Special Revenue Fund: The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Fund) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Proprietary Funds

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

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

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

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

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

Food Service Fund:	
Equipment	5 to 10 Years

Fiduciary Fund Type

Trust and Agency Funds: The Trust and Agency Funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Fiduciary Fund Type (Continued)

Nonexpendable Trust Fund: A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principle. (The District currently has no Nonexpendable Trust Funds.)

Expendable Trust Fund: An Expendable Trust Fund is accounted for in essentially the same manner as the Governmental Fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principle and interest may be spent. Expendable Trust Funds include The Unemployment Compensation Insurance Fund.

Agency Funds (Payroll and Student Activities Fund): Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations.

Account Groups: In addition to the funds listed above, the District maintains two account groups as follows:

General Fixed Assets Account Group: Fixed assets used in Governmental Fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in Governmental Funds. Depreciation has been provided on General Fixed Assets. Fixed assets related to food service operations are accounted for in the Enterprise Fund and are considered fund fixed assets.

General Long-Term Debt Account Group: Long-Term liabilities expected to be financed from Governmental Funds are accounted for in the General Long-Term Debt Account Group, not in the Governmental Funds. This includes serial bonds outstanding that are expected to be financed from Governmental Funds, the outstanding principle balance on capital leases and the noncurrent portion of the liability for compensated absences.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as Governmental Fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

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

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

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

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus (Continued):

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

The accrual basis of accounting is used for measuring financial position and operating results of Proprietary Fund types and Nonexpendable Trust Funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office for approval. P.L. 2011, c.202, effective March 28, 2013, permits a board of education, or voters to move the April annual school board election to the date of the November general election thereby eliminating the vote on the annual base budget. The District approved the election date to be moved to November, the dates for submission of the budget, advertising, or public hearing have not been changed. Budgets are prepared using the modified accrual basis of accounting except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any supplemental budgetary appropriations during the fiscal year.

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 one or more June state aid payments for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year end.

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

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control (Continued)

The following 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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund types. Note that the District does not report encumbrances outstanding at year end as expenditures in the General Fund since the General Fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last June state aid payments.

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	$49,009,168	$ 576,028
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	436,180	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(412,086)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - Governmental Funds.	$49,033,262	$ 576,028
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	$49,551,754	$ 554,825
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	N/A	-
Transfer to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to General Fund.	N/A	(450)
Total expenditures (GAAP Basis)	$49,551,754	$ 554,375

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Encumbrances

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

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

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

F. Cash, Cash Equivalents and Investments

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

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

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

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

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Interfund Receivables/Payables

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

The following interfund balances remained on the statement of net position at June 30, 2015.

Fund	Interfund Receivable	Interfund Payable
General Fund	$ -	$ -
Special Revenue Fund	-	-
Enterprise Fund	-	-
Capital Project Fund	-	-
Debt Service Fund	-	-
	$ -	$ -

H. Inventories and Prepaid Expenses

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

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

I. Capital Assets

Capital Assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and Proprietary Funds are shown as follows:

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Buildings and improvements	$2,000	Straight-line	20-50 years
Equipment	$2,000	Straight-line	5-10

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Accrued Salaries and Wages

Certain district employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but un-disbursed amounts be retained in a separate bank account. As of June 30, 2015, the amount earned by these employees but not disbursed was $544,875.00.

K. Compensated Absences

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

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

The liability for vested compensated absences of the Governmental Fund types is recorded in the general long-term debt account group. The current portion of the compensated absence balance of the Governmental Funds is considered material to the applicable funds total liabilities, and therefore is shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the Proprietary Fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015 no liability existed for compensated absences in the Food Service Fund.

L. Deferred Revenue

Deferred Revenue in the Special Revenue Fund (if any) represents cash which has been received but not yet earned.

Deferred Revenue of $17,867 in the Enterprise Funds represents lunch deposits received in 2014-15 which will be applied to lunch fees during 2015-16.

M. Prepaid 2014 - 15 Activity Fees

The District has collected activity fees that are applicable to the 2015-16 school year. At June 30, 2015 $19,100 has been prepaid by parents and will be reported in the year to which they apply.

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Long-term Obligations

Long-term debt is recognized as a liability of a Governmental Fund when due, or when resources have been accumulated in the Debt Service Fund for payment early in the following year. The remaining portion of such obligations is reported in the basic financial statements as long-term and short-term liabilities:

Government Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds payable					
Gen. Obligation	$19,325,000	$ -	$1,650,000	$17,675,000	$1,565,000
Other Liabilities:					
Capital leases	1,297,252	450,000	431,696	1,315,556	526,232
Net pension liability	11,851,934	-	(339,590)	11,512,344	-
Compensated balance payable	1,809,814	271,454	220,418	1,860,850	42,120
	$34,284,000	$ 721,454	$2,641,704	$32,363,750	$2,133,352

O. Fund Equity

Contributed capital represents the amount of fund capital contributed to the Proprietary Funds from other funds. Reserves represent those portions of Fund Equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

P. Comparative Data

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

Q. 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 State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

Category 1
Insured, registered or collateralized with securities held by the District or by its agent in the District's name.

Category 2
Uninsured, unregistered or collateralized with securities held by the pledging public depository or by its trust department or agent in the District's name.

Category 3
Uninsured, unregistered or uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository or by its trust department or agent but not in the District's name.

As of June 30, 2015, the District's deposits and investments are summarized as follows:

Category	Amount
1	$ 4,571,159
2	-
3	-
	$ 4,571,159

As of June 30, 2015, the District had investments of:

Type	Carrying Amount	Market Value
Federal Notes	$ - 0 -	$ - 0 -

The investment recorded in the general-purpose financial statements would be recorded at the carrying amount. The difference between the carrying amount and market value is not material to the general-purpose financial statements.

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 3. CAPITAL RESERVE ACCOUNT

A Capital Reserve Account was established by the Township of Berkeley Heights Board of Education by inclusion of $1,525,000 on April 29, 1993 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

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

The activity of the Capital Reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	$1,303,161
Interest earnings	3,118
Deposits	
Approved - Budget authorization	-
Approved by Board Resolution	300,000
Withdrawals	
Budget authorization	(500,000)
Ending balance, June 30, 2015	$1,106,279

The June 30, 2015 LRFP balance of local support costs of uncompleted capital projects at June 30, 2015 is in excess of $7,107,350. The withdrawals from the Capital Reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

During the fiscal year ended June 30, 2015, the District had actual interest earnings of $3,118.00. By Board resolution and voter approval, the District transferred $500,000.00 to the Capital Outlay Fund for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan. By Board resolution approval, $300,000.00 was transferred at year-end.

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 4. FIXED ASSETS

The following schedule is a summarization of the changes in General Fixed Assets by source for the fiscal year ended June 30, 2015.

	Balance as of 7-01-14	Expenditure from: General Fund	Special Revenue	Capital Projects	Less: Adjustments & Disposals	Balance as of 6-30-15
Sites	$ 14,043,000	$ -	$ -	$ -	$ -	$ 14,043,000
Site improve.	2,780,151	24,700	-	-	-	2,804,851
Buildings and bldg. improve.	64,660,488	55,061	-	-	-	64,715,549
Machinery and equip.	3,607,170	148,205	-	-	-	3,755,375
Total	$ 85,090,809	$ 227,966	$ -	$ -	$ -	85,318,775
				Less accumulated depreciation		24,330,406
				Net fixed assets		$ 60,988,369

The following is a summary or Proprietary Fund type fixed assets at June 30, 2015:

Machinery and equipment	$ 85,854
Less: Accumulated depreciation	(36,959)
Net fixed assets	$ 48,895

During fiscal year ended June 30, 2015, an update of the school district's Fixed Assets was made by the American Appraisal Company.

The Fixed Asset accounts and depreciation have been adjusted to reflect this update.

NOTE 5. OPERATING LEASES

The District has commitments to lease copying, computer and postage equipment under operating leases which expire in June 2020. Total operating lease payments made during the year ended June 30, 2015 were $41,829. Future minimum lease payments are as follows:

Year Ended	Amount
June 30, 2016	$ 44,070
June 30, 2017	36,091
June 30, 2018	7,602
June 30, 2019	3,502
June 30, 2020	3,502
Total future minimum lease payments	$ 94,767

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 6. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2015 the following changes occurred in liabilities reported in the General Long-term Debt account group:

	BALANCE 7-01-14	ISSUED	RETIRED	BALANCE 6-30-15
Net Pension Liability	$11,851,934	$ -	$ (339,590)	$11,512,344
Compensated absences payable	1,809,814	271,454	(220,418)	1,860,850
Bonds payable	19,325,000	-	(1,650,000)	17,675,000
Capital leases payable	1,297,252	450,000	(431,696)	1,315,556
	$34,284,000	$ 721,454	$(2,641,704)	$32,363,750

Advance Refunding

In the current year, the District defeased certain unlimited tax school building bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. As of June 30, 2015, $14,739,000 of bonds considered defeased are still outstanding.

The District issued $13,970,000 of unlimited tax refunding bonds plus premium on capital appreciation bonds to provide the resources to place in an escrow account for the purpose of generating resources for future debt service payments of $14,739,000 of unlimited tax school building bonds. As a result, the refunding bonds are considered to be defeased and the liability has been removed from the district-wide financial statements. The reacquisition price exceeded the net carrying amount of the refunded debt by $2,078,098.90. This amount is being netted against the refunding debt and amortized over the remaining life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments.

A. Bonds Payable

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

Principle and interest due on bonds outstanding is as follows:

YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2016	$ 1,565,000	$ 729,612	$ 2,294,612
2017	1,585,000	664,400	2,249,400
2018	1,615,000	623,075	2,238,075
2019	1,635,000	579,225	2,214,225
Thereafter	11,275,000	2,026,475	13,301,475
	$17,675,000	$ 4,622,787	$22,297,787

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 6. GENERAL LONG-TERM DEBT (Continued)

B. Bonds Authorized But Not Issued

As of June 30, 2015 the Board had no authorized but not issued bonds.

C. Capital Leases Payable

During 2014-15 the District entered into leases for computer equipment, technology infrastructure and school busses. The leases run for 3 and 5 year periods at interest rates between 1.723% and .88%.

The leases call for payments as follows:

YEAR	COMPUTER EQUIPMENT	TECHNOLOGY INFRASTRUCTURE	SCHOOL BUSSES	TECHNOLOGY BUS. EQUIP.
2016	$ 256,106	$ 114,797	$ 71,174	$ 93,622
2017	-	114,797	71,173	93,623
2018	-	114,797	71,174	93,622
2019	-	-	71,173	93,622
2020	-	-	-	93,622
Total Payments	256,106	344,391	284,694	468,111
Less: Amount representing interest	2,234	7,506	9,894	18,111
Net lease payments	$ 253,872	$ 336,885	$ 274,800	$ 450,000

D. Net Pension Liability

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is $-0- and the long-term portion is $11,512,344. See Note 7 for further information on the PERS.

NOTE 7. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

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

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS (Continued)

A. Public Employees' Retirement System (PERS) (Continued)

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 and 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 members 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 50 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.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to $506,903 for fiscal year 2015.

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS (Continued)

A. Public Employees' Retirement System (PERS) (Continued)

Contributions (Continued)

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2015, the District reported a liability of $11,512,344 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.061%, which was a decrease of 0.001% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of $579,581. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	$ 362,010	
Changes in Proportion		$ 84,679
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	686,073
	$ 362,010	$ 770,752

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2015	$(104,972)
2016	(104,972)
2017	(104,972)
2018	(104,972)
2019	66,546
Thereafter	29,279
	$(324,063)

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS (Continued)

A. Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15 - 4.40% based on age
Thereafter	3.15 - 5.40% based on age
Investment Rate of Return	7.90%

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

BOARD OF EDUCATION
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS (Continued)

A. Public Employees' Retirement System (PERS) (Continued)

Discount Rate

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2014 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the Net Pension Liability	$14,482,920	$11,512,344	$9,017,815

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

BOARD OF EDUCATION
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS (Continued)

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included 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 2014, the State's pension contribution was less than the actuarially determined amount.

BOARD OF EDUCATION
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS (Continued)

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

Contributions (Continued)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2015, the State of New Jersey contributed $1,546,117 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of $6,083,987.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2015, the State's proportionate share of the net pension liability associated with the District was $113,065,532. The net position liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014 the District's proportion was 0.212%, which was a decrease of 0.004% from its proportion measured as of June 30, 2013.

District's Proportionate Share of the Net Pension Liability	$ -
State's Proportionate Share of the Net Pension Liability Associated with the District	113,065,532
Total	$113,065,532

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the District in the amount of $6,083,987 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS (Continued)

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

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

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	$2,306,623,861	
Difference Between Expected and Actual Experience		$ 21,969,019
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	1,741,236,574
	$2,306,623,861	$1,763,205,593

The $2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The $21,969,019 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The $1,741,236,574 reported as a deferred inflow of resources resulting from the difference between projected and actual investment earnings on pension plan investments will be amortized over 5 years.

Fiscal Year Ending June 30,	Total
2016	$(130,688,498)
2017	(130,688,498)
2018	(130,688,498)
2019	(130,688,496)
2020	304,620,646
Thereafter	761,551,612
	$ 543,418,268

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS (Continued)

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

Actuarial Assumptions (Continued)

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 is summarized in the following table:

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS (Continued)

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

Long Term Expected Rate of Return (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-U.S. Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad U.S. Equities	25.90%	5.88%
Large CAP U.S. Equities	0.00%	5.62%
Mid CAP U.S. Equities	0.00%	6.39%
Small CAP U.S. Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

Discount Rate - TPAF

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS (Continued)

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

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

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
Total Net Pension Liability	$64,722,984,539	$53,813,067,539	$44,738,870,539

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

During the fiscal year ended June 30, 2015, the State of New Jersey contributed $3,048,288 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District $1,626,903 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS (Continued)

C. Defined Contribution Retirement Program (DCRP) (Continued)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of $6,187 for the fiscal year ended June 30, 2015. Employee contributions to DCRP amounted to $12,820 for the fiscal year ended June 30, 2015.

NOTE 8. CONTINGENT LIABILITIES

The Board is involved in several claims and lawsuits incidental to its operation. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

NOTE 9. PREMIUM STABILIZATION RESERVE

CIGNA Insurance Company is holding deposits in the amount of $583,531.14. These amounts are to be used to help stabilize the annual hospitalization insurance costs. These deposits are Board General Funds which may be reclaimed at any time.

NOTE 10. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. Total excess surplus at June 30, 2014 was $615,275, from 2013-14, as a result, this amount was appropriated in the 2014-15 budget. The excess surplus at June 30, 2015 was $818,012.

