

# **Comprehensive Annual Financial Report**

**of the**

**Township of Colts Neck School District**

**County of Monmouth**

**Colts Neck, New Jersey**

**For the Fiscal Year Ended June 30, 2015**

**Prepared by**

**Colts Neck Township, Board of Education  
Finance Department**



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**INTRODUCTORY SECTION**



# Colts Neck Township Schools

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Colts Neck, New Jersey 07722  
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MaryJane Garibay  
Superintendent of Schools  
Ext. 4104

Vincent S. Marasco  
Business Administrator/Board Secretary  
Ext. 4101

December 2, 2015

Honorable President and  
Members of the Board of Education  
Colts Neck Township  
Monmouth County, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Colts Neck Township School District for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, the financial position and results of operations of the various funds 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 principle ordeals. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U. S. Office of Management and Budget Circular A 133, "Audits of State and Local Governments," and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

## 1) REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and preschool handicapped classes. The District completed the 2014-15 fiscal year with an enrollment of 966 students, which is 42 students below the previous year's ending enrollment. The following details the changes in the student enrollment of the District over the last twelve years.

<b><u>Fiscal Year</u></b>	<b><u>Student Enrollment*</u></b>	<b><u>Percent Change</u></b>
2014-15	947	-4.8%
2013-14	995	-8.9%
2012-13	1,093	-6.6%
2011-12	1,170	-3.8%
2010-11	1,216	-6.8%
2009-10	1,304	-3.4%
2008-09	1,350	-1.8%
2007-08	1,374	-4.8%
2006-07	1,443	-2.5%
2005-06	1,480	-2.3%
2004-05	1,511	-1.6%
2003-04	1,535	1.1%

\*based on October 15th count.

## 2) ECONOMIC CONDITIONS AND OUTLOOK:

The Colts Neck Township Public School System is located in the east central part of Monmouth County. The township covers 32 square miles and has a population of approximately 10,142 (2010 United States Census) who reside mainly in single-family homes and are above average, socio-economically.

The school system is Pre-K through 8 with three schools, an administration building, and a bus transportation building. The total resident student population at June 30, 2015 was 966 and is estimated to decrease to 956 for the 2015-16 school year: a difference of 10 less students. Since 2003-04 the student enrollment has decreased in the district by approximately thirty-five percent (35%). In order to better understand the population changes in the community, the Board of Education had commissioned three professional demographic studies during this period. These studies used the basic cohort survival projection methodology to make informed assumptions about population changes within the school community and their impact on enrollment.

For the 2015-16 school year, the Total Budgetary Comparative Per Pupil Cost is projected to be \$22,345. The 2014-15 State Average Budgetary Per Pupil Cost was \$15,067, per the NJ Department of Education Taxpayers' Guide to Education Spending 2015.

3) MAJOR INITIATIVES:

The Colts Neck Township Board of Education is extremely proud of its ongoing efforts to provide its students with a thorough and efficient education through which they have opportunities to reach their highest level of scholastic achievement. The district delivers a rigorous and engaging curriculum designed to meet the educational and developmental needs of its students. A robust literacy program, founded upon the constructs of Readers and Writers Workshop, is the foundation upon which learning ensues. The district utilizes resources from the Center for the Collaborative Classroom (formerly Developmental Studies Center) in the form of Making Meaning (K-5) for reading comprehension and Systematic Instruction in Phonological Awareness, Phonics, and Sight Words, or SIPPS, to provide a systematic approach to decoding. The district also facilitates a Wilson Reading System as a tier 3 intervention for eligible students. Our enVisions (K-5) and Big Ideas (6-8) mathematics programs stress the development of critical thinking skills and overall problem solving as set forth within the Common Core State Standards. Our K-5 science program consists of a unique blend of grade-level units of study, lab time, and a pilot of Engineering is Elementary kits developed by the Museum of Science, Boston. In grades 6-8, students are exposed to three marking periods of Next Generation Science Standards curricula and one marking period of a Project Lead the Way © (PLTW) - Gateway STEM Course. Students in grade 6 participate in Design and Modeling while students in grade 7 engage in the district's Automation and Robotics course. Grade 8 students study science through problem solving in the district's Medical Detectives course. The district is equally proud of its offering content-based enrichment in mathematics and language arts. The district also provides enrichment opportunities through related arts, aligning courses such as computer programs, art, music, media studies, health and physical education to extracurricular offerings that includes clubs, band, chorus, and sports teams. The district has initiated an online curriculum mapping program, Atlas Rubicon, to provide district stakeholders greater access to district curricula and pacing guides.

The district expanded student accessibility to instructional technology through its deployment of Chromebooks to all students, 5-8 grade. This 1:1 initiative is partnered with a Google in Education initiative in which students and teachers are collaborating in innovative ways to ultimately impact students' engagement and achievement.

Students in grades 3-8 participated in the spring 2015 PARCC Performance Based Assessment (PBA) and End-of-Year (EOY) State Assessments. Additionally, students in grades 4 and 8 participated in the NJASK Science assessment. Finally, the district's ELL population completed the ACCESS (Assessing Comprehension and Communication in English State-to-State for English Language Learners) test as a measure to determine English language proficiency.

Results from the 2015 Spring PARCC Test will be forthcoming and shared with stakeholders as new, baseline state assessment data to include among multiple measures of achievement information that makes up a child's academic profile.

4) INTERNAL ACCOUNTING CONTROLS:

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

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

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital project funds. 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 commitments on a line item basis. Open encumbrances at year end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balances, June 30, 2014.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) DEBT ADMINISTRATION:

At June 30, 2015, the District's outstanding debt issues included \$15,610,000.00 of general obligation bonds.

8) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted 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.

9) RISK MANAGEMENT:

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

10) OTHER INFORMATION:

Independent Audit State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Suplee, Clooney & Company. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A 133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Colts Neck Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the Business Office personnel.

Respectfully Submitted,



MaryJane Garibay  
Superintendent of School



Vincent S. Marasco  
Business Administrator/Board Secretary

vsm/dd

**COLTS NECK TOWNSHIP BOARD OF EDUCATION**

Colts Neck, New Jersey

**ROSTER OF OFFICIALS**

June 30, 2015

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Kimberly Raymond, President	2016
Irene Sessa	2018
Joseph Cammarata	2017
Kimberly Eydelman	2017
Kathryn Gizzo	2018
Jeanne V. Heck	2016
Margaret Hernandez	2018
Jacquelyn Hoagland	2017
Kevin O'Connor	2016

**Other Officials**

Dr. Fredrik Oberkehr, Superintendent

Vincent S. Marasco, Business Administrator/Board Secretary

John Antonides, Treasurer

**COLTS NECK TOWNSHIP BOARD OF EDUCATION  
Consultants and Advisors**

**Audit Firm**

Suplee, Clooney, and Company  
308 East Broad Street  
Westfield, New Jersey 07090-2122

**Attorney**

Kenney, Gross, Kovats & Parton  
130 Maple Avenue  
Red Bank, NJ 07701

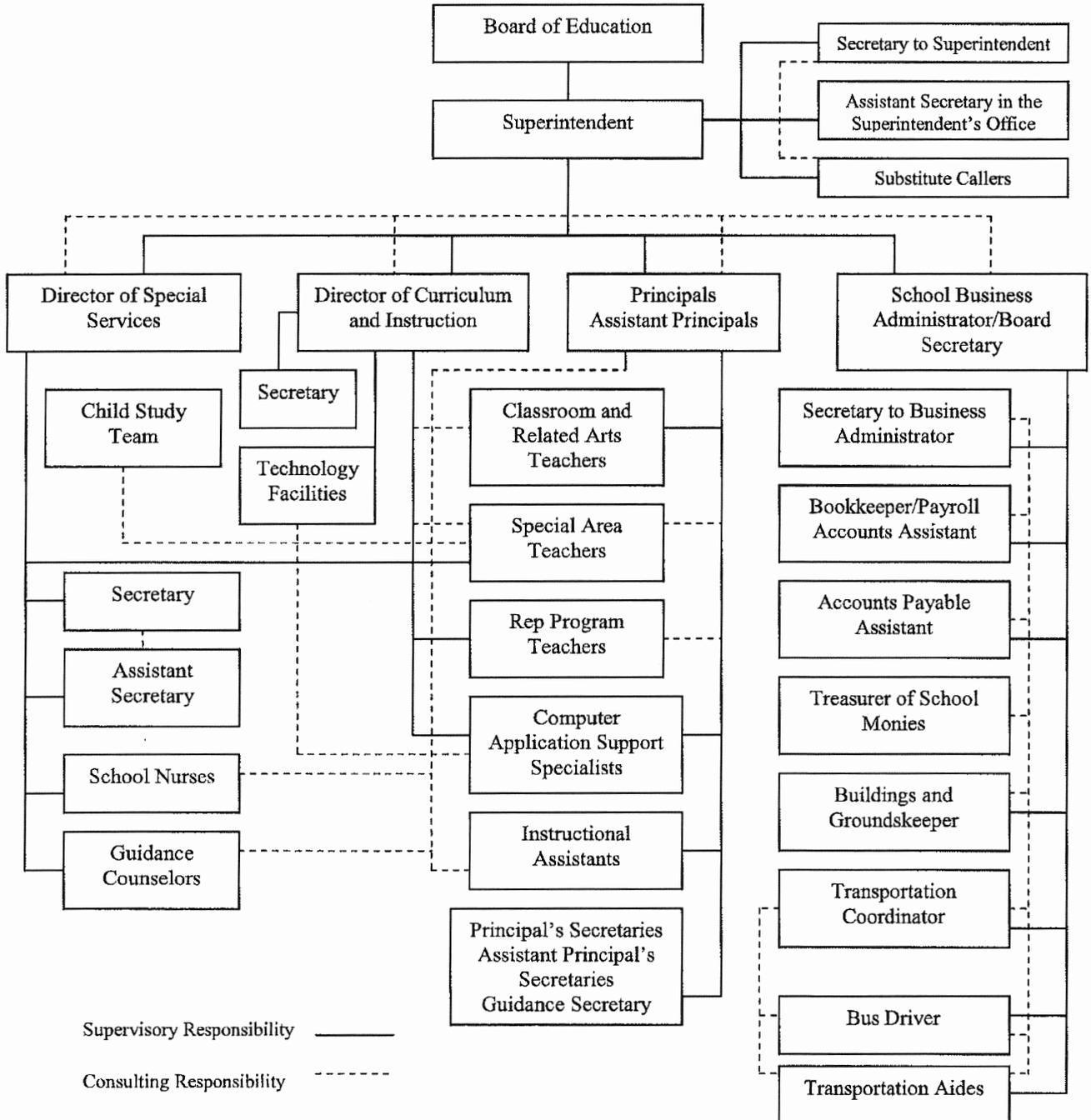
**Official Depository**

PNC Bank, NA  
Highway 34, P. O. Box 63  
Colts Neck, NJ 07722

# POLICY

# COLTS NECK TOWNSHIP BOARD OF EDUCATION

ADMINISTRATION  
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Organizational Chart



Adopted: 6 May 2009



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**FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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E-mail [info@senco.com](mailto:info@senco.com)

## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Township of Colts Neck School District  
County of Monmouth  
Colts Neck, New Jersey 07722

### **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 Township of Colts Neck School District, County of Monmouth, New Jersey as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the provisions of U.S. Office of Management and Budget (OMB) *Circular A-133* "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey *OMB Circular 04-04* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

## SUPLEE, CLOONEY & COMPANY

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

### **Opinion**

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 Township of Colts Neck School District, County of Monmouth, 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 21 to the basic financial statements, in 2015, the County adopted Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions (an Amendment of GASB Statement No. 27) and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement 68). Our opinions are 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 in Exhibit C-1 through C-3 and the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 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.

# SUPLEE, CLOONEY & COMPANY

## *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Colts Neck School District's basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular NJOMB 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular NJOMB 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance 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 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information, such as the introductory and statistical sections, has 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 it.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 2015 on our consideration of the Township of Colts Neck School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Colts Neck School District's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 93

December 2, 2015

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
COLTS NECK, NEW JERSEY**

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

The Management's Discussion and Analysis of the Township of Colts Neck School District (the "District") offers readers of the District's financial statements a narrative overview of the financial activities for the fiscal year ended June 30, 2015. The intent of this discussion is to look at the District's financial performance as a whole; therefore readers should also review the transmittal letter at the front of this report, along with the District's financial statements and notes to the financial statements to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information (RSI) specified in the Governmental Accounting Standards Board's (GASB) Statement Number 34, Basic Financial Statements and Management's Discussion and Analysis of State and Local Governments. Certain comparative information between the current fiscal year (2014-2015) and the prior fiscal year (2013-2014) is required to be presented in the MD&A. In FY2015 the District implemented GASB 68 "Accounting and Financial Reporting for Pensions". Information necessary to restate the financial information provided for FY2014 was not available; therefore, the information has not been restated.

**Financial Highlights**

In the District-Wide Financial Statements:

- Net position of Governmental Activities increased \$1,096,303.79 or 9.72%
- Net position of the Business-type Activities increased by \$10,476.64 or 16.02%.

In the Major Fund Financial Statements:

- Governmental fund expenditures exceed revenues by \$801,463.86.
- Among governmental funds, the General Fund's fund balance increased \$91,338.63.

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
COLTS NECK, NEW JERSEY**

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

**Overview of the Financial Statements**

This Comprehensive Annual Financial Report ("CAFR") consists of three parts: Management's Discussion and Analysis (this section), The Basic Financial Statements, and Required Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District, District-wide Financial Statements and Fund Financial Statements.

- District-wide Financial Statements provide both short-term and long-term information about the District's overall financial status.
- Major Fund Financial Statements report the District's operations in more detail than the District-wide statements on individual parts of the District, the Governmental Funds, Proprietary Funds and Fiduciary Funds.
- Governmental Funds Statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- Proprietary Funds Statements offer short and long-term financial information about the activities the District operates like a business, which include food services.
- Fiduciary Funds Statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The notes to financial statements are also included, which are an integral part of the financial statements. The information in the notes provides detailed data on the District's financial operations.

Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year.

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
COLTS NECK, NEW JERSEY**

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

**District-Wide Financial Statements**

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

The District-wide Financial Statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position has improved or diminished. The causes of this change may be a result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the District-wide Financial Statements, the District's activities are divided into two categories, governmental and business-type activities.

- Governmental activities - All of the District's programs and services are reported here including, but not limited to regular and special education instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Property taxes and state formula aid finance most of these activities.
- Business-type activities - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. District charges fees to help it cover the costs of certain services it provided. The food service & preschool tuition accounts are reported as business activities.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on major funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e. long-term debt) or to show that it is properly using certain restricted revenues (i.e. entitlement grants).

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
COLTS NECK, NEW JERSEY**

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

**Fund Financial Statements (Continued)**

The District maintains three financial funds:

- **Governmental Funds:** The District's activities reported in governmental funds 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 that measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps 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 government-wide Statement of Net Position and Statement of Activities) and governmental funds statements is reconciled in the financial statements.
- **Proprietary Funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide financial statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flow.
- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the position belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
COLTS NECK, NEW JERSEY**

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

**Financial Analysis of the District as a Whole**

Table 1 below reflects the District's net position as a whole for the Fiscal years 2015 and 2014.

**TABLE 1  
NET POSITION**

	<u>FY2015</u>	<u>FY2014</u>
<b>ASSETS</b>		
Current & Other Assets	\$6,076,695.90	\$5,256,333.78
Capital Assets	<u>29,475,019.04</u>	<u>30,297,120.47</u>
TOTAL ASSETS	35,551,714.94	35,553,454.25
<b>DEFERRED OUTFLOWS OF RESOURCE</b>		
Deferred loss from debt refunding	1,611,998.20	
Related to pensions	<u>518,638.00</u>	
TOTAL DEFERRED OUTFLOWS	2,130,636.20	
<b>LIABILITIES</b>		
Long-Term Liabilities	23,771,830.06	17,025,577.86
Other Liabilities	<u>652,130.04</u>	<u>495,649.78</u>
TOTAL LIABILITIES	24,423,960.10	17,521,227.64
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Related to pensions	<u>801,938.00</u>	
TOTAL DEFERRED INFLOWS	801,938.00	
<b>NET POSITION</b>		
Net investment in capital assets	14,030,982.68	13,855,681.11
Restricted	3,659,000.36	2,268,872.71
Unrestricted	<u>(5,233,530.00)</u>	<u>1,907,672.79</u>
TOTAL NET POSITION	<u>\$12,456,453.04</u>	<u>\$18,032,226.61</u>

The District's combined net position was \$12,456,453.04 on June 30, 2015. The Net Assets for June 30, 2014 have not been restated to reflect the District's Net Pension Liability required by the implementation of GASB 68. The District's investment in capital assets is shown net of any related debt used to acquire those assets.

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
COLTS NECK, NEW JERSEY**

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

Table 2 shows changes in net assets for fiscal years 2015 and 2014.

