

**BRADLEY BEACH BOARD OF EDUCATION**

Bradley Beach, New Jersey

County of Monmouth

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR FISCAL YEAR ENDED JUNE 30, 2015**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**BRADLEY BEACH BOARD OF EDUCATION**

**BRADLEY BEACH, NEW JERSEY**

**FOR FISCAL YEAR ENDED JUNE 30, 2015**

**Prepared by**

**Bradley Beach Board of Education  
Finance Department**



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**INTRODUCTORY SECTION**

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# BOROUGH OF BRADLEY BEACH

## BOARD OF EDUCATION

515 Brinley Avenue • Bradley Beach • New Jersey 07720

*Dr. Gail Verona*  
*Interim Superintendent of Schools*

*David J. Tonzola*  
*School Business Administrator /*  
*Board Secretary*

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December 8, 2015

Honorable President and Members  
of the Board of Education  
Bradley Beach School District  
County of Monmouth, New Jersey

Dear Board Members:

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

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditors' report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. This District is required to undergo an annual single audit in conformity with the provisions of the State Treasury Circular Letter 04-04 and/or 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and special education programs for handicapped youngsters. The special education programs housed in the Bradley Beach school building are full day programs for learning disabled students. The District also operates resource room programs and inclusion programs. Additional special education students are sent out of district on a tuition basis to special education programs in other public and private schools. The following detail the changes in the student enrollment of the

District over the last ten years:

**Average Daily Enrollment**

2014 – 2015	285.0	(3.03)%
2013 – 2014	293.9	5.8%
2012 – 2013	284.4	2.3%
2011 – 2012	277.8	(2.6)%
2010 – 2011	285.3	4.1%
2009 – 2010	274.2	4.2%
2008 – 2009	263.1	(2.4)%
2007 – 2008	269.5	(1.3)%
2006 – 2007	266.0	(9.6)%
2005 – 2006	294.3	(8.3)%

In addition to the provision of a complete elementary school curriculum, the District has an English as a Second Language Program for limited English proficient students, Speech, Basic Skills Programs for students in need of remedial assistance and programs in Art, Physical Education, Library Skills, Music, Computer Technology and World Language.

Some additional support program services include substance abuse awareness, Child Assault Prevention, Career/Consumer Education and programs for academically talented, as well as artistically talented.

2. **ECONOMIC CONDITION AND OUTLOOK:** The Borough of Bradley Beach is close to 100% occupancy and property values continue to climb. A number of improvements along the beachfront make it a popular place to visit and business in the area is booming. Redevelopment on Main Street will result in the renovation and replacement of some commercial buildings resulting in new business openings.

The total property assessment for Bradley Beach for the last three years is as follows:

2015	\$ 1,131,026,920
2014	1,112,381,900
2013	1,121,780,200

3. **MAJOR INITIATIVES:** Our major initiatives for the 2015-2016 school year are aligned to the following Board approved district goals:
  - To measurably improve student achievement;
  - To evaluate, document, and enhance our technology plan;
  - To create a consistent and effective home-school partnership;
  - To develop and refine our character education program; and
  - To strengthen and foster community relationships and partnerships.

There are a variety of programs and initiatives in place for this year. First, we are pleased to provide our school community with a new full-day preschool program. We also have a new collaboration with Barnabas Health Institute for Prevention, an initiative that will provide comprehensive services and support for our children and their families at no cost to the district. We are proud to be one of twelve schools to receive an Arts in Education (AIE) Grant. This grant will provide our school with a

resident artist who will work with our art teacher to teach our students about ceramic tiling and mosaic art. We look forward to enhancing our academic programs with newly revised curriculums in 5-8 Social Studies and 5-8 Mathematics. Our school will have a redesigned STEM lab that will include MakerSpace, a hands-on project-based technology experience. Finally, there will be new and enhanced professional development opportunities for our teachers in current topics to support curriculum and instruction, including data-driven instruction and English Language Learners (ELL) training and support.

Regarding buildings and maintenance, we continue to complete cosmetic maintenance projects, such as painting, plumbing, and electrical upgrades. Additionally, we are in the process of upgrading security cameras and out phone system.

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

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

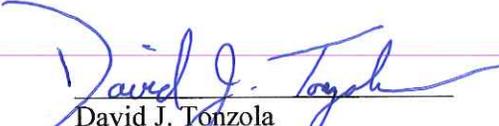
An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund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

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

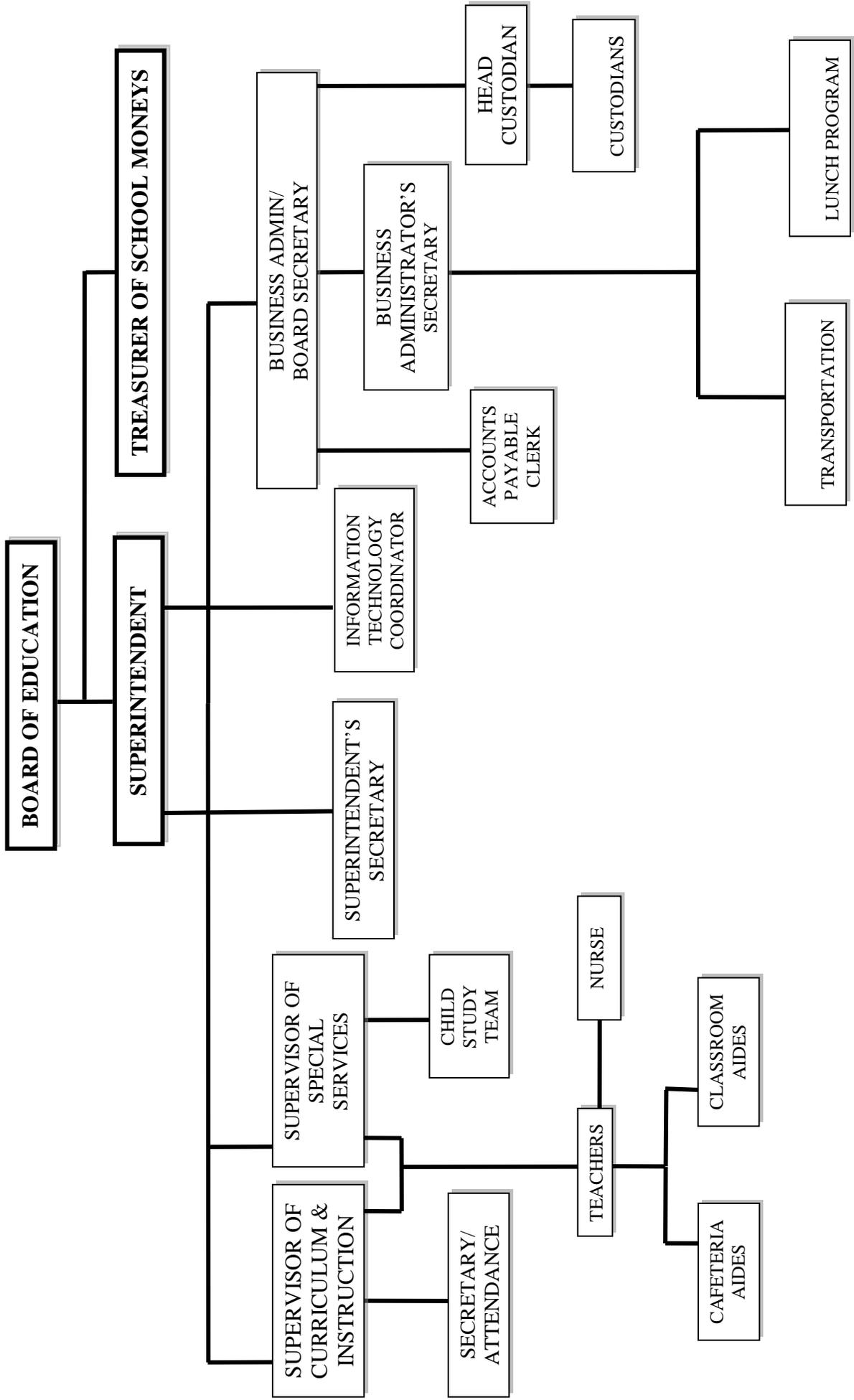
7. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 1. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the 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. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, worker's compensation and fidelity bond insurance.
9. **OTHER INFORMATION:**  
  
**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Robert Allison, CPA, of the accounting firm of Holman Frenia Allison, P.C. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the State Treasury Circular Letter 04-04 and/or 15-08 OMB. The auditors' 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 auditors' report related specifically to the single audit is included in the single audit section of this report.
10. **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Bradley Beach 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 office staff.

Respectfully submitted,

  
Dr. Gail Verona  
Interim Superintendent of Schools

  
David J. Tonzola  
School Business Administrator/  
Board Secretary

**BRADLEY BEACH SCHOOL DISTRICT  
ORGANIZATIONAL CHART**



**BRADLEY BEACH BOARD OF EDUCATION  
BRADLEY BEACH, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2015**

Members of the Board of Education	Term Expires
Dr. Susan Monroe, President	2017
Dr. Denise Rodriguez, Vice-President	2015
Thomas Bardinas	2015
Barbara Carlucci	2016
Dwight Gerdes	2015
Donald Warnet	2015
Stephen R. Lozowick	2017
Margaret Merenda	2016
John Young	2017

Other Officials

Joseph G. Majka, J.D., Superintendent of Schools 7/1/2014-6/30/2015

Dr. Gail Verona, Interim Superintendent of Schools 7/1/2015-11/30/2015

David Tonzola, School Business Administrator/Board Secretary

**BRADLEY BEACH BOARD OF EDUCATION  
BRADLEY BEACH, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

**JUNE 30, 2015**

**ARCHITECT**

Jerry Rubino  
DiCara Rubino Architects  
30 Galesi Drive, West Wing  
Wayne, New Jersey 07470

**AUDITOR/AUDIT FIRM**

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130 Maple Avenue, Building 8  
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Red Bank, New Jersey 07701

**OFFICIAL DEPOSITORY**

Bank of America  
Main Street and Brinley Avenue  
Bradley Beach, New Jersey 07720

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**FINANCIAL SECTION**

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HOLMAN | FRENIA  
ALLISON, P.C.

Certified Public Accountants & Consultants

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Bradley Beach School District  
Bradley Beach, New Jersey 07720

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bradley Beach School District, County of Monmouth, State of New Jersey, as of and for the fiscal 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; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bradley Beach School District, County of Monmouth, 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.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bradley Beach School District basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedule of State Financial Assistance as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular(s) 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and the Schedules of State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting is the responsibility of management and was

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

The introductory section and statistical information 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 8, 2015, on our consideration of the Bradley Beach School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bradley Beach School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison  
Certified Public Accountant  
Public School Accountant, No. 897

Freehold, New Jersey  
December 8, 2015

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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**BRADLEY BEACH SCHOOL DISTRICT  
BRADLEY BEACH BOROUGH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

The discussion and analysis of Bradley Beach School District's financial performance provides an overall review of the 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 School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2015 are as follows:

- ◆ General revenues accounted for \$6,859,201.56 in revenue or 80.66% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,519,119.53 or 17.86% of total revenues of \$8,503,534.78.
- ◆ Total assets of governmental activities as of June 30, 2015 were \$5,270,733.55 of which cash and cash equivalents represented \$1,186,865.93, net receivables \$96,281.62 and capital assets \$3,987,586.
- ◆ The School District had \$8,434,406.55 in expenses; only \$1,519,119.53 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$6,849,201.56 and fund balance were adequate to provide for these programs.
- ◆ The General Fund had \$7,239,028.02 in revenues and \$7,122,606.83 in expenditures and transfers. The General Fund's balance decreased \$116,421.19 over the 2014-2015 school year.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Bradley Beach School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the 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. In the case of Bradley Beach School District, the General Fund is by far the most significant fund.

## **Reporting the School District as a Whole**

### **Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2015?” The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s Net Position and changes in those assets. This change in Net Position is important because it tells the reader that, for the school district as a whole, the financial positions of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ◆ Governmental Activities – All of the School District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

### **GASB 68**

As described in Note 18 to the financial statements, "Prior Period Adjustment/Restatement of Net Position", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of \$2,592,026.43, as indicated in Note 18 to the financial statements.

## **Reporting the School District’s Most Significant Funds**

### **Fund Financial Statements**

The analysis of the School District’s major (all) funds is included in the 2014-2015 comprehensive annual financial report as presented by the School District. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School district’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund and Capital Projects Fund.

## **Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. 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 School district's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer 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 Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

## **Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

## The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's Net Position for fiscal year 2015 as compared to the 2014 fiscal year.

Table 1  
Statement of Net Position

	<u>2015</u>	<u>2014</u>
Assets:		
Current and Other Assets	\$ 1,283,147.55	\$ 1,237,378.67
Capital Assets, Net	<u>3,987,586.00</u>	<u>4,134,441.69</u>
Total Assets	<u>5,270,733.55</u>	<u>5,371,820.36</u>
Deferred Outflows of Resources:		
Deferred Outflows Related to Pensions	<u>176,205.00</u>	<u>-</u>
Total Deferred Outflows related to Resources	<u>176,205.00</u>	<u>-</u>
Total Assets and Deferred Outflow of Resources	<u>5,446,938.55</u>	<u>5,371,820.36</u>
Liabilities:		
Long-Term Liabilities	2,507,161.30	1,220,700.00
Other Liabilities	<u>209,274.70</u>	<u>346,633.80</u>
Total Liabilities	<u>2,716,436.00</u>	<u>1,567,333.80</u>
Deferred Inflows of Resources:		
Deferred Inflows Related to Pensions	<u>75,826.00</u>	<u>-</u>
Total Deferred Inflows related to Resources	<u>75,826.00</u>	<u>-</u>
Total Liabilities and Deferred Inflow of Resources	<u>2,792,262.00</u>	<u>1,567,333.80</u>
Net Position:		
Net Investment in Capital Assets	2,799,586.00	2,821,441.69
Restricted	965,682.85	842,854.33
Unrestricted	<u>(1,110,592.30)</u>	<u>140,190.54</u>
Total Net Position	<u>\$ 2,654,676.55</u>	<u>\$ 3,804,486.56</u>

Table 2 provides a comparison analysis of Government-wide changes in Net Position from fiscal years 2014 and 2015.

Table 2

Changes in Net Position

	<u>2015</u>	<u>2014</u>
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 52,933.16	\$ 31,053.19
Operating Grants and Contributions	1,591,400.06	1,084,342.74
General Revenues:		
Property Taxes	5,675,312.00	5,597,573.00
Unrestricted Grants	1,087,214.00	1,003,511.41
Other	<u>96,675.56</u>	<u>13,684.94</u>
Total Revenue	<u>8,503,534.78</u>	<u>7,730,165.28</u>
<u>Program Expenses</u>		
Instruction	2,443,246.80	2,969,219.24
Support Services:		
Tuition	1,616,802.28	1,670,170.33
Pupils and Instructional Staff	712,317.34	828,313.88
General Administration	282,980.95	249,451.02
Technology	27,159.84	26,360.84
School Administration	21,273.94	26,812.94
Central Services	161,710.22	148,177.80
Operations and Maintenance of Facilities	471,278.88	559,821.74
Pupil Transportation	168,381.29	232,782.04
Unallocated Benefits	2,094,620.46	652,252.15
Interest & Other Charges on Long-Term Debt	69,028.67	51,581.16
Food Service	128,735.58	151,492.78
Unallocated Depreciation and Amortization	176,314.41	181,227.00
Transfer to Charter Schools	<u>67,034.00</u>	<u>61,531.00</u>
Total Expenses	<u>8,440,884.66</u>	<u>7,809,193.92</u>
Change in Net Position	62,650.12	(79,028.64)
Beginning Net Position	<u>2,592,026.43</u>	<u>3,883,515.20</u>
Ending Net Position	<u>\$ 2,654,676.55</u>	<u>\$ 3,804,486.56</u>

## Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 68% of revenues for Bradley Beach Borough School District activities for fiscal year 2015. The District's total governmental revenues were \$8,368,321.09 for the fiscal year ended June 30, 2015. Federal, state and local/governmental grants accounted for another 31%.

The total cost of all program and services for governmental activities was \$8,305,670.97. Instruction comprises 29% of total District expenses.

## Business-Type Activities

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

Food service operating expenses exceeded operating revenues by \$6,478.11. Charges for services represent \$21,274.81 or 15.73% of total revenue. This represents the amount paid by mostly students for daily food service and catering.

Federal and state reimbursements for meals including payments for free and reduced lunches, and donated commodities was \$103,938.88.

## Governmental Funds

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Comparisons to the net cost of services for the 2015/14 school year are shown in the right hand column in the table.

Table 3  
Governmental Activities

	2015		2014	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 2,443,246.80	\$ 2,168,369.19	\$ 2,969,219.24	\$ 2,689,044.74
Support Services:				
Tuition	1,616,802.28	1,616,802.28	1,670,170.33	1,670,170.33
Pupils and Instructional Staff	712,317.34	569,616.53	828,313.88	655,242.26
General Administration	282,980.95	282,980.95	249,451.02	249,451.02
Technology	27,159.84	27,159.84	26,360.84	26,360.84
School Administration	21,273.94	21,273.94	26,812.94	26,812.94
Central Services	161,710.22	161,710.22	148,177.80	148,177.80
Operation and Maintenance of Facilities	471,278.88	471,278.88	559,821.74	559,821.74
Pupil Transportation	168,381.29	168,381.29	232,782.04	150,287.04
Unallocated Benefits	2,088,142.35	986,601.24	652,252.15	194,532.16
Interest on Long-Term Debt	67,034.00	67,034.00	51,581.16	51,581.16
Unallocated Depreciation & Amortization	176,314.41	176,314.41	181,227.00	181,227.00
Transfer to Charter School	69,028.67	69,028.67	61,531.00	61,531.00
<b>Total Expenses</b>	<b>\$ 8,305,670.97</b>	<b>\$ 6,786,551.44</b>	<b>\$ 7,657,701.14</b>	<b>\$ 6,664,240.03</b>

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

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

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

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

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

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

### **The School District's Funds**

Information about the School District's major funds is included in the 2014-15 comprehensive annual financial report as presented by the School District. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$7,797,676.09 and expenditures and transfers of \$7,683,943.56.