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 11. FUND BALANCE APPROPRIATED

General Fund

Of the $4,127,589 General Fund fund balance at June 30, 2015, $170,663 is reserved for encumbrances; none has been legally restricted in accordance with N.J.A.C. 6a:23-8.5(j); $833,018 reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; ($-0- of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2016); $1,106,279 has been reserved in the Capital Reserve Account; $820,791 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; and $1,196,838 is unreserved and undesignated.

NOTE 12. DEFERRED COMPENSATION

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

Lincoln Investment Planning
VALIC
MetLife Resources
AXA Equitable

NOTE 13. RISK MANAGEMENT

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

Property and Liability Insurance

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

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 13. RISK MANAGEMENT (Continued)

New Jersey Unemployment Compensation Insurance

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

Fiscal Year	District Contributions	Interest Earned	Employee Contributions	Claims Amount Reimbursed	Ending Balance
2014-2015	$ 33,542	$ 3	$ 44,032	$ (33,542)	$285,043
2013-2014	$ 36,552	$ 0	$ 42,994	$ (41,691)	$241,008
2012-2013	$ 20,995	$ 25	$ 40,889	$ (39,126)	$203,153
2011-2012	$103,835	$ 83	$ 37,820	$ (64,306)	$180,370

NOTE 14. INVENTORY

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

Food	$ 5,746
Supplies	5,397
	$ 11,143

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

NOTE 15. CAPITAL PROJECT FUND

The Capital Projects were completed during 2011-12.

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 16. DEFICIT FUND BALANCES

The District has a surplus fund balance of $3,715,503 in the General Fund and $450 in the Special Revenue Fund as of June 30, 2015 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, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the state is recording the June state aid payments in the subsequent fiscal year, the school District cannot recognize the June state aid payments (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 unreserved, undesignated General Fund or Special Project Fund balance that is reported as a direct result from a delay in the June state aid payments until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of $(12,970,238) represents the last state aid payments plus liabilities for compensated absences, accrued interest and other liabilities which are required to be reflected under GAAP accounting but which are not required reportings under budgetary accounting requirements.

NOTE 17. PRIOR PERIOD ADJUSTMENTS

The District made a prior year adjustment in the District Wide Financial Statements to record the net pension liability as of June 30, 2014 as a result of implementing Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

	Balance 6/30/14 As Previously Reported	Retroactive Adjustments	Balance 6/30/14 as Restated
Statement of Net Assets:			
Governmental Activities:			
Statement of Net Position:			
Liabilities:			
Non-Current Liabilities	$22,432,066	$ 11,851,934	$34,284,000
Total Liabilities	$24,081,589	$ 11,851,934	$35,933,523
Net Position:			
Unrestricted/(Deficit)	$(1,031,436)	$(11,851,934)	$12,883,370)
Total Net Position	$43,363,113	$(11,851,934)	$31,511,179

REQUIRED SUPPLEMENTARY INFORMATION – PART II

(SECTIONS C THROUGH I)

BUDGETARY COMPARISON SCHEDULES

(SECTION C)

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Revenues:					
Local sources:					
Local tax levy	$ 37,312,415	$ -	$ 37,312,415	$ 37,312,415	$ -
Tuition	4,791,737	-	4,791,737	4,936,257	144,520
Interest on Capital Reserve account	1,950	-	1,950	3,118	1,168
Interest on investments	-	-	-	1,950	1,950
Rental income	42,000	-	42,000	67,363	25,363
Participation fees	140,000	-	140,000	140,383	383
Miscellaneous	234,050	-	234,050	247,518	13,468
Total local sources	42,522,152	-	42,522,152	42,709,004	186,852
State sources:					
Categorical special education aid	969,462	-	969,462	969,462	-
Categorical transportation aid	117,713	-	117,713	117,713	-
Categorical security aid	35,996	-	35,996	35,996	-
Nonpublic school transportation aid 2014-15	-	-	-	33,060	33,060
Extraordinary aid 2014-2015	-	-	-	273,791	273,791
Other state aid	46,090	-	46,090	46,090	-
Regular operating facilities grant	-	-	-	148,864	148,864
TPAF pension (on-behalf - non-budgeted)	-	-	-	3,048,285	3,048,285
TPAF social security (reimbursed - non-budgeted)	-	-	-	1,626,903	1,626,903
Total state sources	1,169,261	-	1,169,261	6,300,164	5,130,903
Total revenues	43,691,413	-	43,691,413	49,009,168	5,317,755
Expenditures:					
Current expense:					
Regular programs - Instruction:					
Salaries Preschool/Kindergarten	365,873	52,766	418,639	417,660	979
Salaries of teachers - Grades 1-5	5,161,066	(112,333)	5,048,733	5,023,453	25,280
Salaries of teachers - Grades 6-8	3,414,340	(91,184)	3,323,156	3,297,528	25,928
Salaries of teachers - Grades 9-12	5,872,125	(73,465)	5,798,660	5,751,530	47,130
Regular programs - Home instruction:					
Salaries of teachers	25,000	4,318	29,318	29,318	-
Purchased professional services	7,500	22,800	30,300	29,342	958
Regular programs - Undistributed instruction:					
Other salaries of instruction	83,368	(20,629)	62,739	62,463	276
Other purchased services	38,942	26,688	65,630	61,297	4,333
Purchased technical services	150,083	32,993	183,076	180,022	3,054
Lease purchase	256,106	(4,449)	251,657	251,657	-
Other purchased services	62,663	17,269	79,932	78,781	1,151
Travel	3,200	996	4,196	3,061	1,135
General supplies	363,444	25,957	389,401	319,551	69,850
Textbooks	35,731	55,189	90,920	85,776	5,144
Other objects	2,050	(1,275)	775	725	50
Total regular programs - Instruction	15,841,491	(64,359)	15,777,132	15,592,164	184,968

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

EXHIBIT C-1(2)

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2015

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Special education - Instruction:					
Learning/language disability:					
Salaries of teachers	$ 208,448	$ (76,214)	$ 132,234	$ 131,899	$ 335
Other salaries of instruction	67,604	36,438	104,042	101,773	2,269
General supplies	1,707	-	1,707	1,367	340
Total learning/language disability	277,759	(39,776)	237,983	235,039	2,944
Auditory impairments:					
Supervisor salaries	87,989	(14,000)	73,989	73,599	390
Salaries of teachers	262,213	8,080	270,293	270,293	-
Other salaries of instruction	315,775	(12,425)	303,350	289,945	13,405
General supplies	290	-	290	-	290
Textbooks	-	751	751	750	1
Total auditory impairments	666,267	(17,594)	648,673	634,587	14,086
Multiple disabilities:					
Salaries of teachers	-	14,087	14,087	-	14,087
Resource room:					
Salaries of teachers	2,039,934	166,129	2,206,063	2,202,081	3,982
Other salaries of instruction	498,880	(49,574)	449,306	444,340	4,966
General supplies	2,945	(775)	2,170	2,028	142
Textbooks	-	-	-	-	-
Total resource room	2,541,759	115,780	2,657,539	2,648,449	9,090
Autism:					
Salaries of teachers	126,069	29,292	155,361	155,312	49
Other salaries of instruction	125,500	5,000	130,500	128,716	1,784
Total autism	251,569	34,292	285,861	284,028	1,833
Preschool disabilities - Part-time:					
Salaries of teachers	131,706	3,000	134,706	129,794	4,912
Other salaries of instruction	68,482	(17,900)	50,582	50,556	26
General supplies	858	-	858	738	120
Total preschool disabilities - Part-time	201,046	(14,900)	186,146	181,088	5,058
Total special education - Instruction	3,938,400	91,889	4,030,289	3,983,191	47,098
Basic skills/remedial - Instruction:					
Salaries of teachers	241,828	(5,695)	236,133	234,302	1,831
General supplies	3,747	2,946	6,693	3,246	3,447
Total basic skills/remedial - Instruction	245,575	(2,749)	242,826	237,548	5,278

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

EXHIBIT C-1(3)

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2015

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Bilingual education - Instruction:					
Salaries of teachers	$ 139,148	$ -	$ 139,148	$ 138,416	$ 732
Purchased professional services	30	(30)	-	-	-
Other purchased services	184	(85)	99	99	-
General supplies	95	117	212	3	209
Total bilingual education - Instruction	139,457	2	139,459	138,518	941
School-sponsored co-curricular activities - Instruction:					
Salaries	193,878	9,225	203,103	202,328	775
Other purchased services	34,728	(2,750)	31,978	20,859	11,119
Supplies and materials	15,588	(2,623)	12,965	10,572	2,393
Other objects	4,426	-	4,426	2,547	1,879
Total school sponsored co-curricular - Instruction	248,620	3,852	252,472	236,306	16,166
School-sponsored athletics - Instruction:					
Salaries	706,814	26,700	733,514	727,102	6,412
Purchased services	79,172	(1,884)	77,288	74,351	2,937
Travel	1,000	-	1,000	994	6
Supplies and materials	130,769	37,888	168,657	143,151	25,506
Other objects	69,750	(184)	69,566	69,000	566
Total school-sponsored athletics - Instruction	987,505	62,520	1,050,025	1,014,598	35,427
Community service program:					
Salaries	8,034	-	8,034	5,849	2,185
Total instruction	21,409,082	91,155	21,500,237	21,208,174	292,063
Undistributed expenditures:					
Instruction:					
Tuition - Other LEA's within the State - Special	408,000	345,856	753,856	714,832	39,024
Tuition - County vo-tech - Regular	325,000	(25,000)	300,000	296,800	3,200
Tuition - County vo-tech - Special	6,000	(6,000)	-	-	-
Tuition - Regular day school	-	-	-	-	-
Tuition - Private schools disabil. - Within state	878,094	(465,371)	412,723	330,254	82,469
Tuition - Private schools disabil. - Out of state	119,000	-	119,000	119,000	-
Tuition - State facilities	-	-	-	-	-
Total undistributed expenditures - Instruction	1,736,094	(150,515)	1,585,579	1,460,886	124,693
Attendance and social work services:					
Salaries	49,955	(700)	49,255	49,178	77

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2015

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Health services:					
Salaries - Nurses	$ 425,186	$ 7,024	$ 432,210	$ 432,060	$ 150
Salaries - Secretarial	24,617	(2,150)	22,467	22,467	-
Purchased professional services	39,299	(6,951)	32,348	31,110	1,238
Supplies and materials	8,302	1,353	9,655	7,740	1,915
Other objects	1,095	(20)	1,075	764	311
Total health services	498,499	(744)	497,755	494,141	3,614
Other support services - Students - Related services:					
Salaries	461,359	131,692	593,051	593,051	-
Purchased prof. Services - Educational	39,700	40,000	79,700	32,075	47,625
Supplies and materials	6,901	-	6,901	5,381	1,520
Total other support services - Students - Related services	507,960	171,692	679,652	630,507	49,145
Other extraordinary services:					
Salaries of instruction	150,648	180,533	331,181	331,063	118
Purchased professional services	-	2,948	2,948	2,948	-
Total other extraordinary services	150,648	183,481	334,129	334,011	118
Other support services - Guidance:					
Salaries of other professional staff	860,471	(13,867)	846,604	846,430	174
Salaries of secretarial/clerical	126,323	150	126,473	126,238	235
Supplies and materials	7,200	(4,839)	2,361	2,361	-
Total other support services - Guidance	993,994	(18,556)	975,438	975,029	409
Other support services - Child Study Teams:					
Salaries of other professional staff	1,093,125	(120,700)	972,425	972,394	31
Salaries of secretarial/clerical	78,630	(31)	78,599	78,599	-
Purchased professional services	25,590	575	26,165	20,691	5,474
Other purchased services	1,515	531	2,046	2,046	-
Travel	2,400	-	2,400	1,845	555
Supplies and materials	13,685	-	13,685	8,595	5,090
Total other support services - Child Study Teams	1,214,945	(119,625)	1,095,320	1,084,170	11,150
Improvement of inst. serv./other support serv. inst. staff:					
Salaries of supervisors of instruction	980,229	40,163	1,020,392	1,020,123	269
Salaries of secretarial/clerical asst.	30,851	600	31,451	31,430	21
Other purchased services	8,000	10,266	18,266	18,151	115
Supplies and materials	5,432	(631)	4,801	4,649	152
Total improvement of instruction services	1,024,512	50,398	1,074,910	1,074,353	557

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2015

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Educational media services/school library:					
Salaries	$ 313,223	$ 341	$ 313,564	$ 312,807	$ 757
Other purchased services	-	-	-	-	-
Supplies and materials	21,675	(586)	21,089	19,923	1,166
Other objects	26,080	176	26,256	25,929	327
Total educational media services/school library	360,978	(69)	360,909	358,659	2,250
Instructional staff training service:					
Salaries of supervisors of instruction	32,793	(7,823)	24,970	24,970	-
Salaries of secretarial/clerical	7,500	625	8,125	8,120	5
Purchased professional educational services	16,500	200	16,700	12,593	4,107
Other purchased professional services	-	8,113	8,113	8,113	-
Other purchased services	16,000	(528)	15,472	9,342	6,130
Supplies and materials	1,750	-	1,750	1,184	566
Total instructional staff training service	74,543	587	75,130	64,322	10,808
Support services - General administration:					
Salaries	486,963	15,747	502,710	479,101	23,609
Legal	95,000	(23,502)	71,498	68,804	2,694
Audit fees	45,280	970	46,250	46,250	-
Architect/Engineer	69,500	39,554	109,054	109,054	-
Other purchased professional services	11,500	6,204	17,704	17,514	190
Purchased technical services	44,550	30,000	74,550	73,955	595
Communication/telephone	45,000	9,950	54,950	45,839	9,111
Travel	9,750	193	9,943	6,923	3,020
BOE other purchased services	2,500	2,200	4,700	3,046	1,654
Miscellaneous purchased services	185,706	24,729	210,435	205,512	4,923
Supplies and materials	1,000	850	1,850	75	1,775
General supplies	18,000	6,180	24,180	15,992	8,188
BOE meeting/training supplies	1,000	-	1,000	200	800
Miscellaneous expenditures	6,800	420	7,220	7,053	167
BOE membership dues and fees	33,000	4,136	37,136	37,136	-
Total support services - General administration	1,055,549	117,631	1,173,180	1,116,454	56,726
Support services - School administration:					
Salaries of principals	1,189,919	27,398	1,217,317	1,214,447	2,870
Salaries of secretarial/clerical	496,476	34,513	530,989	521,159	9,830
Supplies and materials	17,120	956	18,076	15,300	2,776
Total support services - School administration	1,703,515	62,867	1,766,382	1,750,906	15,476

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

EXHIBIT C-1(6)