TABLE 2  
CHANGES IN NET POSITION

	<u>FY2015</u>	<u>FY2014</u>
Revenues		
Program Revenues		
Charges for Services	346,322.42	332,315.01
Operating Grants & Contributions	5,018,389.44	2,258,593.78
General Revenues		
Property Taxes	21,277,775.00	20,922,199.00
Grants (includes State Aid) & Entitlements	2,012,953.00	1,952,130.00
Other Revenues	182,132.51	156,192.02
	<u>28,837,572.37</u>	<u>25,621,429.81</u>
Expenses:		
Instruction	16,347,106.85	14,186,336.27
Pupils and Instructional Staff	4,430,785.33	3,992,656.67
General & School Administration, Central Services & Administrative Technology	2,206,950.98	2,406,707.14
Maintenance	2,144,863.20	2,216,704.94
Transportation	1,547,187.72	1,465,885.80
Interest on Long-Term Debt	634,804.61	825,638.37
Business-Type	419,093.25	406,338.42
Total Expenses	<u>27,730,791.94</u>	<u>25,500,267.61</u>
Change in Assets	1,106,780.43	121,162.20
Net Position July 1,	<u>11,349,672.61</u>	<u>17,911,064.41</u>
Net Position June 30,	<u>12,456,453.04</u>	<u>18,032,226.61</u>

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Also, as previously noted, the information for FY2014 has not been restated to reflect the effect of the District's implementation of GASB 68 and the related pension liability. Both revenues and expenses increased mainly as a result of the district recognizing a larger on-behalf TPAF contribution as a revenue and as an expense based upon the State's Actuarial report

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
COLTS NECK, NEW JERSEY**

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

**Sources of Revenue for Fiscal Year 2015**

In the District Wide Financial Statements, the District's total revenue for the 2014-2015 school year was \$28,837,572.37 as reflected in Table 3 below. Property taxes accounted for 74 percent of the total revenue with the other 26 percent consisting of federal & state aid, charges for service, operating grants & contributions, and miscellaneous sources. Table 3 below summarizes these revenues for FY2015 and FY2014.

TABLE 3  
DISTRICT-WIDE REVENUES

	<u>FY2015</u>		<u>FY2014</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$21,277,775.00	74.00%	\$20,922,199.00	81.00%
Federal & State Grants not Restricted	2,012,953.00	7.00%	1,952,130.00	8.00%
Miscellaneous Income	182,132.51	1.00%	156,192.02	1.00%
Charges for Services	346,322.42	1.00%	332,315.01	1.00%
Operating Grants and Contributions	5,018,389.44	17.00%	2,258,593.78	9.00%
	<u>\$28,837,572.37</u>	<u>100.00%</u>	<u>\$25,621,429.81</u>	<u>100.00%</u>

**Expenses for the Fiscal Year 2015**

The total expenditures for the 2014-2015 fiscal year for all programs and services were \$27,730,791.94. Table 4 below summarizes these program costs.

TABLE 4  
DISTRICT-WIDE EXPENSES

	<u>FY2015</u>		<u>FY2014</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$16,347,106.85	58.00%	\$14,186,336.27	55.00%
Pupils and Instructional Staff	4,430,785.33	16.00%	3,992,656.67	16.00%
General & School Adm., Central				
Services & Adm. Technology	2,206,950.98	8.00%	2,406,707.14	9.00%
Maintenance	2,144,863.20	8.00%	2,216,704.94	9.00%
Transportation	1,547,187.72	6.00%	1,465,885.80	6.00%
Interest on Long-Term Debt	634,804.61	2.00%	825,638.37	3.00%
Other				
Business-Type	419,093.25	2.00%	406,338.42	2.00%
	<u>\$27,730,791.94</u>	<u>100.00%</u>	<u>\$25,500,267.61</u>	<u>100.00%</u>

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
COLTS NECK, NEW JERSEY**

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

The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through eight, which accounts for 79 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in both school buildings. Maintenance and operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, unallocated depreciation expense and the costs of the business-type activities of the proprietary funds. It is important to note that depreciation expense on capital assets is included in expenses for the year under this accounting reporting model; expenses therefore include \$1,144,263.22 for depreciation for Governmental Activities.

**Governmental Activities**

Table 5 presents the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) of District activities. The net cost shows the financial burden placed on the District's taxpayers and the state by each of these functions.

TABLE 5  
NET COST OF SERVICES

	Total Cost of Services <u>FY2015</u>	Total Cost of Services <u>FY2014</u>	Net Cost of Services <u>FY2015</u>	Net Cost of Services <u>FY2014</u>
Instruction	\$16,347,106.85	\$14,186,336.27	\$12,868,155.21	\$12,783,710.51
Pupils and Instructional Staff	4,430,785.33	3,992,656.67	3,469,299.93	3,345,879.48
General & School Adm., Central Services & Administrative Tech.	2,206,950.98	2,406,707.14	1,957,652.47	2,299,756.32
Maintenance	2,144,863.20	2,216,704.94	2,144,863.20	2,216,704.94
Transportation	1,547,187.72	1,465,885.80	1,325,152.15	1,465,885.80
Interest on Long-Term Debt	634,804.61	825,638.37	576,392.61	766,121.37
Business-Type	419,093.25	406,338.42	24,564.51	31,300.40
Other				
Total Expenses	<u>\$27,730,791.94</u>	<u>\$25,500,267.61</u>	<u>\$22,366,080.08</u>	<u>\$22,909,358.82</u>

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
COLTS NECK, NEW JERSEY**

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

**General Fund Budgeting Highlights**

The District's budget is prepared according to New Jersey Statutes and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting.

Over the course of the year, the Board of Education approved revisions to the general fund budget as needed. These budget amendments were necessary for the following reasons:

- Realign budgeted salary accounts as needed to account for staff transfers to various programs.
- Realigned appropriations in accordance with the prescribed chart of accounts as modified by the comprehensive educational improvement and financing act.
- Transferred from unexpended appropriations to purchase teaching materials and equipment to meet various program needs.

**Capital Assets**

During the fiscal year 2014-2015 the District's depreciation expense exceeded capital acquisitions, therefore capital assets net of depreciation decreased by \$821,217.52. Table 6 reflects the comparative balances of capital assets net of depreciation. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

Table 6  
Capital Assets (Net of Depreciation) at June 30,

	<u>2015</u>	<u>2014</u>
Land	\$7,114,624.00	\$7,114,624.00
Construction in Progress	82,800.00	
Site Improvements	402,193.89	424,933.18
Building Improvements	20,644,193.58	21,476,420.07
Machinery and Equipment	1,221,760.32	1,270,812.06
	<u>\$29,465,571.79</u>	<u>\$30,286,789.31</u>

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
COLTS NECK, NEW JERSEY**

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

**Debt Administration**

At June 30, 2015, the District had \$23,771,830.06 of outstanding long-term debt, consisting of bonds payable, compensated absences, capital leases and Net Pension Liability. The District will continue to pay down its debt, as the obligations are due. Table 7 reflects the comparison of outstanding debt for the past two fiscal years. More information of the District's long-term debt is presented in Note 4 to the financial statements.

Table 7  
Long-Term Debt, June 30

	<u>FY 2015</u>	<u>FY 2014</u>
Capital Leases	\$134,036.36	\$216,439.36
Compensated Absences	682,377.50	584,138.50
Bonds Payable	15,610,000.00	16,225,000.00
Unamortized Bond Premium	1,311,998.20	
Net Pension Expense Payable	<u>6,033,418.00</u>	<u>6,682,554.00</u>
	<u>\$23,771,830.06</u>	<u>\$23,708,131.86</u>

**Contacting the 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 District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Mr. Vincent S. Marasco, School Business Administrator/Board Secretary, Colts Neck Township School District, 70 Conover Road, Colts Neck, New Jersey 07722.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2015

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$3,566,270.18	\$87,948.04	\$3,654,218.22
Receivables, net	412,876.53	43,013.15	455,889.68
Inventory		8,008.51	8,008.51
Restricted assets:			
Restricted cash and cash equivalents	1,958,579.49		1,958,579.49
Capital assets:			
Land and construction in progress	7,197,424.00		7,197,424.00
Other capital assets net of depreciation	22,268,147.79	9,447.25	22,277,595.04
Total Assets	<u>35,403,297.99</u>	<u>148,416.95</u>	<u>35,551,714.94</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
Related to loss from debt refunding	1,611,998.20		1,611,998.20
Related to pensions	518,638.00		518,638.00
Total Deferred Outflows	<u>2,130,636.20</u>		<u>2,130,636.20</u>
<b>LIABILITIES:</b>			
Accounts payable	391,804.94	26,426.99	418,231.93
Interfund Payable	35,000.00		35,000.00
Unearned revenue	405.00	46,101.81	46,506.81
Accrued interest payable	152,391.30		152,391.30
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	1,274,254.99		1,274,254.99
Due beyond one year:			
Pension Liability	6,033,418.00		6,033,418.00
Compensated absences payable	682,377.50		682,377.50
Bonds and capital leases payable	15,781,779.57		15,781,779.57
Total liabilities	<u>24,351,431.30</u>	<u>72,528.80</u>	<u>24,423,960.10</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>			
Related to pensions	801,938.00		801,938.00
<b>NET POSITION:</b>			
Net investment in capital assets	14,021,535.43	9,447.25	14,030,982.68
Restricted for:			
Capital projects fund	690,060.00		690,060.00
Debt service fund (deficit)	(152,010.54)		(152,010.54)
Other purposes	3,120,950.90		3,120,950.90
Unrestricted	<u>(5,299,970.90)</u>	<u>66,440.90</u>	<u>(5,233,530.00)</u>
Total Net Position	<u><u>12,380,564.89</u></u>	<u><u>\$75,888.15</u></u>	<u><u>12,456,453.04</u></u>

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

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
JUNE 30, 2015

Functions/Programs	Expenses	Indirect Cost Allocation	Programs Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Instruction:							
Regular	\$ 10,755,077.64	\$ 986,117.50	\$	2,295,586.82	\$	\$	\$ (9,445,608.32)
Special	3,808,022.79			1,003,710.21	(2,804,312.58)	(2,804,312.58)	(2,804,312.58)
Other Instruction	797,888.92			179,654.61	(618,234.31)	(618,234.31)	(618,234.31)
Support services:							
Student and instruction related services	4,395,679.13	35,106.20		961,485.40	(3,469,299.93)	(3,469,299.93)	(3,469,299.93)
General administrative services	672,584.75	1,105.00			(673,689.75)	(673,689.75)	(673,689.75)
School administrative services	1,055,667.94	12,352.05		249,298.51	(818,721.48)	(818,721.48)	(818,721.48)
Central service	352,164.51	12,737.50			(364,902.01)	(364,902.01)	(364,902.01)
Administrative information technology	100,339.23				(100,339.23)	(100,339.23)	(100,339.23)
Plant operations and maintenance	2,110,931.17	33,932.03		222,035.57	(2,144,863.20)	(2,144,863.20)	(2,144,863.20)
Pupil transportation	1,386,035.78	161,151.94		58,412.00	(1,325,152.15)	(1,325,152.15)	(1,325,152.15)
Interest on long-term debt	634,804.61	(98,239.00)			(576,392.61)	(576,392.61)	(576,392.61)
Unallocated Compensated Absences	98,239.00						
Unallocated depreciation	1,144,263.22	(1,144,263.22)					
Total governmental activities	27,311,698.69			4,970,183.12	(22,341,515.57)	(22,341,515.57)	(22,341,515.57)
<b>Business-type activities</b>							
Food service	365,746.35			308,939.31	(8,600.72)	(8,600.72)	(8,600.72)
Preschool tuition program	53,346.90			37,383.11	(15,963.79)	(15,963.79)	(15,963.79)
Total business-type activities	419,093.25			346,322.42	(24,564.51)	(24,564.51)	(24,564.51)
Total primary government	\$ 27,730,791.94	\$	\$	346,322.42	\$ 5,018,389.44	\$ (22,341,515.57)	\$ (22,366,080.08)
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes, levied for general purposes, net					\$ 19,726,580.00	\$	\$ 19,726,580.00
Taxes levied for debt service					1,551,195.00		1,551,195.00
Federal and state aid not restricted					2,012,953.00		2,012,953.00
Miscellaneous income					141,071.23	41.15	141,112.38
Transfers					(35,000.00)	35,000.00	
Disposal of Capital Assets					(14,166.37)		(14,166.37)
Adjustment to Capital Assets					55,186.50		55,186.50
Total general revenues and special items					23,437,819.36	35,041.15	23,472,860.51
Change in net position					1,086,303.79	10,476.64	1,106,780.43
Net position - beginning (restated)					11,284,261.10	65,411.51	11,349,672.61
Net position - ending					12,380,564.89	75,888.15	12,456,453.04

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

## **MAJOR FUND FINANCIAL STATEMENTS**

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

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 2,802,267.42	\$	\$ 669,180.00	\$ 94,822.76	\$ 3,566,270.18
Cash, capital reserve	1,958,579.49				1,958,579.49
Due from other funds	100,179.93				100,179.93
Receivables from other governments	<u>270,328.53</u>	<u>101,268.00</u>	<u>41,280.00</u>		<u>412,876.53</u>
<b>Total assets</b>	<b>\$ <u>5,131,355.37</u></b>	<b>\$ <u>101,268.00</u></b>	<b>\$ <u>710,460.00</u></b>	<b>\$ <u>94,822.76</u></b>	<b>\$ <u>6,037,906.13</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 62,206.87	\$ 683.07	\$	\$	\$ 62,889.94
Interfund payables	35,000.00	100,179.93			135,179.93
Unearned revenue		<u>405.00</u>			<u>405.00</u>
<b>Total liabilities</b>	<u>97,206.87</u>	<u>101,268.00</u>			<u>198,474.87</u>
<b>Fund balances:</b>					
<b>Restricted:</b>					
Capital reserve account	1,958,579.49				1,958,579.49
Emergency reserve account	93,000.00				93,000.00
Maintenance reserve account	174,475.00				174,475.00
Excess Surplus - Designated for Subsequent Year's Expenditures	281,534.95				281,534.95
Excess surplus	613,361.46				613,361.46
Capital projects fund			690,060.00		690,060.00
Debt service fund				380.76	380.76
<b>Assigned:</b>					
Designated for subsequent years expenditures	600,000.05			94,442.00	694,442.05
Encumbrances	70,273.30		20,400.00		90,673.30
Unassigned	<u>1,242,924.25</u>				<u>1,242,924.25</u>
<b>Total fund balances</b>	<u>5,034,148.50</u>		<u>710,460.00</u>	<u>94,822.76</u>	<u>5,839,431.26</u>
<b>Total liabilities and fund balances</b>	<b>\$ <u>5,131,355.37</u></b>	<b>\$ <u>101,268.00</u></b>	<b>\$ <u>710,460.00</u></b>	<b>\$ <u>94,822.76</u></b>	<b>\$ <u>6,037,906.13</u></b>

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

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

Total Fund Balances (Brought Forward)		\$5,839,431.26
<p>Amounts Reported for Governmental Activities in the Statement of Net Assets (A-1) are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Cost of Assets	\$49,846,276.35	
Accumulated Depreciation	<u>(20,380,704.56)</u>	29,465,571.79
<p>Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
Net Pension Liability	(6,033,418.00)	
Compensated Absences	(682,377.50)	
Bonds Payable	(15,610,000.00)	
Unamortized of Refunding Bond Premium	<u>(1,311,998.20)</u>	
Capital Leases	<u>(134,036.36)</u>	(23,771,830.06)
<p>Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.</p>		
Pensions:		
Deferred Outflows		
Pension related	189,723.00	
Employer Contribution related to pensions	<u>328,915.00</u>	518,638.00
Deferred Inflows:		
Pension related		(801,938.00)
Refunding Bonds:		
Deferred Outflow:		
Loss on Refunding Bonds		1,611,998.20
<p>Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.</p>		
Accounts Payable - Pension Related	(328,915.00)	
Accrued Interest Payable	<u>(152,391.30)</u>	<u>(481,306.30)</u>
Net Position of Governmental Activities		<u>\$12,380,564.89</u>

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

COLTS NECK TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 19,726,580.00	\$	\$	1,551,195.00	\$ 21,277,775.00
Transportation Fees from other LEAs	222,035.57				222,035.57
Miscellaneous	133,180.18	6,743.51		372.03	140,295.72
Interest on capital reserve	775.51				775.51
Total - local sources	<u>20,082,571.26</u>	<u>6,743.51</u>		<u>1,551,567.03</u>	<u>21,640,881.80</u>
State sources	3,301,868.55		41,280.00	132,755.00	3,475,903.55
Federal sources	680,686.00	253,819.00			934,505.00
Total revenues	<u>24,065,125.81</u>	<u>260,562.51</u>	<u>41,280.00</u>	<u>1,684,322.03</u>	<u>26,051,290.35</u>
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	9,538,594.52				9,538,594.52
Special instruction	3,168,809.83	228,312.00			3,397,121.83
Other Instruction	702,685.90				702,685.90
Support services:					
Student and instruction related services	3,874,176.12	25,507.00			3,899,683.12
General administrative services	677,753.69				677,753.69
School administrative services	923,559.05				923,559.05
Central services	357,333.45				357,333.45
Administrative information technology	101,816.07				101,816.07
Plant operations and maintenance	2,125,699.57				2,125,699.57
Pupil transportation	1,396,373.66				1,396,373.66
Debt service:					
Principal	82,403.00			915,000.00	997,403.00
Interest	4,651.26			769,656.80	774,308.06
Capital outlay	232,951.06	6,743.51	82,800.00		322,494.57
Total expenditures	<u>23,186,807.18</u>	<u>260,562.51</u>	<u>82,800.00</u>	<u>1,684,656.80</u>	<u>25,214,826.49</u>
Excess (deficiency) of revenues over (under) expenditures	878,318.63		(41,520.00)	(334.77)	836,463.86
Other financing sources (uses):					
Transfers in/(out)	(786,980.00)		658,286.60	93,693.40	(35,000.00)
Refunding Bond Proceeds			11,026,998.20		11,026,998.20
Payment to Refunded Bonds Escrow Agent			(10,900,962.94)		(10,900,962.94)
Cost of Issuance			(126,035.26)		(126,035.26)
Total other financing sources (uses)	<u>(786,980.00)</u>		<u>658,286.60</u>	<u>93,693.40</u>	<u>(35,000.00)</u>
Net change in fund balances	91,338.63		616,766.60	93,358.63	801,463.86
Fund balances, July 1, 2014	4,942,809.87	\$ -0-	\$ 93,693.40	\$ 1,464.13	\$ 5,037,967.40
Fund balances, June 30, 2015	<u>\$ 5,034,148.50</u>	<u>\$ -0-</u>	<u>\$ 710,460.00</u>	<u>\$ 94,822.76</u>	<u>\$ 5,839,431.26</u>