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

Revenue	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2013/14</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 5,823,716.98	74.69%	\$ 194,495.37	3.46%
State Sources	1,677,025.10	21.51%	88,549.10	5.57%
Federal Sources	<u>296,934.01</u>	<u>3.81%</u>	<u>(93,598.84)</u>	<u>-23.97%</u>
Total	<u>\$ 7,797,676.09</u>	<u>100.00%</u>	<u>\$ 189,445.63</u>	<u>2.49%</u>

The increase in Local Sources is mostly attributable to an increase in the tax levy and receipt of property insurance premium.

The increase in State Sources is mostly attributable to an increase in state aid.

The decrease in Federal Sources is attributed to decrease in funding in the No Child Left Behind Grant and Individuals with Disabilities Education Act Grant.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2015.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2013/14</u>	<u>Percent of Increase (Decrease)</u>
Current Expenses:				
Instruction	\$ 2,443,246.80	31.84%	\$ (14,495.42)	-0.59%
Undistributed Expenditures	4,939,810.79	64.37%	38,153.03	0.78%
Capital Outlay	51,120.72	0.67%	(357,469.88)	-87.49%
Transfer to				
Charter School	67,034.00	0.87%	5,503.00	8.94%
Debt Service:				
Principal	125,000.00	1.63%	5,000.00	4.17%
Interest	47,731.25	0.62%	(4,200.00)	-8.09%
<b>Total</b>	<b>\$ 7,673,943.56</b>	<b>100.00%</b>	<b>\$ (327,509.27)</b>	<b>-4.09%</b>

The decrease in Current - Instruction is primarily attributed to a decrease in the cost of instructional salaries and benefits.

The increase in Current – Undistributed Expenditures is attributed to an increase in the cost of tuition, salaries and health benefits.

### **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 modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2015, the School District amended its General Fund budget as needed. The School district uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

Transfers from program to another must be approved by the School Business Administrator, Superintendent and the Board of Education. Transfers were necessitated by:

- ◆ Need for additional instructional salaries, supplies and equipment.
- ◆ Staffing changes based on student needs.
- ◆ Additional administrative expenses.
- ◆ Changes in appropriations to prevent budget overruns.
- ◆ Additional school sponsored activities.
- ◆ Additional technology expenses.
- ◆ Additional transportation expenses.
- ◆ Additional benefits expenses.
- ◆ Additional contribution to Unemployment Compensation Fund.

While the District’s final budget for the general fund anticipated that revenues and expenditures would roughly equal, the actual results for the year show a \$116,282.19 increase in Fund Balance – Budgetary Basis.

**Capital Assets**

At the end of the fiscal year 2015, the School District’s governmental activities had \$3,987,586 invested in land, site improvements, buildings and building improvements, and machinery and equipment (net of depreciation).

Table 4

Governmental Activities Capital Assets (Net of Depreciation) at June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Land	\$ 3,400.00	\$ 3,400.00
Site Improvements	38,303.00	46,145.00
Buidling and Improvements	3,852,434.00	3,986,834.00
Machinery and Equipment	<u>93,449.00</u>	<u>98,062.69</u>
Total	<u>\$ 3,987,586.00</u>	<u>\$ 4,134,441.69</u>

Overall Capital Assets decreased \$146,855.69 from fiscal year 2014 to fiscal year 2015.

**Debt Administration**

At June 30, 2015, the School District had \$2,507,161.30 as outstanding debt. Of this amount \$46,792.30.00 is for compensated absences. \$1,272,369 is the net PERS pension liability and \$1,188,000.00 is for bonds payable.

**For the Future**

The Bradley Beach School District is in excellent financial condition presently.

The District Board of Education practices long-term financial planning. The District is proud of its system for financial planning, budgeting and internal financial controls.

**Contacting the School District’s Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School district’s finances and to show the School District’s accountability for the money it receives. If you have questions about this report or need additional information, contact the Board Secretary/School Business Administrator at the Bradley Beach School District Board of Education, 515 Brinley Avenue, Bradley Beach, NJ 07720.

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**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**BRADLEY BEACH SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30,2015**

	Governmental Activities	Business -Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,186,865.93	\$ 12,149.07	\$ 1,199,015.00
Receivables, Net	96,281.62	7,405.19	103,686.81
Inventory	-	2,945.79	2,945.79
Capital Assets, Net (Note 5)	3,987,586.00	2,164.43	3,989,750.43
<b>Total Assets</b>	<b>5,270,733.55</b>	<b>24,664.48</b>	<b>5,295,398.03</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	176,205.00	-	176,205.00
<b>Total Deferred Outflow related to Resources</b>	<b>176,205.00</b>	<b>-</b>	<b>176,205.00</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>5,446,938.55</b>	<b>24,664.48</b>	<b>5,471,603.03</b>
<b>LIABILITIES</b>			
Accounts Payable	137,028.76	18,907.87	155,936.63
Pensions Payable	56,032.00	-	56,032.00
Internal Balances	9,746.73	(9,746.73)	-
Accrued Interest	3,613.02	-	3,613.02
Unearned Revenue	2,854.19	488.10	3,342.29
Noncurrent Liabilities (Note 7):			
Due Within One Year	144,192.30	-	144,192.30
Due Beyond One Year	2,362,969.00	-	2,362,969.00
<b>Total Liabilities</b>	<b>2,716,436.00</b>	<b>9,649.24</b>	<b>2,726,085.24</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflow Related to Pension	75,826.00	-	75,826.00
<b>Total Deferred Outflow related to Resources</b>	<b>75,826.00</b>	<b>-</b>	<b>75,826.00</b>
<b>Total Liabilities and Deferred Inflow of Resources</b>	<b>2,792,262.00</b>	<b>9,649.24</b>	<b>2,801,911.24</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,799,586.00	2,164.43	2,801,750.43
Restricted for:			
Capital Projects	108,000.00	-	108,000.00
Debt Service	(3,607.45)	-	(3,607.45)
Other Purposes	861,290.30	-	861,290.30
Unrestricted	(1,110,592.30)	12,850.81	(1,097,741.49)
<b>Total Net Position</b>	<b>\$ 2,654,676.55</b>	<b>\$ 15,015.24</b>	<b>\$ 2,669,691.79</b>

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

**BRADLEY BEACH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>						
Instruction:						
Regular	\$ 1,915,359.32	\$ 31,658.35	\$ 243,219.26	\$ (1,640,481.71)	-	\$ (1,640,481.71)
Special Education	234,503.76	-	-	(234,503.76)	-	(234,503.76)
Other Special Instruction	210,269.46	-	-	(210,269.46)	-	(210,269.46)
Other Instruction	83,114.26	-	-	(83,114.26)	-	(83,114.26)
Support Services:						
Tuition	1,616,802.28	-	-	(1,616,802.28)	-	(1,616,802.28)
Student and Instruction Related Services	712,317.34	-	142,700.81	(569,616.53)	-	(569,616.53)
General Administration	282,980.95	-	-	(282,980.95)	-	(282,980.95)
School Administrative Services	21,273.94	-	-	(21,273.94)	-	(21,273.94)
Central Services	161,710.22	-	-	(161,710.22)	-	(161,710.22)
Administrative Information Technology	27,159.84	-	-	(27,159.84)	-	(27,159.84)
Plant Operations and Maintenance	471,278.88	-	-	(471,278.88)	-	(471,278.88)
Pupil Transportation	168,381.29	-	-	(168,381.29)	-	(168,381.29)
Unallocated Benefits	2,088,142.35	-	1,101,541.11	(986,601.24)	-	(986,601.24)
Transfer to Charter School	67,034.00	-	-	(67,034.00)	-	(67,034.00)
Unallocated Depreciation	176,314.41	-	-	(176,314.41)	-	(176,314.41)
Interest & Other Charges on Long-Term Debt	69,028.67	-	-	(69,028.67)	-	(69,028.67)
<b>Total Government Activities</b>	<b>8,305,670.97</b>	<b>31,658.35</b>	<b>1,487,461.18</b>	<b>(6,786,551.44)</b>	<b>-</b>	<b>(6,786,551.44)</b>

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

**BRADLEY BEACH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
BUSINESS-TYPE ACTIVITIES						
Food Service	128,735.58	21,274.81	103,938.88	-	(3,521.89)	(3,521.89)
Total Business-Type Activities	128,735.58	21,274.81	103,938.88	-	(3,521.89)	(3,521.89)
Total Primary Government	\$ 8,434,406.55	\$ 52,933.16	\$ 1,591,400.06	\$ (6,786,551.44)	\$ (3,521.89)	\$ (6,790,073.33)

GENERAL REVENUES	
Property Taxes Levied for:	
General Purposes	\$ 5,502,584.00
Debt Service	172,728.00
Federal and State Aid Not Restricted	1,087,214.00
Miscellaneous Income	96,675.56
Transfers	(10,000.00)
Total General Revenues	6,849,201.56
Change in Net Position	62,650.12
Net Position - Beginning (Restated, Note 18)	2,592,026.43
Net Position - Ending	\$ 2,654,676.55

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## B. Fund Financial Statements

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Governmental Funds

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**BRADLEY BEACH SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2015**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 777,410.22	\$ -	\$ 5.57	\$ 777,415.79
Due From Other Funds	-	-	-	-
Intergovernmental Accounts Receivable:				
Federal	-	55,527.01	-	55,527.01
State	33,260.61	-	-	33,260.61
Other Receivables	7,494.00	-	-	7,494.00
Restricted Cash	443,000.00	-	-	443,000.00
<b>Total Assets</b>	<b>\$ 1,261,164.83</b>	<b>\$ 55,527.01</b>	<b>\$ 5.57</b>	<b>\$ 1,316,697.41</b>
<b>LIABILITIES &amp; FUND BALANCES</b>				
<b>Liabilities:</b>				
Cash Deficit	\$ -	\$ 33,549.86	\$ -	\$ 33,549.86
Accounts Payable	110,741.52	26,282.96	-	137,024.48
Interfunds Payable	9,751.01	-	-	9,751.01
Unearned Revenue	-	2,854.19	-	2,854.19
<b>Total Liabilities</b>	<b>120,492.53</b>	<b>62,687.01</b>	<b>-</b>	<b>183,179.54</b>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
<b>Reserved Excess Surplus:</b>				
Designated for Subsequent Year's Expenditures	139,138.11	-	-	139,138.11
Reserve for Excess Surplus	222,322.88	-	-	222,322.88
Debt Service	-	-	5.57	5.57
Capital Reserve	108,000.00	-	-	108,000.00
Maintenance Reserve	85,000.00	-	-	85,000.00
Emergency Reserve	250,000.00	-	-	250,000.00
<b>Assigned:</b>				
Other Purposes	98,984.42	-	-	98,984.42
Designated for Subsequent Year's Expenditures	65,844.89	-	-	65,844.89
<b>Unassigned:</b>				
General Fund	171,382.00	-	-	171,382.00
Special Revenue Fund	-	(7,160.00)	-	(7,160.00)
<b>Total Fund Balances</b>	<b>1,140,672.30</b>	<b>(7,160.00)</b>	<b>5.57</b>	<b>1,133,517.87</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,261,164.83</b>	<b>\$ 55,527.01</b>	<b>\$ 5.57</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$6,653,828.74 and the accumulated depreciation is \$2,666,242.74 (See Note 5).	3,987,586.00
Deferred outflows and inflows of resources related to pensions and deferred charges and/or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	100,379.00
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the fund (See Note 7).	(2,507,161.30)
Accrual of bond and lease interest and PERS Pension Payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(59,645.02)
<b>Net Position of Governmental Activities</b>	<b>\$ 2,654,676.55</b>

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

**BRADLEY BEACH SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Revenues:				
Local Sources:				
Local Tax Levy	\$ 5,502,584.00	\$ -	\$ 172,728.00	\$ 5,675,312.00
Tuition from Other LEA's	31,658.35	-	-	31,658.35
Miscellaneous	96,675.56	20,071.07	-	116,746.63
Total - Local Sources	<u>5,630,917.91</u>	<u>20,071.07</u>	<u>172,728.00</u>	<u>5,823,716.98</u>
State Sources	1,608,110.11	68,914.99	-	1,677,025.10
Federal Sources	-	296,934.01	-	296,934.01
Total Revenues	<u>7,239,028.02</u>	<u>385,920.07</u>	<u>172,728.00</u>	<u>7,797,676.09</u>
Expenditures:				
Current:				
Regular Instruction	1,669,454.65	245,904.67	-	1,915,359.32
Special Education Instruction	234,503.76	-	-	234,503.76
Other Special Instruction	210,269.46	-	-	210,269.46
Other Instruction	83,114.26	-	-	83,114.26
Support Services and Undistributed Costs:				
Tuition	1,616,802.28	-	-	1,616,802.28
Student and Instruction Related Services	569,616.53	142,700.81	-	712,317.34
General Administration	282,980.95	-	-	282,980.95
School Administrative Services	21,273.94	-	-	21,273.94
Central Services	161,710.22	-	-	161,710.22
Administrative Information Technology	27,159.84	-	-	27,159.84
Plant Operations and Maintenance	471,278.88	-	-	471,278.88
Pupil Transportation	168,381.29	-	-	168,381.29
Employee Benefits	1,477,906.05	-	-	1,477,906.05
Transfer To Charter Schools	67,034.00	-	-	67,034.00
Debt Service:				
Interest and Other Charges	-	-	47,731.25	47,731.25
Principal	-	-	125,000.00	125,000.00
Capital Outlay	51,120.72	-	-	51,120.72
Total Expenditures	<u>7,112,606.83</u>	<u>388,605.48</u>	<u>172,731.25</u>	<u>7,673,943.56</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>126,421.19</u>	<u>(2,685.41)</u>	<u>(3.25)</u>	<u>123,732.53</u>
Other Financing Sources/(Uses):				
Transfer Out - Enterprise Fund	<u>(10,000.00)</u>	<u>-</u>	<u>-</u>	<u>(10,000.00)</u>
Total Other Financing Sources/(Uses)	<u>(10,000.00)</u>	<u>-</u>	<u>-</u>	<u>(10,000.00)</u>
Net Change in Fund Balances	116,421.19	(2,685.41)	(3.25)	113,732.53
Fund Balance/(Deficit) - July 1	1,024,251.11	(4,474.59)	8.82	1,019,785.34
Fund Balance/(Deficit) - June 30	<u>\$ 1,140,672.30</u>	<u>\$ (7,160.00)</u>	<u>\$ 5.57</u>	<u>\$ 1,133,517.87</u>

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

**BRADLEY BEACH SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES ,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 113,732.53

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

Capital outlays are reported in governmental funds as expenditures.

However, on 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 current fiscal year.

Depreciation Expense	\$ (173,166.00)	
Capital Asset Disposals	(255.69)	
Adjustment to Capital Assets	(2,892.72)	
Capital Outlay	<u>29,458.72</u>	
		(146,855.69)

District pension contributions are reported as expenditures in the governmental  
funds when made. However, they are reported as deferred outflows of resources  
in the Statement of Net Position because the reported net pension liability is measured  
a year before the District's report date. Pension expense, which is the change in  
the net pension liability adjusted for changes in deferred outflows and inflows  
of resources related to pensions, is reported in the Statement of Activities.

Pension Expense - PERS District Contribution - 2015	56,024.00	
Unfunded TPAF Pension Expense	580,645.00	
State Share of Unfunded TPAF Pension Expense	(580,645.00)	
Pension Expense	<u>(80,123.00)</u>	
		(24,099.00)

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.

125,000.00

In the Statement of Activities, certain operating expenses, e.g., compensated  
absences (vacation and sick pay) are measured by the amounts earned during  
the year. In the governmental funds, however, expenditures for these items are  
reported in the amount of financial resources used (paid). When the earned  
amount exceeds the paid amount, the difference is a reduction in the reconciliation;  
when the paid amount exceeds the earned amount, the difference is an  
addition to the reconciliation.

Prior Year	41,300.00	
Current Year	<u>(46,792.30)</u>	
		(5,492.30)

In the Statement of Activities, interest on long-term debt is accrued, regardless  
of when due. In the governmental funds, interest is reported when due.

The decrease in accrued interest from the previous year is an increase in the reconciliation.