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2015

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed expend. - Central services:					
Salaries	$ 378,918	$ (5,214)	$ 373,704	$ 373,704	$ -
Other purchased services	700	-	700	-	700
Travel	2,500	1,126	3,626	3,626	-
Supplies and materials	13,500	9,216	22,716	17,522	5,194
Interest on lease purchase	4,958	5,422	10,380	10,380	-
Miscellaneous expenditures	1,500	2,697	4,197	2,651	1,546
Total undistributed expend. - Central services	402,076	13,247	415,323	407,883	7,440
Undistributed expend. - Admin. Info. Tech.:					
Salaries	148,431	2,226	150,657	150,657	-
Purchased technical services	73,630	19,393	93,023	81,198	11,825
Other purchased services	-	1,275	1,275	295	980
Travel	250	200	450	408	42
Supplies and materials	2,500	4,436	6,936	3,282	3,654
Total undistributed expend. - Admin. Info. Tech.	224,811	27,530	252,341	235,840	16,501
Required maintenance for school facilities:					
Salaries	355,207	(954)	354,253	353,094	1,159
Cleaning, repair & maintenance services	201,140	164,792	365,932	329,853	36,079
General supplies	115,350	16,750	132,100	128,875	3,225
Total required maintenance for school facilities	671,697	180,588	852,285	811,822	40,463
Other operations - Custodial services:					
Salaries	1,536,342	100,387	1,636,729	1,625,791	10,938
Cleaning, repair & maintenance services	40,600	(2,580)	38,020	37,124	896
Other purchased property services	50,773	13,498	64,271	64,271	-
Insurance	18,252	-	18,252	18,252	-
General supplies	96,200	10,788	106,988	106,168	820
Energy (gas)	280,000	(71,064)	208,936	207,669	1,267
Energy (electric)	280,000	135,051	415,051	411,805	3,246
Total other operations - Custodial services	2,302,167	186,080	2,488,247	2,471,080	17,167
Maintenance care and upkeep of grounds:					
Salaries	50,919	(5,000)	45,919	44,976	943
Other purchased services	39,775	36,107	75,882	72,427	3,455
General supplies	27,285	(1,058)	26,227	25,928	299
Total maintenance care and upkeep of grounds	117,979	30,049	148,028	143,331	4,697
Security:					
General supplies	5,000	1,950	6,950	6,814	136

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2015

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Student transportation services:					
Salaries (home & school) - Regular	$ 94,696	$ (27,500)	$ 67,196	$ 67,119	$ 77
Salaries (home & school) - Special	53,182	(14,500)	38,682	38,450	232
Salaries (Other than home & school)	92,972	76,462	169,434	169,434	-
Fuel, repair & maintenance services	83,500	44,300	127,800	122,295	5,505
Rental payment - School bus	2,000	(2,000)	-	-	-
Contract service - Aide in lieu - Non-pub.	137,055	4,000	141,055	140,768	287
Contract service (between home & school) - Vendors	611,651	(29,350)	582,301	581,855	446
Contract service - Other vendor	54,125	6,240	60,365	54,761	5,604
Contract service (spec. ed.) - Vendors	23,485	815	24,300	22,650	1,650
Contract service (spec. ed.) - ESC & CTSA	400,925	(10,550)	390,375	385,292	5,083
Travel	275	-	275	215	60
Miscellaneous purchased services	11,845	-	11,845	11,845	-
Supplies and materials	9,500	8,300	17,800	10,119	7,681
Total student transportation services	1,575,211	56,217	1,631,428	1,604,803	26,625
Regular program instr. employee benefits:					
Social security contributions	525,510	75,000	600,510	578,330	22,180
Other retirement contributions pers.	571,638	(50,690)	520,948	518,556	2,392
Unemployment compensation	50,060	(7,500)	42,560	33,542	9,018
Workmen's compensation	241,804	(34,261)	207,543	207,543	-
Health benefits	6,386,779	(359,430)	6,027,349	5,779,222	248,127
Tuition reimbursements	110,000	(7,560)	102,440	61,739	40,701
Other employee benefits	5,200	(1,700)	3,500	2,616	884
Total regular program instr. employee benefits	7,890,991	(386,141)	7,504,850	7,181,548	323,302
On-behalf payments:					
T.P.A.F. pension contribution (non-budgeted)	-	-	-	3,048,285	(3,048,285)
T.P.A.F. social security (non-budgeted)	-	-	-	1,626,903	(1,626,903)
Total on-behalf payments	-	-	-	4,675,188	(4,675,188)
Total personal services - Employee benefits	7,890,991	(386,141)	7,504,850	11,856,736	(4,351,886)
Total undistributed expenditures	22,561,124	405,967	22,967,091	26,930,925	(3,963,834)
Total general expenses	43,970,206	497,122	44,467,328	48,139,099	(3,671,771)

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2015

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Health services:					
Salaries - Nurses	$ 425,186	$ 7,024	$ 432,210	$ 432,060	$ 150
Salaries - Secretarial	24,617	(2,150)	22,467	22,467	-
Purchased professional services	39,299	(6,951)	32,348	31,110	1,238
Supplies and materials	8,302	1,353	9,655	7,740	1,915
Other objects	1,095	(20)	1,075	764	311
Total health services	498,499	(744)	497,755	494,141	3,614
Other support services - Students - Related services:					
Salaries	461,359	131,692	593,051	593,051	-
Purchased prof. Services - Educational	39,700	40,000	79,700	32,075	47,625
Supplies and materials	6,901	-	6,901	5,381	1,520
Total other support services - Students - Related services	507,960	171,692	679,652	630,507	49,145
Other extraordinary services:					
Salaries of instruction	150,648	180,533	331,181	331,063	118
Purchased professional services	-	2,948	2,948	2,948	-
Total other extraordinary services	150,648	183,481	334,129	334,011	118
Other support services - Guidance:					
Salaries of other professional staff	860,471	(13,867)	846,604	846,430	174
Salaries of secretarial/clerical	126,323	150	126,473	126,238	235
Supplies and materials	7,200	(4,839)	2,361	2,361	-
Total other support services - Guidance	993,994	(18,556)	975,438	975,029	409
Other support services - Child Study Teams:					
Salaries of other professional staff	1,093,125	(120,700)	972,425	972,394	31
Salaries of secretarial/clerical	78,630	(31)	78,599	78,599	-
Purchased professional services	25,590	575	26,165	20,691	5,474
Other purchased services	1,515	531	2,046	2,046	-
Travel	2,400	-	2,400	1,845	555
Supplies and materials	13,685	-	13,685	8,595	5,090
Total other support services - Child Study Teams	1,214,945	(119,625)	1,095,320	1,084,170	11,150
Improvement of inst. serv./other support serv. inst. staff:					
Salaries of supervisors of instruction	980,229	40,163	1,020,392	1,020,123	269
Salaries of secretarial/clerical asst.	30,851	600	31,451	31,430	21
Other purchased services	8,000	10,266	18,266	18,151	115
Supplies and materials	5,432	(631)	4,801	4,649	152
Total improvement of instruction services	1,024,512	50,398	1,074,910	1,074,353	557

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2015

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Educational media services/school library:					
Salaries	$ 313,223	$ 341	$ 313,564	$ 312,807	$ 757
Other purchased services	-	-	-	-	-
Supplies and materials	21,675	(586)	21,089	19,923	1,166
Other objects	26,080	176	26,256	25,929	327
Total educational media services/school library	360,978	(69)	360,909	358,659	2,250
Instructional staff training service:					
Salaries of supervisors of instruction	32,793	(7,823)	24,970	24,970	-
Salaries of secretarial/clerical	7,500	625	8,125	8,120	5
Purchased professional educational services	16,500	200	16,700	12,593	4,107
Other purchased professional services	-	8,113	8,113	8,113	-
Other purchased services	16,000	(528)	15,472	9,342	6,130
Supplies and materials	1,750	-	1,750	1,184	566
Total instructional staff training service	74,543	587	75,130	64,322	10,808
Support services - General administration:					
Salaries	486,963	15,747	502,710	479,101	23,609
Legal	95,000	(23,502)	71,498	68,804	2,694
Audit fees	45,280	970	46,250	46,250	-
Architect/Engineer	69,500	39,554	109,054	109,054	-
Other purchased professional services	11,500	6,204	17,704	17,514	190
Purchased technical services	44,550	30,000	74,550	73,955	595
Communication/telephone	45,000	9,950	54,950	45,839	9,111
Travel	9,750	193	9,943	6,923	3,020
BOE other purchased services	2,500	2,200	4,700	3,046	1,654
Miscellaneous purchased services	185,706	24,729	210,435	205,512	4,923
Supplies and materials	1,000	850	1,850	75	1,775
General supplies	18,000	6,180	24,180	15,992	8,188
BOE meeting/training supplies	1,000	-	1,000	200	800
Miscellaneous expenditures	6,800	420	7,220	7,053	167
BOE membership dues and fees	33,000	4,136	37,136	37,136	-
Total support services - General administration	1,055,549	117,631	1,173,180	1,116,454	56,726
Support services - School administration:					
Salaries of principals	1,189,919	27,398	1,217,317	1,214,447	2,870
Salaries of secretarial/clerical	496,476	34,513	530,989	521,159	9,830
Supplies and materials	17,120	956	18,076	15,300	2,776
Total support services - School administration	1,703,515	62,867	1,766,382	1,750,906	15,476

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2015

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed expend. - Central services:					
Salaries	$ 378,918	$ (5,214)	$ 373,704	$ 373,704	$ -
Other purchased services	700	-	700	-	700
Travel	2,500	1,126	3,626	3,626	-
Supplies and materials	13,500	9,216	22,716	17,522	5,194
Interest on lease purchase	4,958	5,422	10,380	10,380	-
Miscellaneous expenditures	1,500	2,697	4,197	2,651	1,546
Total undistributed expend. - Central services	402,076	13,247	415,323	407,883	7,440
Undistributed expend. - Admin. Info. Tech.:					
Salaries	148,431	2,226	150,657	150,657	-
Purchased technical services	73,630	19,393	93,023	81,198	11,825
Other purchased services	-	1,275	1,275	295	980
Travel	250	200	450	408	42
Supplies and materials	2,500	4,436	6,936	3,282	3,654
Total undistributed expend. - Admin. Info. Tech.	224,811	27,530	252,341	235,840	16,501
Required maintenance for school facilities:					
Salaries	355,207	(954)	354,253	353,094	1,159
Cleaning, repair & maintenance services	201,140	164,792	365,932	329,853	36,079
General supplies	115,350	16,750	132,100	128,875	3,225
Total required maintenance for school facilities	671,697	180,588	852,285	811,822	40,463
Other operations - Custodial services:					
Salaries	1,536,342	100,387	1,636,729	1,625,791	10,938
Cleaning, repair & maintenance services	40,600	(2,580)	38,020	37,124	896
Other purchased property services	50,773	13,498	64,271	64,271	-
Insurance	18,252	-	18,252	18,252	-
General supplies	96,200	10,788	106,988	106,168	820
Energy (gas)	280,000	(71,064)	208,936	207,669	1,267
Energy (electric)	280,000	135,051	415,051	411,805	3,246
Total other operations - Custodial services	2,302,167	186,080	2,488,247	2,471,080	17,167
Maintenance care and upkeep of grounds:					
Salaries	50,919	(5,000)	45,919	44,976	943
Other purchased services	39,775	36,107	75,882	72,427	3,455
General supplies	27,285	(1,058)	26,227	25,928	299
Total maintenance care and upkeep of grounds	117,979	30,049	148,028	143,331	4,697
Security:					
General supplies	5,000	1,950	6,950	6,814	136

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2015

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Student transportation services:					
Salaries (home & school) - Regular	$ 94,696	$ (27,500)	$ 67,196	$ 67,119	$ 77
Salaries (home & school) - Special	53,182	(14,500)	38,682	38,450	232
Salaries (Other than home & school)	92,972	76,462	169,434	169,434	-
Fuel, repair & maintenance services	83,500	44,300	127,800	122,295	5,505
Rental payment - School bus	2,000	(2,000)	-	-	-
Contract service - Aide in lieu - Non-pub.	137,055	4,000	141,055	140,768	287
Contract service (between home & school) - Vendors	611,651	(29,350)	582,301	581,855	446
Contract service - Other vendor	54,125	6,240	60,365	54,761	5,604
Contract service (spec. ed.) - Vendors	23,485	815	24,300	22,650	1,650
Contract service (spec. ed.) - ESC & CTSA	400,925	(10,550)	390,375	385,292	5,083
Travel	275	-	275	215	60
Miscellaneous purchased services	11,845	-	11,845	11,845	-
Supplies and materials	9,500	8,300	17,800	10,119	7,681
Total student transportation services	1,575,211	56,217	1,631,428	1,604,803	26,625
Regular program instr. employee benefits:					
Social security contributions	525,510	75,000	600,510	578,330	22,180
Other retirement contributions pers.	571,638	(50,690)	520,948	518,556	2,392
Unemployment compensation	50,060	(7,500)	42,560	33,542	9,018
Workmen's compensation	241,804	(34,261)	207,543	207,543	-
Health benefits	6,386,779	(359,430)	6,027,349	5,779,222	248,127
Tuition reimbursements	110,000	(7,560)	102,440	61,739	40,701
Other employee benefits	5,200	(1,700)	3,500	2,616	884
Total regular program instr. employee benefits	7,890,991	(386,141)	7,504,850	7,181,548	323,302
On-behalf payments:					
T.P.A.F. pension contribution (non-budgeted)	-	-	-	3,048,285	(3,048,285)
T.P.A.F. social security (non-budgeted)	-	-	-	1,626,903	(1,626,903)
Total on-behalf payments	-	-	-	4,675,188	(4,675,188)
Total personal services - Employee benefits	7,890,991	(386,141)	7,504,850	11,856,736	(4,351,886)
Total undistributed expenditures	22,561,124	405,967	22,967,091	26,930,925	(3,963,834)
Total general expenses	43,970,206	497,122	44,467,328	48,139,099	(3,671,771)

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2015

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Capital outlay:					
Equipment:					
Regular programs - Instruction:					
Preschool/Kindergarten	$ -	$ -	$ -	$ -	$ -
Grades 6-8	-	12,429	12,429	12,429	-
Grades 9-12	-	8,409	8,409	8,370	39
Undistributed expenditures:					
Custodial	-	8,558	8,558	8,558	-
Grounds	8,520	4,109	12,629	12,629	-
Co-curricular	-	10,546	10,546	10,546	-
Other purchased professional & technical services	1,540	-	1,540	1,540	-
Non-instructional equipment	35,840	-	35,840	35,840	-
Total equipment	45,900	44,051	89,951	89,912	39
Facilities acquisition and construction services:					
Construction services	333,470	62,176	395,646	293,384	102,262
Construction services	299,600	148,864	448,464	454,579	(6,115)
Lease purchase agreements	109,838	-	109,838	109,838	-
Other objects	-	-	-	-	-
Other objects (State assessment)	29,934	-	29,934	29,934	-
Total facilities acquisition and construction services	772,842	211,040	983,882	887,735	96,147
Assets acquired under capital lease	-	-	-	377,192	(377,192)
Total capital outlay	818,742	255,091	1,073,833	1,354,839	(281,006)
Summer school:					
Summer school - Instruction:					
Salaries of teachers	69,724	(6,908)	62,816	57,816	5,000
Total summer school	69,724	(6,908)	62,816	57,816	5,000
Total expenditures	44,858,672	745,305	45,603,977	49,551,754	(3,947,777)
Excess (deficiency) of revenue over (under) expenditures	(1,167,259)	(745,305)	(1,912,564)	(542,586)	1,369,978