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

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total net change in fund balances - governmental funds (from B-2)		\$801,463.86
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period</p>		
Depreciation expense		(1,144,263.22)
Capital outlays	\$322,494.57	
Less: Capital Outlays not capitalized	<u>(40,469.00)</u>	282,025.57
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		915,000.00
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
Payment of capital lease payable		82,403.00
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		179,972.45
<p>In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed(-).</p>		
		(14,166.37)
<p>In the statement of activities, contributed capital assets are reflected in the activity in which they are utilized whereas in the governmental funds, they are reflected as an expense. The change in net assets on the statement of activities must therefore reflect this contribution as a transfer</p>		
		55,186.50
<p>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.</p>		
District pension contributions	265,659.00	
Less: Pension expense	<u>(228,738.00)</u>	36,921.00
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In 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 (+).</p>		
		<u>(98,239.00)</u>
Change in net position of governmental activities (A-2)		<u><u>\$1,096,303.79</u></u>

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

**OTHER FUNDS**

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF NET POSITION  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>TOTAL</u> <u>JUNE 30, 2015</u>
	<u>MAJOR FUNDS</u>		
	<u>FOOD</u> <u>SERVICE</u> <u>FUND</u>	<u>PRESCHOOL</u> <u>TUITION PROGRAM</u> <u>FUND</u>	
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$33,919.81	\$54,028.23	\$87,948.04
Accounts receivable:			
State	509.93		509.93
Federal	6,303.22		6,303.22
Other	35,000.00	1,200.00	36,200.00
Inventories	8,008.51		8,008.51
	<u>83,741.47</u>	<u>55,228.23</u>	<u>138,969.70</u>
Total current assets			
Noncurrent assets:			
Furniture, machinery and equipment	241,305.00		241,305.00
Less accumulated depreciation	<u>(231,857.75)</u>		<u>(231,857.75)</u>
	<u>9,447.25</u>		<u>9,447.25</u>
Total noncurrent assets			
	<u>93,188.72</u>	<u>55,228.23</u>	<u>148,416.95</u>
Total assets			
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts Payable	26,426.99		26,426.99
Unearned revenue	8,201.81	37,900.00	46,101.81
	<u>34,628.80</u>	<u>37,900.00</u>	<u>72,528.80</u>
Total current liabilities			
	<u>34,628.80</u>	<u>37,900.00</u>	<u>72,528.80</u>
Total liabilities			
<b>NET POSITION:</b>			
Net investment in capital assets	9,447.25		9,447.25
Unrestricted	49,112.67	17,328.23	66,440.90
	<u>\$58,559.92</u>	<u>\$17,328.23</u>	<u>\$75,888.15</u>
Total net position			

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

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>MAJOR FUNDS</u>		
	<u>FOOD SERVICE FUND</u>	<u>PRESCHOOL TUITION PROGRAM FUND</u>	<u>TOTAL JUNE 30, 2015</u>
<b>OPERATING REVENUES:</b>			
Charges for services:			
Daily sales	\$306,066.11		\$306,066.11
Special Functions	2,873.20		2,873.20
Tuition - individuals		\$37,383.11	37,383.11
<b>Total operating revenues</b>	<b>308,939.31</b>	<b>37,383.11</b>	<b>346,322.42</b>
<b>OPERATING EXPENSES:</b>			
Cost of sales	152,899.50		152,899.50
Salaries	114,883.15	43,036.60	157,919.75
Employee benefits	27,169.91	9,660.30	36,830.21
Supplies and materials	41,015.99	650.00	41,665.99
Management Fees	20,000.00		20,000.00
Miscellaneous	8,893.89		8,893.89
Depreciation	883.91		883.91
<b>Total operating expenses</b>	<b>365,746.35</b>	<b>53,346.90</b>	<b>419,093.25</b>
<b>Operating income (loss)</b>	<b>(56,807.04)</b>	<b>(15,963.79)</b>	<b>(72,770.83)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
State sources:			
State school lunch program	2,472.68		2,472.68
Federal sources:			
National school lunch program	30,523.62		30,523.62
National food distribution commodities	15,210.02		15,210.02
Interest	41.15		41.15
<b>Total non-operating revenues (expenses)</b>	<b>48,247.47</b>		<b>48,247.47</b>
<b>Income/(loss) before contributions and transfers</b>	<b>(8,559.57)</b>	<b>(15,963.79)</b>	<b>(24,523.36)</b>
Other financing sources			
Transfers in	35,000.00		35,000.00
<b>Total other financing sources</b>	<b>35,000.00</b>		<b>35,000.00</b>
<b>Change in net position</b>	<b>26,440.43</b>	<b>(15,963.79)</b>	<b>10,476.64</b>
<b>Total net position - beginning</b>	<b>32,119.49</b>	<b>33,292.02</b>	<b>65,411.51</b>
<b>Total net position - ending</b>	<b>\$58,559.92</b>	<b>\$17,328.23</b>	<b>\$75,888.15</b>

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

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>MAJOR FUNDS</u>		
	<u>FOOD SERVICE FUND</u>	<u>PRESCHOOL TUITION PROGRAM FUND</u>	<u>TOTAL JUNE 30, 2015</u>
Cash flows from operating activities:			
Receipts from customers	\$308,475.00	\$47,303.11	\$355,778.11
Payments to employees	(114,883.15)	(43,036.60)	(157,919.75)
Payments to employee benefits	(27,169.91)	(9,660.30)	(36,830.21)
Payments to suppliers	(198,324.94)	(650.00)	(198,974.94)
Net cash provided by (used for) operating activities	<u>(31,903.00)</u>	<u>(6,043.79)</u>	<u>(37,946.79)</u>
Cash flows from noncapital financing activities:			
State sources	2,498.68		2,498.68
Federal sources	30,882.76		30,882.76
Net cash provided by noncapital financing activities	<u>33,381.44</u>		<u>33,381.44</u>
Cash flows from investing activities:			
Interest and dividends	41.15		41.15
Net cash provided by investing activities	<u>41.15</u>		<u>41.15</u>
Net increase/(deficit) in cash and cash equivalents	1,519.59	(6,043.79)	(4,524.20)
Cash and cash equivalents, July 1, 2014	<u>32,400.22</u>	<u>60,072.02</u>	<u>92,472.24</u>
Cash and cash equivalents, June 30, 2015	<u><u>33,919.81</u></u>	<u><u>54,028.23</u></u>	<u><u>87,948.04</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	(56,807.04)	(15,963.79)	(72,770.83)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	883.91		883.91
Federal commodities	15,210.02		15,210.02
Change in assets and liabilities:			
Increase (decrease) in unearned revenue	(2,240.42)	9,920.00	7,679.58
Increase in accounts payable	3,329.81		3,329.81
Decrease in inventories	7,720.72		7,720.72
	<u>24,904.04</u>	<u>9,920.00</u>	<u>34,824.04</u>
Net cash provided by (used for) operating activities	<u><u>(\$31,903.00)</u></u>	<u><u>(\$6,043.79)</u></u>	<u><u>(\$37,946.79)</u></u>

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



COLTS NECK TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>STATE UNEMPLOYMENT COMPENSATION TRUST FUND</u>
ADDITIONS:	
Contributions:	
Plan members	\$ 38,645.67
Other	100,000.00
Total contributions	138,645.67
Investment earnings:	
Interest	124.91
Net investment earnings	124.91
Total additions	138,770.58
DEDUCTIONS:	
Unemployment claims	74,932.73
Total deductions	74,932.73
Change in net position	63,837.85
Net position beginning of year	181,277.85
Net position end of year	\$ 245,115.70

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

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

The Township of Colts Neck School District is a Type II District located in Monmouth County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the Colts Neck School District, comprised of nine elected individuals, is the primary governing authority of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39), as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component unit, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (Continued)**

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools and middle schools for Grades K thru 8, located in the Township of Colts Neck. The Township is part of the Freehold Regional High School District for Grades 9 thru 12. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Basis of Presentation**

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

*District-Wide Statements:* The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation**

*Fund Financial Statements:* During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements are presented for each fund category-governmental, proprietary, and fiduciary. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE as the oversight entity believes that the presentation of all funds as major is important for the public interest and to promote consistency among District financial reporting models.

**Governmental Fund Types**

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. U.S. Generally Accepted Accounting Principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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 the current expense by Board resolution; in certain instances approval by the County Superintendent of Schools may also be required.

**Special Revenue Fund** The special revenue fund is used to account for the proceeds of specific revenue sources from State and Federal Government (other than those for major capital projects, debt service or proprietary funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Types**

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

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

**Proprietary Funds**

**Enterprise Fund** The enterprise fund accounts for all revenues and expenses pertaining to the District's Food Service and Preschool Tuition programs operations. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (*i.e.* expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

**Fiduciary Funds**

**Agency Funds** The agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District. The agency funds included are as follows:

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

**Unemployment Insurance Trust Funds** An expendable trust fund used to account for unemployment compensation claims as they arise.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting-Measurement Focus**

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements.

*District-Wide, Proprietary, and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation for expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. 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. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 totaled \$751,980.00, which came from the Capital Reserve Fund Balance.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of one or more deferred State Aid payments for budgetary purposes only due to the State deferral of such payments into the subsequent budget year and the accounting treatment of encumbrances in the special revenue fund as described 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 recognized 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 records.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Encumbrance Accounting**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditures 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 and capital project funds for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end.

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

**Interfunds**

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

**Inventories and Prepaid Expenses**

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures in the year of purchase.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	10
Instructional Equipment	10
Grounds Equipment	15
Buses	12

**Compensated Absences**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences (Continued)**

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave and vacation days that are expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

**Unearned Revenue**

Unearned revenue in the special revenue and proprietary funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is an allowable practice under generally accepted accounting principles.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the district-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long term debt is recognized as a liability on the fund financial statements when due.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position**

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. In compliance with GASB 63, the Statement of Net Position has been renamed the Statement of Net Position. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. 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. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**Fund Balance – Governmental Funds**

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Emergency Reserve, Maintenance Reserve and Excess Surplus as Restricted Fund Balance.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances as Assigned Fund Balance.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Reserves (Continued)**

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

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

The general fund is the only fund that will report a negative unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned.

**Revenues Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, “available” means within sixty days of the fiscal year end. Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, property taxes, grants, entitlements, and donations.

On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues Exchange and Non-Exchange Transactions (Continued)**

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal yearend: property taxes available as an advance, interest, and tuition.

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**Allocation of Indirect Expenses**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities.

**Extraordinary and Special Items**

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

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Management Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**Accounting and Financial Reporting for Pensions**

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounting and Financial Reporting for Pensions (Continued)**

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial 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. Currently, the District has only two items that qualify for reporting in this category, deferred amounts from refunding debt and deferred amounts related to pensions.

In addition to liabilities, the statement of financial 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 period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualify in this category, deferred amounts related to pension.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The Board considers petty cash, change funds, cash in banks, and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

**Deposits**

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits.

Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), 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 the deposits to the governmental unit.

The Township of Colts Neck School District had the following cash and cash equivalents at June 30, 2015:

<u>Fund Type</u>	<u>Cash in Bank</u>
Governmental	\$ 5,841,557.59
Proprietary	140,391.98
Fiduciary	930,643.71
Total Cash on Deposit	<u>6,912,593.28</u>
Less: Reconciling Items	<u>(415,063.94)</u>
 Total Book Balance 06/30/15	 <u>\$ 6,497,529.34</u>

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Deposits**

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2015, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$6,912,593.28, \$250,000.00 was covered by Federal Depository Insurance and \$6,662,593.28 was covered under the provisions of NJGUDPA.

**Investments**

The types of investments which may be purchased by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located;

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Investments (Continued)**

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2015, the District had no outstanding investments.

Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 3: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$7,114,624.00			\$7,114,624.00
Construction in Progress		\$82,800.00		82,800.00
Total Capital Assets not being depreciated	<u>7,114,624.00</u>	<u>82,800.00</u>		<u>7,197,424.00</u>
Site improvements	836,304.10	18,295.00		854,599.10
Buildings & Building Improvements	38,583,874.61	10,971.00		38,594,845.61
Machinery & Equipment	<u>3,204,661.57</u>	<u>225,146.07</u>	<u>(\$230,400.00)</u>	<u>3,199,407.64</u>
Totals at historical cost	<u>42,624,840.28</u>	<u>254,412.07</u>	<u>(230,400.00)</u>	<u>42,648,852.35</u>
Gross Assets (Memo only)	<u>49,739,464.28</u>	<u>337,212.07</u>	<u>(230,400.00)</u>	<u>49,846,276.35</u>
Less: Accumulated Depreciation				
Site improvements	(411,370.92)	(41,034.29)		(452,405.21)
Buildings & Building Improvements	(17,105,930.79)	(843,197.49)		(17,949,128.28)
Machinery & Equipment	<u>(1,935,373.26)</u>	<u>(260,031.44)</u>	<u>216,233.63</u>	<u>(1,979,171.07)</u>
Total Depreciation	<u>(19,452,674.97)</u>	<u>(1,144,263.22)</u>	<u>216,233.63</u>	<u>(20,380,704.56)</u>
Total capital assets being depreciated, net of depreciation	<u>23,172,165.31</u>	<u>(889,851.15)</u>	<u>(14,166.37)</u>	<u>22,268,147.79</u>
Total Governmental Fund Activities	<u>30,286,789.31</u>	<u>(807,051.15)</u>	<u>(14,166.37)</u>	<u>29,465,571.79</u>
Proprietary Activities:				
Machinery & Equipment	<u>\$241,305.00</u>			<u>\$241,305.00</u>
Totals at historical cost	<u>241,305.00</u>			<u>241,305.00</u>
Less: Accumulated Depreciation				
Machinery & Equipment	<u>(230,973.84)</u>	<u>(883.91)</u>		<u>(231,857.75)</u>
Total Depreciation	<u>(230,973.84)</u>	<u>(883.91)</u>		<u>(231,857.75)</u>
Total Proprietary Fund Activities	<u>\$10,331.16</u>	<u>(\$883.91)</u>		<u>\$9,447.25</u>

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 3: CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functional expenses areas of the District as follows:

Instruction:	
Regular	(\$940,602.50)
Support services:	
Student & instruction related services	(5,981.20)
School administrative services	(17,912.05)
Plant operations and maintenance	(30,654.53)
Pupil transportation	<u>(149,112.94)</u>
	<u><u>(\$1,144,263.22)</u></u>

**NOTE 4: LONG-TERM LIABILITIES**

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2015:

Governmental Funds:

	Balance June 30, <u>2014</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2015</u>	Amounts due Within <u>one year</u>
Bonds Payable	\$16,225,000.00	\$9,715,000.00	\$10,330,000.00	\$15,610,000.00	\$1,090,000.00
Unamortized Bond Premium		1,311,998.20		1,311,998.20	111,636.43
Compensated Absences	584,138.50	103,799.00	5,560.00	682,377.50	
Capital Leases Payable	216,439.36		82,403.00	134,036.36	84,254.99
Net Pension Liability	<u>6,682,554.00</u>		<u>649,136.00</u>	<u>6,033,418.00</u>	
Balance June 30, 2015	<u>\$23,708,131.86</u>	<u>\$11,130,797.20</u>	<u>\$11,067,099.00</u>	<u>\$23,771,830.06</u>	<u>\$1,285,891.42</u>

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2015, including interest payments on issued debt, are as follows:

Fiscal Year <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY2016	\$1,090,000.00	\$555,105.14	\$1,645,105.14
FY2017	1,040,000.00	608,650.00	1,648,650.00
FY2018	1,080,000.00	567,350.00	1,647,350.00
FY2019	1,150,000.00	524,450.00	1,674,450.00
FY2020	1,205,000.00	468,000.00	1,673,000.00
FY2021	1,265,000.00	407,750.00	1,672,750.00
FY2022	1,320,000.00	351,200.00	1,671,200.00
FY2023	1,375,000.00	298,400.00	1,673,400.00
FY2024	1,430,000.00	243,400.00	1,673,400.00
FY2025	1,490,000.00	186,200.00	1,676,200.00
FY2026	1,550,000.00	126,600.00	1,676,600.00
FY2027	<u>1,615,000.00</u>	<u>64,600.00</u>	<u>1,679,600.00</u>
	<u>\$15,610,000.00</u>	<u>\$4,401,705.14</u>	<u>\$20,011,705.14</u>

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

<u>Issue</u>	<u>Amount Outstanding June 30, 2015</u>	<u>Bonds Authorized But Not Issued</u>
\$13,250,000.00 in School Bonds dated February 1, 2002, due in remaining annual installments ranging between \$75,000.00 and \$1,170,000.00 beginning February 1, 2016 and ending February 1, 2021 with interest from 4.30% to 5.00%	\$3,115,000.00	-0-
\$4,895,000.00 in Refunding School Bonds dated July 1, 2005, due in remaining annual installments ranging between \$890,000.00 and \$965,000.00 beginning July 1, 2016 and ending July 1, 2018 with interest at 4.00%	2,780,000.00	-0-
\$9,715,000.00 in Refunding School Bonds dated April 30, 2015 due in remaining annual installments ranging between \$35,000.00 and \$1,615,000.00 beginning February 1, 2016 and ending February 1, 2027 with interest from 2.00% to 5.00%	9,715,000.00	-0-
	\$15,610,000.00	-0-

**Refunding Bonds**

During FY2015, the District issued refunding school bonds, series 2015 (new debt), in the principal amount of \$9,715,000.00. Proceeds from the issue were deposited to an irrevocable escrow account with a third party trustee to effect an in substance defeasance of \$9,415,000.00 in existing series 2002 school bonds (old debt). Debt service requirements for the old debt totals \$17,699,375.00; debt service for the new debt will be \$17,006,305.14, resulting in a cash flow savings of \$663,069.86 and a net present value savings of \$587,409.30. Both the old and new debt are scheduled to mature in 2027.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

**Bonds Authorized But Not Issued**

As of June 30, 2015, the District had no Bonds Authorized but not issued.