Prior Year	3,977.60	
Current Year	<u>(3,613.02)</u>	
		<u>364.58</u>

Change in Net Position of Governmental Activities \$ 62,650.12

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

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## Proprietary Funds

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**BRADLEY BEACH SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF FUND NET POSITION  
 JUNE 30, 2015**

	Business-Type Activities - Enterprise Funds <hr/> Food Service
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 12,149.07
Accounts Receivable:	
State	183.89
Federal	7,209.18
Other	12.12
Inventories	2,945.79
Interfund Receivable	<u>9,746.73</u>
 Total Current Assets	 <u>32,246.78</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	43,202.43
Less:	
Accumulated Depreciation	<u>(41,038.00)</u>
 Total Noncurrent Assets	 <u>2,164.43</u>
 Total Assets	 <u>34,411.21</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	18,907.87
Deferred Revenue	<u>488.10</u>
 Total Current Liabilities	 <u>19,395.97</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	2,164.43
Unrestricted	<u>12,850.81</u>
 Total Net Position	 <u>\$ 15,015.24</u>

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

**BRADLEY BEACH SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**AS OF JUNE 30, 2015**

	Business-Type Activities - <u>Enterprise Funds</u> Food Service
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 15,565.42
Miscellaneous Revenue	5,709.39
	<hr/>
Total Operating Revenues	21,274.81
	<hr/>
Operating Expenses:	
Other Purchased Services	73,091.74
Depreciation	71.00
Cost of Sales	55,572.84
	<hr/>
Total Operating Expenses	128,735.58
	<hr/>
Operating Income/(Loss)	(107,460.77)
	<hr/>
Nonoperating Revenues/(Expenses):	
State Sources:	
State School Lunch Program	1,696.86
Federal Sources:	
National School Lunch Program	82,383.70
National School Breakfast Program	7,768.39
Special Milk Program	80.66
Food Distribution Program	12,009.27
Transfers In - Board Contribution	10,000.00
	<hr/>
Total Nonoperating Revenues/(Expenses)	113,938.88
	<hr/>
Change in Net Position	6,478.11
Total Net Position - Beginning	8,537.13
	<hr/>
Total Net Position - Ending	\$ 15,015.24
	<hr/> <hr/>

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

**BRADLEY BEACH SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
AS OF JUNE 30, 2015**

	Business-Type Activities - <u>Enterprise Funds</u> Food Service
Cash Flows From Operating Activities:	
Receipts From Customers	\$ 28,469.88
Payments To Suppliers	<u>(124,055.66)</u>
Net Cash Provided By/(Used For)	
Operating Activities	<u>(95,585.78)</u>
Cash Flows From Noncapital Financing Activities:	
State Sources	1,712.49
Federal Sources	89,103.58
Transfers from General Fund	<u>10,000.00</u>
Net Cash Provided By Noncapital Financing Activities	<u>100,816.07</u>
Cash Flows From Capital and Related Financing Activities:	
Purchase of Capital Assets	<u>(2,235.43)</u>
Net Decrease in Cash and Cash Equivalents	2,994.86
Balance - Beginning of Year	<u>9,154.21</u>
Balance - End of Year	<u><u>\$ 12,149.07</u></u>
Reconciliation of Operating Loss To Net Cash	
Used for Operating Activities:	
Operating Loss Used for Operating Activities:	\$ (107,460.77)
Depreciation	71.00
Food Distribution Program	12,009.27
(Increase)/Decrease in Accounts Receivable	6,287.88
(Increase)/Decrease in Interfund Receivable	872.59
(Increase)/Decrease in Inventories	(1,262.76)
Increase/(Decrease) in Deferred Revenue	34.60
Increase/(Decrease) in Accounts Payable	<u>(6,137.59)</u>
Total Adjustments	<u>11,874.99</u>
Net Cash Used for Operating Activities	<u><u>\$ (95,585.78)</u></u>

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

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Fiduciary Fund

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**BRADLEY BEACH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

	Unemployment Compensation Trust	Agency Funds	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,314.22	\$ 168,704.96	\$ 176,019.18
Interfund Receivable	1,852.29	4.28	1,856.57
	<hr/>		
Total Assets	\$ 9,166.51	\$ 168,709.24	\$ 177,875.75
	<hr/> <hr/>		
<b>LIABILITIES</b>			
Accrued Liabilities	-	121,770.20	121,770.20
Payable To Student Groups	-	17,053.04	17,053.04
Payroll Deductions and Withholdings	-	28,033.71	28,033.71
Interfund Payable		1,852.29	1,852.29
	<hr/>		
Total Liabilities	-	168,709.24	168,709.24
	<hr/> <hr/>		
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims and Other Purposes	9,166.51	-	9,166.51
	<hr/>		
Total Net Position	9,166.51	-	9,166.51
	<hr/> <hr/>		
Total Liabilities and Net Position	\$ 9,166.51	\$ 168,709.24	\$ 177,875.75
	<hr/> <hr/>		

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

**BRADLEY BEACH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

	Unemployment Compensation Trust
<b>ADDITIONS</b>	
Contributions:	
Plan Member	<u>\$ 5,764.69</u>
Total Contributions	<u>5,764.69</u>
<b>DEDUCTIONS</b>	
Payment of Claims	<u>13,260.00</u>
Total Deductions	<u>13,260.00</u>
Change in Net Position	(7,495.31)
Net Position - Beginning of Year	<u>16,661.82</u>
Net Position - End of Year	<u><u>\$ 9,166.51</u></u>

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

**BRADLEY BEACH BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

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**BRADLEY BEACH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1. Summary of Significant Accounting Policies**

The financial statements of the Bradley Beach School District (the ‘District’) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

**Reporting Entity**

The Bradley Beach School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year staggered terms. The District provides a full range of educational services appropriate to grade levels PreK through 8. The Bradley Beach School District has an approximate enrollment at June 30, 2015 of 283 students.

**Component Units**

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s

## BRADLEY BEACH SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

#### Note 1. Summary of Significant Accounting Policies (continued):

enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

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

As required by the New Jersey Department of Education the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to

## BRADLEY BEACH SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

#### Note 1. Summary of Significant Accounting Policies (continued):

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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

**Capital Projects Fund** - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

The District reports the following major proprietary funds:

**Food Service Fund** – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Additionally, the District reports the following major fiduciary funds:

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

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

**Agency Funds** - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made

## BRADLEY BEACH SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

#### Note 1. Summary of Significant Accounting Policies (continued):

in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

#### **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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal

## BRADLEY BEACH SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

#### Note 1. Summary of Significant Accounting Policies (continued):

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 state aid payments.

#### 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 assigned 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 a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

#### Cash and Cash Equivalents

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.

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.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 loss of funds on deposit with a failed banking institution in New Jersey.

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

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2015 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**Inventories**

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

**Short-Term Interfund Receivables/Payables**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

**Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

**Compensated Absences**

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

## BRADLEY BEACH SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

#### Note 1. Summary of Significant Accounting Policies (continued):

In the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

#### **Unearned Revenue**

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

#### **Accrued Liabilities and Long-Term Obligations**

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

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Fund Balance**

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent

## BRADLEY BEACH SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

#### Note 1. Summary of Significant Accounting Policies (continued):

that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2015.

- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

#### Net Position

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

#### Impact of Recently Issued Accounting Principles

##### Adopted Accounting Pronouncements

For the year ended June 30, 2015, the District implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27) and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of the Statements requires the District to report as an asset and/or a liability its portion of the collective net pension's asset and liability of the New Jersey Public Employees' Retirement System

## BRADLEY BEACH SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

#### Note 1. Summary of Significant Accounting Policies (continued):

(PERS). The implementation of the Statements also requires the District to report a deferred outflow and/or inflow for the effect of the net change in the District's proportion of the collective net pension asset and/or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. Also included as a deferred outflow is the District contributions to the pension system subsequent to the measurement date.

#### Recently Issued Accounting Pronouncements

The District has adopted and implemented all current standards of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2015.

GASB has issued Statement No. 72, *Fair Value Measurement and Application*, effective for the year ending June 30, 2016

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*, effective for the year ending June 30, 2018. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans.

GASB has issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for the year ending June 30, 2016.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

#### Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

#### Deferred Loss on Refunding Debt

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

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Deferred Inflows/Outflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

**Subsequent Events**

The District has evaluated subsequent events occurring after June 30, 2015 through the date of December 8, 2015, which is the date the financial statements were available to be issued.

**Note 2. Cash and Cash Equivalents**

**Cash Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District's bank balance of \$1,400,738.23 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 250,000.00
Collateralized by securities held by Pledging financial institution	966,528.92
Uninsured and uncollateralized	<u>184,209.31</u>
Total	<u><u>\$ 1,400,738.23</u></u>

**Investments**

New Jersey statues permit the Board to purchase the following types of securities:

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.

## BRADLEY BEACH SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

#### Note 2. Cash and Cash Equivalents (continued):

2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank , which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure..

Concentrations - The District places no limit in the amount the District may invest in any one issuer

The District did not hold any investments at June 30, 2015.

#### Note 3. Reserve Accounts

##### A. Capital Reserve Account

A capital reserve account was established by the Bradley Beach School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the 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 appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 3. Reserve Accounts (continued):**

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

Beginning Balance, July 1, 2013		\$ 67,000.00
Increased By:		
Interest Earnings	\$ 1,000.00	
Appropriated in Original Budget	25,000.00	
Increased by June Board Resolution	<u>15,000.00</u>	
		<u>41,000.00</u>
Ending Balance, June 30, 2014		<u><u>\$ 108,000.00</u></u>

**B. Maintenance Reserve Account**

The District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Maintenance Plan (M-1). A district may increase the balance in the maintenance 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

The activity of the maintenance reserve for the June 30, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 75,000.00
Increased by June Board resolution	<u>10,000.00</u>
Ending Balance, June 30, 2015	<u><u>\$ 85,000.00</u></u>

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 3. Reserve Accounts (continued):**

**C. Emergency Reserve Account**

An Emergency Reserve Account was established by the Bradley Beach Board of Education for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

The Emergency Reserve Account is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000.00 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

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

Ending Balance, June 30, 2015 & 2014	<u><u>\$ 250,000.00</u></u>
--------------------------------------	-----------------------------

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2015 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Proprietary Funds</b>	<b>Total</b>
Intergovernmental	\$ 33,260.61	\$ 55,527.01	\$ 7,393.07	\$ 96,180.69
Other	7,494.00	-	12.12	7,506.12
	<hr/>			
Total	<u>\$ 40,754.61</u>	<u>\$ 55,527.01</u>	<u>\$ 7,405.19</u>	<u>\$ 103,686.81</u>

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 5. Capital Assets**

The schedule on the following page is a summarization of the capital assets by source for the fiscal year ended June 30, 2015.

	June 30, 2014	Additions	Deletions	June 30, 2015
<b>Governmental Activities:</b>				
Capital assets that are not being depreciated:				
Land	\$ 3,400.00	\$ -	\$ -	\$ 3,400.00
Total capital assets not being depreciated	<u>3,400.00</u>	-	-	<u>3,400.00</u>
Site Improvements	248,179.00	-	-	248,179.00
Buildings and Improvements	5,944,355.74	18,823.00		5,963,178.74
Machinery and equipment	431,583.69	7,743.00	255.69	439,071.00
Subtotal	<u>6,624,118.43</u>	<u>26,566.00</u>	<u>255.69</u>	<u>6,650,428.74</u>
Less: accumulated depreciation:				
Site Improvements	(202,034.00)	(7,842.00)	-	(209,876.00)
Buildings and Improvements	(1,957,521.74)	(153,223.00)		(2,110,744.74)
Machinery and equipment	(333,521.00)	(12,101.00)	-	(345,622.00)
Total accumulated depreciation	<u>(2,493,076.74)</u>	<u>(173,166.00)</u>	<u>-</u>	<u>(2,666,242.74)</u>
Total capital assets being depreciated, net	<u>4,131,041.69</u>	<u>(146,600.00)</u>	<u>255.69</u>	<u>3,984,186.00</u>
Governmental activities capital assets, net	<u>\$ 4,134,441.69</u>	<u>\$ (146,600.00)</u>	<u>\$ 255.69</u>	<u>\$ 3,987,586.00</u>

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 5. Capital Assets (continued):**

	June 30, 2014	Increases	Decreases	June 30, 2015
<b>Business-Type Activities:</b>				
Capital Assets being Depreciated:				
Machinery & Equipment	\$ 40,967.00	\$ 2,235.43	\$ -	\$ 43,202.43
	<hr/>			<hr/>
Subtotal	40,967.00	2,235.43	-	43,202.43
	<hr/>			<hr/>
Less: accumulated depreciation:				
Machinery & Equipment	(40,967.00)	(71.00)	-	(41,038.00)
	<hr/>			<hr/>
Total accumulated depreciation	(40,967.00)	(71.00)	-	(41,038.00)
	<hr/>			<hr/>
Total capital assets being depreciated, net	-	2,164.43	-	2,164.43
	<hr/>			<hr/>
Business-type activities capital assets, net	\$ -	\$ 2,164.43	\$ -	\$ 2,164.43
	<hr/>			<hr/>

Depreciation expense was charged to governmental functions/programs as follows:

<b>Governmental Activities:</b>	
Regular Instruction	\$ 84,799.39
Special Education Instruction	16,468.09
Other Special Instruction	11,913.82
Support Service & Undistributed Costs:	
Student and Instruction Related Service	21,230.15
General Administrative Services	10,476.54
School Administrative Services	2,874.56
Central Services	6,182.03
Administrative Information Technology	1,471.91
Plant Operations and Maintenance	<hr/> 17,749.52
Total Depreciation Expense - Governmental Activities	<hr/> <hr/> \$ 173,166.01

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 6. Interfund Receivables, Payables and Transfers**

Individual fund receivables/payables balances at June 30, 2015 are as follows:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ -	\$ 9,751.01
Food Service Fund	9,746.73	-
Fiduciary Funds	<u>1,856.57</u>	<u>1,852.29</u>
	<u>\$ 11,603.30</u>	<u>\$ 11,603.30</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers follows:

<b>Fund</b>	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ 9,749.83	\$ 10,619.32
Special Revenue Fund	-	-
Capital Projects Fund	-	-
Debt Service Fund	-	-
Food Service Fund	10,619.32	9,746.73
Fiduciary Funds	<u>-</u>	<u>3.10</u>
	<u>\$ 20,369.15</u>	<u>\$ 20,369.15</u>

The purpose of interfunds transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

**Note 7. Long-Term Obligations**

**A. Long-Term Obligation Activity**

During the fiscal year ended June 30, 2015 the following changes occurred in liabilities reported in the long-term obligations:

	<b>June 30, 2014</b>	<b>Accrued/ Increases</b>	<b>Retired/ Decreases</b>	<b>June 30, 2015</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 1,313,000.00	\$ -	\$ (125,000.00)	\$ 1,188,000.00	\$ 130,000.00
Compensated Absences	41,300.00	14,092.30	(8,600.00)	46,792.30	14,192.30
Net Pension Liability	<u>1,203,923.00</u>	<u>68,446.00</u>	<u>-</u>	<u>1,272,369.00</u>	<u>-</u>
Total	<u>\$ 2,558,223.00</u>	<u>\$ 82,538.30</u>	<u>\$ (133,600.00)</u>	<u>\$ 2,507,161.30</u>	<u>\$ 144,192.30</u>

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 7. Long-Term Obligations (continued):**

**B. Bonds Payable**

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

On June 1, 2003, the District issued General Obligation Bonds totaling \$2,418,000.00 for the purpose of construction and repairs to the Elementary School.

The Bonds bear interest from 3.25% to 3.75% per annum payable semi-annually on the first day of December and June of each year, until maturity. The principal is due annually on the first day of June through 2033, installments range from \$110,000.00 to \$168,000.00. While the Depository Trust Company (“DTC”) is acting as securities depository for the Bonds, principal of and interest on the Bonds will be payable to DTC or its nominee, which is obligated to remit such principal and interest to DTC Participants. DTC Participants and Indirect Participants will be responsible for remitting such payments to the Beneficial Owners of the Bonds.

The Bonds are not subject to redemption prior to maturity.

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission (“SEC”) Rule 15c2-12(b)(5) “Continuing Disclosure” requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. This requirement is effective for the fiscal years ended June 30, 2003 and thereafter and to date has been complied with.

Debt Service requirements on serial bonds payable at June 30, 2015 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015/16	130,000.00	43,356.25	173,356.25
2016/17	135,000.00	38,806.25	173,806.25
2017/18	140,000.00	34,081.25	174,081.25
2018/19	145,000.00	29,181.25	174,181.25
2019/20	150,000.00	23,925.00	173,925.00
2020/21 - 2024/25	488,000.00	36,900.00	524,900.00
	<u>\$ 1,188,000.00</u>	<u>\$ 206,250.00</u>	<u>\$ 1,394,250.00</u>

## BRADLEY BEACH SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

#### Note 7. Long-Term Obligations (continued):

##### C. Bonds Authorized But Not Issued

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

##### D. Capital Leases

As of June 30, 2015, the District had no capital leases.

#### Note 8: Pension Obligations

##### 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 PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

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

The following represents the membership tiers for PERS:

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

**Basis of Presentation** - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued):**

employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, 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.

**Three-Year Trend Information for PERS**

<u>Year</u>	<u>Pension</u>	<u>Percentage</u>	<u>Net</u>
<u>Funding</u>	<u>Cost (APC)</u>	<u>of APC</u>	<u>Pension</u>
		<u>Contributed</u>	<u>Obligation</u>
6/30/2015	\$ 56,032.00	100%	\$ 1,272,369.00
6/30/2014	56,024.00	100%	1,203,923.00
6/30/2013	49,502.00	100%	-

**Components of Net Pension Liability** - At June 30, 2015, the District reported a liability of \$1,272,369.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .0067958%, which was an increase of .0004965% from its proportion measured as of June 30, 2013.

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued):**

Collective Balances at June 30, 2015 and June 30, 2014

	<u>6/30/2015</u>	<u>6/30/2014</u>
	July 1, 2014	July 1, 2013
Actuarial valuation date		
Deferred Outflows of Resources	\$ 176,205.00	\$ 56,024.00
Deferred Inflows of Resources	75,826.00	N/A
Net Pension Liability	1,272,369.00	1,203,923.00
District's portion of the Plan's total net pension Liability	0.00680%	0.00630%

**Pension Expense and Deferred Outflows/Inflows of Resources** - For the year ended June 30, 2015, the District recognized pension expense of \$56,032. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	40,010.00	-
Net difference between projected and actual earnings on pension plan investments	-	72,826.00
Changes in proportion and differences between District contributions and proportionate share of contributions	80,163.00	-
District contributions subsequent to the measurement date	56,032.00	-
Total	<u>\$ 176,205.00</u>	<u>\$ 72,826.00</u>

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued):**

\$176,205.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
<u>June 30:</u>	<u>PERS</u>
2016	\$ 3,495.00
2017	3,495.00
2018	3,495.00
2019	3,495.00
2020	3,495.00
Thereafter	26,871.00

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

Mortality rates were based on the RP-2000 Combined Healthy Male or Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from 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 plan investments is determined by the State Treasurer, after consultation with the Directors of

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued):**

the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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 US 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%
Total	<u>100.00%</u>	

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

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued):**

**Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, 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 (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	Decrease (4.39%)	Discount Rate (5.39%)	Increase (6.39%)
District's Proportiante Share of the Net Pension Liability	\$ 1,600,683.00	\$ 1,272,369.00	\$ 996,668.00

**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. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

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

The following represents the membership tiers for TPAF:

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

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued):**

**Basis of Presentation** - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

**Special Funding Situation** - The employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

**Three-Year Trend Information for TPAF (Paid on behalf of the District)**

<u>Year</u>	<u>Pension</u>	<u>Percentage</u>	<u>Net</u>
<u>Funding</u>	<u>Cost (APC)</u>	<u>of APC</u>	<u>Pension</u>
		<u>Contributed</u>	<u>Obligation</u>
6/30/2015	\$ 339,364.00	100%	\$ -
6/30/2014	276,377.00	100%	-
6/30/2013	347,796.00	100%	-

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued):**

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

	<u>TPAF</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

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

The actuarial assumptions used in the July 1, 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 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 are summarized in the following table:

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued):**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US 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%
Total	100%	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. The single blended discount rate was based on 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 municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Pension plan fiduciary net position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

**C. Defined Contribution Retirement Plan (DCRP)**

The District contributes to the Defined Contribution Retirement Plan (DCRP), a defined contribution pension plan, for its full-time general administrative employees. DCRP is administered by the Division of Pension and Benefits.