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2015

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Other financing sources (uses):					
Transfer from Capital Reserve Fund	$ 500,000	$ -	$ 500,000	$ -	$ (500,000)
Transfer from Capital Project Fund	-	-	-	-	-
Transfer to Enterprise Fund to cover deficit	-	-	-	-	-
Capital lease - Non-budgeted	-	-	-	377,192	377,192
Total other financing sources (uses)	500,000	-	500,000	377,192	(122,808)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(667,259)	(745,305)	(1,412,564)	(165,394)	1,247,170
Fund balances July 1	4,292,983	-	4,292,983	4,292,983	-
Fund balances June 30	$ 3,625,724	$ (745,305)	$ 2,880,419	$ 4,127,589	$ 1,247,170

Recapitulation:	
Restricted funds:	
Capital Reserve Fund	$ 1,106,279
Excess surplus current year	833,018
Assigned fund balance:	
Designated for subsequent year	820,791
Year-end encumbrances	170,663
Unrestricted fund balance	1,196,838
	4,127,589
Reconciliation to Governmental Funds Statement (GAAP):	
Last state aid payment not recognized on GAAP basis (2014-15)	(412,086)
Fund balance per Governmental Funds (GAAP)	$ 3,715,503

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

NOT APPLICABLE

EXHIBIT C-1b

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT - BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2015

NOT APPLICABLE

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Revenues:					
State sources	$ -	$ -	$ -	$ -	$ -
Federal sources	442,080	128,405	570,485	570,485	-
Local sources	-	5,543	5,543	5,543	-
Total revenues	442,080	133,948	576,028	576,028	-
Expenditures:					
Instruction:					
Salaries of teachers	-	-	-	-	-
Purchased prof./tech. services	4,165	7,129	11,294	11,294	-
Tuition	407,915	14,141	422,056	422,056	-
Supplies and materials	-	36,981	36,981	36,981	-
Textbooks	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total instruction	412,080	58,251	470,331	470,331	-
Support services:					
Salaries other professional staff	-	-	-	-	-
Purchased prof. services	30,000	32,390	62,390	62,390	-
Purchased services	-	11,900	11,900	11,900	-
Instructional supplies	-	31,407	31,407	31,407	-
Total support services	30,000	75,697	105,697	105,697	-
Facilities acquisition and const.					
Non-instructional equipment	-	-	-	-	-
Total expenditures	442,080	133,948	576,028	576,028	-
Excess (deficiency) of revenue over (under) expenditures and other financing sources (uses)	$ -	$ -	$ -	$ -	$ -

NOTES TO REQUIRED

SUPPLEMENTARY INFORMATION

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2015

Note A - Explanation of differences between budgetary inflow and outflows and GAAP revenue and expenditures:

		GENERAL FUND		SPECIAL REVENUE FUND
Sources/inflows of resources:				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1	$49,009,168	C-2	$ 576,028
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statement:				
2014-15		(412,086)		-
2013-14		436,180		-
Total revenues as reported on the statement of revenue, expenditures and change in fund balance - Gov't. Funds	B-2	$49,033,262	B-2	$ 576,028
Uses/outflows of resources:				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1	$49,551,754	C-2	$ 576,028
Differences - Budget to GAAP:				
Encumbrances for supplies, etc. ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the supplies are received for financial reporting purposes	6/30/2014	N/A		5,074
	6/30/2015	N/A		(450)
Total expenditures as reported on the statement of revenues, expenditures and change in fund balances - Gov't. Funds	B-2	$49,551,754	B-2	$ 580,652

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES

(SECTION L)

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIAIBILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	FISCAL YEAR ENDING JUNE 30,	
	2015	2014
District's proportion of the net pension liability	0.0614885818%	0.0620130944%
District's proportionate share of the net pension liability	$11,512,344	$11,851,934
District's covered employee payroll	$ 4,469,881	$ 4,379,262
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	257.55%	270.64%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	FISCAL YEAR ENDING JUNE 30, 2015	2014
Contractually required contribution	$ 506,903	$ 467,256
Contributions in relation to the contractually required contribution	(506,903)	(467,256)
Contribution deficiency/(excess)	$ -	$ -
District's covered employee payroll	$ 4,469,881	$ 4,379,262
Contributions as a percentage of covered employee payroll	11.34%	10.67%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIAIBILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
UNAUDITED

	FISCAL YEAR ENDING JUNE 30, 2015	2014
State's proportion of the net position liability attributable to the District	0.2115480206%	0.2158864422%
State's proportionate share of the net pension liability attributable to the District	$113,065,532	$109,107,310
District's covered employee payroll	$ 22,342,727	$ 22,379,398
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	506.05%	487.53%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST FISCAL YEARS
UNAUDITED

	FISCAL YEAR ENDING JUNE 30, 2015
Contractually required contribution	$ 6,083,987
Contributions in relation to the contractually required contribution	(1,546,117)
Contribution deficiency/(excess)	$ 4,537,870
District's covered employee payroll	$22,342,727
Contributions as a percentage of covered employee payroll	6.92%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL BASED BUDGET SCHEDULES

(SECTION D)

(NOT APPLICABLE)

SPECIAL REVENUE FUND

(SECTION E)

EXHIBIT E-1a

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
AS OF JUNE 30, 2015

	I D E A				NON-PUBLIC SCHOOL			CARRIED FROM	TOTAL
	BASIC		PRESCHOOL						
	2014-15	CARRYOVER	2014-15	CARRYOVER	TEXTBOOK	NURSING	TECHNOLOGY	EXHIBIT E-1b	2015
Revenues:									
State sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Federal sources	516,310	-	13,031	-	-	-	-	41,144	570,485
Local sources	-	-	-	-	-	-	-	5,543	5,543
Total revenues	516,310	-	13,031	-	-	-	-	46,687	576,028
Expenditures:									
Instruction:									
Purchased prof. and tech. services	-	-	11,294	-	-	-	-	-	11,294
Tuition	422,056	-	-	-	-	-	-	-	422,056
Supplies and materials	32,058	-	1,737	-	-	-	-	3,186	36,981
Textbooks	-	-	-	-	-	-	-	-	-
Total instruction	454,114	-	13,031	-	-	-	-	3,186	470,331
Support services:									
Purchased professional services	34,700	-	-	-	-	-	-	27,690	62,390
Purchased services	11,900	-	-	-	-	-	-	-	11,900
Instructional supplies	15,596	-	-	-	-	-	-	15,811	31,407
Total support services	62,196	-	-	-	-	-	-	43,501	105,697
Facilities acquisition and const.									
Non-instructional equipment	-	-	-	-	-	-	-	-	-
Total expenditures	516,310	-	13,031	-	-	-	-	46,687	576,028
Excess (deficiency) of revenue over (under) expenditures and other financing sources (uses)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Recapitulation:	
Reserve for encumbrance	$ 450
Last State Aid payment not recognized on GAAP Basis	-
Fund balance per Gov. Fund (GAAP)	$ 450

EXHIBIT E-1b

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
AS OF JUNE 30, 2015

	NO CHILD LEFT BEHIND					
	TITLE II		TITLE III		SSEP	
	2014-15	CARRYOVER	2014-15	CARRYOVER	SERVICES	TOTAL
Revenues:						
State sources	$ -	$ -	$ -	$ -	$ -	$ -
Federal sources	34,139	-	7,005	-	-	41,144
Local sources	-	-	-	-	5,543	5,543
Total revenues	34,139	-	7,005	-	5,543	46,687
Expenditures:						
Instruction:						
Purchased prof. and tech. services	-	-	-	-	-	-
Tuition	-	-	-	-	-	-
Supplies and materials	-	-	3,186	-	-	3,186
Textbooks	-	-	-	-	-	-
Total instruction	-	-	3,186	-	-	3,186
Support services:						
Purchased professional services	24,379	-	3,311	-	-	27,690
Instructional supplies	9,760	-	508	-	5,543	15,811
Total support services	34,139	-	3,819	-	5,543	43,501
Facilities acquisition and const. Non-instructional equipment	-	-	-	-	-	-
Total expenditures	34,139	-	7,005	-	5,543	46,687
Excess (deficiency) of revenue over (under) expenditures and other financing sources (uses)	$ -	$ -	$ -	$ -	$ -	$ -

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

EXHIBIT E-2

SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOT APPLICABLE

CAPITAL PROJECTS FUND

(SECTION F)

(NOT APPLICABLE)

EXHIBIT F-1

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

CAPITAL PROJECT FUND

SUMMARY SCHEDULE OF PROJECT EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2015

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE PRIOR YEARS	EXPENDITURES TO DATE CURRENT YEAR	UNEXPENDED BALANCE JUNE 30, 2015
NONE					

PROPRIETARY FUNDS

(SECTION G)

ENTERPRISE FUND

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015
(With comparative totals for June 30, 2014)

	FOOD SERVICE FUND	2015	2014
Assets:			
Current assets:			
Cash and cash equivalents	$ -	$ -	$ -
Accounts receivable:			
State	-	-	-
Federal	-	-	-
Other	2,241	2,241	26,358
Inventories	11,143	11,143	11,380
Total current assets	13,384	13,384	37,738
Non-current assets:			
Equipment	85,854	85,854	85,854
Accumulated depreciation	(36,959)	(36,959)	(25,810)
Total non-current assets	48,895	48,895	60,044
Total assets	$ 62,279	$ 62,279	$ 97,782
Liabilities and net position:			
Current liabilities:			
Accounts payable	$ 12,592	$ 12,592	$ 3,512
Cash overdraft	32,205	32,205	70,714
Deferred revenues	17,867	17,867	9,691
Total current liabilities	62,664	62,664	83,917
Net position:			
Invested in capital assets	48,895	48,895	60,044
Unreserved retained earnings	(49,280)	(49,280)	(46,179)
Total net position	(385)	(385)	13,865
Total net position	$ 62,279	$ 62,279	$ 97,782

EXHIBIT G-2

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

ENTERPRISE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(With comparative totals for the fiscal year ended June 30, 2014)

	FOOD SERVICE FUND	2015	2014
Operating revenues:			
Local sources:			
Daily sales - Reimbursable programs	$ -	$ -	$ -
Daily sales - Non-reimbursable programs	885,869	885,869	781,599
Special functions	-	-	-
Total operating revenues	885,869	885,869	781,599
Operating expenses:			
Salaries	116,554	116,554	179,413
Employee benefits	8,791	8,791	12,053
Cafeteria supplies and expenses	32,979	32,979	21,844
Purchased professional services	85,163	85,163	73,137
Depreciation	11,149	11,149	7,455
Cost of sales	645,764	645,764	516,830
Total operating expenses	900,400	900,400	810,732
Operating income (loss):	(14,531)	(14,531)	(29,133)
Non-operating revenues:			
State sources:			
State school lunch program	-	-	-
Federal sources:			
National school lunch program	-	-	-
Special milk program	-	-	-
Food distribution program	-	-	-
Interest revenue	281	281	203
Total non-operating revenues	281	281	203
Net income (loss) before operating transfers	(14,250)	(14,250)	(28,930)
Operating transfers:			
Operating transfer in - General Fund	-	-	29,000
Net income (loss)	-	-	70
Total net position - Beginning	13,865	13,865	13,795
Total net position - Ending	$ (385)	$ (385)	$ 13,865

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(With comparative totals for the fiscal year ended June 30, 2014)

	FOOD SERVICE FUND	2015	2014
Cash flows from operating activities:			
Operating income (loss)	$ (14,531)	$ (14,531)	$ (29,133)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	11,149	11,149	7,455
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	24,117	24,117	(24,751)
(Increase) decrease in inventories	237	237	1,691
Increase (decrease) in accounts payable	9,080	9,080	(1,216)
Increase (decrease) in deferred revenues	8,176	8,176	5,811
Net cash provided (used) by operating activities	38,228	38,228	(40,143)
Cash flows from non-capital financing activities:			
Cash received from state and federal reimbursements	-	-	-
Cash received from Fund 10	-	-	29,000
Net cash provided (used) by non-capital and related financing activities	-	-	29,000
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	-	(50,570)
Net cash used for capital and related financing activities	-	-	(50,570)
Cash flows from investing activities:			
Interest on investments	281	281	203
Net cash provided by investing activities	281	281	203
Net increase (decrease) in cash and cash equivalents	38,509	38,509	(61,510)
Cash and cash equivalents July 1	(70,714)	(70,714)	(9,204)
Cash and cash equivalents June 30	$ (32,205)	$ (32,205)	$ (70,714)

INTERNAL SERVICE FUND

(NOT APPLICABLE)

FIDUCIARY FUNDS

(SECTION H)

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

TRUST AND AGENCY FUND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015
(with comparative totals for June 30, 2014)

	TRUST		AGENCY		
	UNEMPLOYMENT COMPENSATION	TOTAL TRUST FUND	STUDENT ACTIVITY	PAYROLL	TOTAL AGENCY FUND
ASSETS:					
Cash and cash equivalents	$ 285,043	$ 285,043	$ 269,148	$ 737,084	$1,006,232
Total assets	$ 285,043	$ 285,043	$ 269,148	$ 737,084	$1,006,232
LIABILITIES:					
Liabilities:					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Interfund payables	-	-	-	-	-
Payable to student groups	-	-	269,148	-	269,148
Payroll deductions and withholdings	-	-	-	737,084	737,084
Total liabilities	-	-	$ 269,148	$ 737,084	$1,006,232
NET POSITION:					
Reserved	285,043	285,043			
Total net position	$ 285,043	$ 285,043			

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

TRUST FUNDS
COMBINING STATEMENT OF
CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

	UNEMPLOYMENT COMPENSATION TRUST
ADDITIONS:	
Contributions:	
Plan member	$ 44,032
Board contributions	33,542
Total contributions	77,574
Investment earnings:	
Interest	3
Net investment earnings	3
Total additions	77,577
DEDUCTIONS:	
Quarterly contribution reports	-
Unemployment claims	33,542
Refunds of contributions	-
Total deductions	33,542
Change in net position	44,035
Net position - Beginning of the year	241,008
Net position - End of the year	$ 285,043