**Capital Leases Payable**

The District is leasing school buses totaling \$417,169.91 under capital leases. This capital leases are for terms of five years. The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2015:

Fiscal Year Ended <u>June 30,</u>	<u>Amount</u>
2016	\$87,054.26
2017	<u>50,684.86</u>
Total Minimum Lease Payments	137,739.12
Less: Amount Representing Interest	<u>3,702.76</u>
Present Value of Lease Payments	<u><u>\$134,036.36</u></u>

The following schedule lists the gross amount of the equipment recorded under the capital lease, along with the accumulated depreciation.

<u>Description</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Remaining Value</u>
1 - 54 Passenger Bus	\$78,783.69	\$24,261.64	\$54,522.05
2 - 19 Passenger Vans	93,255.20	28,753.68	64,501.52
3 - 54 Passenger Bus	<u>245,131.02</u>	<u>68,325.50</u>	<u>176,805.52</u>
Transportation Equipment	<u><u>\$417,169.91</u></u>	<u><u>\$121,340.82</u></u>	<u><u>\$295,829.09</u></u>

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 5: PENSION PLANS**

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

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 5: PENSION PLANS (CONTINUED)**

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20-year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions

The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 5: PENSION PLANS (CONTINUED)**

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e. the State of New Jersey makes the employer contribution on behalf of public school districts.

Contribution Requirements:

Three Year Trend Information for PERS

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2015	\$265,659.00	100%	\$265,659.00
2014	263,456.00	100%	263,456.00
2013	259,493.00	100%	259,493.00

Three Year Trend Information for TPAF (On-behalf Contributions)

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2015	\$517,915.00	100%	\$517,915.00
2014	421,962.00	100%	421,962.00
2013	669,339.00	100%	669,339.00

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 5: PENSION PLANS (CONTINUED)**

In accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District for the years ended June 30, 2015, 2014 and 2013 \$745,121.55, \$789,217.45 and \$703,123.14 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**

**Public Employees Retirement System (PERS)**

At June 30, 2015, the District reported a liability of \$6,033,418.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.0322250907 percent, which was a decrease of 0.0027401570 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$228,738.00. 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 Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Changes of assumptions		\$189,723.00
Net difference between projected and actual earnings on pension plan investments	\$359,559.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	442,379.00	
District contributions subsequent to the measurement date		328,915.00
	<u>\$801,938.00</u>	<u>\$518,638.00</u>

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(Continued)**

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

The \$328,915.00 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>June 30</u>	<u>Amount</u>
2016	(\$55,014.18)
2017	(\$55,014.18)
2018	(\$55,014.18)
2019	\$34,875.56
Thereafter	\$15,345.25

**Additional Information**

Collective balances at June 30, 2014 and 2013 are as follows:

	<u>6/30/2014</u>	<u>6/30/2013</u>
Collective deferred outflows of resources	\$1,452,705,538	Not Available
Collective deferred inflows of resources	2,146,719,012	Not Available
Collective net pension liability	38,849,838,953	38,410,610,030
District's Proportion	0.0322250907%	0.0349652477%

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**Actuarial Assumptions**

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

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

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

**Mortality Rates**

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

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**Actuarial Assumptions (Continued)**

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 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 Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**Actuarial Assumptions (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	June 30, 2014		
	1% Decrease <u>4.39%</u>	1% Decrease <u>5.39%</u>	1% Increase <u>6.39%</u>
District's proportionate share of the pension liability	\$7,590,246.00	\$6,033,418.00	\$4,726,080.00

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)**

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

**Pension plan fiduciary net position.**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

**Teachers Pensions and Annuity Fund (TPAF)**

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.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2015 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$53,310,526</u>
	<u><u>\$53,310,526</u></u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was .0997451300%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$2,868,607 for contributions provided by the State.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions**

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

Inflation rate	2.50%
Salary increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

**Mortality rates**

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:

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions (Continued)**

**Long-Term Expected Rate of Return (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%
	<u>100.00%</u>	

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 7: OTHER POST-RETIREMENT BENEFITS**

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

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

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, 2014 there were 103,432 retirees eligible for 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 premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The state is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who 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.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 7: OTHER POST-RETIREMENT BENEFITS (Continued)**

The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2015, 2014 and 2013 were, \$822,188.00, \$691,860.00 and \$756,854.00 respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School Commission was not determined or made available by the State of New Jersey.

**NOTE 8: LITIGATION**

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District and which might materially affect the District's financial position.

**NOTE 9: CONTINGENCIES**

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2014-2015 fiscal year were subject to the U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$500,000. Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

**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 insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 10: RISK MANAGEMENT (Continued)**

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

<u>Year Ended</u> <u>June 30,</u>	<u>Board</u> <u>Contributions</u>	<u>Interest</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2015	\$100,000.00	\$124.91	\$38,645.67	\$74,932.73	\$245,115.70
2014	80,000.00	93.66	41,704.18	52,546.59	181,277.85
2013	75,000.00	86.80	37,469.19	123,784.65	112,026.60

**NOTE 11: COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2015, a liability existed for compensated absences for governmental fund-types in the district- wide Statement of Net Position of \$682,377.50

For additional descriptive information, see Note 1: Summary of Significant Accounting Policies.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 12: FUND BALANCE APPROPRIATED**

**General Fund** The table below reflects the District's Fund Balance at June 30, 2015 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

	<u>Budgetary</u>		<u>GAAP</u>
	<u>Basis</u>	<u>Adjustment</u>	<u>Basis</u>
Restricted:			
Excess Surplus:			
Designated for Subsequent			
Year's Expenditures	\$ 281,534.95	\$	\$ 281,534.95
Current Year	613,361.46		613,361.46
Capital reserve	1,958,579.49		1,958,579.49
Emergency Reserve	93,000.00		93,000.00
Maintenance Reserve	174,475.00		174,475.00
Assigned:			
Designated for Subsequent			
Year's Expenditures	70,273.30		70,273.30
Encumbrances	600,000.05		600,000.05
Unassigned	<u>1,338,639.25</u>	<u>(95,715.00)</u>	<u>1,242,924.25</u>
	<u>\$ 5,129,863.50</u>	<u>\$ (95,715.00)</u>	<u>\$ 5,034,148.50</u>

**Debt Service Fund** Of the \$94,822.76 in Debt Service Fund Balance at June 30, 2015, \$380.76 is restricted in accordance with N.J.S.A. 18A:7F-41c(2) and \$94,442.00 is assigned and has been appropriated and included as anticipated revenue for the year ended June 30, 2015.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS**

**Calculation of Excess Surplus** In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2007, c73 (S1701), the Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent year's budget.

General Fund Expenditures:		
Fiscal Year Ended, June 30 2015		\$23,186,807.18
Increased by:		
Transfer from Capital Outlay to Capital Projects		751,980.00
		23,938,787.18
Decreased by:		
Reimb. TPAF Social Security Contributions	\$745,121.55	
Reimb. TPAF Pension Contributions	1,340,103.00	
		2,085,224.55
Adjusted General Fund Expenditures		\$21,853,562.63
Excess Surplus Percentage		2.00%
		\$437,071.25
Increased by:		
Impact Aid	\$680,686.00	
Extraordinary Aid	208,757.00	
Non-Public Transportation Aid	12,125.00	
		901,568.00
Maximum Unreserved/Undesignated General Fund Balance		\$1,338,639.25
Actual Unreserved/Undesignated General Fund Balance		1,952,000.71
Excess Surplus		\$613,361.46

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 14: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2015:

<u>Fund</u>	<u>Interfund Balance</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 100,179.93	\$
Special Revenue Fund	_____	100,179.93
	\$ 100,179.93	\$ 100,179.93

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

**NOTE 15: CAPITAL RESERVE ACCOUNT**

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

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

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 16: CAPITAL RESERVE ACCOUNT**

The activity of the capital reserve during the year ended June 30, 2015, is as follows:

Balance, July 1, 2014		\$	1,957,783.98
Interest Earnings	\$		775.51
Deposits:			
Board Resolution dated 06/17/15			752,000.00
			<u>752,775.51</u>
			2,710,559.49
Withdrawals:			
Board Resolution dated 03/18/15	\$		751,980.00
			<u>751,980.00</u>
Balance, June 30, 2015		\$	<u><u>1,958,579.49</u></u>

The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan (LRFP). At June 30, 2015, the District's LRFP balance of local support costs of uncompleted capital projects was \$9,684,242.00.

**NOTE 17: EMERGENCY RESERVE ACCOUNT**

In accordance with N.J.S.A. 18A:7F-41c(1), an emergency reserve account was established by the District. The emergency reserve account is maintained in the general fund.

The account balance is not to exceed \$250,000 or one percent of the district's general fund budget up to a maximum of \$1,000,000, whichever is greater. Withdrawals require approval by the Commissioner.

There was no activity in the Emergency Reserve Account during FY2015.

At June 30, 2015, the balance of the Emergency Reserve Account was \$93,000.00.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 18: MAINTENANCE RESERVE ACCOUNT**

On June 19, 2014, the District, in accordance with N.J.S.A. 18A:7G-13, established a Maintenance reserve account in the amount of \$250,000.00. The Maintenance reserve account is maintained in the general fund.

A district board of education or board of school estimate, as appropriate, may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes.

A district board of education or board of school estimate, as appropriate, may by resolution withdraw such funds from the maintenance reserve account and appropriate into the required maintenance account lines at budget time or any time during the year for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C. 6A:26A-4.

The district board of education shall ensure that the maintenance reserve account balance does not, at any time, exceed four percent of the replacement cost of the school district's school facilities for the current year. If the account exceeds this maximum amount at June 30, the district board of education shall reserve and designate such excess in the subsequent year's budget.

There was no activity in the Emergency Reserve Account during FY2015.

At June 30, 2015, the balance of the Maintenance Reserve Account was \$174,475.00 and is within the statutory limitations.

**Colts Neck Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 19: DEFERRED COMPENSATION**

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, 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:

Metropolitan Life Insurance Company  
 VALIC  
 ING  
 AXA Equitable

**NOTE 20: INVENTORY**

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

Food and Supplies	<u>\$8,008.51</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**NOTE 21: SUBSEQUENT EVENTS**

The District has evaluated subsequent events occurring after the financial statement date through December \_\_, 2015 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events needed to be disclosed.

**NOTE 21: RESTATEMENT**

As stated in Note 6 in FY2015 the District implemented GASB 68. As a result the District's Net Position at June 30, 2014 was restated as follows:

	<u>Governmental</u>
	<u>Activities</u>
Beginning Net Position 06/30/14	\$ 17,966,815.10
Adjustments:	
Recognition of Net Pension Liability (measurement date)	<u>(6,682,554.00)</u>
Beginning Net Position 06/30/14 (As restated)	<u>\$ 11,284,261.10</u>

**REQUIRED SUPPLEMENTARY INFORMATION - Part II**

**BUDGETARY COMPARISON SCHEDULES**

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 19,726,580.00	\$	\$ 19,726,580.00	\$ 19,726,580.00	\$
Transportation Fees from other LEAs	218,680.00		218,680.00	222,035.57	3,355.57
Unrestricted miscellaneous	5,000.00		5,000.00	133,180.18	128,180.18
Interest earned on capital reserve				775.51	775.51
Total revenues-local sources	\$ 19,950,260.00	\$	\$ 19,950,260.00	\$ 20,082,571.26	\$ 132,311.26
State sources:					
Categorical special education aid	\$ 703,608.00	\$	\$ 703,608.00	\$ 703,608.00	\$
Categorical security aid	89,893.00		89,893.00	89,893.00	
Categorical transportation aid	171,526.00		171,526.00	171,526.00	
Other State Aid	32,601.00		32,601.00	32,601.00	
Extraordinary aid				208,757.00	208,757.00
Non-public transportation aid				12,125.00	12,125.00
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				34,761.00	34,761.00
On-behalf TPAF Pension (non-budgeted)				483,154.00	483,154.00
On-behalf TPAF Post Retirement Contributions (non-budgeted)				822,188.00	822,188.00
Reimbursed TPAF social security cont. (non-budgeted)				745,121.55	745,121.55
Total - state sources	\$ 997,628.00	\$	\$ 997,628.00	\$ 3,303,734.55	\$ 2,306,106.55
Federal sources:					
Impact Aid	\$	\$	\$	\$ 680,686.00	\$ 680,686.00
Total - federal sources	\$	\$	\$	\$ 680,686.00	\$ 680,686.00
Total revenues	\$ 20,947,888.00	\$	\$ 20,947,888.00	\$ 24,066,991.81	\$ 3,119,103.81
<b>EXPENDITURES:</b>					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	\$ 319,274.00	\$ 3,295.00	\$ 322,569.00	\$ 322,569.00	\$
Grades 1-5	3,029,423.00	37,570.80	3,066,993.80	3,017,955.09	49,038.71
Grades 6-8	2,568,694.00	68,424.20	2,637,118.20	2,637,118.20	
Regular programs - home instruction:					
Salaries of teachers	1,500.00	4,660.00	6,160.00	5,984.00	176.00
Regular programs - undistributed instruction:					
Purchased tech services	154,679.00	161,715.63	161,715.63	129,328.27	32,387.36
Other purchased services		(154,679.00)	101,440.58	95,619.47	5,821.11
Communications/telephone		101,440.58	8,331.00	7,214.42	1,116.58
Travel		8,331.00	68,830.37	60,924.62	7,905.75
Misc. services purchased		68,830.37	525,232.28	491,370.96	33,861.32
General supplies	611,177.00	(85,944.72)	33,829.26	30,829.26	3,000.00
Textbooks	23,000.00	10,829.26	3,850.00	910.00	2,940.00
Other Objects	3,850.00				
Total regular programs	\$ 6,711,597.00	\$ 224,473.12	\$ 6,936,070.12	\$ 6,799,823.29	\$ 136,246.83

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Learning and/or Language Disabilities:					
Salaries of teachers	\$ 131,382.00		\$ 131,382.00	\$ 127,882.00	\$ 3,500.00
General supplies	2,000.00		2,000.00		2,000.00
Total neurologically impaired	133,382.00		133,382.00	127,882.00	5,500.00
Resource room:					
Salaries of teachers	1,894,692.00	(74,484.61)	1,820,207.39	1,562,246.14	257,961.25
Other salaries for instruction	5,500.00	4,904.47	10,404.47	9,904.47	500.00
General supplies	16,000.00	(5,734.65)	10,265.35	4,165.02	6,100.33
Total resource room	1,916,192.00	(75,314.79)	1,840,877.21	1,576,315.63	264,561.58
Preschool disabilities-part-time:					
Salaries of teachers	176,798.00	27,158.60	203,956.60	203,956.60	\$
Other salaries for instruction	40,151.00	28,272.41	68,423.41	55,557.54	12,865.87
General supplies	3,014.53	(31.40)	2,983.13	2,267.76	715.37
Total preschool handicapped - part- time	219,963.53	55,399.61	275,363.14	261,781.90	13,581.24
Total special education	2,269,537.53	(19,915.18)	2,249,622.35	1,965,979.53	283,642.82
Basic skills/remedial:					
Salaries of teachers	363,512.00		363,512.00	359,153.60	4,358.40
General supplies	3,750.00	(1,077.36)	2,672.64	750.00	1,922.64
Total basic skills/remedial	367,262.00	(1,077.36)	366,184.64	359,903.60	6,281.04
Bilingual education:					
Salaries of teachers	36,982.00		36,982.00	32,895.00	4,087.00
General supplies	400.00		400.00		400.00
Total bilingual education	37,382.00		37,382.00	32,895.00	4,487.00
School sponsored cocurricular activities:					
Salaries	15,000.00	20,674.32	35,674.32	35,674.32	\$
Purchased services		750.00	750.00	743.95	6.05
General supplies	7,200.00		7,200.00	1,429.77	5,770.23
Other objects		5,000.00	5,000.00	2,147.50	2,852.50
Total school sponsored cocurricular activities	22,200.00	26,424.32	48,624.32	39,995.54	8,628.78
School sponsored athletics:					
Salaries	32,000.00		32,000.00	32,000.00	\$
Purchased services	5,000.00	829.00	5,829.00	5,829.00	\$
Supplies and materials	5,000.00	3,332.69	8,332.69	8,069.81	262.88
Other objects	17,200.00	(6,411.69)	10,788.31	9,615.04	1,173.27
Total school sponsored athletics	59,200.00	(2,250.00)	56,950.00	55,513.85	1,436.15
Total other instructional programs	486,044.00	23,096.96	509,140.96	488,307.99	20,832.97
Total - instruction	9,467,178.53	227,654.90	9,694,833.43	9,254,110.81	440,722.62