## BRADLEY BEACH SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

#### **Note 8: Pension Obligations (continued):**

Benefit terms, including contribution requirements, for DCRP are established and may be amended by the plan administrator. For each employee in the pension plan, the District is required to contribute 3 percent of base salary, to an individual employee account. Employees make contributions to the pension plan at a rate of 5.5 percent of base salary. Base salary is determined to be annual compensation, exclusive of overtime pay, bonuses, and lump sum payments for longevity, holiday pay, vacation, compensatory time, or accumulated sick leave.

#### **Note 9. Post-Retirement Benefits**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 103,432 retirees receiving post-retirement medical benefits, and the state contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

#### **Note 10. Risk Management**

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

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

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

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 10. Risk Management (continued):**

Fiscal Year	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2014-2015	\$ 5,764.69	\$ -	\$ 13,260.00	\$ 9,166.51
2013-2014	1,645.96	-	1,189.98	16,661.82
2012-2013	7,046.30	0.25	4,606.98	16,205.84

**Note 11. Contingent Liabilities**

**State and Federal Grantor Agencies** - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

**Pending Litigation** – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District.

**Note 12. Economic Dependency**

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District’s programs and activities.

**Note 13. Deferred Compensation**

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

Siracusa	Greater American Life Insurance
AXA Equitable	Tax Deferred Services

## BRADLEY BEACH SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

#### Note 14. Compensated Absences

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

District employees are granted varying amounts of vacation and sick leave in accordance with the district's school personnel policy. Upon termination, employees are paid for accrued vacation. The district's school'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 school for the unused sick leave in accordance with district's agreements with various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$46,792.30.

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 proprietary fund types.

#### Note 15. Fund Balance Disclosure

**General Fund (Exhibit B-1)** – Of the \$1,140,672.30 General Fund fund balance at June 30, 2015, \$275.00 is reserved for encumbrances; \$222,322.88 has been restricted as current year excess surplus in accordance with *N.J.S.A. 18A:7F-7* (See Note 17); \$108,000.00 has been reserved in the Capital Reserve Account; \$85,000.00 has been reserved in the Maintenance Reserve Account; \$250,000.00 has been reserved in the Emergency Reserve Account; \$139,138.11 has been restricted for excess surplus – designated for subsequent year's expenditures; \$65,844.89 has been assigned for excess surplus – designated for subsequent year's expenditures; and \$171,382.00 is unreserved and undesignated.

**Debt Service Fund** – Of the Debt Service Fund fund balance at June 30, 2015, \$5.57 is reserved in accordance with *N.J.S.A. 7F-41c(2)*.

#### Note 16. 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. The excess fund balance at June 30, 2015 is \$222,322.88.

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 17. Deficit in Net Position**

**Restricted Net Position** – The School District had a deficit in restricted net position for Debt Service in the amount of \$3,607.45 at June 30, 2015. The deficit is caused by the accrual of bond interest in the government-wide financial statements.

**Unrestricted Net Position** – The School District had a deficit in unrestricted net position in the amount of \$1,110,592.30 at June 30, 2015. The deficit is due to the final June state aid payment of \$103,184 not recognized under GAAP and by the implementation of GASB 68 which requires the district to report their proportionate share of the net pension liability for the Public Employee’s Retirement System (PERS) at June 30, 2015.

**Note 18. Prior Period Adjustment/Restatement of Net Position**

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

	<u>Governmental Activities</u>
Net Position as adjusted for Correction of Error, reported at June 30, 2014	\$ 3,795,949.43
Prior period adjustment - Implementation of GASB 68: Net Pension Liability (measurement date as of June 30, 2013)	(1,203,923.00)
Deferred Outflows - district contributions made during fiscal year 2014	56,024.00
PERS Pension Payable	<u>(56,024.00)</u>
Total prior period adjustment	<u>(1,203,923.00)</u>
Net Position as restated, July 1, 2014	<u><u>\$ 2,592,026.43</u></u>

**Note 19. Deficit Fund Balance**

The District has a deficit fund balance of \$7,600.00 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,

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 19. Deficit Fund Balance (continued):**

the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$(7,160.00) is equal to the last state aid payment for the Special Revenue Fund.

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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C. Budgetary Comparison Schedules

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**BRADLEY BEACH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 5,502,584.00	\$ -	\$ 5,502,584.00	\$ 5,502,584.00	\$ -
Tuition from Other LEA's	-	-	-	31,658.35	31,658.35
Interest Earned on Capital Reserve Funds	1,000.00	-	1,000.00	-	(1,000.00)
Unrestricted Miscellaneous Revenues	29,000.00	85,843.64	114,843.64	96,675.56	(18,168.08)
<b>Total Local Sources</b>	<b>5,532,584.00</b>	<b>85,843.64</b>	<b>5,618,427.64</b>	<b>5,630,917.91</b>	<b>12,490.27</b>
<b>State Sources:</b>					
Categorical Special Education Aid	206,647.00	-	206,647.00	206,647.00	-
Categorical Security Aid	92,406.00	-	92,406.00	92,406.00	-
Adjustment Aid	674,206.00	-	674,206.00	674,206.00	-
Categorical Transportation Aid	81,650.00	-	81,650.00	81,650.00	-
PARCC Readiness Aid	3,800.00	-	3,800.00	3,800.00	-
Per Pupil Growth Aid	3,800.00	-	3,800.00	3,800.00	-
Extraordinary Aid	-	-	-	23,699.00	23,699.00
Other State Aids	-	-	-	867.00	867.00
TPAF Contributions (On-Behalf - Non-Budgeted)	-	-	-	131,155.00	131,155.00
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	208,209.00	208,209.00
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	181,532.11	181,532.11
<b>Total State Sources</b>	<b>1,062,509.00</b>	<b>-</b>	<b>1,062,509.00</b>	<b>1,607,971.11</b>	<b>545,462.11</b>
<b>Total Revenues</b>	<b>6,595,093.00</b>	<b>85,843.64</b>	<b>6,680,936.64</b>	<b>7,238,889.02</b>	<b>557,952.38</b>

**BRADLEY BEACH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	25,937.00	(20,507.00)	5,430.00	4,642.50	787.50
Kindergarten	145,828.00	-	145,828.00	145,453.00	375.00
Grades 1-5	806,809.00	41,129.00	847,938.00	847,937.28	0.72
Grades 6-8	448,814.00	46,982.00	495,796.00	495,795.44	0.56
Regular Programs - Home Instruction:	1,000.00	2,250.00	3,250.00	3,250.00	-
Salaries of Teachers					
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	10,868.00	-	10,868.00	10,378.00	490.00
Purchased Professional-Educational Services	1,800.00	-	1,800.00	200.00	1,600.00
Purchased Technical Services	-	-	-	-	-
Other Purchased Services	8,000.00	9,412.00	17,412.00	17,411.75	0.25
General Supplies	88,450.00	(1,236.00)	87,214.00	82,601.49	4,612.51
Textbooks	30,000.00	(4,030.00)	25,970.00	25,682.63	287.37
Other Objects	34,000.00	2,150.00	36,150.00	36,102.56	47.44
<b>Total Regular Programs - Instruction</b>	<b>1,601,506.00</b>	<b>76,150.00</b>	<b>1,677,656.00</b>	<b>1,669,454.65</b>	<b>8,201.35</b>

**BRADLEY BEACH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
Sp. Educ. - Instruction - Multiple Disabilities:					
Salaries of Teachers	59,158.00	(2,805.00)	56,353.00	53,794.00	2,559.00
General Supplies	1,000.00	1,400.00	2,400.00	2,110.58	289.42
<b>Total Sp. Educ. - Instruction - Multiple Disabilities</b>	<b>60,158.00</b>	<b>(1,405.00)</b>	<b>58,753.00</b>	<b>55,904.58</b>	<b>2,848.42</b>
Sp. Educ. - Instruction - Resource Room/Resource Center:					
Salaries of Teachers	233,399.00	(34,627.00)	198,772.00	177,262.34	21,509.66
General Supplies	1,800.00	(367.00)	1,433.00	1,336.84	96.16
Textbooks	-	-	-	-	-
<b>Total Sp. Educ. - Instruction - Resource Room/Resource Center</b>	<b>235,199.00</b>	<b>(34,994.00)</b>	<b>200,205.00</b>	<b>178,599.18</b>	<b>21,605.82</b>
Sp. Educ. - Instruction - Home Instruction:					
Salaries of Teachers	1,000.00	-	1,000.00	-	1,000.00
<b>Total Sp. Educ. - Instruction - Home Instruction</b>	<b>1,000.00</b>	<b>-</b>	<b>1,000.00</b>	<b>-</b>	<b>1,000.00</b>
<b>Total Special Education - Instruction</b>	<b>296,357.00</b>	<b>(36,399.00)</b>	<b>259,958.00</b>	<b>234,503.76</b>	<b>25,454.24</b>
Bilingual Education - Instruction:					
Salaries of Teachers	201,161.00	8,627.00	209,788.00	209,787.72	0.28
Supplies and Materials	-	867.00	867.00	481.74	385.26

**BRADLEY BEACH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
Total Bilingual Education - Instruction	201,161.00	9,494.00	210,655.00	210,269.46	385.54
School Sponsored Co/Extra-Curricular Activities - Instruction:					
Salaries	26,439.00	-	26,439.00	23,476.09	2,962.91
Supplies and Materials	250.00	-	250.00	-	250.00
Other Objects	9,730.00	-	9,730.00	9,384.00	346.00
Total School Spon. Co/Extra-Curricular Activities - Instruction	36,419.00	-	36,419.00	32,860.09	3,558.91
School Sponsored Athletics - Instruction:					
Salaries	19,810.00	(1,740.00)	18,070.00	17,984.40	85.60
Purchased Services	13,000.00	1,625.00	14,625.00	14,125.00	500.00
Supplies and Materials	3,000.00	440.00	3,440.00	3,439.77	0.23
Total School Sponsored Athletics - Instruction	35,810.00	325.00	36,135.00	35,549.17	585.83
Before/After School Programs - Instruction					
Salaries of Teachers	2,000.00	(1,175.00)	825.00	-	825.00
Total Before/After School Programs	2,000.00	(1,175.00)	825.00	-	825.00
Summer School					
Salaries of Teachers	23,700.00	-	23,700.00	14,705.00	8,995.00
Total Before/After School Programs	23,700.00	-	23,700.00	14,705.00	8,995.00

**BRADLEY BEACH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
Total - Instruction	2,196,953.00	48,395.00	2,245,348.00	2,197,342.13	48,005.87
Undist. Expend. - Instruction:					
Tuition To Other LEAs Within the State - Regular	1,007,657.00	(20,300.00)	987,357.00	935,446.00	51,911.00
Tuition To Other LEAs Within the State - Special	274,309.00	-	274,309.00	250,397.36	23,911.64
Tuition To County Voc. School District - Regular	30,820.00	14,780.00	45,600.00	45,600.00	-
Tuition To County Voc. School District - Special	28,500.00	(5,180.00)	23,320.00	19,702.92	3,617.08
Tuition to CSSD & Reg. Day Schools	-	-	-	-	-
Tuition To Priv. Sch for the Disabled Within State	553,372.00	(147,125.00)	406,247.00	365,656.00	40,591.00
Total Undist. Expend. - Instruction	1,894,658.00	(157,825.00)	1,736,833.00	1,616,802.28	120,030.72
Undist. Expend. - Attendance and Social Work:					
Salaries	60,404.00	723.00	61,127.00	60,737.22	389.78
Supplies and Materials	200.00	50.00	250.00	234.10	15.90
Total Undist. Expend. - Attendance and Social Work	60,604.00	773.00	61,377.00	60,971.32	405.68
Undist. Expend. - Health Services:					
Salaries	88,375.00	-	88,375.00	86,845.00	1,530.00
Purchased Professional and Technical Services	3,500.00	(1,035.00)	2,465.00	2,151.00	314.00
Supplies and Materials	2,000.00	300.00	2,300.00	2,286.82	13.18
Other Objects	150.00	-	150.00	110.00	40.00
Total Undist. Expend. - Health Services	94,025.00	(735.00)	93,290.00	91,392.82	1,897.18

**BRADLEY BEACH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
Undist. Expend. - Speech, OT, PT & Related Svc: Salaries	44,839.00	(4,637.00)	40,202.00	39,569.89	632.11
Purchased Professional - Educational Services	-	1,800.00	1,800.00	1,800.00	-
Supplies and Materials	300.00	300.00	600.00	597.67	2.33
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Svc.</b>	<b>45,139.00</b>	<b>(2,537.00)</b>	<b>42,602.00</b>	<b>41,967.56</b>	<b>634.44</b>
Undist. Expend. - Other Supp. Serv. Students Extra: Salaries	54,860.00	10,756.00	65,616.00	65,616.00	-
<b>Total Undist. Expend. - Other Supp. Serv. Students Extra</b>	<b>54,860.00</b>	<b>10,756.00</b>	<b>65,616.00</b>	<b>65,616.00</b>	<b>-</b>
Undist. Expend. - Child Study: Salaries of Other Professional Staff	126,951.00	(13,844.00)	113,107.00	101,211.92	11,895.08
Salaries of Secretarial and Clerical Assistants	27,995.00	(2,401.00)	25,594.00	25,220.03	373.97
Purchased Professional - Educational Services	50,000.00	10,000.00	60,000.00	60,000.00	-
Supplies and Materials	500.00	3,150.00	3,650.00	3,301.83	348.17
Other Objects	500.00	962.00	1,462.00	1,461.98	0.02
<b>Total Undist. Expend. - Child Study</b>	<b>205,946.00</b>	<b>(2,133.00)</b>	<b>203,813.00</b>	<b>191,195.76</b>	<b>12,617.24</b>
Undist. Expend. - Improvement of Instructional Services: Salaries of Supervisors of Instruction	72,000.00	-	72,000.00	72,000.00	-
Salaries of Other Professional Staff	8,000.00	-	8,000.00	7,920.00	80.00
Salaries of Secretarial and Clerical Assistants	24,226.00	-	24,226.00	24,226.00	-
Supplies and Materials	500.00	-	500.00	500.00	-

**BRADLEY BEACH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
Other Objects	50.00	-	50.00	-	50.00
<b>Total Undist. Expend. - Improvement of Instructional Services</b>	<b>104,776.00</b>	<b>-</b>	<b>104,776.00</b>	<b>104,646.00</b>	<b>130.00</b>
Undist. Expend. - Educational Media/School Library:					
Salaries	11,993.00	-	11,993.00	11,587.00	406.00
Supplies and Materials	2,000.00	320.00	2,320.00	2,240.07	79.93
<b>Total Undist. Expend. - Educational Media/School Library</b>	<b>13,993.00</b>	<b>320.00</b>	<b>14,313.00</b>	<b>13,827.07</b>	<b>485.93</b>
Undist. Expend. - Support Services - General Administration:					
Salaries	164,267.00	(176.00)	164,091.00	160,816.72	3,274.28
Legal Services	10,000.00	33,800.00	43,800.00	43,714.19	85.81
Audit Fees	19,000.00	(230.00)	18,770.00	18,690.00	80.00
Architectural/Engineering Services	3,500.00	-	3,500.00	3,500.00	-
Other Purchased Professional Services	9,368.00	1,885.00	11,253.00	11,251.50	1.50
Communications/Telephone	16,104.00	76.00	16,180.00	16,178.78	1.22
BOE Other Purchased Services	2,000.00	(15.00)	1,985.00	1,894.69	90.31
Other Purchased Services	2,400.00	8,115.00	10,515.00	10,467.61	47.39
General Supplies	7,000.00	730.00	7,730.00	7,714.28	15.72
Miscellaneous Expenditures	5,500.00	(400.00)	5,100.00	5,051.98	48.02
BOE Membership Dues and Fees	4,000.00	-	4,000.00	3,701.20	298.80
<b>Total Undist. Expend. - Support Services - General Admin.</b>	<b>243,139.00</b>	<b>43,785.00</b>	<b>286,924.00</b>	<b>282,980.95</b>	<b>3,943.05</b>
Undist. Expend. - Support Services - School Admin.:					
Salaries of Principals/Assistant Principals	20,000.00	-	20,000.00	19,999.92	0.08