EXHIBIT H-3

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
ELEMENTARY SCHOOLS:				
Mary Kay McMillin School	$ 3,274	$ 433	$ 400	$ 3,307
Hughes School	3,854	8,194	8,184	3,864
Mt. Park School	3,319	5,541	5,110	3,750
Woodruff School	3,152	12,173	12,643	2,682
Total elementary schools	13,599	26,341	26,337	13,603
Columbia Middle School	21,464	86,261	89,407	18,318
Governor Livingston High School (EXHIBIT H-3a)	229,566	199,631	202,947	226,250
Mary Kay McMillin Memorial Scholarship Fund	6,257	16	1,000	5,273
Jack Dennis Memorial Scholarship Fund	1,785	5	250	1,540
General Organization Account	5,667	14,683	16,186	4,164
Total liabilities	$ 278,338	$ 326,937	$ 336,127	$ 269,148

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

STUDENT ACTIVITY FUND
GOVERNOR LIVINGSTON HIGH SCHOOL
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	INTERFUND TRANSFERS	BALANCE JUNE 30, 2015
Academic team	$ 1,083	$ -	$ -	$ (1,083)	$ -
AP Tests - BOE	26,867	56,562	51,204	3,660	35,885
Art club	28	768	503	-	293
ASLHS	535	38	25	-	548
Athletic trainer	675	-	-	(675)	-
Athletics	5,096	1,365	1,249	-	5,212
Business education - BOE	1	300	300	-	1
Cap and gown	3,093	-	3,393	709	409
Chess club	192	-	-	(192)	-
Chorale	274	942	578	-	638
Class of 2003	72	-	-	(72)	-
Class of 2007	454	-	-	-	454
Class of 2008	566	-	-	-	566
Class of 2011	1,189	-	-	-	1,189
Class of 2012	3,867	-	-	-	3,867
Class of 2013	5,497	-	-	-	5,497
Class of 2014	2,192	-	2,089	689	792
Class of 2015	3,946	27,491	29,282	(365)	1,790
Class of 2016	3,281	1,986	2,619	135	2,783
Class of 2017	1,219	3,093	1,591	207	2,928
Class of 2018	-	7,083	3,899	135	3,319
College application postage	6,373	237	1,800	-	4,810
Computer club	86	-	-	(86)	-
CPR Certification Junior Health	-	1,314	-	-	1,314
Days of Realization	7,352	-	453	-	6,899
DHH EO	1,166	574	501	-	1,239
Drama	54,658	13,856	20,133	3,284	51,665
Environmental	1,042	276	433	-	885
Subtotal	130,804	115,885	120,052	6,346	132,983

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

STUDENT ACTIVITY FUND
GOVERNOR LIVINGSTON HIGH SCHOOL
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	INTERFUND TRANSFERS	BALANCE JUNE 30, 2015
Subtotal carried forward	$ 130,804	$ 115,885	$ 120,052	$ 6,346	$ 132,983
FBLA	316	2,045	3,193	835	3
Field trips	2,070	9,718	9,668	675	2,795
Fine arts - BOE	250	200	-	-	450
Fines	3,237	1,104	88	(301)	3,952
French	79	-	-	-	79
GL Hilltop players auxiliary	555	-	-	-	555
GLHS book fines	5,724	1,298	90	-	6,932
Guidance	3,660	-	-	(3,660)	-
Highlander	(75)	2,090	1,323	-	692
IMC - Shipping	53	-	-	(53)	-
Interact	4,157	7,782	6,024	-	5,915
Interest from bank	10,491	3	500	(488)	9,506
Italian	39	271	166	-	144
ITS	2,884	400	-	(3,284)	-
Junior NAD	189	209	78	-	320
Junior States of America	505	3,386	3,585	-	306
Korean Club	123	-	74	-	49
Latin	725	-	-	-	725
Library group	16	-	-	-	16
Link Crew	96	676	687	-	85
Literary magazine - Myrid	560	-	-	(560)	-
Lobby committee	424	-	-	(424)	-
Subtotal	166,882	145,067	145,528	(914)	165,507

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

STUDENT ACTIVITY FUND
GOVERNOR LIVINGSTON HIGH SCHOOL
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	INTERFUND TRANSFERS	BALANCE JUNE 30, 2015
Subtotal carried forward	$ 166,882	$ 145,067	$ 145,528	$ (914)	$ 165,507
Miscellaneous	4,942	584	2,097	663	4,092
Model UN	193	4,535	4,518	-	210
Mu Alpha Theta	279	1,471	1,270	541	1,021
National Art Honor Society	245	338	571	-	12
National Honor Society	813	1,392	1,954	-	251
Photography club	(73)	775	106	-	596
Project Connect	6,214	3,955	3,179	-	6,990
Project Search	745	-	-	(689)	56
PSAT	13,964	-	4,123	-	9,841
Republican club	112	-	112	-	-
Scholarship fund	367	2,725	3,500	500	92
School store	1,858	-	1,831	-	27
Science	178	-	-	542	720
Spanish	80	588	321	-	347
Spanish Honor Society	133	-	-	-	133
St. Baldricks	-	2,840	2,628	-	212
Student auxiliary	3,439	1,420	1,512	-	3,347
Student ambassadors club	-	250	-	-	250
Student council	1,844	3,278	4,313	-	809
Student fundraisers	3,167	-	-	-	3,167
Student parking permits	13,415	7,200	2,985	-	17,630
Sunshine club	12	1,040	604	-	448
Target funds	175	235	-	(175)	235
Teachers fund	408	-	-	(408)	-
Trend	5,112	1,229	1,741	-	4,600
Values & diversity	60	-	-	(60)	-
World languages - BOE	2,992	-	1,327	-	1,665
Yearbook	2,010	20,709	18,727	-	3,992
Total	$ 229,566	$ 199,631	$ 202,947	$ -	$ 226,250

EXHIBIT H-4

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

PAYROLL AGENCY FUND ACCOUNT
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
FICA	$ (2)	$ 4,428,113	$ 4,428,111	$ -
Federal withholding tax	-	3,503,181	3,503,181	-
N.J. withholding tax	-	1,044,832	1,044,832	-
P.A. withholding tax	-	5,120	5,120	-
SUI employment	-	44,032	44,032	-
DCRP	-	19,007	19,186	(179)
TPAF fund	124,864	2,229,114	2,225,626	128,352
TPAF back deduction	2,852	25,913	27,948	817
TPAF Contributory Life Insurance	99	88,301	88,688	(288)
TPAF loans	59,082	155,600	160,245	54,437
TPAF arrears	2,791	9,303	9,303	2,791
PERS fund	15,502	392,040	418,854	(11,312)
PERS back deduction	(509)	2,750	5,108	(2,867)
PERS Contributory Life Insurance	10,409	24,129	26,255	8,283
PERS loans	16,645	71,152	77,892	9,905
PERS arrears	-	-	-	-
FSA	-	68,450	68,450	-
AETNA Disability Insurance	(90)	7,756	7,666	-
Conn. General Life Insurance	-	96,499	96,499	-
CIGNA Dental Insurance	-	75,309	75,309	-
Prudential Insurance	-	2,054	1,753	301
Valic 457(b)	-	1,550	1,550	-
Valic 403(b)	-	218,518	218,518	-
Equitable loan	-	6,110	6,110	-
Equitable 457(b)	-	170,625	170,625	-
Equitable 403(b)	-	986,500	986,500	-
Lincoln Investment 403(b) (Thomas Seely T/S)	-	12,500	12,500	-
BHEA Association dues	-	331,212	331,212	-
Summer pay	523,150	544,875	523,150	544,875
Interest earned	-	4	-	4
MetLife 403(b)	-	119,765	119,765	-
County Educators Federal Credit Union	-	203,519	203,519	-
Miscellaneous	1,998	20,153	20,186	1,965
UNUM	-	-	-	-
Prudential disability	-	73,603	73,603	-
Employee benefits 1.5%	-	1,136,770	1,136,770	-
Totals	$ 756,791	$16,118,359	$16,138,066	$ 737,084

LONG – TERM DEBT

(SECTION I)

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

GENERAL LONG-TERM DEBT ACCOUNT GROUP
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JULY 1, 2014	ISSUED	RETIRED	BALANCE JUNE 30, 2015
Alterations and renovations to all schools in the District, including furnishing, equipment and site work.	3/01/2006	$ 24,614,000	3/1/15	$1,150,000	4.125	$ -	$ -	$1,150,000	$ -
			3/1/16	1,200,000	4.125	-	-	-	-
						2,350,000	-	1,150,000	1,200,000
School Refunding Bonds, Series 2009	6/16/2009	$ 4,005,000 (*)	8/1/14	345,000	4.500			345,000	
			8/1/15	365,000	4.500				
			8/1/16	375,000	4.000				
			8/1/17	385,000	5.000				
			8/1/18	385,000	5.000				
			8/1/19	385,000	5.000				
			8/1/20	385,000	4.000				
			8/1/21	380,000	4.000	-	-	-	-
						3,005,000	-	345,000	2,660,000
School Refunding Bonds, Series 2014	5/14/2014	$ 13,970,000 (*)	3/1/15	155,000	2.000			155,000	
			3/1/17	1,210,000	2.000				
			3/1/18	1,230,000	2.000				
			3/1/19	1,250,000	4.000				
			3/1/20	1,320,000	5.000				
			3/1/21	1,375,000	5.000				
			3/1/22	1,460,000	2.500				
			3/1/23	1,485,000	5.000				
			3/1/24	1,490,000	5.000				
			3/1/25	1,500,000	5.000				
			3/1/26	1,495,000	5.000	-	-	-	-
						13,970,000	-	155,000	13,815,000
TOTAL						$19,325,000	$ -	$1,650,000	$17,675,000

(*) Refunding Bonds issued under Chapter 24, Title 18A.

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

GENERAL LONG-TERM DEBT ACCOUNT GROUP
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PURPOSES	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE PRINCIPAL	AMOUNT OF ORIGINAL LEASE INTEREST	INTEREST RATE	BALANCE JULY 1, 2014	ISSUED	RETIRED	BALANCE JUNE 30, 2015
2014 Apple I-Pads	7/1/13	3 YRS	$ 760,000	$ 8,318	0.8800%	$ 505,529	$ -	$(251,657)	$ 253,872
2014 Technology Infrastructure	7/1/13	5 YRS	560,000	13,984	1.1100%	446,723	-	(109,838)	336,885
2014 School Busses, Maint. & Text.	5/20/14	5 YRS	345,000	10,867	1.4300%	345,000	-	(70,201)	274,799
2015 Technology, Bus., Equip. & Text.	6/20/15	5 YRS	450,000	18,111	1.7230%	-	450,000	-	450,000
TOTAL						$1,297,252	$ 450,000	$(431,696)	$1,315,556

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFER	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE) FINAL TO ACTUAL
Revenue:					
Local sources:					
Local tax levy	$1,710,697	$ -	$ 1,710,697	$ 1,710,697	$ -
State sources	622,598	-	622,598	622,598	-
Total revenue	2,333,295	-	2,333,295	2,333,295	-
Expenditures:					
Regular debt service:					
Interest	838,295	(155,000)	683,295	637,333	45,962
Redemption of principal	1,495,000	155,000	1,650,000	1,650,000	-
Total expenditures	2,333,295	-	2,333,295	2,287,333	45,962
Excess (deficiency) of revenue over (under) expenditures	-	-	-	45,962	45,962
Other financing sources:					
	-	-	-	6,254	6,254
Excess (deficiency) of revenue and other financing sources over (under) expenditures	-	-	-	52,216	52,216
Fund balances, July 1,	-	-	-	-	-
Fund balances, June 30,	$ -	$ -	$ -	$ 52,216	$ 52,216
Recapitulation of excess (deficiency) of revenue over (under) expenditures:					
Budgeted fund balance	$ -	$ -	$ -	$ 6,235	$ -

STATISTICAL SECTION

(Unaudited)

(SECTION J)

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR ENDING JUNE 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GOVERNMENTAL ACTIVITIES										
Invested in capital assets, net of related debt	$26,922,069	$32,682,304	$35,683,316	$38,119,841	$39,166,864	$39,651,236	$40,090,474	$40,698,362	$41,311,030	$41,730,079
Restricted	24,040,880	17,127,421	6,578,018	4,433,863	2,304,849	2,878,696	4,841,132	4,082,641	3,083,519	3,025,633
Unrestricted	636,123	(935,428)	(973,680)	(1,282,306)	(1,695,736)	(1,090,464)	(1,076,652)	(1,143,613)	(1,031,436)	(1,118,304)
Total governmental activities Net position	$51,599,072	$48,874,297	$41,287,654	$41,271,398	$39,775,977	$41,439,468	$43,854,954	$43,637,390	$43,363,113	$43,637,408
BUSINESS-TYPE ACTIVITIES										
Invested in capital assets, net of related debt	$ 4,121	$ 2,474	$ 827	$ -	$ -	$ -	$ -	$ 16,929	$ 60,044	$ 48,895
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	8,857	12,325	20,090	(2,979)	24,648	21,161	22,411	(3,134)	(46,179)	(49,280)
Total business-type activities Net position	$ 12,978	$ 14,799	$ 20,917	$ (2,979)	$ 24,648	$ 21,161	$ 22,411	$ 13,795	$ 13,865	$ (385)
DISTRICT-WIDE										
Invested in capital assets, net of related debt	$26,926,190	$32,684,778	$35,684,143	$38,119,841	$39,166,864	$39,651,236	$40,090,474	$40,715,291	$41,371,074	$41,778,974
Restricted	24,040,880	17,127,421	6,578,018	4,433,863	2,304,849	2,878,696	4,841,132	4,082,641	3,083,519	3,025,633
Unrestricted	644,980	(923,103)	(953,590)	(1,285,285)	(1,671,088)	(1,069,303)	(1,054,241)	(1,146,747)	(1,077,615)	(1,167,584)
Total district net position	$51,612,050	$48,889,096	$41,308,571	$41,268,419	$39,800,625	$41,460,629	$43,877,365	$43,651,185	$43,376,978	$43,637,023