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-special	\$ 141,448.00	(516.22)	\$ 140,931.78	\$ 128,370.00	\$ 12,561.78
Tuition to priv. school for the disabled within the state	209,916.00	(29,892.00)	180,024.00	149,208.58	30,815.42
Total undistributed expenditures - instruction	<u>351,364.00</u>	<u>(30,408.22)</u>	<u>320,955.78</u>	<u>277,578.58</u>	<u>43,377.20</u>
Attendance & Social Work:					
Salaries	\$ 9,750.00		\$ 9,750.00	\$ 9,749.88	\$ 0.12
Total attendance & social work	<u>9,750.00</u>		<u>9,750.00</u>	<u>9,749.88</u>	<u>0.12</u>
Health services:					
Salaries	\$ 184,053.00	(3,161.16)	\$ 180,891.84	\$ 177,109.97	\$ 3,781.87
Purchased professional and technical services	7,500.00	1,251.88	8,751.88	8,751.88	
Supplies and materials	2,700.00	3,946.50	6,646.50	6,564.44	82.06
Other objects	300.00		300.00		300.00
Total health services	<u>194,553.00</u>	<u>2,037.22</u>	<u>196,590.22</u>	<u>192,426.29</u>	<u>4,163.93</u>
Other support services - student related services:					
Salaries	\$ 469,398.00	6,134.40	\$ 475,532.40	\$ 475,532.40	\$
Supplies and materials	1,500.00		1,500.00	802.77	697.23
Total other support services - students related services	<u>470,898.00</u>	<u>6,134.40</u>	<u>477,032.40</u>	<u>476,335.17</u>	<u>697.23</u>
Other support services - student - extraordinary:					
Salaries	\$ 619,224.00	(40,514.04)	\$ 578,709.96	\$ 544,408.79	\$ 34,301.17
Purchased professional - educational services	10,000.00	14,986.90	24,986.90	16,275.00	8,711.90
Supplies and materials	500.00	13.10	513.10	503.19	9.91
Total other support services - students related services	<u>629,724.00</u>	<u>(25,514.04)</u>	<u>604,209.96</u>	<u>561,186.98</u>	<u>43,022.98</u>
Guidance:					
Salaries of other professional staff	\$ 134,272.00	(7,685.04)	\$ 126,586.96	\$ 125,564.05	\$ 1,022.91
Salaries of secretarial and clerical assistants	37,555.00	3,755.00	41,310.00	41,310.00	
Supplies and materials	500.00		500.00	131.70	368.30
Total other support services - students - regular	<u>172,327.00</u>	<u>(3,930.04)</u>	<u>168,396.96</u>	<u>167,005.75</u>	<u>1,391.21</u>
Child Study Team:					
Salaries of other professional staff	\$ 391,930.00	4,316.00	\$ 396,246.00	\$ 396,246.00	\$
Salaries of secretarial and clerical assistants	66,671.00	1,214.54	67,885.54	67,885.54	
Other purchased professional and technical service	5,000.00	(1,600.50)	3,399.50	1,640.00	1,759.50
Miscellaneous Purchased Services	2,000.00		2,000.00	419.17	1,580.83
Supplies and materials	15,300.00	(2,201.62)	13,098.38	9,311.11	3,787.27
Total other support services - students - special services	<u>480,901.00</u>	<u>1,728.42</u>	<u>482,629.42</u>	<u>475,501.82</u>	<u>7,127.60</u>

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Improvement of instructional services:					
Salaries of supervisors of instruction	\$ 136,089.00	1,334.96	\$ 137,423.96	\$ 137,423.96	\$
Salaries of other professional staff	219,804.00	(35,244.96)	184,559.04	183,618.08	940.96
Salaries of secretarial and clerical assistants	61,806.00	484.96	62,290.96	62,290.96	
Other Salaries	3,677.00	(177.00)	3,500.00	3,500.00	
Other purchased professional and technical service	60,200.00	(15,992.54)	44,207.46	44,139.00	68.46
Other purchased services		1,463.10	1,463.10	1,260.77	202.33
Supplies and materials	1,500.00	33.20	1,533.20	1,533.20	
Total improvement of instructional services	\$ 483,076.00	\$ (48,098.28)	\$ 434,977.72	\$ 433,765.97	\$ 1,211.75
Educational media services/school library:					
Salaries	\$ 334,971.00	(118,292.80)	216,678.20	216,678.00	0.20
Other salaries for instruction		143,807.90	143,807.90	143,807.90	\$
Other purchased services	1,500.00	(182.20)	1,317.80	817.80	500.00
Supplies and materials	33,700.00	(6,531.75)	27,168.25	17,537.63	9,630.62
Other objects	1,600.00		1,600.00	1,120.00	480.00
Total educational media services/school library	\$ 371,771.00	\$ 18,801.15	\$ 390,572.15	\$ 379,961.33	\$ 10,610.82
Instructional staff training services:					
Other purchased services	\$ 87,004.37	(25,298.94)	\$ 61,705.43	\$ 61,415.43	\$ 290.00
Supplies and Materials	2,500.00	(2,000.00)	500.00	475.05	24.95
Other objects		49.98	49.98		49.98
Total instructional staff training services	\$ 89,504.37	\$ (27,248.96)	\$ 62,255.41	\$ 61,890.48	\$ 364.93
Support services general administration:					
Salaries	\$ 279,434.00	27,085.00	\$ 306,519.00	\$ 306,394.08	\$ 124.92
Salaries of Secretarial and Clerical Assistants		5,253.00	5,253.00	5,246.76	6.24
Legal services	60,000.00		60,000.00	60,000.00	
Audit fees	25,000.00	(3,125.00)	21,875.00	21,875.00	
Architect/Engineer services		21,200.00	21,200.00	21,200.00	
Other purchased professional services	2,500.00	11,299.00	13,799.00	9,599.00	4,200.00
Purchased technical services		5,250.00	5,250.00	5,250.00	
Communications/Telephone	2,880.00	2,491.93	5,371.93	5,220.37	151.56
BOE Other Purchased Service	2,000.00	(94.00)	1,906.00	1,906.00	
Miscellaneous purchased services	37,613.00	9,688.38	47,301.38	45,372.01	1,929.37
General supplies	5,000.00	(2,301.47)	2,698.53	2,698.53	
Judgements against dist/board	76,055.00	22,130.91	98,185.91	98,185.91	
Miscellaneous expenditures	4,000.00	683.63	4,683.63	4,683.63	
BOE membership dues and fees	11,386.00	3,040.20	14,426.20	14,426.20	
Total support services general administration	\$ 505,868.00	\$ 102,601.58	\$ 608,469.58	\$ 602,057.49	\$ 6,412.09
Transfer to Cover Deficit - Cafeteria Fund					

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Support services school administration:					
Salaries of principals/assistants/program directors	\$ 379,938.00	6,797.46	\$ 386,735.46	\$ 386,735.46	\$
Salaries of other professional staff	95,243.00	934.00	96,177.00	96,176.28	0.72
Salaries of secretarial and clerical assistants	115,095.00	14,676.46	129,771.46	129,771.46	
Other purchased services		2,323.19	2,323.19	2,275.00	48.19
Supplies and materials	11,500.00	(4,644.57)	6,855.43	6,855.43	
Other objects	1,000.00	(672.18)	327.82		327.82
Misc. Expenditures		4,541.94	4,541.94		
Total support services school administration	\$ 602,776.00	\$ 23,956.30	\$ 626,732.30	\$ 626,355.57	\$ 376.73
Central services:					
Salaries	\$ 269,453.00	1,471.00	\$ 270,924.00	\$ 270,923.96	\$ 0.04
Purchased professional services		1,350.00	1,350.00	1,350.00	
Miscellaneous purchased services	3,000.00		3,000.00	515.67	2,484.33
Supplies and materials	10,074.00	(3,660.97)	6,413.03	6,413.03	
Miscellaneous expenditures	1,100.00	(319.03)	780.97	175.00	605.97
Total central services:	\$ 283,627.00	\$ (1,159.00)	\$ 282,468.00	\$ 279,377.66	\$ 3,090.34
Admin. Info. Technology:					
Salaries	\$ 78,976.00	774.00	\$ 79,750.00	\$ 79,749.98	\$ 0.02
Other purchased services		600.00	600.00	600.00	
Total admin. info. technology	\$ 78,976.00	\$ 1,374.00	\$ 80,350.00	\$ 80,349.98	\$ 0.02
Central Services and Admin. Info. Technology	\$ 362,603.00	\$ 215.00	\$ 362,818.00	\$ 359,727.64	\$ 3,090.36
Required maintenance for school facilities:					
Salaries	\$ 226,983.00	2,502.00	\$ 229,485.00	\$ 222,253.85	\$ 7,231.15
Cleaning, repair and maintenance services	256,500.00	(12,960.67)	243,539.33	203,481.70	40,057.63
General supplies	2,000.00	20,520.42	22,520.42	15,526.18	6,994.24
Other objects	29,145.00	(19,145.00)	10,000.00	6,910.01	3,089.99
Misc. expenditures		898.00	898.00	898.00	
Total required maintenance for school facilities	\$ 514,628.00	\$ (8,185.25)	\$ 506,442.75	\$ 449,069.74	\$ 57,373.01
Other operation and maint. of plant:					
Salaries	\$ 558,323.00	(28,641.23)	\$ 529,681.77	\$ 509,395.03	\$ 20,286.74
Salaries of non-instructional aides	44,554.00		44,554.00	38,416.77	6,137.23
Purchased professional/technical services		7,343.71	7,343.71	2,240.00	5,103.71
Cleaning, repair and maint. services	356,683.00	(217,682.66)	139,000.34	137,020.48	1,979.86
Insurance	79,365.00	9,055.00	88,420.00	88,420.00	
General supplies	54,750.00	(12,611.37)	42,138.63	22,211.65	19,926.98
Energy (natural gas)	179,000.00	9,756.37	188,756.37	188,756.37	
Energy (electricity)	254,000.00	34,800.00	288,800.00	288,800.00	
Total other operation and maint. of plant	\$ 1,526,675.00	\$ (197,980.18)	\$ 1,328,694.82	\$ 1,275,260.30	\$ 53,434.52
Supplies - Grounds					
General Supplies	\$ 14,681.60		14,681.60	12,399.15	2,282.45
Total upkeep of grounds	\$ 14,681.60	\$	\$ 14,681.60	\$ 12,399.15	\$ 2,282.45

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Security					
Salaries	\$ 67,565.00	(42,570.50)	\$ 24,994.50	\$ 24,994.50	\$
Other purchased professional services		137,096.50	137,096.50	130,382.01	6,714.49
Cleaning/repair/maint.		9,121.20	9,121.20	6,397.80	2,723.40
General Supplies		1,424.85	1,424.85	1,424.85	
Other objects		189.00	189.00	189.00	
Total Security	\$ 67,565.00	\$ 105,261.05	\$ 172,826.05	\$ 163,388.16	\$ 9,437.89
Operation and Maintenance of Plant Services	\$ 2,108,868.00	\$ (86,222.78)	\$ 2,022,645.22	\$ 1,900,117.35	\$ 122,527.87
Student transportation services:					
Salaries of non-instructional aides	\$ 62,270.00	4,485.32	\$ 66,755.32	\$ 66,755.32	\$
Salaries for pupil transportation (between home and school) - regular	553,895.00	32,497.64	586,392.64	586,392.64	
Salaries for pupil transportation (between H&S)	111,147.00	10,113.60	121,260.60	121,260.60	
Special Education					
Salaries for pupil transportation (other than between home and school)	11,154.00	770.36	11,924.36	11,924.36	
Cleaning, repair, & main. services	7,000.00	(280.00)	6,720.00	6,720.00	
Lease purchase payments - school buses	87,203.00		87,203.00	87,054.26	148.74
Contracted services - aid in lieu of payments	268,620.00	(78,029.87)	190,590.13	190,590.13	
Contracted services - (bet. home&sch) joint agreement	24,500.00	(7,614.11)	16,885.89	9,980.60	6,905.29
Contracted services - (special ed student) ESCs & CTSA	53,400.00		53,400.00	49,252.58	4,147.42
Communications/Telephone	7,029.00	(2,049.00)	4,980.00	1,003.70	3,976.30
Miscellaneous purchased services		2,049.00	2,049.00	2,049.00	
General supplies	4,000.00	8.70	4,008.70	2,305.13	1,703.57
Transportation supplies	207,775.00	7,254.36	215,029.36	183,203.15	31,826.21
Other objects	8,000.00	533.00	8,533.00	8,437.68	95.32
Total student transportation services	\$ 1,405,993.00	\$ (30,261.00)	\$ 1,375,732.00	\$ 1,324,880.15	\$ 50,851.85
Unallocated benefits - employee benefits:					
Social security contributions	\$ 230,506.00	58,982.73	\$ 289,488.73	\$ 289,488.73	\$
Other retirement contributions - PERS	331,195.00	(59,311.73)	271,883.27	271,680.24	203.03
Other retirement contributions	5,000.00	(5,000.00)			
Unemployment compensation	140,000.00	(12,835.40)	127,164.60	100,000.00	27,164.60
Workers compensation	165,074.00		165,074.00	153,096.66	11,977.34
Health benefits	3,008,614.00	(58,507.00)	2,950,107.00	2,844,872.12	105,234.88
Tuition reimbursements	90,000.00		90,000.00	53,537.00	36,463.00
Other employee benefits	54,060.00	4,888.00	58,948.00	53,305.56	5,642.44
Total unallocated benefits - employee benefits:	\$ 4,024,449.00	\$ (71,783.40)	\$ 3,952,665.60	\$ 3,765,980.31	\$ 186,685.29
On-behalf TPAF Non-Contributory Insurance (non-budgeted)	\$		\$	\$ 34,761.00	\$ (34,761.00)
On-behalf TPAF Pension (non-budgeted)				483,154.00	(483,154.00)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				822,188.00	(822,188.00)
Reimbursed TPAF social security cont. (non-budgeted)				745,121.55	(745,121.55)
Total Undistributed Expenditures	\$ 12,264,425.37	\$ (167,992.65)	\$ 12,096,432.72	\$ 13,699,745.31	\$ (1,603,312.59)
	\$ 21,731,603.90	\$ 59,662.25	\$ 21,791,266.15	\$ 22,953,856.12	\$ (1,162,589.97)

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
CAPITAL OUTLAY:					
Interest earned on capital reserve	\$	\$	\$	\$	\$
Equipment					
Undistributed expenditures-Instruction	14,950.00	(6,449.40)	8,500.60	7,971.75	528.85
Grade 1-5		211.00	211.00		211.00
School sponsored/other equip		1,071.98	1,071.98		1,071.98
Undistrib. expend.-Req. Maint. for School Facilities	8,000.00	(8,000.00)			
Care & upkeep of grounds		13,879.00	13,879.00	10,030.00	3,849.00
Security	163,245.31		163,245.31	162,165.31	1,080.00
Facilities acquisition and construction services:					
Construction services	117,875.00	(77,075.83)	40,799.17	12,315.00	40,799.17
Land and Improvements	70,490.00	(18,299.00)	52,191.00	40,469.00	39,876.00
Other Objects	40,469.00		40,469.00		
Total facilities acquis. and const. services	\$ 415,029.31	\$ (94,662.25)	\$ 320,367.06	\$ 232,951.06	\$ 87,416.00
TOTAL CAPITAL OUTLAY	\$ 415,029.31	\$ (94,662.25)	\$ 320,367.06	\$ 232,951.06	\$ 87,416.00
GENERAL FUND GRAND TOTAL	\$ 22,146,633.21	\$ (35,000.00)	\$ 22,111,633.21	\$ 23,186,807.18	\$ (1,075,173.97)
Excess (deficiency) of revenues Over (under) expenditures	\$ (1,198,745.21)	\$ 35,000.00	\$ (1,163,745.21)	\$ 880,184.63	\$ 2,043,929.84
Other financing sources (uses):					
Transfers		(786,980.00)	(786,980.00)	(786,980.00)	
Total other financing sources (uses)		(786,980.00)	(786,980.00)	(786,980.00)	
Excess (deficiency) of revenues and other financing sources Over(under) expenditures and other financing sources(uses)	\$ (1,198,745.21)	\$ (751,980.00)	\$ (1,950,725.21)	\$ 93,204.63	\$ 2,043,929.84
Fund balance, July 1	\$ 5,036,658.87	\$	\$ 5,036,658.87	\$ 5,036,658.87	\$
Fund balance, June 30	\$ 3,837,913.66	\$ (751,980.00)	\$ 3,085,933.66	\$ 5,129,863.50	\$ 2,043,929.84
Reconciliation:					
Assigned:					
Encumbrances				70,273.30	
Designated for Subsequent Year's Expenditures				600,000.05	
Restricted:					
Excess Surplus - Designated for Subsequent Year's Expenditures				281,534.95	
Excess Surplus				613,361.46	
Capital reserve				1,958,579.49	
Emergency Reserve				93,000.00	
Maintenance Reserve				174,475.00	
Unassigned Fund Balance				1,338,639.25	
				5,129,863.50	
Reconciliation to Government Fund Statements:					
Last State aid payments not recognized on GAAP basis				(95,715.00)	
Fund Balance per Governmental Funds (GAAP)				5,034,148.50	

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
<b>REVENUES:</b>					
Federal sources	\$ 279,303.00	\$ (25,484.00)	\$ 253,819.00	\$ 253,819.00	
Other sources		6,743.51	6,743.51	6,743.51	
Total revenues	<u>279,303.00</u>	<u>(18,740.49)</u>	<u>260,562.51</u>	<u>260,562.51</u>	
<b>EXPENDITURES:</b>					
Instruction:					
Other Salaries for Instruction	8,362.00	17,071.00	25,433.00	25,433.00	
Purchased professional - educational services	6,620.00	(6,620.00)			
Tuition	224,722.00	(21,843.00)	202,879.00	202,879.00	
Supplies and materials	500.00	(500.00)			
Total instruction	<u>240,204.00</u>	<u>(11,892.00)</u>	<u>228,312.00</u>	<u>228,312.00</u>	
Support services:					
	10,601.00	(10,601.00)			
Purchased professional - educational services	14,658.00	(2,963.00)	11,695.00	11,695.00	
Other Purchased Services	10,000.00	(2,783.00)	7,217.00	7,217.00	
Supplies and materials	3,840.00	2,755.00	6,595.00	6,595.00	
Total support services	<u>39,099.00</u>	<u>(13,592.00)</u>	<u>25,507.00</u>	<u>25,507.00</u>	
Facilities acquisition and construction services:					
Instructional equipment		6,743.51	6,743.51	6,743.51	
Total facilities acquisition and construction serv.		<u>6,743.51</u>	<u>6,743.51</u>	<u>6,743.51</u>	
Total expenditures	\$ <u>279,303.00</u>	\$ <u>(18,740.49)</u>	\$ <u>260,562.51</u>	\$ <u>260,562.51</u>	
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ _____	\$ _____	\$ _____	