**BRADLEY BEACH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
Supplies and Materials	300.00	-	300.00	300.00	-
Other Objects	1,000.00	-	1,000.00	974.02	25.98
<b>Total Undist. Expend. - Support Services - School Admin.</b>	<b>21,300.00</b>	<b>-</b>	<b>21,300.00</b>	<b>21,273.94</b>	<b>26.06</b>
<b>Undist. Expend. - Support Services - Central Services:</b>					
Salaries	147,748.00	(500.00)	147,248.00	143,121.96	4,126.04
Purchased Professional Services	300.00	-	300.00	-	300.00
Purchased Technical Services	11,500.00	(231.00)	11,269.00	11,119.00	150.00
Supplies and Materials	3,500.00	(350.00)	3,150.00	3,111.57	38.43
Miscellaneous Expenditures	2,500.00	2,056.00	4,556.00	4,357.69	198.31
<b>Total Undist. Expend. - Support Services - Central Services</b>	<b>165,548.00</b>	<b>975.00</b>	<b>166,523.00</b>	<b>161,710.22</b>	<b>4,812.78</b>
<b>Undist. Expend. - Admin Info Technology:</b>					
Salaries	22,660.00	-	22,660.00	22,659.84	0.16
Supplies and Materials	4,500.00	-	4,500.00	4,500.00	-
<b>Total Undist. Expend. - Admin Info Technology</b>	<b>27,160.00</b>	<b>-</b>	<b>27,160.00</b>	<b>27,159.84</b>	<b>0.16</b>
<b>Undist. Expend. - Required Maintenance for School Facilities:</b>					
Salaries	11,932.00	-	11,932.00	11,872.08	59.92
Cleaning, Repair and Maintenance Services	95,000.00	35,700.00	130,700.00	128,989.02	1,710.98
General Supplies	17,000.00	7,500.00	24,500.00	24,259.10	240.90
Other Objects	1,500.00	500.00	2,000.00	1,799.75	200.25
<b>Total Undist. Expend. - Required Maintenance for School Facilities</b>	<b>125,432.00</b>	<b>43,700.00</b>	<b>169,132.00</b>	<b>166,919.95</b>	<b>2,212.05</b>

**BRADLEY BEACH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
Undist. Expend. - Custodial Services:					
Salaries	135,488.00	7,500.00	142,988.00	132,954.21	10,033.79
Salaries of Non-Instructional Aides	27,387.00	-	27,387.00	21,506.87	5,880.13
Purchased Professional and Technical Services	2,500.00	-	2,500.00	1,674.60	825.40
Other Purchased Property Services	4,000.00	2,500.00	6,500.00	5,256.90	1,243.10
Insurance	38,855.00	2,509.00	41,364.00	41,363.78	0.22
General Supplies	16,000.00	(143.00)	15,857.00	13,690.37	2,166.63
Energy (Natural Gas)	32,550.00	2,450.00	35,000.00	34,217.79	782.21
Energy (Electricity)	52,500.00	(2,450.00)	50,050.00	43,827.09	6,222.91
Other Objects	100.00	-	100.00	-	100.00
<b>Total Undist. Expend. - Other Oper. &amp; Maint. of Plant</b>	<b>309,380.00</b>	<b>12,366.00</b>	<b>321,746.00</b>	<b>294,491.61</b>	<b>27,254.39</b>
Undist. Expend. - Security:					
Cleaning, Repair and Maintenance Services	3,000.00	6,943.00	9,943.00	9,867.32	75.68
General Supplies	500.00	(500.00)	-	-	-
<b>Total Undist. Expend. - Security</b>	<b>3,500.00</b>	<b>6,443.00</b>	<b>9,943.00</b>	<b>9,867.32</b>	<b>75.68</b>
<b>Total Undist. Expend. - Oper. &amp; Maint. of Plant</b>	<b>438,312.00</b>	<b>62,509.00</b>	<b>500,821.00</b>	<b>471,278.88</b>	<b>29,542.12</b>
Undist. Expend. - Student Transportation Services:					
Salaries for Pupil Transp. (Bet. Home & School) - Regular	21,404.00	-	21,404.00	12,234.96	9,169.04
Contracted Services - Aid in Lieu of Payments - NonPublic Sch	4,420.00	-	4,420.00	2,936.82	1,483.18
Contracted Services (Other Than Bet. Home & School) - Vendors	100.00	-	100.00	-	100.00

**BRADLEY BEACH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
Contracted Services (Bet. Home & School) - Joint Agreements	90,000.00	(28,888.00)	61,112.00	54,490.98	6,621.02
Contracted Services - (Reg. Students) - ESCs and CTSAAs	20,000.00	-	20,000.00	19,580.79	419.21
Contracted Services - (Spec. Ed. Students) - ESCs and CTSAAs	70,000.00	9,138.00	79,138.00	79,137.74	0.26
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>205,924.00</b>	<b>(19,750.00)</b>	<b>186,174.00</b>	<b>168,381.29</b>	<b>17,792.71</b>
<b>Regular Programs - Instruction - Employee Benefits:</b>					
Social Security Contributions	1,663.00	-	1,663.00	1,663.00	-
Workmen's Compensation	10,491.00	(2,509.00)	7,982.00	7,698.83	283.17
Health Benefits	423,123.00	(41,763.00)	381,360.00	379,310.25	2,049.75
<b>Total Regular Programs - Instruction - Employee Benefits</b>	<b>435,277.00</b>	<b>(44,272.00)</b>	<b>391,005.00</b>	<b>388,672.08</b>	<b>2,332.92</b>
<b>Special Programs - Instruction - Employee Benefits:</b>					
Health Benefits	105,309.00	340.00	105,649.00	98,843.26	6,805.74
<b>Total Special Programs - Instruction - Employee Benefits</b>	<b>105,309.00</b>	<b>340.00</b>	<b>105,649.00</b>	<b>98,843.26</b>	<b>6,805.74</b>
<b>Attendance and Social Work Services - Employee Benefits:</b>					
Social Security Contributions	4,622.00	1,400.00	6,022.00	6,001.19	20.81
Health Benefits	30,476.00	(1,448.00)	29,028.00	28,585.33	442.67
<b>Total Attendance and Social Work Services - Employee Benefits</b>	<b>35,098.00</b>	<b>(48.00)</b>	<b>35,050.00</b>	<b>34,586.52</b>	<b>463.48</b>
<b>Health Services - Employee Benefits:</b>					
Social Security Contributions	333.00	-	333.00	81.37	251.63

**BRADLEY BEACH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
Health Benefits	9,186.00	-	9,186.00	8,638.92	547.08
Total Health Services - Employee Benefits	9,519.00	-	9,519.00	8,720.29	798.71
Other Support Serv. - Speech/OT/PT & Related Svc - Employee Benefits: Health Benefits	30,180.00	(300.00)	29,880.00	29,382.18	497.82
Total Other Support Serv. - Speech/OT/PT & Related Svc - Employee Benefits:	30,180.00	(300.00)	29,880.00	29,382.18	497.82
Other Support Serv. - Extraordinary Serv. - Employee Benefits: Health Benefits	55,779.00	21,303.00	77,082.00	76,701.74	380.26
Total Other Supp Serv - Students- Extraordinary Serv. Benefits	55,779.00	21,303.00	77,082.00	76,701.74	380.26
Other Support Serv. - Stud. - Child Study Teams - Employee Benefits: Health Benefits	28,616.00	(300.00)	28,316.00	27,541.94	774.06
Total Other Support Serv. - Stud. - Child Study Teams - Emp. Benefits	28,616.00	(300.00)	28,316.00	27,541.94	774.06
Improvement of Instructional Services - Employee Benefits: Social Security Contributions	1,854.00	1,439.00	3,293.00	3,292.09	0.91
Total Improvement of Instructional Services - Employee Benefits	1,854.00	1,439.00	3,293.00	3,292.09	0.91
Educational Media Services - School Library - Employee Benefits					

**BRADLEY BEACH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
Health Benefits	5,230.00	-	5,230.00	5,068.31	161.69
Total Educational Media Services - School Library - Employee Benefits	5,230.00	-	5,230.00	5,068.31	161.69
Operation and Maintenance of Plant Services - Employee Benefits:					
Social Security Contributions	12,691.00	-	12,691.00	12,691.00	-
Workmen's Compensation	21,353.00	-	21,353.00	21,353.00	-
Health Benefits	60,884.00	-	60,884.00	59,908.04	975.96
Total Oper. & Maint. of Plant Services - Employee Benefits	94,928.00	-	94,928.00	93,952.04	975.96
Total Allocated Benefits	801,790.00	(21,838.00)	779,952.00	766,760.45	13,191.55
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	29,397.00	-	29,397.00	29,327.39	69.61
Other Retirement Contributions - PERS	59,855.00	(1,800.00)	58,055.00	57,967.88	87.12
Unemployment Compensation	5,000.00	-	5,000.00	-	5,000.00
Workmen's Compensation	5,184.00	-	5,184.00	5,184.00	-
Health Benefits	112,192.00	(19,204.00)	92,988.00	89,170.22	3,817.78
Other Employee Benefits	18,000.00	-	18,000.00	8,600.00	9,400.00
Total Unallocated Benefits - Employee Benefits	229,628.00	(21,004.00)	208,624.00	190,249.49	18,374.51

**BRADLEY BEACH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
TPAF Contributions (On-Behalf - Non-Budgeted)	-	-	-	131,155.00	(131,155.00)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	208,209.00	(208,209.00)
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	181,532.11	(181,532.11)
<b>Total On-Behalf Contributions</b>	-	-	-	520,896.11	(520,896.11)
<b>Total Personal Services - Employee Benefits</b>	1,031,418.00	(42,842.00)	988,576.00	1,477,906.05	(489,330.05)
<b>Total Undistributed Expenditures</b>	4,606,802.00	(106,704.00)	4,500,098.00	4,797,109.98	(297,011.98)
<b>Total Expenditures - Current Expense</b>	6,803,755.00	(58,309.00)	6,745,446.00	6,994,452.11	(249,006.11)
<b>CAPITAL OUTLAY</b>					
Increase in Capital Reserve	25,000.00	-	25,000.00	-	25,000.00
Interest Deposit To Capital Reserve	1,000.00	-	1,000.00	-	1,000.00
<b>Total Capital Reserve</b>	26,000.00	-	26,000.00	-	26,000.00
<b>Equipment:</b>					
Grades 1 - 5	-	1,108.00	1,108.00	1,108.00	-
Grades 6 - 8	-	1,108.00	1,108.00	1,108.00	-
Undist. Expend. - Admin Info Technology	2,300.00	850.00	3,150.00	3,150.00	-
Undist. Expend. - Required Maint for School Fac.	-	5,270.00	5,270.00	5,270.00	-
<b>Total Equipment</b>	2,300.00	8,336.00	10,636.00	10,636.00	-

**BRADLEY BEACH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	-	18,823.00	18,823.00	18,822.72	0.28
Constructions Services	-	97,020.64	97,020.64	-	97,020.64
Assessment for Debt Service on SDA Funding	21,662.00	-	21,662.00	21,662.00	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>21,662.00</b>	<b>115,843.64</b>	<b>137,505.64</b>	<b>40,484.72</b>	<b>97,020.92</b>
<b>Total Capital Outlay</b>	<b>49,962.00</b>	<b>124,179.64</b>	<b>174,141.64</b>	<b>51,120.72</b>	<b>123,020.92</b>
Transfer To Charter Schools	46,786.00	20,248.00	67,034.00	67,034.00	-
<b>Total Expenditures</b>	<b>6,900,503.00</b>	<b>86,118.64</b>	<b>6,986,621.64</b>	<b>7,112,606.83</b>	<b>(125,985.19)</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>(305,410.00)</b>	<b>(275.00)</b>	<b>(305,685.00)</b>	<b>126,282.19</b>	<b>431,967.19</b>
Other Financing Sources/(Uses):					
Operating Transfers In:					
Transfer To Cover Deficit in Enterprise Fund	(10,000.00)	-	(10,000.00)	(10,000.00)	-
<b>Total Other Financing Sources/(Uses)</b>	<b>(10,000.00)</b>	<b>-</b>	<b>(10,000.00)</b>	<b>(10,000.00)</b>	<b>-</b>
<b>Excess/(Deficiency) of Revenues and Expenditures and Other Financing Uses Fund Balances, July 1</b>	<b>(315,410.00)</b>	<b>(275.00)</b>	<b>(315,685.00)</b>	<b>116,282.19</b>	<b>431,967.19</b>
	1,127,574.11	-	1,127,574.11	1,127,574.11	-

**BRADLEY BEACH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
Fund Balances, June 30	\$ 812,164.11	\$ (275.00)	\$ 811,889.11	\$ 1,243,856.30	\$431,967.19
Recapitulation of Budget Transfers:					
Prior Year Encumbrances	\$ 275.00				
Recapitulation:					
Restricted:					
Reserved Excess Surplus:					
Designated for Subsequent Year's Expenditures				\$ 139,138.11	
Reserve for Excess Surplus				222,322.88	
Capital Reserve				108,000.00	
Maintenance Reserve				85,000.00	
Emergency Reserve				250,000.00	
Assigned:					
Year-End Encumbrances				98,984.42	
Designated for Subsequent Year's Expenditures				65,844.89	
Unassigned				274,566.00	
				<u>1,243,856.30</u>	
Reconciliation To Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(103,184.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,140,672.30</u>	

**BRADLEY BEACH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	June 30, 2015				Positive/ (Negative) Final To Actual
	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:					
Local Sources	\$ -	\$ 22,923.98	\$ 22,923.98	\$ 20,071.07	\$ (2,852.91)
State Sources	71,600.40	-	71,600.40	71,600.40	-
Federal Sources	187,695.00	160,569.61	348,264.61	296,934.01	(51,330.60)
<b>Total Revenues</b>	<b>259,295.40</b>	<b>183,493.59</b>	<b>442,788.99</b>	<b>388,605.48</b>	<b>(54,183.51)</b>
Expenditures:					
Instruction:					
Salaries	203,561.00	(3,400.00)	200,161.00	176,192.80	23,968.20
Other Salaries for Instruction	32,603.00	-	32,603.00	32,603.00	-
General Supplies	1,144.40	39,322.22	40,466.62	37,108.87	3,357.75
<b>Total Instruction</b>	<b>237,308.40</b>	<b>35,922.22</b>	<b>273,230.62</b>	<b>245,904.67</b>	<b>27,325.95</b>
Support Services:					
Salaries	-	16,657.70	16,657.70	3,488.70	13,169.00
Personal Services - Employee Benefits	21,987.00	8,289.00	30,276.00	19,859.56	10,416.44
Professional & Tech. Services	-	93,876.69	93,876.69	91,276.72	2,599.97
Travel Expendiures	-	23,248.00	23,248.00	23,010.02	237.98
Purchased Property Services	-	1,911.00	1,911.00	1,911.00	-
Supplies and Materials	-	3,588.98	3,588.98	3,154.81	434.17
<b>Total Support Services</b>	<b>21,987.00</b>	<b>147,571.37</b>	<b>169,558.37</b>	<b>142,700.81</b>	<b>26,857.56</b>
<b>Total Expenditures</b>	<b>259,295.40</b>	<b>183,493.59</b>	<b>442,788.99</b>	<b>388,605.48</b>	<b>54,183.51</b>
<b>Total Outflows</b>	<b>259,295.40</b>	<b>183,493.59</b>	<b>442,788.99</b>	<b>388,605.48</b>	<b>54,183.51</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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**BRADLEY BEACH SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTE TO RSI  
 FOR FISCAL YEAR ENDED JUNE 30, 2015**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>SOURCES/INFLOWS OF RESOURCES</b>		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 7,238,889.02	\$ 388,605.48
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	103,323.00	4,474.59
Less: State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(103,184.00)	(7,160.00)
	(103,184.00)	(7,160.00)
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 7,239,028.02	\$ 385,920.07
<b>USES/OUTFLOWS OF RESOURCES</b>		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 7,112,606.83	\$ 388,605.48
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 7,112,606.83	\$ 388,605.48

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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**BRADLEY BEACH BOARD OF EDUCATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.00680%	0.00630%	N/A							
District's proportionate share of the net pension liability (asset)	\$1,272,369	\$ 1,203,923	N/A							
District's covered-employee payroll	\$ 451,759	\$ 642,064	**N/A							
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	281.65%	187.51%	N/A							
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%	N/A							

\*\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**BRADLEY BEACH BOARD OF EDUCATION  
 SCHEDULE OF DISTRICT CONTRIBUTIONS  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
 LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 56,032	\$ 56,024	**N/A							
Contributions in relation to the contractually required contribution	56,032	56,024	**N/A							
Contribution deficiency (excess)	\$ -	\$ -	**N/A							
District's covered-employee payroll	\$ 451,759	\$ 642,064	**N/A							
Contributions as a percentage of covered-employee payroll	12.40%	8.73%	**N/A							

\*\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**BRADLEY BEACH BOARD OF EDUCATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' PENSION AND ANNUITY FUND  
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.02475%	0.02526%	N/A							
State's proportionate share of the net pension liability (asset) associated with the District	\$ 13,228,171	\$ 12,766,902	N/A							
District's covered-employee payroll	\$ 2,417,282	\$ 2,211,978	**N/A							
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%	**N/A							

\*\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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**BRADLEY BEACH SCHOOL DISTRICT  
ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68) –  
CHANGE OF BENEFIT TERMS AND ASSUMPTIONS  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2015**