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR ENDING JUNE 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES										
Governmental activities:										
Instruction:										
Regular	$ 13,895,269	$ 16,114,016	$ 16,074,927	$ 16,586,718	$ 16,488,047	$ 15,946,715	$ 15,956,205	$ 16,629,090	$ 16,719,611	$ 16,698,786
Special education	2,887,879	2,741,118	2,415,377	2,617,193	3,127,684	3,054,708	3,383,511	3,472,750	3,848,277	4,099,047
Other special instruction	695,822	237,185	224,287	234,896	315,628	226,547	260,570	316,051	339,713	385,388
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	1,054,873	1,100,851	1,087,889	1,180,134	1,263,381	1,112,950	1,215,083	1,246,132	1,230,652	1,299,367
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Support services:										
Tuition	1,465,970	1,370,021	1,412,282	1,286,391	1,317,641	1,087,617	1,154,617	1,632,986	1,662,143	1,460,886
Student & inst. related services	3,884,257	3,999,687	4,615,553	4,638,488	4,728,218	4,638,541	4,342,265	4,884,523	5,025,924	5,321,878
School administration services	1,483,877	1,430,811	1,406,164	1,181,209	1,094,059	948,692	965,581	914,662	1,032,140	1,176,379
General & business administration services	2,006,473	2,065,234	2,223,039	2,308,024	2,337,372	2,296,054	2,405,572	2,389,370	2,455,098	2,475,861
Plant operation and maintenance	3,139,306	3,347,016	3,736,285	3,559,332	3,636,275	3,237,594	3,304,114	2,982,096	3,270,281	3,563,551
Pupil transportation	1,698,287	1,763,900	1,594,092	1,630,629	1,566,989	1,387,742	1,406,839	1,484,138	1,643,770	1,676,714
Business and other support services	7,418,774	9,349,510	9,777,661	9,263,988	10,022,900	9,849,143	10,862,356	11,720,257	11,295,272	11,856,736
Special schools	90,005	86,201	55,940	89,162	102,283	84,561	45,130	62,485	71,548	60,479
Interest on long term debt	589,552	1,248,427	1,203,622	1,156,981	1,022,623	1,030,239	987,157	934,377	742,994	746,260
Plant and equipment purchases	3,323,676	4,093,734	8,482,585	11,941	1,067,598	178,784	11,941	484,368	2,248,192	1,145,177
Unallocated depreciation	99,658	110,636	92,506	96,309	91,939	85,050	85,732	86,997	91,337	85,227
Total governmental activities expenses	43,733,678	49,058,347	54,402,209	45,841,395	48,182,637	45,164,937	46,386,673	49,240,282	51,676,952	52,051,736
Business-type activities:										
Food service	843,735	847,733	825,199	802,422	724,269	777,102	795,566	791,646	810,732	900,400
Other	-	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	843,735	847,733	825,199	802,422	724,269	777,102	795,566	791,646	810,732	900,400
Total district expenses	$ 44,577,413	$ 49,906,080	$ 55,227,408	$ 46,643,817	$ 48,906,906	$ 45,942,039	$ 47,182,239	$ 50,031,928	$ 52,487,684	$ 52,952,136
PROGRAM REVENUE										
Governmental activities:										
Charges for services:										
Instruction (tuition)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	517,918	835,103	816,462	940,669	920,845	696,977	675,659	558,400	549,731	570,485
Total governmental activities program revenue	517,918	835,103	816,462	940,669	920,845	696,977	675,659	558,400	549,731	570,485

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR ENDING JUNE 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charge for services:										
Food services	791,190	786,605	740,398	778,310	751,793	773,506	796,707	782,916	781,599	885,869
Child care	-	-	-	-		-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenue	791,190	786,605	740,398	778,310	751,793	773,506	796,707	782,916	781,599	885,869
Total district program revenue	$ 1,309,108	$ 1,621,708	$ 1,556,860	$ 1,718,979	$ 1,672,638	$ 1,470,483	$ 1,472,366	$ 1,341,316	$ 1,331,330	$ 1,456,354
NET (EXPENSE)/REVENUE										
Governmental activities	$(43,215,760)	$(48,223,244)	$(53,585,747)	$(44,900,726)	$(47,261,792)	$(44,467,960)	$(45,711,014)	$(48,681,882)	$(51,127,221)	$(51,481,251)
Business-type activities	(52,545)	(61,128)	(84,801)	(24,112)	27,524	(3,596)	1,141	(8,730)	(29,133)	(14,531)
Total district-wide net expense	$(43,268,305)	$(48,284,372)	$(53,670,548)	$(44,924,838)	$(47,234,268)	$(44,471,556)	$(45,709,873)	$(48,690,612)	$(51,156,354)	$(51,495,782)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Property taxes levied for gen. purposes, net	$ 31,038,797	$ 31,930,028	$ 33,203,514	$ 34,094,895	$ 34,787,219	$ 35,775,842	$ 36,132,822	$ 35,479,061	$ 36,188,642	$ 37,312,415
Taxes levied for debt service	483,523	1,600,133	1,388,537	1,371,046	1,595,218	1,677,496	1,627,285	1,699,596	1,689,925	1,710,697
Unrestricted grants and contributions	4,915,172	6,796,920	6,617,824	5,409,860	5,548,916	3,966,102	5,143,642	6,551,089	6,103,497	6,946,856
Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-
Tuition received	3,481,360	3,645,036	3,905,608	3,722,118	3,573,070	4,369,523	4,647,781	4,322,566	4,824,779	4,936,257
Bond refinancing	-	-	-	-	-	-	-	-	769,000	-
Capital Lease purchases	-	-	-	-	-	-	-	-	872,966	383,446
Investment earnings	390,925	1,502,110	771,231	124,067	36,394	19,588	15,141	8,929	12,324	5,068
Miscellaneous income	259,295	86,242	202,390	162,484	225,554	322,900	559,829	403,078	420,811	460,807
Transfers	(51,000)	(62,000)	(90,000)	-	-	-	-	-	(29,000)	-
Total governmental activities	40,518,072	45,498,469	45,999,104	44,884,470	45,766,371	46,131,451	48,126,500	48,464,319	50,852,944	51,755,546
Business-type activities:										
Investment income	1,026	1,249	919	216	103	109	109	114	203	281
Transfers	51,000	62,000	90,000	-	-	-	-	-	29,000	-
Total business-type activities	52,026	63,249	90,919	216	103	109	109	114	29,203	281
Total district-wide	$ 40,570,098	$ 45,561,718	$ 46,090,023	$ 44,884,686	$ 45,766,474	$ 46,131,560	$ 48,126,609	$ 48,464,433	$ 50,882,147	$ 51,755,827
CHANGE IN NET POSITION										
Governmental activities	$ (2,697,688)	$ (2,724,775)	$ (7,586,643)	$ (16,256)	$ (1,495,421)	$ 1,663,491	$ 2,415,486	$ (217,563)	$ (274,277)	$ 274,295
Business-type activities	(519)	2,121	6,118	(23,896)	27,627	(3,487)	1,250	(8,616)	70	(14,250)
Total district	$ (2,698,207)	$ (2,722,654)	$ (7,580,525)	$ (40,152)	$ (1,467,794)	$ 1,660,004	$ 2,416,736	$ (226,179)	$ (274,207)	$ 260,045

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR ENDED JUNE 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GOVERNMENTAL FUND										
Reserved	$ 1,862,110	$ 2,666,780	$ 3,528,692	$ 3,254,439	$ 1,888,098	$ 2,683,732	$ 4,808,167	$ 4,070,532	$ 3,078,425	$ 2,930,751
Unreserved	636,203	670,007	694,576	486,232	126,194	786,342	724,216	741,620	778,378	784,752
Total General Fund	$ 2,498,313	$ 3,336,787	$ 4,223,268	$ 3,740,671	$ 2,014,292	$ 3,470,074	$ 5,532,383	$ 4,812,152	$ 3,856,803	$ 3,715,503
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	$ 2,462,033	$ 207,038	$ 219,669	$ 19,879	$ 17,067	$ 62,595	$ 2,721	$ -	$ 5,094	$ 52,666
Unreserved reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	-	-	-
Capital Project Fund	19,713,820	14,048,606	2,829,626	1,159,545	343,259	75,944	-	-	-	-
Debt Service Fund	2,837	205,000	1	-	56,425	56,425	12,109	12,109	-	-
Permanent Fund	-	-	-	-	-	-	-	-	-	-
Total all other Governmental Funds	$ 22,178,690	$ 14,460,644	$ 3,049,296	$ 1,179,424	$ 416,751	$ 194,964	$ 14,830	$ 12,109	$ 5,094	$ 52,666

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR ENDED JUNE 30,									
REVENUES	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Tax levy	$31,522,320	$33,530,161	$ 34,592,051	$35,590,058	$36,382,437	$37,453,338	$37,760,107	$37,178,657	$37,878,567	$39,023,112
Tuition charges	3,481,360	3,645,036	3,905,608	3,722,118	3,996,962	4,369,523	4,647,781	4,322,566	4,824,779	4,936,257
Interest earnings	390,925	1,502,110	771,231	124,067	36,394	19,588	15,141	8,929	12,324	5,068
Miscellaneous	256,458	86,242	202,390	162,484	190,379	253,900	547,720	403,578	442,311	460,807
State sources	4,908,986	6,825,239	6,613,752	5,437,528	5,553,567	3,926,450	5,138,478	6,554,820	6,103,497	6,946,856
Federal sources	524,104	806,784	820,534	913,001	916,194	736,629	680,823	554,169	532,831	570,485
Total revenues	41,084,153	46,395,572	46,905,566	45,949,256	47,075,933	46,759,428	48,790,050	49,022,719	49,794,309	51,942,585
EXPENDITURES										
Instruction										
Regular instruction	13,673,203	14,476,169	14,889,853	15,389,667	15,518,734	14,874,235	14,961,546	15,461,275	15,707,616	15,592,164
Special education instruction	2,752,407	2,590,724	2,289,378	2,486,272	3,002,703	2,939,092	3,266,969	3,354,488	3,724,107	3,983,191
Other special instruction	229,161	225,084	214,157	224,362	305,572	217,245	251,193	306,536	329,722	376,066
Other instruction	1,005,044	1,045,534	1,041,581	1,131,979	1,217,411	1,070,425	1,172,217	1,202,633	1,184,975	1,256,753
Support services:										
Tuition	1,465,970	1,370,021	1,412,282	1,286,391	1,317,641	1,087,617	1,154,617	1,632,986	1,662,143	1,460,886
Student & inst. related serv.	3,599,628	3,793,831	4,404,749	4,412,533	4,445,494	4,377,890	4,122,911	4,661,942	4,778,625	5,064,370
General administration	1,413,805	1,353,021	1,341,043	1,113,491	1,029,414	888,891	905,301	853,492	967,914	1,116,454
School administrative services	1,911,487	1,959,786	2,134,764	2,216,229	2,249,742	2,214,990	2,323,859	2,306,451	2,368,036	2,394,629
Plant operations & maintenance	3,072,828	3,267,115	3,594,467	3,411,858	3,495,492	3,107,360	3,172,837	3,065,862	3,166,110	3,433,047
Pupil transportation	1,664,486	1,763,611	1,577,293	1,604,365	1,559,339	1,374,941	1,383,194	1,410,734	1,566,699	1,604,803
Other support services	32,561	35,419	-	-	-	-	-	-	-	-
Employee benefits	7,384,656	9,312,362	9,777,661	9,263,988	10,022,900	9,849,143	10,862,356	11,720,257	11,295,272	11,856,736
Capital outlay	4,499,811	9,873,596	11,498,907	2,300,686	1,688,709	454,961	307,144	850,576	1,903,312	1,354,839
Special schools	86,891	82,744	53,046	86,152	99,410	81,903	42,451	59,766	68,694	57,816
Special revenue funds	562,875	835,103	816,462	940,669	920,845	696,977	675,659	558,400	549,731	580,672
Debt service:										
Principal	230,000	1,040,000	1,075,000	1,135,000	1,260,000	1,304,000	1,295,000	1,365,000	1,425,000	1,650,000
Interest	253,523	1,264,027	1,219,757	1,173,996	1,042,862	1,054,763	1,004,595	953,408	898,083	637,333
Total expenditures	43,838,336	54,288,147	57,340,400	48,177,638	49,176,268	45,594,433	46,901,849	49,763,806	51,596,039	52,419,759
Excess (deficiency) of revenues over (under) expenditures	(2,754,183)	(7,892,575)	(10,434,834)	(2,228,382)	(2,100,335)	1,164,995	1,888,201	(741,087)	(1,801,730)	(477,174)
OTHER FINANCING SOURCES (USES)										
Proceeds from borrowing	24,614,000	-	-	-	-	-	-	-	-	-
Proceeds from refunding bond	-	-	-	-	38,575	69,000	12,109	-	-	-
Accrued interest on bond issue	2,837	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	1,178,000	1,075,000	-	-	-	-	-	-	868,366	383,446
Refund of prior years rev. rcvd.	-	-	-	(124,117)	(423,892)	-	-	-	-	-
Transfers in	-	-	-	-	(3,400)	-	-	-	-	-
Transfers out (Enterprise Fund)	(51,000)	(62,000)	(90,000)	-	-	-	-	-	(29,000)	-
Total other financing sources (uses)	25,743,837	1,013,000	(90,000)	(124,117)	(388,717)	69,000	12,109	-	839,366	383,446
Net changes in fund balances	$22,989,654	$(6,879,575)	$(10,524,834)	$(2,352,499)	$(2,489,052)	$ 1,233,995	$ 1,900,310	$ (741,087)	$ (962,364)	$ (93,728)
Debt service as a percentage of noncapital expenditures	0.58%	5.19%	5.01%	5.03%	4.85%	5.23%	4.94%	4.74%	4.67%	4.48%

EXHIBIT J-5

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

FISCAL YEAR ENDING JUNE 30,	TUITION	INTEREST ON INVESTMENTS	RENTALS	MISCELLANEOUS	TOTAL
2006	$ 3,481,360	$ 390,935	$ 34,552	$ 176,949	$ 4,083,796
2007	$ 3,645,036	$ 1,502,210	$ 26,364	$ 59,878	$ 5,233,488
2008	$ 3,905,608	$ 771,231	$ 30,457	$ 171,933	$ 4,879,229
2009	$ 3,722,118	$ 124,067	$ 34,078	$ 128,406	$ 4,008,669
2010	$ 3,996,962	$ 36,394	$ 28,558	$ 161,821	$ 4,223,735
2011	$ 4,369,523	$ 19,588	$ 38,438	$ 215,462	$ 4,643,011
2012	$ 4,647,781	$ 12,370	$ 38,205	$ 506,832	$ 5,205,188
2013	$ 4,322,566	$ 5,671	$ 52,267	$ 350,811	$ 4,731,315
2014	$ 4,824,779	$ 5,640	$ 54,272	$ 366,539	$ 5,251,230
2015	$ 4,936,257	$ 1,950	$ 67,363	$ 387,901	$ 5,393,471