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note A - Explanation of difference between budgetary inflows and outflows and GAAP Revenues and Expenditures

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$24,066,991.81	\$260,562.51
Difference - budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(95,715.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	<u>93,849.00</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$24,065,125.81</u>	<u>\$260,562.51</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$23,186,807.18	\$260,562.51
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$23,186,807.18</u>	<u>\$260,562.51</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)**

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TEN YEARS

Fiscal Year Ending <u>June 30,</u>	District's	District's	District's	District's	Plan Fiduciary Net Position as a percentage of the total <u>Pension Liability</u>
	Proportion Share of the Net Pension <u>Liability (Asset)</u>	Proportionate Share of the Net Pension <u>Liability (Asset)</u>	District's Covered-Employee <u>Payroll</u>	Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- <u>Employee Payroll</u>	
2014	0.0349652477%	\$ 6,682,554	\$ 2,744,734.60	243.47%	40.71%
2015	0.0322250907%	6,033,418	2,944,336.00	204.92%	42.74%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TEN YEARS

Fiscal Year Ending <u>June 30,</u>	Contractually Required <u>Contribution</u>	Contributions in Relation to the Contractually Required <u>Contributions</u>	Contribution Deficiency ( <u>Excess</u> )	District's Covered- Employee <u>Payroll</u>	Contributions as a Percentage of Covered- Employee <u>Payroll</u>
2014	\$ 263,456	\$ 263,456	\$ -0-	2,744,734.60	9.60%
2015	265,659	265,659	-0-	2,944,336.00	9.02%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS PENSION AND ANNUITY FUND  
LAST TEN YEARS

Fiscal Year Ending <u>June 30,</u>	District's Proportion Share of the Net Pension <u>Liability (Asset)</u>	District's Proportionate Share of the Net Pension <u>Liability (Asset)</u>	District's Covered-Employee <u>Payroll</u>	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- <u>Employee Payroll</u>	Plan Fiduciary Net Position as a percentage of the total <u>Pension Liability</u>
2014	0.1035880346%	\$ -0-	\$ 10,632,173.00	-0-	33.76%
2015	0.0997451300%	\$ -0-	\$ 10,422,788.00	-0-	33.64%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)  
NOTE TO RSI III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 5.55% to 5.39%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 4.95% to 4.68%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	NO CHILD LEFT BEHIND	IDEA PART B	IDEA PRESCHOOL	SAFETY GRANT	TOTAL
	TITLE I A	TITLE II A			JUNE 30, 2015
<b>REVENUES:</b>					
Federal sources	\$16,095.00	\$25,032.00	\$9,813.00	\$6,743.51	\$253,819.00
Local sources					6,743.51
<b>Total revenues</b>	<b>\$16,095.00</b>	<b>\$25,032.00</b>	<b>\$9,813.00</b>	<b>\$6,743.51</b>	<b>\$260,562.51</b>
<b>EXPENDITURES:</b>					
Instruction:		15,620.00	9,813.00		25,433.00
Other Salaries for Instruction					202,879.00
Tuition		\$202,879.00			
<b>Total instruction</b>		<b>15,620.00</b>	<b>9,813.00</b>		<b>228,312.00</b>
Support services:					
Purchased professional - educational services	10,500.00	\$1,195.00			11,695.00
Other purchased services		7,217.00			7,217.00
Supplies and materials	5,595.00	1,000.00			6,595.00
<b>Total support services</b>	<b>16,095.00</b>	<b>9,412.00</b>			<b>25,507.00</b>
Facilities acquisition and construction serv:				\$6,743.51	6,743.51
Non-instructional equipment					
<b>Total facilities acquisition and construction serv.</b>				<b>6,743.51</b>	<b>6,743.51</b>
<b>Total expenditures</b>	<b>\$16,095.00</b>	<b>\$25,032.00</b>	<b>\$9,813.00</b>	<b>\$6,743.51</b>	<b>\$260,562.51</b>

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS  
AS OF JUNE 30, 2015

<u>ISSUE/PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>(MEMO ONLY) UNEXPENDED PROJECT BALANCE</u>
			<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
Addition to Elementary School		\$ 338,742.60	\$ 338,742.60		\$ -
Conover Road Primary - Roof Replacement	6/17/2009	869,807.00	869,807.00		
Cedar Drive Middle School Boiler Replacement	3/5/2015	737,300.00		49,200.00	688,100.00
Cedar Drive Middle School Generator		258,000.00		16,800.00	241,200.00
Conover Road Elementary School Generator	3/5/2015	258,000.00		16,800.00	241,200.00
Totals		<u>\$ 2,461,849.60</u>	<u>\$ 1,208,549.60</u>	<u>\$ 82,800.00</u>	<u>\$ 1,170,500.00</u>

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2015

Revenues and Other Financing Sources:	
State sources - ROD grant	\$501,320.00
Transfer from capital reserve	658,286.60
Total revenues	<u>1,159,606.60</u>
Expenditures and Other Financing Uses:	
Purchased professional and technical services	82,800.00
Total expenditures	<u>82,800.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,076,806.60</u>
Fund balance - beginning	<u>93,693.40</u>
Fund balance - ending	<u>\$1,170,500.00</u>
<u>Reconciliation to Governmental Fund Statements (GAAP):</u>	
Fund Balance - budgetary basis	\$1,170,500.00
Less: ROD Grants not recognized under GAAP	<u>(460,040.00)</u>
Fund Balance - GAAP basis (B-1)	<u><u>\$710,460.00</u></u>

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
ADDITION TO ELEMENTARY SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
State sources - SCC grant	\$147,959.00		\$147,959.00	\$147,959.00
Bond proceeds and transfers	244,284.00	(53,500.40)	190,783.60	190,783.60
Total revenues	<u>392,243.00</u>	<u>(53,500.40)</u>	<u>338,742.60</u>	<u>338,742.60</u>
Expenditures and other financing uses:				
Construction services	338,742.60		338,742.60	338,742.60
Total expenditures	<u>338,742.60</u>		<u>338,742.60</u>	<u>338,742.60</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$53,500.40</u>	<u>(\$53,500.40)</u>		
Additional project information:				
Original authorized cost	\$407,140.00			
Additional authorized cost	(68,397.40)			
Revised authorized cost	\$338,742.60			
Percentage increase over original authorized cost	N/A			
Percentage completion	100.00%			
Original target completion date	09/04			
Revised target completion date	09/07			

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 CONOVER ROAD PRIMARY SCHOOL - ROOF REPLACEMENT  
 FOR THE YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
Capital reserve	\$ 910,000.00	\$ (40,193.00)	\$ 869,807.00	\$ 869,807.00
Total revenues	<u>910,000.00</u>	<u>(40,193.00)</u>	<u>869,807.00</u>	<u>869,807.00</u>
Expenditures and other financing uses:				
Construction services	869,807.00		869,807.00	869,807.00
Total expenditures	<u>869,807.00</u>		<u>869,807.00</u>	<u>869,807.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 40,193.00	\$ (40,193.00)	\$ 0.00	\$ 0.00
Additional project information:				
Original authorized cost	\$	910,000.00		
Additional authorized cost		(40,193.00)		
Revised authorized cost	\$	869,807.00		
Percentage increase over original authorized cost		N/A		
Percentage completion		100.00%		
Original target completion date		FY2010		
Revised target completion date		FY2010		

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 CEDAR DRIVE MIDDLE SCHOOL BOILER REPLACEMENT  
 FOR THE YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources:</b>				
State sources - ROD grant	\$	294,920.00 \$	294,920.00 \$	294,920.00
Transfer from capital reserve		442,380.00	442,380.00	442,380.00
Total revenues	0.00	737,300.00	737,300.00	737,300.00
<b>Expenditures and other financing uses:</b>				
Legal Services			0.00	11,000.00
Other Purchased Professional & Technical Services		49,200.00	49,200.00	82,800.00
Construction services			0.00	643,500.00
Total expenditures	0.00	49,200.00	49,200.00	737,300.00
Excess (deficiency) of revenues over (under) expenditures	\$	688,100.00 \$	688,100.00 \$	0.00

Additional project information:

Project Number	\$	0945-030-14-G1ZY
Grant Date		3/5/2015
Original Authorized Cost		\$737,300.00
Additional Authorized Cost		-0-
Revised Authorized Cost		\$737,300.00

Percentage Increase over Original Authorized Cost

Percentage completion

Original target completion date

Revised target completion date

N/A

6.67%

FY2016

FY2016

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 CEDAR DRIVE MIDDLE SCHOOL GENERATOR  
 FOR THE YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources:</b>				
State sources - ROD grant	\$	103,200.00 \$	103,200.00 \$	103,200.00
Transfer from capital reserve		154,800.00	154,800.00	154,800.00
Total revenues		258,000.00	258,000.00	258,000.00
<b>Expenditures and other financing uses:</b>				
Legal Services				4,500.00
Other Purchased Professional & Technical Services		16,800.00	16,800.00	29,000.00
Construction services				224,500.00
Total expenditures		16,800.00	16,800.00	258,000.00
Excess (deficiency) of revenues over (under) expenditures	\$	241,200.00 \$	241,200.00 \$	

Additional project information:

Project Number	\$	0945-030-14-G1ZZ
Grant Date		3/5/2015
Original Authorized Cost		\$258,000.00
Additional Authorized Cost		-0-
Revised Authorized Cost		\$258,000.00
Percentage Increase over Original Authorized Cost		N/A
Percentage completion		6.51%
Original target completion date		FY2016
Revised target completion date		FY2016

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 CONOVER ROAD ELEMENTARY SCHOOL GENERATOR  
 FOR THE YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources:</b>				
State sources - ROD grant	\$	103,200.00 \$	103,200.00 \$	103,200.00
Transfer from capital reserve		154,800.00	154,800.00	154,800.00
Total revenues	0.00	258,000.00	258,000.00	258,000.00
<b>Expenditures and other financing uses:</b>				
Legal Services			0.00	4,500.00
Other Purchased Professional & Technical Services		16,800.00	16,800.00	29,000.00
Construction services			0.00	224,500.00
Total expenditures	0.00	16,800.00	16,800.00	258,000.00
Excess (deficiency) of revenues over (under) expenditures	\$ 0.00	\$ 241,200.00	\$ 241,200.00	\$ 0.00

Additional project information:

Project Number	\$ 0945-030-14-G2AA
Grant Date	3/5/2015
Original Authorized Cost	\$258,000.00
Additional Authorized Cost	-0-
Revised Authorized Cost	\$258,000.00

Percentage Increase over Original Authorized Cost

Percentage completion

Original target completion date

Revised target completion date

N/A

6.51%

FY2016

FY2016

## PROPRIETARY FUND DETAIL STATEMENTS

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

**FOOD SERVICES FUND:** This fund provides for the operation of Food services within the school district.

**PRESCHOOL TUITION PROGRAM:** This fund provides for the operation of a Preschool Program within the school district.

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF NET POSITION  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>TOTAL</u> <u>JUNE 30, 2015</u>
	<u>MAJOR FUNDS</u>		
	<u>FOOD</u> <u>SERVICE</u> <u>FUND</u>	<u>PRESCHOOL</u> <u>TUITION PROGRAM</u> <u>FUND</u>	
<b>ASSETS:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$33,919.81	\$54,028.23	\$87,948.04
Accounts receivable:			
State	509.93		509.93
Federal	6,303.22		6,303.22
Other	35,000.00	1,200.00	36,200.00
Inventories	8,008.51		8,008.51
Total current assets	<u>83,741.47</u>	<u>55,228.23</u>	<u>138,969.70</u>
<b>Noncurrent assets:</b>			
Furniture, machinery and equipment	241,305.00		241,305.00
Less accumulated depreciation	(231,857.75)		(231,857.75)
Total noncurrent assets	<u>9,447.25</u>		<u>9,447.25</u>
Total assets	<u>93,188.72</u>	<u>55,228.23</u>	<u>148,416.95</u>
<b>LIABILITIES :</b>			
<b>Current liabilities:</b>			
Accounts payable	26,426.99		26,426.99
Unearned revenue	8,201.81	37,900.00	46,101.81
Total current liabilities	<u>34,628.80</u>	<u>37,900.00</u>	<u>72,528.80</u>
Total liabilities	<u>34,628.80</u>	<u>37,900.00</u>	<u>72,528.80</u>
<b>NET POSITION:</b>			
Net investment in capital assets	9,447.25		9,447.25
Unrestricted	49,112.67	17,328.23	66,440.90
Total net position	<u>\$58,559.92</u>	<u>\$17,328.23</u>	<u>\$75,888.15</u>

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>MAJOR FUNDS</u>		
	<u>FOOD SERVICE FUND</u>	<u>PRESCHOOL TUITION PROGRAM FUND</u>	<u>TOTAL JUNE 30, 2015</u>
<b>OPERATING REVENUES:</b>			
Charges for services:			
Daily sales	\$306,066.11		\$306,066.11
Special Functions	2,873.20		2,873.20
Tuition - individuals		\$37,383.11	37,383.11
<b>Total operating revenues</b>	<b>308,939.31</b>	<b>37,383.11</b>	<b>346,322.42</b>
<b>OPERATING EXPENSES:</b>			
Cost of sales	152,899.50		152,899.50
Salaries	114,883.15	43,036.60	157,919.75
Employee benefits	27,169.91	9,660.30	36,830.21
Supplies and materials	41,015.99	650.00	41,665.99
Management fees	20,000.00		20,000.00
Miscellaneous	8,893.89		8,893.89
Depreciation	883.91		883.91
<b>Total operating expenses</b>	<b>365,746.35</b>	<b>53,346.90</b>	<b>419,093.25</b>
<b>Operating income (loss)</b>	<b>(56,807.04)</b>	<b>(15,963.79)</b>	<b>(72,770.83)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
State sources:			
State school lunch program	2,472.68		2,472.68
Federal sources:			
National school lunch program	30,523.62		30,523.62
National food distribution commodities	15,210.02		15,210.02
Interest	41.15		41.15
<b>Total non-operating revenues (expenses)</b>	<b>48,247.47</b>		<b>48,247.47</b>
<b>Income/(loss) before contributions and transfer</b>	<b>(8,559.57)</b>	<b>(15,963.79)</b>	<b>(24,523.36)</b>
<b>Other financing sources:</b>			
Transfers in	35,000.00		35,000.00
<b>Total other financing uses</b>	<b>35,000.00</b>		<b>35,000.00</b>
<b>Change in net position</b>	<b>26,440.43</b>	<b>(15,963.79)</b>	<b>10,476.64</b>
<b>Total net position - beginning</b>	<b>32,119.49</b>	<b>33,292.02</b>	<b>65,411.51</b>
<b>Total net position - ending</b>	<b>\$58,559.92</b>	<b>\$17,328.23</b>	<b>\$75,888.15</b>

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>TOTAL</u> <u>JUNE 30, 2015</u>
	<u>MAJOR FUNDS</u>		
	<u>FOOD</u> <u>SERVICE</u> <u>FUND</u>	<u>PRESCHOOL</u> <u>TUITION PROGRAM</u> <u>FUND</u>	
Cash flows from operating activities:			
Receipts from customers	\$308,475.00	\$47,303.11	\$355,778.11
Payments to employees	(114,883.15)	(43,036.60)	(157,919.75)
Payments to employee benefits	(27,169.91)	(9,660.30)	(36,830.21)
Payments to suppliers	(198,324.94)	(650.00)	(198,974.94)
Net cash provided by (used for) operating activities	<u>(31,903.00)</u>	<u>(6,043.79)</u>	<u>(37,946.79)</u>
Cash flows from noncapital financing activities:			
State sources	2,498.68		2,498.68
Federal sources	30,882.76		30,882.76
Net cash provided by noncapital financing activities	<u>33,381.44</u>		<u>33,381.44</u>
Cash flows from investing activities:			
Interest and dividends	41.15		41.15
Net cash provided by investing activities	<u>41.15</u>		<u>41.15</u>
Net increase/(decrease) in cash and cash equivalents	1,519.59	(6,043.79)	(4,524.20)
Cash and cash equivalents, July 1, 2014	<u>32,400.22</u>	<u>60,072.02</u>	<u>92,472.24</u>
Cash and cash equivalents, June 30, 2015	<u><u>33,919.81</u></u>	<u><u>54,028.23</u></u>	<u><u>87,948.04</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	(56,807.04)	(15,963.79)	(72,770.83)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	883.91		883.91
Federal commodities	15,210.02		15,210.02
Change in assets and liabilities:			
Increase (decrease) in unearned revenue	(2,240.42)	9,920.00	7,679.58
Increase (decrease) in accounts payable	3,329.81		3,329.81
(Increase) decrease in inventories	7,720.72		7,720.72
	<u>24,904.04</u>	<u>9,920.00</u>	<u>34,824.04</u>
Net cash provided by operating activities	<u><u>(\$31,903.00)</u></u>	<u><u>(\$6,043.79)</u></u>	<u><u>(\$37,946.79)</u></u>

<b>FIDUCIARY FUNDS DETAIL STATEMENTS</b>
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**Fiduciary Funds are used to account for funds received by the district for a specific purpose:**

<b>Unemployment Compensation Insurance Trust Fund:</b>	This expendable trust fund is used to pay unemployment compensation claims as they arise.
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**Agency Funds are used to account for assets held by the district as an agent for another party:**