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

**Changes of benefit terms.** 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.

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

**Public Employees' Retirement System (PERS)**

**Changes of benefit terms.** 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.

**Changes of assumptions.** 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.

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**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**BRADLEY BEACH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	No Child Left Behind			I.D.E.A Part B		Preschool Education Aid	Local Projects	Totals
	Title I	Title II		Basic	Preschool			
		Part A	Part A					
<b>Revenues</b>								
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,071.07	\$ 20,071.07
State Sources	-	-	-	-	-	71,600.40	-	71,600.40
Federal Sources	114,224.16	41,495.32	14,659.90	123,917.63	2,637.00	-	-	296,934.01
<b>Total Revenues</b>	<b>\$ 114,224.16</b>	<b>\$ 41,495.32</b>	<b>\$ 14,659.90</b>	<b>\$ 123,917.63</b>	<b>\$ 2,637.00</b>	<b>\$ 71,600.40</b>	<b>\$ 20,071.07</b>	<b>\$ 388,605.48</b>
<b>Expenditures</b>								
<b>Instruction:</b>								
Salaries	\$ 73,517.20	\$ 400.00	\$ 42,687.60	\$ -	\$ 59,588.00	\$ -	\$ -	\$ 176,192.80
Other Salaries for Instruction	21,735.00	-	-	-	10,868.00	-	-	32,603.00
General Supplies	2,530.17	9,482.00	6,355.21	-	1,144.40	-	17,597.09	37,108.87
<b>Total Instruction</b>	<b>97,782.37</b>	<b>-</b>	<b>9,882.00</b>	<b>49,042.81</b>	<b>71,600.40</b>	<b>-</b>	<b>17,597.09</b>	<b>245,904.67</b>
<b>Support Services:</b>								
Salaries	137.70	-	3,351.00	-	-	-	-	3,488.70
Personal Services - Employee Benefits	16,304.09	-	289.90	3,265.57	-	-	-	19,859.56
Professional & Tech. Services	-	17,804.47	1,137.00	69,698.25	2,637.00	-	-	91,276.72
Travel Expenses	-	23,010.02	-	-	-	-	-	23,010.02
Purchased Property Services	-	-	-	1,911.00	-	-	-	1,911.00
Supplies and Materials	-	680.83	-	-	-	-	2,473.98	3,154.81
<b>Total Support Services</b>	<b>16,441.79</b>	<b>41,495.32</b>	<b>4,777.90</b>	<b>74,874.82</b>	<b>2,637.00</b>	<b>-</b>	<b>2,473.98</b>	<b>142,700.81</b>
<b>Total Expenditures</b>	<b>\$ 114,224.16</b>	<b>\$ 41,495.32</b>	<b>\$ 14,659.90</b>	<b>\$ 123,917.63</b>	<b>\$ 2,637.00</b>	<b>\$ 71,600.40</b>	<b>\$ 20,071.07</b>	<b>\$ 388,605.48</b>

**BRADLEY BEACH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	2015 Budgeted	2015 Actual	Variance
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 59,588.00	\$ 59,588.00	\$ -
Other Salaries for Instruction	10,868.00	10,868.00	-
General Supplies	1,144.40	1,144.40	-
	<hr/>	<hr/>	
Total Instruction	71,600.40	71,600.40	-
	<hr/>	<hr/>	
Total Expenditures	\$ 71,600.40	\$ 71,600.40	\$ -
	<hr/> <hr/>	<hr/> <hr/>	

SUMMARY OF LOCATION TOTALS

Total revised Preschool Education Aid Allocation	\$ 71,600.00
Add: Actual ECPA/PEA Carryover (June 30, 2014)	0.40
Add: Budgeted Transfer from the General Fund 2014/15	<hr/> -
Total Preschool Education Aid Funds Available for 2014/15 Budget	71,600.40
Less:	
2014/15 Budgeted Preschool Education Aid (Including prior-year budget carryover)	<hr/> (71,600.40)
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2015	-
Add:	
June 30, 2015 Unexpended Preschool Education Aid	<hr/>
2014/15 Carryover - Preschool Education Aid/Preschool	<hr/> \$ -
2015/16 Preschool Education Aid Carryover Budgeted for Preschool Programs	<hr/> \$ -

F. Capital Projects Fund

Not Applicable

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G. Proprietary Funds

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Enterprise Funds

(See Exhibits B-4, B-5 and B-6)

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## H. Fiduciary Fund

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**BRADLEY BEACH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015**

	Unemployment Compensation Trust	Agency Funds		Totals
		Student Activity	Payroll	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 7,314.22	\$ 17,053.04	\$ 151,651.92	\$ 176,019.18
Interfund Receivable	1,852.29	-	4.28	1,856.57
<b>Total Assets</b>	<b>\$ 9,166.51</b>	<b>\$ 17,053.04</b>	<b>\$ 151,656.20</b>	<b>\$ 177,875.75</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	121,770.20	121,770.20
Payable To Student Groups	-	17,053.04	-	17,053.04
Payroll Deductions and Withholdings	-	-	28,033.71	28,033.71
Interfund Payable	-	-	1,852.29	1,852.29
<b>Total Liabilities</b>	<b>-</b>	<b>17,053.04</b>	<b>151,656.20</b>	<b>168,709.24</b>
<b>NET POSITION</b>				
Held in Trust for Unemployment Claims and Other Purposes	9,166.51	-	-	9,166.51
<b>Total Net Position</b>	<b>\$ 9,166.51</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,166.51</b>

**BRADLEY BEACH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

	Unemployment Compensation Trust
<b>ADDITIONS</b>	
Contributions:	
Plan Member	\$ 5,764.69
	<hr/>
Total Contributions	5,764.69
	<hr/>
<b>DEDUCTIONS</b>	
Unemployment Claims	13,260.00
	<hr/>
Total Deductions	13,260.00
	<hr/>
Change in Net Position	(7,495.31)
Net Position - Beginning of Year	16,661.82
	<hr/>
Net Position - End of Year	\$ 9,166.51
	<hr/> <hr/>

**BRADLEY BEACH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
Student Council	\$ 5,793.21	\$ 7,791.00	\$ 7,038.90	\$ 6,545.31
Student Activities	21,725.29	35,563.41	46,780.97	10,507.73
	<hr/>			
Total Elementary School	\$ 27,518.50	\$ 43,354.41	\$ 53,819.87	\$ 17,053.04
	<hr/>			

**BRADLEY BEACH SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 150,122.27	\$ 3,667,674.30	\$ 3,666,144.65	\$ 151,651.92
Interfund Receivable - General Fund	1.18	3.27	0.17	4.28
	<hr/>			
Total Assets	<u>\$ 150,123.45</u>	<u>\$ 3,667,677.57</u>	<u>\$ 3,666,144.82</u>	<u>\$ 151,656.20</u>
<b>LIABILITIES</b>				
Interfund Payable	\$ 1,645.96	\$ 5,764.69	\$ 5,558.36	\$ 1,852.29
Payroll Deductions and Withholdings	30,609.11	1,502,925.20	1,505,500.60	28,033.71
Net Payroll	-	2,033,112.38	2,033,112.38	-
Accrued Salaries and Wages	117,868.38	125,875.30	121,973.48	121,770.20
	<hr/>			
Total Liabilities	<u>\$ 150,123.45</u>	<u>\$ 3,667,677.57</u>	<u>\$ 3,666,144.82</u>	<u>\$ 151,656.20</u>

## I. Long-Term Debt

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**BRADLEY BEACH SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
JUNE 30, 2015**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2014	Retired Current Year	Balance June 30, 2015
			Date	Amount				
Construction and Repairs To The Elementary School	06/01/03	\$ 2,418,000.00	06/01/16	130,000.00	3.50%	\$ 1,313,000.00	\$ 125,000.00	\$ 1,188,000.00
			06/01/17	135,000.00	3.50%			
			06/01/18	140,000.00	3.50%			
			06/01/19	145,000.00	3.63%			
			06/01/20	150,000.00	3.75%			
			06/01/21	160,000.00	3.75%			
			06/01/22	160,000.00	3.75%			
			06/01/23	168,000.00	3.75%			
			Total			\$ 1,313,000.00	\$ 125,000.00	\$ 1,188,000.00

**BRADLEY BEACH SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive/ (Negative) Final To Actual
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 172,728.00	\$ -	\$ 172,728.00	\$ 172,728.00	\$ -
Total Revenues	172,728.00	-	172,728.00	172,728.00	-
<u>Expenditures</u>					
Regular Debt Service:					
Interest on Bonds	47,736.00	-	47,736.00	47,731.25	4.75
Redemption of Principal	125,000.00	-	125,000.00	125,000.00	-
Total Regular Debt Service	172,736.00	-	172,736.00	172,731.25	4.75
Total Expenditures	172,736.00	-	172,736.00	172,731.25	4.75
Excess/(Deficiency) of Revenue Over/(Under) Expenditures Fund Balance, July 1	(8.00) 8.82	- -	(8.00) 8.82	(3.25) 8.82	4.75 -
Fund Balance, June 30	\$ 0.82	\$ -	\$ 0.82	\$ 5.57	\$ 4.75
Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures					
Budgeted Fund Balance	\$ 8.00	\$ -	\$ 8.00	\$ 3.25	\$ (4.75)

**STATISTICAL SECTION (Unaudited)**

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### **Financial Trends Information**

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that the Exhibits are presented for the last ten fiscal years.

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**BRADLEY BEACH SCHOOL DISTRICT**  
**NET ASSETS 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
<b>Government Activities:</b>										
Net Investment in Capital Assets	\$ 2,610,629.00	\$ 2,450,212.03	\$ 4,479,341.35	\$ 2,745,926.73	\$ 2,746,550.61	\$ 2,558,787.80	\$ 2,523,130.79	\$ 2,495,740.09	\$ 2,821,441.69	\$ 2,799,586.00
Restricted	1,741,960.00	2,206,353.34	560,110.36	2,388,282.13	1,917,963.51	1,803,797.07	1,585,676.70	1,288,535.71	842,854.33	965,682.85
Unrestricted	90,376.00	194,942.17	180,426.45	78,264.82	126,566.35	152,094.64	72,859.52	109,541.03	131,653.41	(1,110,592.30)
<b>Total Government Activities Net Position</b>	<b>\$ 4,442,965.00</b>	<b>\$ 4,851,507.54</b>	<b>\$ 5,219,878.16</b>	<b>\$ 5,212,473.68</b>	<b>\$ 4,791,080.47</b>	<b>\$ 4,514,679.51</b>	<b>\$ 4,181,667.01</b>	<b>\$ 3,893,816.83</b>	<b>\$ 3,795,949.43</b>	<b>\$ 2,654,676.55</b>
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ 16,814.00	\$ 5,051.00	\$ 3,851.00	\$ 2,651.00	\$ 2,051.00	\$ -	\$ -	\$ -	\$ -	\$ 2,164.43
Unrestricted	6,503.00	4,865.01	11,605.65	5,508.04	10,908.93	6,269.33	7,629.40	8,095.09	8,537.13	12,850.81
<b>Total Business-Type Activities Net Position</b>	<b>\$ 23,317.00</b>	<b>\$ 9,916.01</b>	<b>\$ 15,456.65</b>	<b>\$ 8,159.04</b>	<b>\$ 12,959.93</b>	<b>\$ 6,269.33</b>	<b>\$ 7,629.40</b>	<b>\$ 8,095.09</b>	<b>\$ 8,537.13</b>	<b>\$ 15,015.24</b>
<b>District-wide:</b>										
Net Investment in Capital Assets	\$ 2,627,443.00	\$ 2,455,263.03	\$ 4,483,192.35	\$ 2,748,577.73	\$ 2,748,601.61	\$ 2,558,787.80	\$ 2,523,130.79	\$ 2,495,740.09	\$ 2,821,441.69	\$ 2,801,750.43
Restricted	1,741,960.00	2,206,353.34	560,110.36	2,388,282.13	1,917,963.51	1,803,797.07	1,585,676.70	1,288,535.71	842,854.33	965,682.85
Unrestricted	96,879.00	199,807.18	192,032.10	83,772.86	137,475.28	158,363.97	80,488.92	117,636.12	140,190.54	(1,097,741.49)
<b>Total District Net Position</b>	<b>\$ 4,466,282.00</b>	<b>\$ 4,861,423.55</b>	<b>\$ 5,235,334.81</b>	<b>\$ 5,220,632.72</b>	<b>\$ 4,804,040.40</b>	<b>\$ 4,520,948.84</b>	<b>\$ 4,189,296.41</b>	<b>\$ 3,901,911.92</b>	<b>\$ 3,804,486.56</b>	<b>\$ 2,669,691.79</b>

**BRADLEY BEACH SCHOOL DISTRICT  
CHANGES IN NET ASSETS - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
<b>Instruction:</b>										
Regular	\$ (2,317,977.00)	\$ (2,602,407.52)	\$ (2,679,347.71)	\$ (2,564,157.45)	\$ (2,496,079.80)	\$ (2,610,286.10)	\$ (2,596,516.95)	\$ (2,317,613.09)	\$ (2,371,481.56)	\$ (1,915,359.32)
Special Education	(473,739.00)	(509,782.30)	(582,534.11)	(514,728.77)	(649,794.48)	(610,003.04)	(570,931.68)	(490,545.58)	(412,763.03)	(234,503.76)
Other Instruction	(332,280.00)	(313,216.36)	(316,836.74)	(297,053.46)	(271,719.89)	(152,216.56)	(121,902.99)	(92,725.00)	(104,622.65)	(210,269.46)
Other Instruction	-	(90,174.98)	(91,414.61)	(58,569.46)	(60,922.11)	(64,014.90)	(72,417.98)	(69,146.65)	(80,352.00)	(83,114.26)
<b>Support Services:</b>										
Tuition	(1,173,527.00)	(1,200,140.31)	(1,254,115.24)	(1,408,428.91)	(1,213,573.94)	(1,242,808.46)	(1,587,076.45)	(1,701,293.89)	(1,670,170.33)	(1,616,802.28)
Student and Instruction Related Services	(595,753.00)	(614,105.59)	(615,625.91)	(720,585.52)	(727,465.52)	(779,444.59)	(794,918.16)	(786,615.18)	(828,313.88)	(712,317.34)
General Administration	(300,805.00)	(243,443.82)	(50,584.98)	(285,484.47)	(299,489.06)	(284,187.82)	(298,286.65)	(226,613.14)	(249,451.02)	(282,980.95)
School Administrative Services	(82,523.00)	(124,615.34)	(301,559.56)	(40,817.77)	(42,707.05)	(43,277.28)	(47,708.02)	(27,998.00)	(26,812.94)	(21,273.94)
Central Services	(177,378.00)	(172,135.37)	(207,591.97)	(187,164.71)	(210,502.17)	(199,262.10)	(198,578.46)	(143,914.63)	(161,710.22)	(148,177.80)
Administrative Information Technology	(42,584.00)	(11,626.50)	(13,354.03)	(19,557.78)	(20,848.91)	(33,895.83)	(34,761.17)	(26,645.71)	(26,360.84)	(27,159.84)
Plant Operations and Maintenance	(508,966.00)	(455,905.48)	(353,005.03)	(461,407.32)	(497,883.41)	(498,109.60)	(520,399.06)	(514,086.84)	(559,821.74)	(471,278.88)
Pupil Transportation	(384,625.00)	(384,603.53)	(405,643.68)	(367,762.86)	(318,437.97)	(300,475.57)	(234,438.93)	(232,782.04)	(232,782.04)	(168,381.29)
Unallocated Benefits	-	-	-	-	-	-	-	(704,403.04)	(652,521.15)	(2,088,142.35)
Transfer To Charter Schools	(74,320.00)	(64,599.00)	(118,534.00)	(212,440.00)	(190,804.00)	(160,050.00)	(148,344.00)	(68,283.00)	(61,531.00)	(67,034.00)
Interest and Other Charges on Long-Term Debt	(78,462.00)	(75,537.49)	(72,585.42)	(69,335.42)	(66,071.47)	(62,659.38)	(59,233.33)	(55,620.92)	(51,581.16)	(69,028.67)
Unallocated Depreciation and Amortization	-	(1,855.92)	(1,855.92)	(1,855.92)	(1,855.92)	(1,855.93)	(1,855.93)	(164,179.93)	(181,227.00)	(176,314.41)
<b>Total Governmental Activities Expenses</b>	<b>(6,542,939.00)</b>	<b>(6,864,149.51)</b>	<b>(7,064,588.91)</b>	<b>(7,209,349.82)</b>	<b>(7,068,155.70)</b>	<b>(7,042,547.16)</b>	<b>(7,287,369.76)</b>	<b>(7,587,379.73)</b>	<b>(7,657,701.14)</b>	<b>(8,305,670.97)</b>
<b>Business-Type Activities:</b>										
Food Service	(122,289.00)	(112,881.35)	(106,373.61)	(112,463.53)	(116,037.79)	(123,771.63)	(129,344.05)	(146,727.26)	(151,492.78)	(128,735.58)
<b>Total Business-Type Activities Expenses</b>	<b>(122,289.00)</b>	<b>(112,881.35)</b>	<b>(106,373.61)</b>	<b>(112,463.53)</b>	<b>(116,037.79)</b>	<b>(123,771.63)</b>	<b>(129,344.05)</b>	<b>(146,727.26)</b>	<b>(151,492.78)</b>	<b>(128,735.58)</b>
<b>Total District Expenses</b>	<b>\$ (6,665,228.00)</b>	<b>\$ (6,977,030.86)</b>	<b>\$ (7,170,962.52)</b>	<b>\$ (7,321,813.35)</b>	<b>\$ (7,184,193.49)</b>	<b>\$ (7,166,318.79)</b>	<b>\$ (7,416,713.81)</b>	<b>\$ (7,734,106.99)</b>	<b>\$ (7,809,193.92)</b>	<b>\$ (8,434,406.55)</b>
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
Instruction (Tuition)	\$ 745,468.00	\$ 146,307.00	\$ 146,307.00	\$ 94,101.00	\$ 68,516.00	\$ 1,218.00	\$ 80,279.91	\$ 2,440.00	\$ 7,963.67	\$ 31,658.35
Operating Grants and Contributions	-	-	-	-	-	-	-	-	985,497.44	1,487,461.18
<b>Total Governmental Activities Program Revenues</b>	<b>745,468.00</b>	<b>146,307.00</b>	<b>146,307.00</b>	<b>94,101.00</b>	<b>68,516.00</b>	<b>1,218.00</b>	<b>80,279.91</b>	<b>2,440.00</b>	<b>993,461.11</b>	<b>1,519,119.53</b>
<b>Business-Type Activities:</b>										
Charges for Services:										
Food Service	45,310.00	38,236.20	35,526.71	33,648.52	37,047.74	30,400.67	27,918.60	24,126.01	23,089.52	21,274.81
Operating Grants and Contributions	69,878.00	67,550.01	70,134.75	66,479.36	78,790.94	81,680.36	92,785.52	103,066.94	98,845.30	103,938.88
<b>Total Business-Type Activities Program Revenues</b>	<b>115,188.00</b>	<b>105,786.21</b>	<b>105,661.46</b>	<b>100,127.88</b>	<b>115,838.68</b>	<b>112,081.03</b>	<b>120,704.12</b>	<b>127,192.95</b>	<b>121,934.82</b>	<b>125,213.69</b>
<b>Total District Program Revenues</b>	<b>\$ 860,656.00</b>	<b>\$ 252,093.21</b>	<b>\$ 251,968.46</b>	<b>\$ 194,228.88</b>	<b>\$ 184,354.68</b>	<b>\$ 113,299.03</b>	<b>\$ 200,984.03</b>	<b>\$ 1,166,142.31</b>	<b>\$ 1,115,395.93</b>	<b>\$ 1,644,333.22</b>
<b>Net (Expense)/Revenue:</b>										
<b>Governmental Activities</b>	<b>\$ (5,797,471.00)</b>	<b>\$ (6,717,842.51)</b>	<b>\$ (6,918,281.91)</b>	<b>\$ (7,115,248.82)</b>	<b>\$ (6,999,639.70)</b>	<b>\$ (7,041,329.16)</b>	<b>\$ (7,207,089.85)</b>	<b>\$ (6,548,430.37)</b>	<b>\$ (6,664,240.03)</b>	<b>\$ (6,786,551.44)</b>
<b>Business-Type Activities</b>	<b>(7,101.00)</b>	<b>(7,095.14)</b>	<b>(712.15)</b>	<b>(12,335.65)</b>	<b>(199.11)</b>	<b>(11,690.60)</b>	<b>(8,639.93)</b>	<b>(19,534.31)</b>	<b>(29,557.96)</b>	<b>(3,521.89)</b>
<b>Total District-wide Net (Expense)/Revenue</b>	<b>\$ (5,804,572.00)</b>	<b>\$ (6,724,937.65)</b>	<b>\$ (6,918,994.06)</b>	<b>\$ (7,127,584.47)</b>	<b>\$ (6,999,838.81)</b>	<b>\$ (7,053,019.76)</b>	<b>\$ (7,215,729.78)</b>	<b>\$ (6,567,964.68)</b>	<b>\$ (6,693,797.99)</b>	<b>\$ (6,790,073.33)</b>