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

EXHIBIT J-6

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

FISCAL YEAR ENDING JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG	Q FARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	ESTIMATED ACTUAL EQUALIZED VALUE	TOTAL SCHOOL DISTRICT TAX RATE
2006	$27,199,400	$1,309,438,100	N/A	$420	$280,444,400	$198,401,200	$5,934,500	$1,821,418,020	N/A	N/A	$1,821,418,020	$3,168,234,510	1.752
2007	$24,938,000	$1,323,139,300	N/A	$420	$279,462,800	$190,184,000	$5,934,500	$1,823,659,020	N/A	N/A	$1,823,659,020	$3,258,279,471	1.833
2008	$30,119,200	$1,334,493,700	N/A	$420	$275,994,900	$189,657,000	$5,934,500	$1,836,199,720	N/A	N/A	$1,836,199,720	$3,451,503,233	1.910
2009	$30,713,200	$1,345,388,900	N/A	$420	$278,417,500	$201,733,100	$5,560,000	$1,861,813,120	N/A	N/A	$1,861,813,120	$3,476,775,201	1.932
2010	$23,614,000	$1,349,614,800	N/A	$420	$434,694,900	$ 39,497,300	$5,560,000	$1,852,981,420	N/A	N/A	$1,852,981,420	$3,437,813,395	1.991
2011	$22,897,700	$1,349,437,300	N/A	$420	$362,566,100	$ 39,438,250	$5,560,000	$1,779,899,770	N/A	N/A	$1,779,899,770	$3,379,342,643	2.112
2012	$21,960,200	$1,351,388,000	N/A	$420	$360,148,400	$ 38,760,950	$5,560,000	$1,777,817,970	N/A	N/A	$1,777,817,970	$3,264,447,246	2.107
2013	$22,412,600	$1,351,716,000	N/A	$420	$358,555,600	$ 38,468,950	$5,400,000	$1,776,553,570	N/A	N/A	$1,776,553,570	$3,184,358,971	2.111
2014	$22,262,900	$1,358,947,250	N/A	$420	$338,365,000	$ 37,958,900	$5,400,000	$1,762,934,470	N/A	N/A	$1,762,934,470	$3,153,728,533	2.180
2015	$21,578,100	$1,363,668,850	N/A	$420	$340,868,600	$ 37,945,550	$5,400,000	$1,769,461,520	N/A	N/A	$1,769,461,520	$3,139,569,766	2.236

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER $100 OF ASSESSED VALUE)

	BERKELEY HEIGHTS SCHOOL DISTRICT			OVERLAPPING RATES		
FISCAL YEAR END JUNE 30,	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT SCHOOL TAX RATE	BERKELEY HEIGHTS TOWNSHIP	UNION COUNTY	TOTAL DIRECT AND OVERLAPPING TAX RATE
2006	1.752	0.057	1.809	0.525	0.624	2.958
2007	1.821	0.012	1.833	0.540	0.632	3.005
2008	1.832	0.078	1.910	0.540	0.653	3.103
2009	1.847	0.085	1.932	0.555	0.665	3.152
2010	1.947	0.044	1.991	0.605	0.721	3.317
2011	2.024	0.088	2.112	0.654	0.819	3.585
2012	2.060	0.047	2.107	0.667	0.839	3.613
2013	2.026	0.085	2.111	0.685	0.905	3.701
2014	2.063	0.117	2.180	0.718	0.946	3.844
2015	2.138	0.098	2.236	0.750	0.961	3.947

EXHIBIT J-8

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2015			2006		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Alcatel-Lucent	$ 86,065,000	1	4.88%	$149,410,496	1	8.21%
The Connell Company	37,500,000	2	2.13%	63,303,700	2	3.48%
Diamond Hill Joint Venture	33,101,000	3	1.88%	12,500,000	6	0.69%
The Connell Corporate Center	26,400,000	4	1.50%	49,063,000	3	2.69%
BB #01-28526-323001, CBRE	24,200,000	5	1.37%			
Connell Company	20,200,000	6	1.15%	38,254,000	4	2.10%
Connell East, LLC	18,518,000	7	1.05%			
The Connell Company LTF	15,801,000	8	0.90%			
Berkeley Development, LP	9,000,000	9	0.51%	11,903,000	7	0.65%
Free Acres Assoc.	7,490,000	10	0.42%	7,490,000	9	0.41%
Lockhern Asssociates, LLC	-			8,311,700	8	0.46%
Transwestern Mt. Hts., LLC	-			32,496,800	5	1.78%
Strategic Long Term Care of NJ	-			7,150,000	10	0.39%
Oakite Products Inc.	-		.00	-		.00%
Total	$278,275,000		15.79%	$379,882,696		20.86%

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

YEAR ENDED DECEMBER 31,	TAXES LEVIED FOR THE YEAR	COLLECTED FOR THE YEAR	PERCENTAGE OF LEVY	COLLECTION IN SUBSEQUENT YEARS
2005	$ 50,051,219	$ 49,767,954	99.43%	N/A
2006	$ 54,341,456	$ 53,822,377	98.79%	N/A
2007	$ 54,821,462	$ 54,465,475	99.03%	N/A
2008	$ 57,332,514	$ 56,913,052	98.94%	N/A
2009	$ 59,547,627	$ 58,846,123	98.82%	N/A
2010	$ 61,672,932	$ 60,962,180	98.84%	N/A
2011	$ 63,974,131	$ 63,190,908	98.78%	N/A
2012	$ 64,360,285	$ 63,419,932	98.50%	N/A
2013	$ 65,940,980	$ 65,277,492	98.99%	N/A
2014	$ 67,967,160	$ 66,853,692	99.36%	N/A

EXHIBIT J-10

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

FISCAL YEAR ENDING JUNE 30,	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES			
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES	BOND ANTICIPATION NOTES	CAPITAL LEASES	TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
2006	$29,993,000	-	$ 2,119,057	-	-	$32,112,057	4.952%	$2,414.80
2007	$28,953,000	-	$ 2,055,625	-	-	$31,008,625	4.610%	$2,336.92
2008	$27,878,000	-	$ 1,425,788	-	-	$29,303,788	4.265%	$2,202.80
2009	$26,743,000	-	$ 925,184	-	-	$27,668,184	4.184%	$2,059.26
2010	$25,483,000	-	$ 480,777	-	-	$25,963,777	3.937%	$1,965.91
2011	$24,179,000	-	$ 244,936	-	-	$24,423,936	3.525%	$1,842.76
2012	$22,884,000	-	$ -	-	-	$22,884,000	3.179%	$1,710.57
2013	$21,519,000	-	$ -	-	-	$21,519,000	2.932%	$1,594.59
2014	$19,325,000	-	$ 1,297,262	-	-	$20,622,262	N/A	N/A
2015	$17,675,000	-	$ 1,315,556	-	-	$18,990,556	N/A	N/A

EXHIBIT J-11

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

FISCAL YEAR ENDING JUNE 30,	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2006	$29,993,000		$29,993,000	1.647%	$2,255
2007	$28,953,000		$28,953,000	1.588%	$2,182
2008	$27,878,000		$27,878,000	1.518%	$2,096
2009	$26,743,000		$26,743,000	1.436%	$1,990
2010	$25,483,000		$25,483,000	1.375%	$1,930
2011	$24,179,000		$24,179,000	1.358%	$1,824
2012	$22,884,000		$22,884,000	1.287%	$1,711
2013	$21,519,000		$21,519,000	1.211%	$1,598
2014	$19,325,000		$19,325,000	1.096%	N/A
2015	$17,675,000		$17,675,000	0.998%	N/A

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	ESTIMATED SHARE OF OVERLAPPING DEBT
Debt repaid with property taxes			
Berkeley Heights Township	$ 16,532,307	100.00%	$ 16,532,307
Union County	584,277,146	4.93%	28,809,810
Other debt (none)			-
Subtotal overlapping debt			45,342,117
Berkeley Heights Board of Education direct debt			17,675,000
Total direct and overlapping debt			$ 63,017,117

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2015
EQUALIZED VALUATION BASIS

2015	$ 3,139,569,766
2014	3,153,728,533
2013	3,184,358,971
	$ 9,477,657,270
Average equalized valuation of taxable property	$ 3,159,219,090
Debt limit (4% X $3,159,219,090)	$ 126,368,764
Total debt applicable to limit	17,675,000
Legal debt margin	$ 108,693,764

	DEBT LIMIT	TOTAL DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	PERCENTAGE OF DEBT LIMIT
2006	$113,766,347	$29,993,000	$ 83,773,347	26.364%
2007	$122,606,164	$28,953,000	$ 93,653,164	23.615%
2008	$131,706,896	$27,878,000	$103,828,896	21.167%
2009	$135,820,772	$26,743,000	$109,077,772	19.690%
2010	$138,214,558	$25,483,000	$112,731,558	18.437%
2011	$137,252,417	$24,179,000	$113,073,417	17.616%
2012	$134,421,377	$22,884,000	$111,537,377	17.024%
2013	$131,041,985	$21,519,000	$109,522,985	16.421%
2014	$128,033,797	$19,325,000	$108,708,797	15.094%
2015	$126,368,764	$17,675,000	$108,693,764	13.987%

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2005	13,330	$597,077,360	$ 44,792	2.1%
2006	13,298	$648,184,414	$ 48,743	2.2%
2007	13,269	$672,512,727	$ 50,683	2.0%
2008	13,303	$687,033,435	$ 51,645	2.6%
2009	13,436	$670,416,092	$ 49,897	4.6%
2010	13,216	$659,438,752	$ 49,897	4.7%
2011	13,266	$693,772,002	$ 52,297	4.7%
2012	13,365	$716,871,870	$ 53,638	4.7%
2013	13,495	$733,885,090	$ 54,382	4.4%
2014	13,542	N/A	N/A	N/A

EXHIBIT J-15

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2015			2006		
EMPLOYERS	EMPLOYEES	RANK	PERCENTAGE OF TOTAL MUNICIPAL EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL MUNICIPAL EMPLOYMENT
Alcatel-Lucent	N/A	N/A	N/A	N/A	N/A	N/A
Berkeley Heights Board of Education	N/A	N/A	N/A	N/A	N/A	N/A
Berkeley Heights Convalescent	N/A	N/A	N/A	N/A	N/A	N/A
Berkeley Heights Township	N/A	N/A	N/A	N/A	N/A	N/A
Connell Company	N/A	N/A	N/A	N/A	N/A	N/A
EGL Co., Inc.	N/A	N/A	N/A	N/A	N/A	N/A
REHEIS, Inc.	N/A	N/A	N/A	N/A	N/A	N/A
Runnells Specialized Hospital	N/A	N/A	N/A	N/A	N/A	N/A
Summit Medical Group	N/A	N/A	N/A	N/A	N/A	N/A

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

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

FUNCTION/PROGRAM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction										
Regular	196	198	199	200	202	198	200	201	201	203
Special education	22	23	25	24	24	23	23	24	27	29
Other special education	20	21	21	22	23	22	22	23	23	24
Vocational	3	3	3	3	3	3	3	3	3	3
Other instruction	0	0	0	0	0	0	0	0	0	0
Nonpublic school programs	0	0	0	0	0	0	0	0	0	0
Adult/continuing education	0	0	0	0	0	0	0	0	0	0
Support services										
Student & instruction related services	25	25	27	27	27	27	27	27	27	28
General administration	3	3	3	3	3	3	3	3	3	3
School administrative services	9	9	9	9	9	9	9	9	9	9
Other administrative services	7	7	7	7	7	6	6	7	7	7
Central services	5	5	5	5	5	5	5	5	5	5
Administrative information technology	44	4	4	4	4	4	4	4	6	6
Plant operations and maintenance	33	32	32	32	32	31	31	32	32	32
Pupil transportation	6	6	6	6	6	5	6	6	7	7
Other support services	55	57	57	57	57	55	57	59	61	58
Special schools	0	0	0	0	0	0	0	0	0	0
Food service	25	24	24	24	24	24	16	15	9	8
Child care	0	0	0	0	1	0	0	0	0	0
Total	413	417	422	423	427	415	412	418	420	422

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

OPERATING STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR ENDING JUNE 30,	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL/TEACHER RATIO ELEMENTARY	MIDDLE SCHOOL	SENIOR HIGH SCHOOL	AVERAGE DAILY ENROLLMENT	AVERAGE DAILY ATTENDANCE	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2006	2,855	$38,858,002	$13,611	4.08%	285	14	12	11	2808.7	2698.1	0.58%	96.1%
2007	2,878	$42,110,524	$14,632	7.50%	288	14	12	11	2843.1	2728.8	1.22%	96.0%
2008	2,832	$43,546,736	$15,377	5.09%	290	14	12	11	2825.4	2717.4	(0.62)%	96.2%
2009	2,865	$43,567,956	$15,207	(1.10)%	290	14	12	11	2832.0	2716.9	0.23%	95.9%
2010	2,848	$45,046,872	$15,817	4.01%	293	14	12	11	2854.1	2711.0	0.78%	95.0%
2011	2,821	$42,729,949	$15,147	(4.24)%	286	14	12	11	2814.7	2655.6	(1.38)%	94.3%
2012	2,802	$44,295,110	$15,808	4.37%	288	14	12	11	2797.5	2650.5	(0.61)%	94.7%
2013	2,728	$46,594,822	$17,080	8.04%	291	14	12	11	2724.9	2594.4	(2.60)%	95.2%
2014	2,710	$47,369,644	$17,480	2.34%	294	14	12	11	2696.1	2585.0	(1.06)%	95.9%
2015	2,684	$48,777,587	$18,173	3.97%	297	14	12	11	2666.4	2561.1	(1.10)%	96.1%

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary										
Mary Kay McMillin School (1961)										
Square feet	40,137	40,137	40,137	40,137	40,137	40,137	40,137	40,137	40,137	40,137
Capacity	332	332	332	332	332	332	332	332	332	332
Enrollment	429	442	396	398	378	345	375	345	327	329
Hughes School (1953)										
Square feet	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600
Capacity	278	278	278	278	278	278	278	278	278	278
Enrollment	292	294	311	318	314	313	272	270	275	261
Mountain Park (1958)										
Square feet	43,092	43,092	43,092	43,092	43,092	43,092	43,092	43,092	43,092	43,092
Capacity	278	278	278	278	278	278	278	278	278	278
Enrollment	291	291	286	270	284	262	253	259	251	241
Woodruff School (1961)										
Square feet	38,820	38,820	38,820	38,820	38,820	38,820	38,820	38,820	38,820	38,820
Capacity	235	235	235	235	235	235	235	235	235	235
Enrollment	210	212	219	229	233	258	228	227	227	219
Middle School										
Columbia (1929)										
Square feet	109,610	109,610	109,610	109,610	109,610	109,610	109,610	109,610	109,610	109,610
Capacity	665	665	665	665	665	665	665	665	665	665
Enrollment	612	616	621	625	597	605	626	617	615	593
High School										
Governor Livingston (1960)										
Square feet	186,983	186,983	186,983	186,983	186,983	186,983	186,983	186,983	186,983	186,983
Capacity	903	903	903	903	903	903	903	903	903	903
Enrollment	1,021	1,023	999	1,025	1,042	1,038	1,048	1,010	1,015	1,041
Total Enrollment	2,855	2,878	2,832	2,865	2,848	2,821	2,802	2,728	2,710	2,684

EXHIBIT J-19

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS ENDING JUNE 30, 2015

Undistributed expenditures - Required
Maintenance for School Facilities
11-000-261-XXX