<b>Student Activity Fund :</b>	This agency fund is used to account for student funds held at the schools.
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<b>Payroll Agency Fund:</b>	This agency fund is used to account for the payroll transactions of the school district.
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COLTS NECK TOWNSHIP SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2015

	<u>STUDENT ACTIVITY</u>	<u>AGENCY FUNDS PAYROLL AGENCY</u>	<u>TOTAL AGENCY</u>	<u>UNEMPLOYMENT COMPENSATION TRUST FUND</u>	<u>TOTAL JUNE 30, 2015</u>
ASSETS:					
Cash and cash equivalents	\$ 37,662.60	\$ 601,953.33	\$ 639,615.93	\$ 245,115.70	\$ 884,731.63
Total assets	<u>37,662.60</u>	<u>601,953.33</u>	<u>639,615.93</u>	<u>245,115.70</u>	<u>884,731.63</u>
LIABILITIES:					
Payroll deductions and withholdings		51,327.51	51,327.51		51,327.51
Wages payable - summer payroll		550,625.82	550,625.82		550,625.82
Due to student groups	37,662.60		37,662.60		37,662.60
Total liabilities	<u>37,662.60</u>	<u>601,953.33</u>	<u>639,615.93</u>		<u>639,615.93</u>
NET POSITION:					
Held in trust for unemployment claims and other purposes				245,115.70	245,115.70
Total net position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 245,115.70</u>	<u>\$ 245,115.70</u>

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	STATE UNEMPLOYMENT COMPENSATION <u>TRUST FUND</u>	<u>TOTAL</u>
ADDITIONS:		
Contributions:		
Plan members	\$38,645.67	\$38,645.67
Other	100,000.00	100,000.00
Total contributions	<u>138,645.67</u>	<u>138,645.67</u>
Investment earnings:		
Interest	124.91	124.91
Net investment earnings	<u>124.91</u>	<u>124.91</u>
Total additions	<u>138,770.58</u>	<u>138,770.58</u>
DEDUCTIONS:		
Unemployment claims	74,932.73	74,932.73
Total deductions	<u>74,932.73</u>	<u>74,932.73</u>
Change in net position	63,837.85	63,837.85
Net position beginning of year	181,277.85	181,277.85
Net position end of year	<u>\$245,115.70</u>	<u>\$245,115.70</u>

EXHIBIT "H-3"

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BALANCE</u> <u>JUNE 30, 2014</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 42,666.12	\$ 131,129.88	\$ 136,133.40	\$ 37,662.60
Total assets	\$ 42,666.12	\$ 131,129.88	\$ 136,133.40	\$ 37,662.60
<b>LIABILITIES:</b>				
Due student groups:				
Cedar Drive School	\$ 21,205.23	\$ 98,135.20	\$ 101,333.28	\$ 18,007.15
Conover Road Primary	290.10	3,490.93	3,538.63	242.40
Conover Road Elementary	21,170.79	29,503.75	31,261.49	19,413.05
Total liabilities	\$ 42,666.12	\$ 131,129.88	\$ 136,133.40	\$ 37,662.60

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
PAYROLL AGENCY FUNDS  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BALANCE</u> <u>JULY 1, 2014</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$566,162.69	\$15,490,175.87	\$15,454,385.23	\$601,953.33
Total assets	<u>566,162.69</u>	<u>15,490,175.87</u>	<u>15,454,385.23</u>	<u>601,953.33</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	53,662.63	7,032,770.52	7,035,105.64	51,327.51
Wages payable - summer payroll	<u>512,500.06</u>	<u>8,457,405.35</u>	<u>8,419,279.59</u>	<u>550,625.82</u>
Total liabilities	<u>\$566,162.69</u>	<u>\$15,490,175.87</u>	<u>\$15,454,385.23</u>	<u>\$601,953.33</u>

## **LONG-TERM DEBT SCHEDULES**

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Capital Leases.

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2015

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>MATURITIES</u>		<u>RATE OF INTEREST</u>	<u>BALANCE JULY 1, 2014</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2015</u>
			<u>DATE</u>	<u>AMOUNT</u>					
Refunding School Bonds 200:	7/1/2005	\$ 4,895,000.00	01/01/16	\$ 890,000.00	4.00%	\$ 3,195,000.00		\$ 415,000.00	2,780,000.00
			01/01/17	925,000.00	4.00%				
			01/01/18	965,000.00	4.00%				
School Bonds	02/01/02	13,250,000.00	02/01/16	75,000.00	4.50%	12,630,000.00		9,515,000.00	3,115,000.00
			02/01/17	80,000.00	4.50%				
			02/01/18	80,000.00	4.50%				
			02/01/19	1,115,000.00	5.00%				
			02/01/20	1,170,000.00	5.00%				
02/01/21	595,000.00	5.00%							
2008 Refunding Bonds	04/15/08	3,260,000.00				400,000.00			
2015 Refunding Bonds	04/30/15	9,715,000.00	02/01/16	125,000.00	2.00%		9,715,000.00		
			02/01/17	35,000.00	2.00%				
			02/01/18	35,000.00	2.00%				
			02/01/19	35,000.00	2.00%				
			02/01/20	35,000.00	5.00%				
			02/01/21	670,000.00	4.00%				
			02/01/22	1,320,000.00	4.00%				
			02/01/23	1,375,000.00	4.00%				
			02/01/24	1,430,000.00	4.00%				
			02/01/25	1,490,000.00	4.00%				
02/01/26	1,550,000.00	4.00%							
02/01/27	1,615,000.00	4.00%							
						\$ 16,225,000.00	\$ 9,715,000.00	\$ 10,330,000.00	\$ 15,610,000.00

Bonds Refunded  
 Bonds Retired

9,415,000.00  
 915,000.00  
 10,330,000.00

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
AS OF JUNE 30, 2015

<u>PURPOSE</u>	<u>INTEREST RATE</u>	<u>ORIGINAL ISSUE</u>	<u>BALANCE JUNE 30, 2014</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2015</u>
School Bus Lease	2.83%	78,783.69	31,934.51	15,744.47	16,190.04
Passenger Van Lease	2.87%	93,255.20	37,807.09	18,636.12	19,170.97
School Bus Lease	1.80%	245,131.02	146,697.76	48,022.41	98,675.35
			<u>\$ 216,439.36</u>	<u>\$ 82,403.00</u>	<u>\$ 134,036.36</u>

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT  
DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,551,195.00	\$	\$ 1,551,195.00	\$ 1,551,195.00	\$
Miscellaneous				372.03	372.03
State Sources:					
Debt Service Aid Type II	<u>132,755.00</u>		<u>132,755.00</u>	<u>132,755.00</u>	
Total Revenues	\$ <u>1,683,950.00</u>	\$	\$ <u>1,683,950.00</u>	\$ <u>1,684,322.03</u>	\$ <u>372.03</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	\$ 769,665.00	\$	\$ 769,665.00	\$ 769,656.80	\$ 8.20
Redemption of Principal	<u>915,000.00</u>		<u>915,000.00</u>	<u>915,000.00</u>	
Total Debt Service	\$ <u>1,684,665.00</u>	\$	\$ <u>1,684,665.00</u>	\$ <u>1,684,656.80</u>	\$ <u>8.20</u>
Total Expenditures	\$ <u>1,684,665.00</u>	\$	\$ <u>1,684,665.00</u>	\$ <u>1,684,656.80</u>	\$ <u>8.20</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (715.00)	\$	\$ (715.00)	\$ (334.77)	\$ 380.23
Other financing sources:					
Transfers in				93,693.40	93,693.40
Total other financing sources				<u>93,693.40</u>	<u>93,693.40</u>
Net change in fund balances	<u>(715.00)</u>		<u>(715.00)</u>	<u>93,358.63</u>	<u>94,073.63</u>
Fund Balance, July 1	<u>1,464.13</u>		<u>1,464.13</u>	<u>1,464.13</u>	
Fund Balance, June 30	<u>\$ 749.13</u>	\$	<u>\$ 749.13</u>	<u>\$ 94,822.76</u>	<u>\$ 94,073.63</u>

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**STATISTICAL SECTION - UNAUDITED**



COLTS NECK TOWNSHIP SCHOOL DISTRICT  
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Governmental activities</b>										
Net investment in capital assets	\$ 14,021,535.43	\$ 13,845,349.95	\$ 13,526,409.54	\$ 13,331,233.16	\$ 13,254,212.52	\$ 13,348,529.02	\$ 12,459,402.21	\$ 12,080,418.01	\$ 13,010,747.00	\$ 10,975,220.00
Restricted for:										
Debt service	(152,010.54)	(331,614.62)	(338,876.56)	(359,771.81)	(355,697.28)	(340,358.94)	(345,856.04)	(442,951.86)	85,152.00	86,341.00
Capital projects	690,060.00	93,693.40	93,693.40	93,693.40	53,500.40	93,693.40	53,500.40	53,500.40	53,500.00	247,407.00
Other purposes	3,120,950.90	2,506,793.93	2,402,105.53	607,222.45	662,483.53	567,853.96	1,616,308.64	1,062,022.04	1,940,901.00	807,597.00
Unrestricted	(5,299,970.90)	1,852,592.44	2,083,508.97	1,736,661.64	1,096,486.90	489,989.69	291,382.02	790,177.90	543,292.00	882,573.00
<b>Total governmental activities net position</b>	<b>\$ 12,380,564.89</b>	<b>\$ 17,966,815.10</b>	<b>\$ 17,766,840.88</b>	<b>\$ 15,409,038.84</b>	<b>\$ 14,710,986.07</b>	<b>\$ 14,159,707.13</b>	<b>\$ 14,074,737.23</b>	<b>\$ 13,543,166.49</b>	<b>\$ 15,633,592.00</b>	<b>\$ 12,999,138.00</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 9,447.25	\$ 10,331.16	\$ 9,813.23	\$ 10,697.14	\$ 6,961.18	\$ 13,954.07	\$ 20,702.34	\$ 27,450.61	\$ 175,335.00	\$ 147,596.00
Unrestricted	66,440.90	55,090.35	149,477.39	168,142.68	166,937.60	150,645.71	118,747.92	118,491.34	140,519.00	168,186.00
<b>Total business-type activities net position</b>	<b>\$ 75,888.15</b>	<b>\$ 65,411.51</b>	<b>\$ 159,290.62</b>	<b>\$ 178,839.82</b>	<b>\$ 173,898.78</b>	<b>\$ 164,599.78</b>	<b>\$ 139,450.26</b>	<b>\$ 145,941.95</b>	<b>\$ 315,854.00</b>	<b>\$ 315,782.00</b>
<b>District-wide</b>										
Net investment in capital assets	\$ 14,030,982.68	\$ 13,855,681.11	\$ 13,536,222.77	\$ 13,341,930.30	\$ 13,261,173.70	\$ 13,362,483.09	\$ 12,480,104.55	\$ 12,107,868.62	\$ 13,186,082.00	\$ 11,122,816.00
Restricted for:										
Debt service	(152,010.54)	(331,614.62)	(338,876.56)	(359,771.81)	(355,697.28)	(340,358.94)	(345,856.04)	(442,951.86)	85,152.00	86,341.00
Capital projects	690,060.00	93,693.40	93,693.40	93,693.40	53,500.40	93,693.40	53,500.40	53,500.40	53,500.00	247,407.00
Other projects	3,120,950.90	2,506,793.93	2,402,105.53	607,222.45	662,483.53	567,853.96	1,616,308.64	1,062,022.04	1,940,901.00	807,597.00
Unrestricted	(5,233,530.00)	1,907,672.79	2,232,986.36	1,904,804.32	1,263,424.50	640,635.40	410,129.94	908,669.24	683,811.00	1,050,759.00
<b>Total district net position</b>	<b>\$ 12,486,453.04</b>	<b>\$ 18,032,226.61</b>	<b>\$ 17,926,131.50</b>	<b>\$ 15,587,278.66</b>	<b>\$ 14,894,884.85</b>	<b>\$ 14,324,368.91</b>	<b>\$ 14,214,187.49</b>	<b>\$ 13,839,108.44</b>	<b>\$ 15,949,446.00</b>	<b>\$ 13,314,920.00</b>

Source: CAFR Schedule A-1

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION  
UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Expenses</b>										
Governmental activities										
Instruction:										
Regular	\$ 11,741,195.14	\$ 10,143,407.87	\$ 10,418,817.58	\$ 10,008,864.55	\$ 8,466,868.03	\$ 8,880,003.25	\$ 7,625,823.29	\$ 7,297,568.04	\$ 6,259,725.00	\$ 6,494,591.00
Special education	3,808,022.79	3,340,355.24	3,665,803.73	3,336,638.99	3,218,273.45	3,049,167.33	2,109,246.38	2,203,415.65	2,068,419.00	1,944,209.00
Other instruction	797,888.92	702,573.16	712,756.66	535,845.61	348,515.15	507,575.58	402,388.08	380,537.08	427,820.00	352,459.00
Support services:										
Tuition										
Student and instruction related services	4,430,785.33	3,992,656.67	3,318,441.59	3,321,588.37	4,060,053.23	4,313,927.63	690,511.55	725,065.49	820,007.00	784,983.00
General administrative services	673,689.75	986,339.67	596,424.57	618,045.94	797,059.20	845,415.70	2,246,223.72	2,284,140.64	1,684,655.00	1,542,351.00
School administrative services	1,068,019.99	945,741.76	1,101,354.16	1,204,029.69	941,834.66	925,371.19	822,686.22	500,487.21	581,478.00	654,343.00
Central services	364,902.01	375,465.01	378,653.90	386,334.11	343,862.35	410,911.90	296,603.54	296,204.60	761,850.00	754,098.00
Administrative information technology	100,339.23	99,160.70	99,480.79	89,738.05	90,715.88	97,290.00	84,208.42	32,214.48	414,319.00	372,661.00
Business and other support services										
Plant operations and maintenance	2,144,863.20	2,216,704.94	2,054,573.22	1,878,292.66	2,406,767.05	2,595,407.26	1,958,925.62	2,028,801.31	1,818,658.00	1,762,765.00
Pupil transportation	1,547,187.72	1,465,885.80	1,496,893.67	1,691,680.24	2,013,016.41	2,179,238.09	1,345,841.62	1,981,071.05	1,242,729.00	1,226,318.00
Unallocated benefits	634,804.61	825,638.37	856,938.18	845,468.18	934,879.09	905,287.11	948,632.58	948,632.58	4,815,215.00	3,879,967.00
Interest on long-term debt									1,030,077.00	1,327,755.00
Unallocated depreciation									1,218,041.00	835,367.00
Unallocated refunding bond interest costs										
Unallocated amortization (net)										
Total governmental activities expenses	\$ 27,311,698.69	\$ 25,093,929.19	\$ 24,706,575.87	\$ 23,922,964.21	\$ 23,628,282.32	\$ 24,716,032.87	\$ 23,981,190.66	\$ 24,235,131.40	\$ 23,142,991.00	\$ 21,931,867.00
Business-type activities:										
Food service	365,746.35	352,637.00	388,875.89	386,961.78	380,737.04	353,951.90	376,828.07	372,226.73	45,251.00	30,027.00
Kindergarten complement program			138,834.76	162,260.20	179,791.15	242,760.93	228,206.97	225,617.59		
Preschool tuition program	53,346.90	53,701.42	51,901.06	51,547.54	51,818.52	37,759.44				
Total business-type activities expense	\$ 419,093.25	\$ 406,338.42	\$ 579,611.71	\$ 600,769.52	\$ 612,146.71	\$ 634,472.27	\$ 605,035.04	\$ 597,844.32	\$ 45,251.00	\$ 30,027.00
Total district expenses	\$ 27,730,791.94	\$ 25,500,267.61	\$ 25,286,187.58	\$ 24,523,733.73	\$ 24,240,429.03	\$ 25,350,505.14	\$ 24,586,225.70	\$ 24,832,975.72	\$ 23,188,242.00	\$ 21,961,894.00
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Operating grants and contributions	\$ 4,970,183.12	\$ 2,215,870.77	\$ 2,461,415.14	\$ 2,103,375.98	\$ 1,817,276.84	\$ 2,078,415.68	\$ 297,146.51	\$ 318,082.96	\$	\$
Total governmental activities program revenues	\$ 4,970,183.12	\$ 2,215,870.77	\$ 2,461,415.14	\$ 2,103,375.98	\$ 1,817,276.84	\$ 2,078,415.68	\$ 297,146.51	\$ 318,082.96	\$	\$
Business-type activities:										
Charges for services										
Food service	308,939.31	275,075.01	288,571.82	291,080.28	308,607.88	314,028.00	328,982.99	307,443.52		
Kindergarten complement			160,400.00	187,255.00	208,100.00	252,015.00	227,275.00	216,460.00		
Preschool tuition program	37,383.11	57,240.00	47,325.00	70,625.00	59,525.00	45,105.00				
Operating grants and contributions	48,206.32	42,723.01	63,181.59	56,750.28	45,086.35	48,463.01	42,033.40	42,118.36		
Total business type activities program revenues	\$ 394,528.74	\$ 375,038.02	\$ 559,478.41	\$ 605,110.56	\$ 621,319.23	\$ 659,611.01	\$ 598,231.39	\$ 566,021.88	\$	\$
Total district program revenues	\$ 5,364,711.86	\$ 2,590,908.79	\$ 3,020,893.55	\$ 2,709,086.54	\$ 2,438,596.07	\$ 2,738,026.69	\$ 895,437.90	\$ 884,104.84	\$	\$