**BRADLEY BEACH SCHOOL DISTRICT  
CHANGES IN NET ASSETS - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Position:</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied for General Purposes, Net	\$ 4,610,114.00	\$ 4,952,662.00	\$ 5,041,979.00	\$ 5,041,979.00	\$ 4,781,011.00	\$ 4,856,351.00	\$ 4,934,068.00	\$ 5,100,532.00	\$ 5,425,641.00	\$ 5,502,584.00
Taxes Levied for Debt Service	119,839.00	118,935.00	172,857.00	169,607.00	171,357.00	167,946.00	169,533.00	170,957.00	171,932.00	172,728.00
Unrestricted Grants and Contributions	1,189,076.00	1,921,378.34	1,968,401.07	1,842,202.42	1,574,521.00	1,839,887.40	1,761,224.47	969,326.80	1,003,511.41	1,087,214.00
Restricted Grants	-	-	-	-	-	-	-	-	-	-
Tuition Received	23,947.00	-	-	-	-	-	-	-	-	-
Investment Earnings	50,701.00	96,187.41	72,771.20	14,929.37	1,000.00	2,117.01	1,000.00	1,000.00	1,000.00	-
Miscellaneous Income	64,075.00	37,723.83	36,644.26	44,126.55	55,357.49	21,621.79	18,251.88	38,764.39	12,684.94	96,675.56
Loss on Disposal of Copiers	-	-	-	-	-	(117,995.00)	-	-	-	-
Transfers	58,893.00	(4,000.00)	(6,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(10,000.00)	(20,000.00)	(30,000.00)	(10,000.00)
<b>Total Governmental Activities</b>	<b>6,116,645.00</b>	<b>7,122,886.58</b>	<b>7,286,652.53</b>	<b>7,107,844.34</b>	<b>6,578,246.49</b>	<b>6,764,928.20</b>	<b>6,874,077.35</b>	<b>6,260,580.19</b>	<b>6,584,769.35</b>	<b>6,849,201.56</b>
<b>Business-Type Activities:</b>										
Investment Earnings	-	257.12	252.79	38.04	-	-	-	1,000.00	-	-
Transfers	-	(4,000.00)	6,000.00	5,000.00	5,000.00	5,000.00	10,000.00	20,000.00	30,000.00	10,000.00
<b>Total Business-Type Activities</b>	<b>-</b>	<b>4,257.12</b>	<b>6,252.79</b>	<b>5,038.04</b>	<b>5,000.00</b>	<b>5,000.00</b>	<b>10,000.00</b>	<b>21,000.00</b>	<b>30,000.00</b>	<b>10,000.00</b>
<b>Total District-wide</b>	<b>\$ 6,116,645.00</b>	<b>\$ 7,127,143.70</b>	<b>\$ 7,292,905.32</b>	<b>\$ 7,112,882.38</b>	<b>\$ 6,583,246.49</b>	<b>\$ 6,769,928.20</b>	<b>\$ 6,884,077.35</b>	<b>\$ 6,281,580.19</b>	<b>\$ 6,614,769.35</b>	<b>\$ 6,859,201.56</b>
<b>Changes in Net Position:</b>										
<b>Governmental Activities</b>	\$ 319,174.00	\$ 405,044.07	\$ 368,370.62	\$ (7,404.48)	\$ (421,393.21)	\$ (276,400.96)	\$ (333,012.50)	\$ (287,850.18)	\$ (79,470.68)	\$ 62,650.12
<b>Business-Type Activities</b>	(7,101.00)	(2,838.02)	5,540.64	(7,297.61)	4,800.89	(6,690.60)	1,360.07	1,465.69	442.04	6,478.11
<b>Total District</b>	<b>\$ 312,073.00</b>	<b>\$ 402,206.05</b>	<b>\$ 373,911.26</b>	<b>\$ (14,702.09)</b>	<b>\$ (416,592.32)</b>	<b>\$ (283,091.56)</b>	<b>\$ (331,652.43)</b>	<b>\$ (286,384.49)</b>	<b>\$ (79,028.64)</b>	<b>\$ 69,128.23</b>

**BRADLEY BEACH SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund:</b>										
Reserved	\$ 1,192,133.00	\$ 1,718,605.65	\$ 2,150,826.15	\$ 2,282,788.34	\$ 1,927,487.41	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	653,502.00	582,279.33	550,376.04	297,169.63	209,808.34	-	-	-	-	-
Restricted	-	-	-	-	-	1,709,264.84	1,514,713.07	1,237,499.81	234,543.83	804,460.99
Assigned	-	-	-	-	-	94,526.66	70,956.31	51,027.83	60,274.87	164,829.31
Unassigned	-	-	-	-	-	212,201.90	162,652.31	159,704.59	729,432.41	171,382.00
<b>Total General Fund</b>	<b>\$ 1,845,635.00</b>	<b>\$ 2,300,884.98</b>	<b>\$ 2,701,202.19</b>	<b>\$ 2,579,957.97</b>	<b>\$ 2,137,295.75</b>	<b>\$ 2,015,993.40</b>	<b>\$ 1,748,321.69</b>	<b>\$ 1,448,232.23</b>	<b>\$ 1,024,251.11</b>	<b>\$ 1,140,672.30</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ 47,425.00	\$ -	\$ 181,757.53	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported In:										
Special Revenue Fund	(12,005.00)	(7,900.80)	(19,558.77)	(9,523.90)	(9,523.90)	-	-	-	-	-
Capital Projects Fund	193,888.00	178,206.61	-	-	-	-	-	-	-	-
Debt Service Fund	46,847.00	1.08	1.82	2.57	3.32	-	-	-	-	-
Restricted:										
Debt Service Fund	-	-	-	-	-	5.57	7.32	8.07	8.82	5.57
Unassigned:										
Special Revenue Fund	-	-	-	-	-	(9,414.90)	(5,135.40)	(5,232.59)	(4,474.59)	(7,160.00)
<b>Total All Other Governmental Funds</b>	<b>\$ 276,155.00</b>	<b>\$ 170,306.89</b>	<b>\$ 162,200.58</b>	<b>\$ (9,521.33)</b>	<b>\$ (9,520.58)</b>	<b>\$ (9,409.33)</b>	<b>\$ (5,128.08)</b>	<b>\$ (5,224.52)</b>	<b>\$ (4,465.77)</b>	<b>\$ (7,154.43)</b>

**BRADLEY BEACH SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Tax Levy	\$ 4,729,953.00	\$ 5,071,597.00	\$ 5,214,836.00	\$ 5,211,586.00	\$ 4,952,368.00	\$ 5,024,297.00	\$ 5,103,601.00	\$ 5,271,489.00	\$ 5,597,573.00	\$ 5,675,312.00
Tuition Charges	23,947.00	-	-	-	-	-	-	2,440.00	7,963.67	31,658.35
Interest Earnings	50,701.00	96,187.41	72,771.20	14,929.37	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Miscellaneous	68,097.00	41,923.84	14,781.34	44,126.55	55,357.71	22,738.80	18,251.88	56,819.96	22,684.94	116,746.63
State Sources	1,591,989.00	1,727,099.55	1,836,278.06	1,611,802.46	1,293,016.74	1,410,153.47	1,473,162.79	1,634,730.30	1,588,476.00	1,677,025.10
Federal Sources	342,554.00	340,583.79	278,430.01	324,500.96	350,020.44	430,951.93	368,341.59	353,050.29	390,532.85	296,934.01
<b>Total Revenues</b>	<b>6,807,241.00</b>	<b>7,277,393.59</b>	<b>7,277,393.59</b>	<b>7,206,945.34</b>	<b>6,651,762.89</b>	<b>6,889,141.20</b>	<b>6,964,357.26</b>	<b>7,319,529.55</b>	<b>7,608,230.46</b>	<b>7,797,676.09</b>
<b>Expenditures:</b>										
Instruction:										
Regular Instruction	1,771,410.00	1,789,763.42	1,831,676.03	1,857,631.25	1,769,448.93	1,847,229.37	1,785,126.36	1,850,431.68	1,950,783.14	1,915,359.32
Special Education Instruction	344,442.00	339,166.33	322,745.08	329,469.07	401,072.61	432,500.53	384,454.76	388,839.60	321,984.43	234,503.76
Other Special Instruction	170,534.00	180,370.52	191,748.85	249,087.86	220,690.39	88,002.02	91,625.00	92,725.00	104,622.65	210,269.46
Other Instruction	78,876.00	90,174.98	91,414.61	58,569.46	60,922.11	64,014.90	72,417.98	69,146.65	80,352.00	83,114.26
Support Services:										
Tuition	1,173,527.00	1,200,140.31	1,254,115.24	1,408,428.91	1,213,573.94	1,242,808.46	1,587,076.45	1,701,293.89	1,670,170.33	1,616,802.28
Student & Inst. Related Services	444,111.00	501,135.81	595,617.12	563,438.26	582,928.02	598,620.34	572,668.22	625,842.46	658,708.36	712,317.34
General Administration	219,393.00	220,150.77	237,064.37	232,164.75	243,803.83	224,575.59	230,699.96	226,613.14	249,451.02	282,980.95
School Administrative Services	60,147.00	54,845.19	22,829.36	23,959.89	24,866.86	24,813.39	25,498.13	26,320.16	26,812.94	21,275.94
Central Services	129,353.00	129,963.16	146,723.84	136,567.75	152,276.64	137,841.90	129,591.81	143,914.63	148,177.80	161,710.22
Admin. Information Technology	31,096.00	10,288.00	12,000.00	18,157.34	16,153.50	26,708.90	27,339.64	26,645.71	26,360.84	27,159.84
Plant Operations and Maintenance	371,170.00	384,478.28	323,587.53	381,946.09	409,504.21	387,693.98	401,711.59	422,173.72	447,718.54	471,278.88
Pupil Transportation	286,553.00	368,375.20	391,854.88	345,673.16	296,734.67	277,517.15	215,274.06	197,693.13	232,782.04	168,381.29
Employee Benefits	1,220,676.00	1,327,002.93	1,281,893.46	1,173,916.49	1,304,517.40	1,303,001.16	1,350,955.78	1,554,853.13	1,441,475.89	1,477,906.05
Charter Schools	74,320.00	64,559.00	118,534.00	212,440.00	190,804.00	160,050.00	148,344.00	68,285.00	61,531.00	67,034.00
Capital Outlay	237,987.00	101,255.06	47,066.00	333,854.94	30,771.00	22,010.86	25,632.73	33,981.30	408,590.60	51,120.72
Debt Service:										
Principal	90,000.00	90,000.00	100,000.00	100,000.00	105,000.00	105,000.00	110,000.00	115,000.00	120,000.00	125,000.00
Interest and Other Charges	78,706.00	75,781.25	72,856.25	69,606.25	66,356.25	62,943.75	59,531.25	55,956.25	51,931.25	47,731.25
<b>Total Expenditures</b>	<b>6,782,301.00</b>	<b>6,927,450.21</b>	<b>6,927,490.21</b>	<b>7,494,911.47</b>	<b>7,089,424.36</b>	<b>7,005,332.30</b>	<b>7,217,747.72</b>	<b>7,599,715.45</b>	<b>8,001,452.83</b>	<b>7,673,943.56</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>24,940.00</b>	<b>349,943.38</b>	<b>349,903.38</b>	<b>(287,966.13)</b>	<b>(437,661.47)</b>	<b>(116,191.10)</b>	<b>(253,390.46)</b>	<b>(280,185.90)</b>	<b>(393,222.37)</b>	<b>123,732.53</b>
Other Financing Sources/(Uses):										
Liquidation of Prior Year Payable	-	-	-	22,840.92	-	-	-	-	-	-
Capital Leases (Non-Budgeted)	-	108,849.00	-	-	-	-	-	-	-	-
Transfers Out	(218,426.00)	(4,000.00)	(6,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(10,000.00)	(20,000.00)	(30,000.00)	(10,000.00)
<b>Total Other Financing Sources/(Uses)</b>	<b>(218,426.00)</b>	<b>104,849.00</b>	<b>(4,000.00)</b>	<b>17,840.92</b>	<b>(5,000.00)</b>	<b>(5,000.00)</b>	<b>(10,000.00)</b>	<b>(20,000.00)</b>	<b>(30,000.00)</b>	<b>(10,000.00)</b>
<b>Net Change in Fund Balances</b>	<b>(193,486.00)</b>	<b>454,792.38</b>	<b>345,903.38</b>	<b>(270,125.21)</b>	<b>(442,661.47)</b>	<b>(121,191.10)</b>	<b>(263,390.46)</b>	<b>(300,185.90)</b>	<b>(423,222.37)</b>	<b>113,732.53</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>2.58%</b>	<b>2.43%</b>	<b>2.43%</b>	<b>2.37%</b>	<b>2.43%</b>	<b>2.40%</b>	<b>2.36%</b>	<b>2.26%</b>	<b>2.26%</b>	<b>2.27%</b>
<b>Source: District records</b>										

Note: Noncapital expenditures are total expenditures less Capital Outlay.  
 Central Service and Administrative Information Technology account classifications were added beginning with year-end June 30, 2005.  
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

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

Fiscal Year Ending Ending June 30,	Interest on Investments	Miscellaneous	Tuition	Refund of Prior Year Expenditures	Refund of Prior Year Tuition	Annual Totals
2006	\$ 48,526.00	\$ 12,067.00	\$ 23,947.00	\$ 31,556.00	\$ 6,474.00	\$ 122,570.00
2007	89,219.88	12,360.37	-	7,616.63	21,946.84	131,143.72
2008	67,829.84	14,781.34	-	-	-	82,611.18
2009	14,338.15	44,126.55	-	-	-	58,464.70
2010	1,000.00	34,016.26	-	-	21,341.45	56,357.71
2011	1,117.01	14,114.42	-	-	2,784.00	18,015.43
2012	1,000.00	15,272.15	-	-	-	16,272.15
2013	1,000.00	38,764.39	2,440.00	-	-	42,204.39
2014	1,000.00	12,684.94	7,963.67	-	-	21,648.61
2015	1,000.00	95,675.56	31,658.35	-	-	128,333.91

Source: District records

### **Revenue Capacity Information**

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

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**BRADLEY BEACH SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

Year Ending December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment
2006*	\$ 10,257,600	\$ 972,279,700	-	-	\$ 70,168,000	\$ 1,774,900	\$ 60,520,300
2007	10,444,100	980,111,700	-	-	67,587,200	1,774,900	58,416,300
2008	11,149,200	987,993,700	-	-	65,263,100	1,774,900	56,863,500
2009	11,262,700	991,277,000	-	-	65,116,000	1,774,900	56,863,500
2010	9,956,500	998,448,500	-	-	65,284,500	1,774,900	54,545,900
2011	8,656,500	1,007,961,600	-	-	64,867,100	1,774,900	54,438,300
2012	9,391,800	1,004,864,400	-	-	63,968,800	1,774,900	52,936,600
2013	9,646,600	987,756,200	-	-	63,139,400	1,774,900	59,463,100
2014	9,162,500	981,508,000	-	-	62,375,000	1,526,100	57,810,300
2015	7,014,300	991,222,720	-	-	65,292,400	1,445,000	66,052,500

	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2006*	\$ 1,115,000,500	\$ 54,318,100	\$ 364,425	\$ 1,061,046,825	\$ 889,941,998	0.455
2007	1,118,334,200	54,792,100	368,791	1,063,910,891	1,053,648,295	0.466
2008	1,123,044,400	54,800,800	371,454	1,068,615,054	1,146,134,653	0.464
2009	1,126,294,100	54,394,100	440,235	1,072,340,235	1,172,718,426	0.439
2010	1,130,010,300	54,776,200	472,224	1,075,706,324	1,185,266,133	0.445
2011	1,137,698,400	54,776,200	423,873	1,083,346,073	1,174,608,236	0.448
2012	1,132,936,500	-	510,016	1,138,122,273	1,140,608,091	0.465
2013	1,121,780,200	54,071,400	-	1,133,446,516	1,119,465,470	0.499
2014	1,112,381,900	37,091,482	-	1,075,290,418	1,089,715,811	0.510
2015	1,131,026,920	35,130,577	-	1,095,896,343	1,131,026,920	0.512

Source: Municipal Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies  
 b Tax rates are per \$100

BRADLEY BEACH SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS  
 (RATE PER \$100 OF ASSESSED VALUE)  
 (UNAUDITED)

Year Ending December 31,	School District Direct Rate				Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Direct School Tax Rate	Borough of				
				Bradley Beach	Monmouth County			
2006*	0.444	0.011	0.455	0.409	0.228		1.092	
2007	0.451	0.015	0.466	0.428	0.245		1.139	
2008	0.449	0.015	0.464	0.470	0.249		1.183	
2009	0.424	0.015	0.464	0.497	0.259		1.220	
2010	0.430	0.015	0.439	0.531	0.274		1.244	
2011	0.433	0.015	0.445	0.541	0.280		1.266	
2012	0.450	0.015	0.448	0.573	0.280		1.301	
2013	0.483	0.016	0.465	0.580	0.290		1.335	
2014	0.494	0.016	0.510	0.588	0.286		1.384	
2015	0.496	0.016	0.512	0.601	0.283		1.396	

Source: Municipal Tax Assessor

\* Revaluation effective 2006

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

a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.  
 b Rates for debt service are based on each year's requirements.