SCHOOL FACILITIES	GROSS SQ. FOOT	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governor Livingston High School	186,953	$ 173,411	$ 181,881	$ 292,947	$ 334,937	$ 281,156	$ 294,599	$ 299,713	$ 339,055	$ 266,822	$ 298,942
T.P. Hughes Elementary School	33,600	31,161	32,683	52,641	61,069	50,523	63,171	76,864	75,840	52,748	66,625
Columbia Middle School	109,610	101,654	106,620	171,726	212,346	164,815	167,681	211,622	215,719	163,718	202,174
Mary Kay McMillin School	40,147	37,224	39,042	62,883	67,427	60,352	79,914	76,414	56,349	66,371	82,614
Mountain Park Elementary School	43,092	39,964	41,916	67,512	61,981	64,795	64,508	93,638	75,950	59,246	84,360
Woodruff Elementary School	38,820	36,003	37,761	60,819	71,031	58,372	56,748	77,897	93,509	59,636	77,108
		419,417	439,903	708,528	808,791	680,013	726,621	836,148	856,422	668,541	811,823
OTHER FACILITIES		-	-	-	-	-	-	-	-	-	-
Total		$ 419,417	$ 439,903	$ 708,528	$ 808,791	$ 680,013	$ 726,621	$ 836,148	$ 856,422	$ 668,541	$ 811,823

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

INSURANCE SCHEDULE
JUNE 30, 2015

	COVERAGE	DEDUCTIBLE
School Package Policy - Selective Way Ins. Co.		
Property - Blanket Building & Contents (Replacement Cost)	$ Unlimited	$ 1,000
Commercial General Liability	$ 2,000,000	$ 1,000
Comprehensive Employee Benefits Liability	$ 2,000,000	$ 1,000
Comprehensive Personal Injury	$ 1,000,000	$ 1,000
Valuable Papers	$ 100,000	$ 250
Building Ordinance Coverage	$ 500,000	
Personal Effects & Property Other	$ 25,000	
Abuse or Molestation	$ 2,000,000	
Damage to Premises Rented	$ 100,000	
Medical Expense	$ 5,000	
Earthquake & Broad Form Flood	$ 1,000,000	$ 25,000
Equipment	$ 1,560,000	$ 500
Data	$ 50,000	$ 500
Umbrella Liability - Selective Way Ins. Co.		
Umbrella Policy	$ 10,000,000	
School Board Legal Liability		
Selective Way Insurance Co.		
Directors & Officers Policy	$ 1,000,000	$ 5,000
Crime Policy - Employee Blanket		
Selective Way Ins. Co.	$ 100,000	$ 1,000
Position Bond - Selective Way Ins. Co.		
Donna Felezzola	$ 300,000	
Harold Kessler	$ 300,000	
Automobile Liability - Selective Way Ins. Co.		
Liability	$ 1,000,000	
Athletic Accident Insurance - Monumental Life Ins. Co.		
Accident Medical Benefit	$ 5,000,000	
Catastrophe Disability	$ 1,000,000	
Excess Umbrella Liability - Fireman's Fund Ins. Co.		
Umbrella Policy	$ 50,000,000	
Workers Compensation		
Pooled Insurance Program of New Jersey	Statutory	

SINGLE AUDIT SECTION

(SECTION K)

NOKE AND HEARD, L.L.P.
Certified Public Accountants
469 MORRIS AVENUE
SUMMIT, N.J. 07901-1564

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

The Honorable President and
Members of The Board of Education
Township of Berkeley Heights
County of Union, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The Board of Education of the Township of Berkeley Heights School District, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise The Board of Education of the Township of Berkeley Heights School District's basic financial statements, and have issued our report thereon dated December 9, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Berkeley Heights 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Berkeley Heights School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Berkeley Heights 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.

Internal Control Over Financial Reporting (Continued)

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

Purpose of this Report

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

DONALD C. HEARD
Certified Public Accountant
Licensed Public School Accountant
No. 20CS00118000
NOKE AND HEARD, L.L.P.

December 9, 2015

NOKE AND HEARD, L.L.P.
Certified Public Accountants
469 MORRIS AVENUE
SUMMIT, N.J. 07901-1564

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Honorable President and
Members of The Board of Education
Township of Berkeley Heights School District
County of Union, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited The Board of Education of the Township of Berkeley Heights School District's, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of The Township of Berkeley Heights Board of Education's major federal and state programs for the year ended June 30, 2015. The Township of Berkeley Heights Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

Auditor's Responsibility (Continued)
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 Township of Berkeley Heights Board of Education's compliance.

Opinion on Each Major Federal and State Program
In our opinion, The Board of Education of The Township of Berkeley Heights School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Other Matters
The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with *OMB Circular A-133 and New Jersey OMB's Circular 04-04*.

Report on Internal Control Over Compliance
Management of The Board of Education of the Township of Berkeley Heights School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit compliance, we considered The Board of Education of the Township of Berkeley Heights School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with *OMB Circular A-133 and New Jersey OMB's Circular 04-04*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Board of Education of the Township of Berkeley Heights 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.

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

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

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and New Jersey OMB's Circular 04-04
We have audited the financial statements of The Township of Berkeley Heights Board of Education as of and for the year ended June 30, 2015, and have issued our report thereon dated December 9, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by *OMB Circular A-133 and New Jersey OMB's Circular 04-04* and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

DONALD C. HEARD
Certified Public Accountant
Licensed Public School Accountant
No. 20CS00118000
NOKE AND HEARD, L.L.P.

December 9, 2015

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD FROM	GRANT PERIOD TO	BALANCE AT JUNE 30, 2014	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS BALANCE	BALANCE AT JUNE 30, 2015 ACCOUNTS RECEIVABLE	BALANCE AT JUNE 30, 2015 DEFERRED REVENUE	BALANCE AT JUNE 30, 2015 DUE TO GRANTOR
SPECIAL REVENUE FUND														
IDEA - Part B - Basic	84.027	IDEA031014	$ 44,552	9/1/13	8/31/14	$ (44,552)	$ -	$ 44,552	$ -	$ -	$ -	$ -	$ -	$ -
IDEA - Part B - Basic	84.027	IDEA031015	516,310	9/1/14	8/31/15	-	-	516,310	516,310	-	-	-	-	-
IDEA - Part B - Preschool	84.123	IDEA031015	13,031	9/1/14	8/31/15	-	-	13,031	13,031	-	-	-	-	-
NCLB - Title II	84.367A	NCLB031015	34,139	9/1/14	8/31/15	-	-	34,139	34,139	-	-	-	-	-
NCLB - Title III	84.365A	NCLB031014	20,453	9/1/13	8/31/14	(20,453)	-	20,453	-	-	-	-	-	-
NCLB - Title III	84.365A	NCLB031015	7,005	9/1/14	8/31/15	-	-	3,284	7,005	-	-	3,721	-	-
Total Special Revenue Fund						(65,005)	-	631,769	570,485	-	-	3,721	-	-
U.S. DEPARTMENT OF AGRICULTURE														
ENTERPRISE FUND														
Food Distribution Program						-	-	-	-	-	-	-	-	-
National School Lunch Program						-	-	-	-	-	-	-	-	-
Total Enterprise Fund						-	-	-	-	-	-	-	-	-
Total Federal Assistance						$ (65,005)	$ -	$ 631,769	$ 570,485	$ -	$ -	$ 3,721	$ -	$ -

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

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

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

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD FROM	GRANT PERIOD TO	BALANCE AT JUNE 30, 2014 DEFERRED REV. (ACCTS. REC.)	BALANCE AT JUNE 30, 2014 DUE TO GRANTOR	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YRS BAL	BALANCE AT JUNE 30, 2015 (ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2015 DEFERRED REVENUE/ INTERFUND PAYABLE	BALANCE AT JUNE 30, 2015 DUE TO GRANTOR	MEMO BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
STATE DEPARTMENT OF EDUCATION															
GENERAL FUND															
Special Education Aid	14-495-034-5120-012	$ -	7/1/13	6/30/14	$ (83,059)	$ -	$ -	$ 83,059	$ -	$ -	$ -	$ -	$ -	$ -	$ 969,462
Special Education Aid	15-495-034-5120-012	969,462	7/1/14	6/30/15	-	-	-	882,209	(969,462)	-	(87,253)	-	-	87,253	-
Transportation Aid	14-495-034-5120-014	-	7/1/13	6/30/14	(11,771)	-	-	11,771	-	-	-	-	-	-	-
Transportation Aid	15-495-034-5120-014	117,713	7/1/14	6/30/15	-	-	-	107,119	(117,713)	-	(10,594)	-	-	10,594	117,713
Security Aid	14-495-034-5120-084	-	7/1/13	6/30/14	(3,600)	-	-	3,600	-	-	-	-	-	-	-
Security Aid	15-495-034-5120-084	35,996	7/1/14	6/30/15	-	-	-	32,756	(35,996)	-	(3,240)	-	-	3,240	35,996
Extraordinary Aid	14-495-034-5120-044	-	7/1/13	6/30/14	(305,211)	-	-	305,211	-	-	-	-	-	-	-
Extraordinary Aid	15-495-034-5120-044	273,791	7/1/14	6/30/15	-	-	-	-	-	-	(273,791)	(273,791)	-	273,791	-
PARCC Readiness Aid	15-495-034-5120-098	23,045	7/1/14	6/30/15	-	-	-	20,971	(23,045)	-	(2,074)	-	-	2,074	23,045
Per Pupil Growth Aid	15-495-034-5120-097	23,045	7/1/14	6/30/15	-	-	-	20,971	(23,045)	-	(2,074)	-	-	2,074	23,045
Non-Public School Trans. Cost	14-495-034-5120-XXX	-	7/1/13	6/30/14	(29,352)	-	-	29,352	-	-	-	-	-	-	-
Non-Public School Trans. Cost	15-495-034-5120-XXX	33,060	7/1/14	6/30/15	-	-	-	-	-	-	(33,060)	(33,060)	-	33,060	-
Reimbursed TPAF Social Sec. Contr	14-495-034-5095-002	-	7/1/13	6/30/14	(83,721)	-	-	83,721	-	-	-	-	-	-	-
Reimbursed TPAF Social Sec. Contr.	15-495-034-5095-002	1,626,903	7/1/14	6/30/15	-	-	-	1,544,819	(1,626,903)	-	(82,084)	-	-	82,084	1,626,903
On-Behalf TPAF Pension Contr.	15-495-034-5095-006	3,048,285	7/1/14	6/30/15	-	-	-	3,048,285	(3,048,285)	-	-	-	-	-	3,048,285
Total General Fund					(516,714)	-	-	6,173,844	(5,844,449)	-	(494,170)	(306,851)	-	494,170	5,844,449
NON-PUBLIC SCHOOL															
Textbook Aid	15-100-034-5120-064	119	7/1/14	6/30/15	-	-	-	119	-	-	-	-	119	-	-
Technology aid	15-100-034-5120-373	64	7/1/14	6/30/15	-	-	-	64	-	-	-	-	64	-	-
Technology aid	14-100-034-5120-373	-	7/1/13	6/30/14	-	180	-	-	-	(180)	-	-	-	-	-
Nursing Aid	14-100-034-5120-070	-	7/1/13	6/30/14	-	695	-	-	-	(695)	-	-	-	-	-
Nursing Aid	15-100-034-5120-070	190	7/1/14	6/30/15	-	-	-	190	-	-	-	-	190	-	-
Total Non-Public School					-	875	-	373	-	(875)	-	-	373	-	-
DEBT SERVICE FUND															
Debt Service Aid	14-495-034-5120-017	622,598	7/1/14	6/30/15	-	-	-	622,598	(622,598)	-	-	-	-	-	622,598
Total State Assistance					$ (516,714)	$ 875	$ -	$6,796,815	$(6,467,047)	$ (875)	$(494,170)	$(306,851)	$ 373	$ 494,170	$6,467,047

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

NOKE AND HEARD, L.L.P. — CERTIFIED PUBLIC ACCOUNTANTS — SUMMIT, NEW JERSEY

EXHIBIT K-5(a)

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of Berkeley Heights School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These basis' of accounting are described in Notes 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more 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 grant accounting 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:22-4.2.*

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $-0- for the General Fund and $-0- for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	FEDERAL	STATE	TOTAL
General Fund	$ -	$ 5,844,449	$ 5,844,449
Special Revenue Fund	570,485	-	570,485
Debt Service Fund	-	622,598	622,598
Food Service Fund	-	-	-
Total Awards Financial Assistance	$ 570,485	$ 6,467,047	$ 7,037,532

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: FEDERAL AND STATE LOANS OUTSTANDING

There are no loans outstanding at June 30, 2015.

NOTE 6: OTHER

There were no revenues and expenditures under the Food Distribution Program during the current year. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in *OMB Circular A-133*; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the District:

IDEIA - Basic	$ 516,310
IDEIA - Preschool	13,031
Title II	34,139
Title III	7,005
Total	$ 570,485

BOARD OF EDUCATION
TOWNSHIP OF BERKELEY HEIGHTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR FISCAL YEAR ENDED JUNE 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
1) Material weakness(es) identified?	____ Yes	_X_ No
2) Significant deficiencies identified?	____ Yes	_X_ None reported
Noncompliance material to basic financial statements noted?	____ Yes	_X_ No

Federal Awards

Internal Control over major programs:		
1) Material weakness(es) identified?	____ Yes	_X_ No
2) Significant deficiencies identified?	____ Yes	_X_ None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?	____ Yes	_X_ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	IDEA - PART B - BASIC

Dollar threshold used to distinguish between type A and type B programs:	$300,000	
Auditee qualified as low-risk auditee?	_X_ Yes	____ No

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR FISCAL YEAR ENDED JUNE 30, 2015

Section I - Summary of Auditor's Results (cont'd)

State Awards

Dollar threshold used to distinguish between type A and type B programs:	$300,000	
Auditee qualified as low-risk auditee?	X Yes	___ No
Internal control over major programs:		
1) Material weakness(es) identified?	___ Yes	X No
2) Significant deficiencies identified that are not considered to be material weaknesses?	___ 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 *NJOMB Circular Letter 04-04*	___ Yes	X No

Identification of major programs:

GMIS Number(s)	Name of State Program
15-495-034-5120-012	Categorical Special Education Aid
15-495-034-5120-044	Extraordinary Aid
15-495-034-5120-017	Debt Service Aid
15-495-034-5095-002	Reimb. TPAF Soc. Sec. Contribution
15-495-034-5095-006	Reimb. On Behalf TPAF Pension Contribution

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

Section II - Financial Statement Findings

Finding: None

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

FEDERAL AWARDS
Finding: None

STATE AWARDS:
Finding: None

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SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS (2014)
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB **Circular A-133 (.315(a)(b))** and NJOMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

Finding 2014-1:

Condition

The High School did not issue the required Form 1099 for vendors with expenses over $600.

Current Status

The condition was corrected.

Finding 2014-2:

Condition

The District did not take proper steps to verify all checks are being approved by board resolution

Current Status

The condition was corrected.