**BRADLEY BEACH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

	2015			2006		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Bradley Beach Village LLC		1			1	
Bradis, Spyros and Angela		2			2	
Mariner 5 Associates, LLC		3			3	
Simonsen, Richard and Francine		4			4	
Regal Bradley Beach	N/A	5	N/A	N/A	5	N/A
G&D Properties, LLC		6			6	
Sitt, Eddit, & Anita		7			7	
Ocean Beach Apartments, LLC		8			8	
Terrace Lake Apartments, LLC		9			9	
Point Properties 2003, LLC		10			10	
<b>Total</b>						

Source: Municipal Tax Assessor

**BRADLEY BEACH SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Year Ending December 31,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy <sup>a</sup>		Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 4,729,953.00	\$ 4,729,953.00	100.00%	-
2007	5,071,597.00	5,071,597.00	100.00%	-
2008	5,214,836.00	5,214,836.00	100.00%	-
2009	5,211,586.00	5,211,586.00	100.00%	-
2010	4,952,368.00	4,952,368.00	100.00%	-
2011	5,024,297.00	5,024,297.00	100.00%	-
2012	5,103,601.00	5,103,601.00	100.00%	-
2013	5,271,489.00	5,271,489.00	100.00%	-
2014	5,597,573.00	5,597,573.00	100.00%	-
2015	5,675,312.00	5,675,312.00	100.00%	-

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

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

### **Debt Capacity Information**

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

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**BRADLEY BEACH SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
*(Dollars in Thousands, Except per Capita)*

Fiscal Year Ending June 30,	Governmental Activities			Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases			
2006	\$ 2,158,000.00	-	-	\$ 2,158,000.00	1.75%	\$ 446.05
2007	2,068,000.00	-	97,964.00	2,165,964.00	1.77%	450.40
2008	1,968,000.00	-	76,195.24	2,044,195.24	1.66%	422.35
2009	1,868,000.00	-	54,425.44	1,922,425.44	1.51%	384.95
2010	1,763,000.00	-	32,657.72	1,795,657.72	1.33%	417.11
2011	1,658,000.00	-	10,890.00	1,668,890.00	1.14%	388.57
2012	1,548,000.00	-	-	1,548,000.00	1.03%	361.09
2013	1,433,000.00	-	-	1,548,000.00	0.98%	361.68
2014	1,313,000.00	-	-	1,313,000.00	N/A	307.49
2015	1,188,000.00	-	-	1,188,000.00	N/A	N/A

**LINKED TO I-1**

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

a See Exhibit NJ J-14 for personal income and population data.

This ratios are calculated using personal income and population for the prior calendar year.

N/A At the time of CAFR completion, the data was not yet available.

**BRADLEY BEACH SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
*(Dollars in Thousands, Except per Capita)*

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 2,158,000.00	-	\$ 2,158,000.00	1.75%	\$ 446.05
2007	2,068,000.00	-	2,068,000.00	1.69%	430.03
2008	1,968,000.00	-	1,968,000.00	1.60%	406.61
2009	1,868,000.00	-	1,868,000.00	1.47%	374.05
2010	1,763,000.00	-	1,763,000.00	1.31%	409.52
2011	1,658,000.00	-	1,658,000.00	1.13%	386.03
2012	1,548,000.00	-	1,548,000.00	1.03%	361.09
2013	1,433,000.00	-	1,433,000.00	0.91%	334.81
2014	1,313,000.00	-	1,313,000.00	N/A	307.49
2015	1,188,000.00	-	1,188,000.00	N/A	N/A

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

**BRADLEY BEACH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2014**

Governmental Unit	Debt <u>Outstanding</u>	Estimated Percentage <u>Applicable<sup>a</sup></u>	Estimated Share of Overlapping <u>Debt</u>
Debt Repaid with Property Taxes:			
Borough of Bradley Beach	\$ 7,504,381.85	100.00%	\$ 7,504,381.85
Monmouth County General Obligation Debt	428,759,489.85	1.0856%	<u>4,654,698.77</u>
Subtotal, Overlapping Debt			12,159,080.62
Bradley Beach District Direct Debt			<u>1,188,000.00</u>
Total Direct and Overlapping Debt			<u><u>\$ 13,347,080.62</u></u>

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

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

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

**BRADLEY BEACH SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

2014	\$ 1,099,705,205
2013	1,081,650,950
2012	1,127,748,855
(A)	<u>\$ 3,309,105,010</u>
(A/3)	\$ 1,103,035,003
(B)	99,273,150 <sup>a</sup>
(C)	<u>1,188,000</u>
(B-C)	<u>\$ 98,085,150.30</u>

Average Equalized Valuation of Taxable Property	(A/3)	\$ 1,103,035,003
Debt Limit (3% of Average Equalization Value)	(B)	99,273,150 <sup>a</sup>
Total Net Debt Applicable To Limit	(C)	<u>1,188,000</u>
Legal Debt Margin	(B-C)	<u>\$ 98,085,150.30</u>

	FISCAL YEAR ENDING JUNE 30,			
	2007	2008	2009	2010
Debt Limit	\$ 91,968,808.00	\$ 100,553,891.00	\$ 104,473,056.00	\$ 103,167,020.00
Total Net Debt Applicable To Limit	2,068,000.00	1,968,000.00	1,868,000.00	1,763,000.00
Legal Debt Margin	<u>\$ 94,036,808.00</u>	<u>\$ 98,585,891.00</u>	<u>\$ 102,605,056.00</u>	<u>\$ 101,404,020.00</u>

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.25%	1.96%	1.79%	1.71%
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	FISCAL YEAR ENDING JUNE 30,			
	2011	2012	2013	2014
Debt Limit	\$ 104,430,429.00	\$ 102,935,813.00	\$ 100,475,128.00	\$ 99,273,150.30
Total Net Debt Applicable To Limit	1,658,000.00	1,548,000.00	1,433,000.00	1,188,000.00
Legal Debt Margin	<u>\$ 102,772,429.00</u>	<u>\$ 101,387,813.00</u>	<u>\$ 99,042,128.00</u>	<u>\$ 98,085,150.30</u>

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.59%	1.50%	1.43%	1.20%
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Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

<sup>a</sup> Limit set by N.J.S.A. 18A:24-19 for a K through 8 District; other percentage limits would be applicable for other District types.

### **Demographic and Economic Information**

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

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**BRADLEY BEACH SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2006	4,838	\$ 120,906,814.00	\$ 25,438.00	6.30%
2007	4,809	120,906,814.00	25,438.00	6.10%
2008	4,840	121,924,334.00	25,438.00	7.00%
2009	4,994	123,241,110.00	25,438.00	11.70%
2010	4,305	134,557,486.00	31,307.00	12.10%
2011	4,295	146,484,436.00	34,082.00	12.20%
2012	4,287	150,918,462.00	35,081.00	12.70%
2013	4,280	150,918,462.00	36,815.00	5.90%
2014	4,270	N/A	N/A	6.90%
2015	N/A	N/A	N/A	N/A

Source:

<sup>a</sup> Population information provided by the NJ Department of Labor and Workforce Development.

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Department of Labor and Workforce Development.

**BRADLEY BEACH SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Employer	2015			2006		
	Employees	Rank (Optional)	Percentage of Total Municipal Employment <sup>a</sup>	Employees	Rank (Optional)	Percentage of Total Municipal Employment <sup>a</sup>
		1			1	
		2			2	
		3			3	
		4	<b>Date</b>		4	<b>Date</b>
		5	<b>Not</b>		5	<b>Not</b>
		6	<b>Available</b>		6	<b>Available</b>
		7			7	
		8			8	
		9			9	
		10			10	
<b>Total</b>	<u>          </u>		<u>          </u>	<u>          </u>		<u>          </u>
	<u>          </u>		<u>          </u>	<u>          </u>		<u>          </u>

Source: Borough of Bradley Beach, Clerk's Office

Note a: Total Employment Not Available since No Authoritative Source is Known

## **Operating Information**

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

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**BRADLEY BEACH SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR ENDING JUNE 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Instruction:</b>										
Regular	19.0	19.0	19.0	19.0	18.0	18.0	18.0	18.0	22.8	23.0
Special Education	7.0	7.0	8.0	7.0	8.0	8.0	6.0	7.0	6.0	5.0
Other Instruction	9.0	9.0	9.0	9.0	7.0	7.0	5.0	5.0	2.0	3.0
<b>Support Services:</b>										
Student and Instruction Related Services	6.0	6.0	6.0	6.5	6.0	6.0	6.0	6.0	9.5	9.5
General Administrative Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.4	1.4
School Administrative Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.5	0.3
Other Administrative Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-
Central Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.8	1.8
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.5	0.5
Plant Operations and Maintenance	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Pupil Transportation	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5
Other Support Services	6.0	6.0	5.0	5.0	5.0	5.0	5.0	6.0	3.5	3.5
<b>Total</b>	<b>55.4</b>	<b>55.4</b>	<b>55.4</b>	<b>54.9</b>	<b>52.4</b>	<b>52.4</b>	<b>48.4</b>	<b>50.4</b>	<b>51.5</b>	<b>51.5</b>

Source: District Personnel Records

**BRADLEY BEACH SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

School Year	Enrollment		Total	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>d</sup>	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
	In District	Out of District										
2006	295	83	378	\$ 6,375,606.00	16,867	10.81%	35.0	1:8.4	294	281	-0.31%	95.58%
2007	265	90	355	6,660,453.90	18,762	11.24%	35.0	1:7.6	266	255	-9.25%	95.86%
2008	264	96	360	6,821,804.37	18,949	1.00%	35.0	1:7.5	270	257	0.78%	95.19%
2009	273	92	365	6,991,450.28	19,155	1.08%	34.0	1:8.0	271	265	3.11%	97.79%
2010	276	78	354	6,887,297.11	19,456	1.57%	33.0	1:8.4	274	261	-1.51%	95.26%
2011	292	73	365	6,815,377.69	18,672	-4.03%	33.0	1:8.8	285	271	3.83%	94.99%
2012	272	94	366	7,022,583.74	19,187	2.76%	29.0	1:9.4	278	267	-1.44%	96.15%
2013	284	91	375	7,394,777.90	19,719	2.77%	30.0	1:9.5	284	272	1.83%	95.77%
2014	295	92	387	7,384,239.13	19,081	-3.24%	30.8	1:9.6	294	282	3.78%	96.04%
2015	283	93	376	7,112,606.83	18,917	-0.86%	31.0	1:9.1	285	273	-3.29%	95.79%

Source: District records

Note: Enrollment based on annual October District count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

d Cost per Pupil calculated by dividing Operating Expenditures by Total Enrollment. This is not intended to represent the statutory calculation per pupil.

**BRADLEY BEACH SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

	FOR YEAR ENDING JUNE 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
District Building										
Elementary										
Square Feet	54,061	54,061	54,061	54,061	54,061	54,061	54,061	54,061	54,061	54,061
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	295	265	264	273	276	292	272	284	295	295

Number of Schools at June 30, 2015  
Elementary = 1

Source: Business Grant

**BRADLEY BEACH SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS**

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

	*School Facilities Project # (s)	Elementary School	Total
2006	N/A	\$ 96,934.00	\$ 96,934.00
2007	N/A	119,645.65	119,645.65
2008	N/A	65,269.03	65,269.03
2009	N/A	72,371.16	72,371.16
2010	N/A	95,312.75	95,312.75
2011	N/A	105,321.76	105,321.76
2012	N/A	127,188.33	127,188.33
2013	N/A	143,301.69	143,301.69
2014	N/A	137,143.40	137,143.40
2015	N/A	166,919.95	166,919.95
		<hr/>	
Total School Facilities		\$ 1,129,407.72	\$ 1,129,407.72
		<hr/> <hr/>	

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

Source: District records

**BRADLEY BEACH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2015**

	Coverage	Deductible
Package Policy:		
Property		
Blanket Building and Contents	\$ 13,217,267.00	\$ 5,000.00
EDP Hardware/Software	350,000	1,000
Extra Expense	50,000,000	5,000
Valuable Papers and Records	10,000,000	5,000
Flood Zones A & V	3,000,000	500,000
Flood Zone B	25,000,000	10,000
Boiler and Machinery		
Property Damage and Extra Expense	100,000,000	5,000
Crime		
Public Employee Dishonesty	25,000	500
Loss of Money and Securities	25,000	500
Money Orders and Counterfeit	25,000	500
Forgery or Alteration	25,000	500
Computer Fraud	25,000	500
General Liability		
Each Occurrence	11,000,000	
Products/Completed Operations	11,000,000	
Sexual Abuse	1,000,000	
Personal and Advertising Injury	11,000,000	
Employee Benefits	1,000,000	1,000
Medical Payments	10,000	
Business Auto		
Hired and Non-Owned Auto Liability	11,000,000	
<u>Errors and Omissions Liability</u>		
Limit of Liability	11,000,000	5,000
Workers Compensation		
Employers Liability Limits		
Bodily Injury By Accident	2,000,000	Each Accident
Bodily Injury By Disease	2,000,000	Each Employee
Bodily Injury By Disease	2,000,000	Aggregate Limit
Bonds		
Secretary/BA Bond	100,000	
Treasurer's Bond	175,000	
Student Accident		
All Students including Athletics (except football)	1,000,000	

Source: District records

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**SINGLE AUDIT SECTION**

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

Honorable President and Members  
of the Board of Education  
Bradley Beach School District  
Bradley Beach, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Bradley Beach School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Bradley Beach School District’s basic financial statements, and have issued our report thereon dated December 8, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Bradley Beach School District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bradley Beach School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Bradley Beach 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Bradley Beach School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

## **Purpose of this Report**

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison  
Certified Public Accountant  
Public School Accountant, No. 897

Freehold, New Jersey  
December 8, 2015



HOLMAN | FRENIA  
ALLISON, P.C.

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EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-  
133 AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08.**

Honorable President and Members  
of the Board of Education  
Bradley Beach School District  
Bradley Beach, New Jersey

**Report on Compliance for Each Major State Program**

We have audited the Bradley Beach School District’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major state programs for the year ended June 30, 2015. The Bradley Beach School District’s major 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 state programs.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of Bradley Beach School District’s major 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; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*; *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB’s Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Bradley Beach School District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Bradley Beach School District's compliance with those requirements.

### **Opinion on Each Major State Program**

In our opinion, the Bradley Beach 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 state programs for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of the Bradley Beach School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Bradley Beach School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 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(s) 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Bradley Beach 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 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 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison  
Certified Public Accountant  
Public School Accountant, No. 897

Freehold, New Jersey  
December 8, 2015

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**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1. General**

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

**Note 2. Basis of Accounting**

The accompanying schedules of expenditures state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. The basis of accounting is described in Note 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 deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the 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 state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-44.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$139.00 for the general fund and (\$2,685.41) for the special revenue fund. See Exhibit C-3, notes to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the board's basic financial statements on a GAAP basis as presented on the following page: assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**BRADLEY BEACH SCHOOL DISTRICT**

**NOTES TO SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 3. Relationship to Basic Financial Statements (continued):**

	<u>State</u>
General Fund	\$ 1,608,110.11
Special Revenue Fund	68,914.99
Food Service Fund	<u>1,696.86</u>
Total State Financial Assistance	<u>\$ 1,678,721.96</u>

**Note 4. Relationship to State Financial Reports**

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

**Note 5. State Loans Outstanding**

The Bradley Beach School District had no loan balances outstanding at June 30, 2015.

**Note 6. Other**

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 represent 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.

**BRADLEY BEACH SCHOOL DISTRICT  
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 that are not considered to be material weaknesses?            yes   X   none reported

Noncompliance material to basic financial statements noted?            yes   X   no

State Awards

Dollar threshold used to distinguish between type A and type B programs? 300,000.00

Auditee qualified as low-risk auditee?   X   yes            no

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

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 04-04 and/or 15-08?            yes   X   no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-089</u>	<u>State Aid Public Cluster:</u>
<u>495-034-5120-084</u>	<u>Special Education Aid</u>
<u>495-034-5120-085</u>	<u>Security Aid</u>
<u>495-034-5120-098</u>	<u>Adjustment Aid</u>
<u>495-034-5120-097</u>	<u>PARCC Readiness Aid</u>
	<u>Per Pupil Growth Aid</u>

**BRADLEY BEACH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

None Reported

**Section III – State Financial Assistance Findings & Questioned Costs**

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular 04-04 and/or 15-08, as applicable.

None Reported

**BRADLEY BEACH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08, as applicable.

No Prior Year Findings