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION  
UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (22,341,515.57)	\$ (22,878,058.42)	\$ (22,245,160.73)	\$ (21,819,568.23)	\$ (21,811,005.48)	\$ (22,637,617.19)	\$ (23,684,044.15)	\$ (23,142,991.00)	\$ (21,931,867.00)	\$ (20,140,034.00)
Business-type activities	(24,564.51)	(31,300.40)	(20,133.30)	4,941.04	9,172.52	25,138.74	(6,743.65)	(45,251.00)	(30,027.00)	(23,049.00)
Total district-wide net expense	<u>\$ (22,366,080.08)</u>	<u>\$ (22,909,358.82)</u>	<u>\$ (22,265,294.03)</u>	<u>\$ (21,814,647.19)</u>	<u>\$ (21,801,832.96)</u>	<u>\$ (22,612,478.45)</u>	<u>\$ (23,690,787.80)</u>	<u>\$ (23,188,242.00)</u>	<u>\$ (21,961,894.00)</u>	<u>\$ (20,163,083.00)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 19,726,580.00	\$ 19,378,243.00	\$ 19,292,394.00	\$ 19,208,872.00	\$ 19,265,898.00	\$ 18,934,987.00	\$ 18,543,266.00	\$ 18,058,239.00	\$ 17,262,282.00	\$ 16,401,294.00
Taxes levied for debt service	1,551,195.00	1,543,956.00	1,551,782.00	1,549,340.00	1,495,539.00	1,514,241.00	1,535,770.00	1,438,941.00	1,504,018.00	1,536,134.00
Unrestricted grants and contributions	2,012,953.00	1,952,130.00	3,135,836.00	1,587,273.80	1,522,168.53	2,010,416.00	3,451,645.77	4,020,382.78	4,772,417.00	3,390,413.00
Federal and state aid restricted			132,581.70			80,453.00	163,543.00	161,760.00		
Miscellaneous income	141,071.23	156,139.17	478,300.82	185,511.38	78,678.89	134,838.36	348,300.45	201,353.55	202,741.00	169,550.00
Transfers	(35,000.00)	64,033.40							(3,128.00)	(2,182.00)
Other cancellations				(15,083.18)		(3,171.18)			(18,666.00)	
Total governmental activities	<u>23,396,799.23</u>	<u>23,094,501.57</u>	<u>24,590,894.52</u>	<u>22,515,914.00</u>	<u>22,362,284.42</u>	<u>22,671,774.18</u>	<u>24,042,525.22</u>	<u>23,880,676.33</u>	<u>23,719,664.00</u>	<u>21,495,189.00</u>
Business-type activities:										
Miscellaneous income	41.15	52.85	584.10		371.10	10.78	251.96	10,274.41		
Disposal of Capital Assets	(14,166.37)				(244.62)					
Adjustment to Capital Assets	55,186.50									
Transfers	35,000.00	(64,033.40)			126.48	10.78	251.96	10,274.41	3,128.00	7,965.00
Total business-type activities	<u>76,061.28</u>	<u>(63,980.55)</u>	<u>584.10</u>		<u>126.48</u>	<u>10.78</u>	<u>251.96</u>	<u>10,274.41</u>	<u>3,128.00</u>	<u>7,965.00</u>
Total district-wide	<u>\$ 23,472,860.51</u>	<u>\$ 23,030,521.02</u>	<u>\$ 24,591,478.62</u>	<u>\$ 22,515,914.00</u>	<u>\$ 22,362,410.90</u>	<u>\$ 22,671,784.96</u>	<u>\$ 24,042,777.18</u>	<u>\$ 23,890,950.74</u>	<u>\$ 23,722,792.00</u>	<u>\$ 21,503,154.00</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 1,065,283.66	\$ 216,443.15	\$ 2,345,733.79	\$ 696,325.77	\$ 551,278.94	\$ 34,156.99	\$ 358,481.07	\$ 737,685.33	\$ 1,787,797.00	\$ 1,355,155.00
Business-type activities	51,496.77	(95,280.95)	(19,549.20)	4,941.04	9,299.00	25,149.52	(6,491.69)	(34,976.59)	(42,123.00)	(22,062.00)
Total district	<u>\$ 1,106,780.43</u>	<u>\$ 121,162.20</u>	<u>\$ 2,326,184.59</u>	<u>\$ 701,266.81</u>	<u>\$ 560,577.94</u>	<u>\$ 59,306.51</u>	<u>\$ 351,989.38</u>	<u>\$ 702,708.74</u>	<u>\$ 1,745,674.00</u>	<u>\$ 1,333,093.00</u>

Source: CAFR Schedule A-2

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Restricted	\$ 3,120,950.90	\$ 2,506,793.93	\$ 2,402,105.53	\$ 605,495.45	\$ 513,297.57	\$	\$	\$	\$	\$
Assigned	670,273.35	1,198,745.21	761,652.50	1,132,328.98	1,118,992.96					
Unassigned	1,242,924.25	1,237,270.73	1,858,803.97	1,112,834.51	570,191.90					
Reserved						618,284.78	1,740,013.92	1,184,839.33	2,378,851.00	1,607,127.00
Unreserved						891,603.87	569,893.74	1,029,010.61	854,804.00	721,096.00
Total general fund	\$ 5,034,148.50	\$ 4,942,809.87	\$ 5,022,562.00	\$ 2,850,658.94	\$ 2,202,482.43	\$ 1,509,888.65	\$ 2,309,907.66	\$ 2,213,849.94	\$ 3,233,655.00	\$ 2,328,223.00
All Other Governmental Funds										
Restricted	\$ 690,440.76	\$ 94,442.53	\$ 94,407.90	\$ 55,195.30	\$ 53,778.40	\$	\$	\$	\$	\$
Assigned	114,842.00	715.00	1,695.00	41,920.00	41,091.63	40,193.00				
Reserved										
Unreserved, reported in:										
Special revenue fund (deficit)										
Capital projects fund						53,500.40	53,500.40	53,500.40	53,500.00	247,407.00
Debt service fund (deficit)						22,466.98	22,868.05	363.28	85,152.00	86,341.00
Total all other governmental funds	\$ 805,282.76	\$ 95,157.53	\$ 96,102.90	\$ 97,115.30	\$ 94,870.03	\$ 116,160.38	\$ 76,368.45	\$ 53,863.68	\$ 138,652.00	\$ 333,748.00

Source: CAFR Schedule B-1

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues</b>										
Tax levy	\$ 21,277,775.00	\$ 20,922,199.00	\$ 20,844,176.00	\$ 20,758,212.00	\$ 20,761,437.00	\$ 20,449,238.00	\$ 20,079,036.00	\$ 19,497,180.00	\$ 18,766,300.00	\$ 17,937,428.00
Tuition						19,323.85				
Transportation Fees from other LEAs	222,035.57			185,511.38	78,678.89	115,314.51	348,300.45	201,353.55	227,741.00	169,530.00
Miscellaneous	141,071.23	162,882.68	288,810.16	3,504,239.14	2,378,020.39	3,253,397.89	3,233,508.64	3,720,190.23	3,598,738.00	2,997,611.00
Slate sources	3,475,903.55	3,291,619.45	3,504,239.14	2,900,815.52	2,378,020.39	3,253,397.89	3,233,508.64	3,720,190.23	3,598,738.00	2,997,611.00
Federal sources	934,505.00	869,637.81	2,090,012.00	789,834.26	961,424.98	915,886.79	678,826.64	780,035.51	1,448,754.00	692,996.00
Total revenue	<u>26,051,290.35</u>	<u>25,246,338.94</u>	<u>26,727,237.30</u>	<u>24,634,373.16</u>	<u>24,179,561.26</u>	<u>24,753,161.04</u>	<u>24,339,671.73</u>	<u>24,198,759.29</u>	<u>24,041,533.00</u>	<u>21,797,565.00</u>
<b>Expenditures</b>										
Instruction										
Regular instruction	9,538,594.52	9,164,646.33	9,461,334.54	9,139,520.30	7,514,382.85	7,923,744.99	6,710,933.63	6,440,490.34	6,256,590.00	6,464,922.00
Special education instruction	3,397,121.83	3,340,355.24	3,665,803.73	2,589,316.06	3,218,273.45	3,049,167.33	2,109,246.38	2,203,415.65	2,315,605.00	2,207,010.00
Other instruction	702,685.90	702,573.16	712,756.66	1,283,168.54	348,515.15	507,575.58	402,388.08	380,537.08	427,820.00	352,459.00
Support services:										
Tuition										
Student and instruction related services	3,899,683.12	3,981,731.47	3,309,805.32	3,321,378.87	4,058,415.07	4,304,817.32	690,511.55	725,065.49	820,007.00	784,983.00
General administrative services	677,753.69	989,824.67	596,679.57	626,883.44	788,816.70	844,735.70	519,200.62	2,257,479.77	1,737,544.00	1,542,351.00
School administrative services	923,559.05	949,389.73	1,099,215.96	1,194,885.61	932,619.70	916,025.53	813,555.28	500,487.21	581,478.00	654,343.00
Central services	357,333.45	374,700.01	378,103.90	376,341.61	349,944.85	407,424.40	297,658.54	782,819.77	761,850.00	754,098.00
Administrative information technology	101,816.07	99,160.70	99,480.79	89,738.05	90,715.88	97,290.00	84,208.42	32,214.48	414,319.00	372,661.00
Business and other support services										
Plant operations and maintenance	2,125,699.57	2,185,505.04	2,043,533.72	1,860,226.55	2,402,378.43	2,591,927.55	1,955,920.30	2,057,665.83	1,818,668.00	1,762,765.00
Pupil transportation	1,396,373.66	1,293,750.10	1,369,526.87	1,437,385.47	1,889,263.71	2,069,650.69	1,274,481.12	1,860,920.72	1,242,729.00	1,226,318.00
Unallocated benefits										
Capital outlay	322,494.57	489,276.89	569,689.46	414,238.06	157,794.32	1,297,235.37	563,179.88	1,524,523.48	457,943.00	999,703.00
Debt service:										
Principal	997,403.00	1,019,627.00	998,680.49	964,445.86	859,384.80	864,557.76	770,000.00	670,000.00	620,000.00	636,532.00
Interest and other charges	774,308.06	800,529.50	831,939.01	858,461.85	897,742.92	917,623.11	907,068.20	1,015,632.50	1,044,295.00	982,089.00
Total expenditures	<u>25,214,826.49</u>	<u>25,391,069.84</u>	<u>25,126,550.02</u>	<u>24,155,990.27</u>	<u>23,508,257.83</u>	<u>25,790,775.32</u>	<u>24,267,054.24</u>	<u>25,454,487.86</u>	<u>23,314,053.00</u>	<u>22,620,201.00</u>
Excess (deficiency) of revenues over (under) expenditures	836,463.86	(144,730.90)	1,600,687.28	478,382.89	671,303.43	(1,037,614.28)	72,617.49	(1,255,728.57)	727,480.00	(822,636.00)
<b>Other financing sources (uses)</b>										
Refunding bond proceeds										
Payment to refunded bonds escrow agent										
Cost of issuance										
Capital leases (non-budgeted)										
Encumbrances cancelled										
Slate grant										
Cancel state receivable										
Transfers out	(35,000.00)	64,033.40							(14,897.00)	(2,182.00)
Total other financing sources (uses)	<u>(35,000.00)</u>	<u>64,033.40</u>	<u>570,203.38</u>	<u>172,038.89</u>	<u>277,187.20</u>	<u>277,187.20</u>	<u>45,945.00</u>	<u>153,580.00</u>	<u>(6,897.00)</u>	<u>(2,182.00)</u>
Net change in fund balances	\$ 801,463.86	\$ (80,697.50)	\$ 2,170,890.66	\$ 650,421.78	\$ 671,303.43	\$ (760,427.08)	\$ 118,562.49	\$ (1,102,148.57)	\$ 705,686.00	\$ (824,818.00)
Debt service as a percentage of noncapital expenditures	7.12%	7.31%	7.45%	7.68%	7.53%	7.28%	7.08%	7.04%	7.28%	7.49%

Source: CAFR Schedule B-2

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest</u> <u>on Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Cancelled</u> <u>Accounts Payable</u>	<u>Miscellaneous</u>	<u>Total</u>
2015	\$ 4,502.35	\$ 18,158.00	\$ 23,610.00	\$ 86,909.83	\$ 133,180.18
2014	4,937.60	18,636.00	20,327.61	111,078.01	154,979.22
2013	5,547.39	26,029.14	203,175.37	50,426.93	285,178.83
2012	8,072.42	66,897.05	13,266.53	95,959.31	184,195.31
2011	7,020.77		30,813.79	39,176.81	77,011.37
2010	13,309.84	21,178.40	\$4,280.64	75,363.47	114,132.35
2009	57,159.90	43,117.70	162,882.05	83,887.33	347,046.98
2008	119,679.62			73,917.98	193,597.60
2007	139,756.00			50,978.00	190,734.00
2006	115,064.00			45,787.00	160,851.00

Source: District Records

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 UNAUDITED

Year Ended	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Total Direct School Tax Rate (b)	Estimated Actual (County Equalized Value)
2014	\$ 39,881,800.00	\$ 2,540,498,000.00	\$ 263,017,800.00	\$ 4,159,900.00	\$ 167,385,000.00	\$ 3,014,942,500.00	\$ 3,079,851.00	\$ 3,018,022,351.00	1.184	\$ 3,041,417,551.00
2013	41,257,000.00	2,558,728,600.00	263,081,000.00	4,158,700.00	178,123,400.00	3,045,348,700.00	3,723,634.00	3,049,072,334.00	1.094	3,066,222,327.00
2012	44,509,600.00	2,575,313,400.00	255,778,700.00	4,145,400.00	184,744,300.00	3,064,491,400.00	3,723,975.00	3,068,215,375.00	1.070	3,109,568,018.00
2011	44,725,400.00	2,580,986,900.00	253,914,500.00	4,109,600.00	192,544,000.00	3,076,280,400.00	5,087,706.00	3,081,368,106.00	1.065	3,174,403,980.00
2010*	47,351,200.00	2,590,014,000.00	269,598,800.00	4,158,600.00	196,701,900.00	3,107,825,500.00	5,087,706.00	3,112,913,206.00	1.050	3,203,755,368.00
2009	20,075,000.00	1,230,598,800.00	116,469,200.00	3,595,050.00	81,269,400.00	1,452,007,450.00	1,787,172.00	1,453,794,622.00	2.229	3,342,807,536.00
2008	23,323,500.00	1,223,359,000.00	112,221,650.00	4,585,550.00	78,003,100.00	1,441,492,800.00	1,315,836.00	1,442,808,636.00	2.223	3,445,743,076.00
2007	24,759,000.00	1,206,627,700.00	106,773,400.00	3,712,550.00	71,775,300.00	1,413,647,950.00	1,280,728.00	1,414,928,678.00	2.190	3,319,389,389.00
2006	23,410,900.00	1,175,807,800.00	114,839,800.00	3,826,700.00	73,643,900.00	1,391,529,100.00	1,346,355.00	1,392,875,455.00	2.113	2,992,132,349.00
2005	22,918,500.00	1,150,175,800.00	114,367,600.00	3,846,100.00	72,887,300.00	1,364,195,300.00	1,623,568.00	1,365,818,868.00	2.068	2,669,828,339.00

\* - Revaluation

Source: District records Tax list summary & 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

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
UNAUDITED

Fiscal Year Ended June 30,	Township of Colts Neck Board of Education				Overlapping Rates				Total Direct and Overlapping Tax Rate	
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct		Freehold		Colts Neck Township	County Library/Other		Monmouth County
			School Tax Rate	School District	Regional	County				
2015	0.677	0.053	\$ 0.730	\$ 0.454	\$ 0.033	\$ 0.278	\$ 1.735			
2014	0.653	0.052	0.705	0.447	0.033	0.276	1.687			
2013	0.635	0.051	0.686	0.408	0.033	0.276	1.618			
2012	0.629	0.051	0.68	0.390	0.015	0.279	1.570			
2011	0.625	0.049	0.674	0.391	0.030	0.256	1.551			
2010*	0.618	0.049	0.667	0.383	0.056	0.261	1.537			
2009	1.299	0.108	1.407	0.822	0.093	0.547	3.212			
2008	1.289	0.103	1.392	0.831	0.058	0.577	3.192			
2007	N/A	N/A	1.378	0.812	0.632	0.564	3.691			
2006	N/A	N/A	1.347	0.765	0.033	0.572	3.070			

\*Revaluation

Source: District Records and Municipal Tax Collector  
(Rates are per \$100 of assessed value)

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the 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.

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAXPAYERS - CURRENT YEAR AND NINE YEARS AGO  
 UNAUDITED

		2015			2006		
Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Trump Nat'l Golf & CC	\$ 32,006,800.00	1	1.061%	Due Process Golf & Horse Stables	\$ 9,890,800.00	1	0.724%
Due Process Golf & CC	22,941,700.00	2	0.760%	Laird and Company	4,788,100.00	2	0.351%
Wellspring Stables FL LLC	11,618,400.00	3	0.385%	Shadow Isle Golf Club LLC	4,283,600.00	3	0.314%
Chapman, Nancy Trustee Stone Hill Terr.	9,105,800.00	4	0.302%	Pegasus Properties, LLC	3,798,700.00	4	0.278%
Parmar, Parmit Singh	8,074,600.00	5	0.268%	Rojan Inc.	3,772,000.00	5	0.276%
Laird and Company	7,927,600.00	6	0.263%	Meridian/Qualicare - CN Assisted Living	3,700,000.00	6	0.271%
G&F Realty of Richmond	7,839,400.00	7	0.260%	Parmar, Parmit Singh	3,104,000.00	7	0.227%
Pegasus Properties, LLC	5,969,700.00	8	0.198%	Pebble Creek at Colts Neck	3,095,000.00	8	0.227%
Colts Neck Shopping Center Assoc	5,967,500.00	9	0.198%	34 South Associates LLC	2,908,400.00	9	0.213%
36 Highway 34 South Associates LLC	5,809,700.00	10	0.193%	Colts Neck Shopping Center Assoc	2,595,400.00	10	0.190%
Total	\$ 117,261,200.00		3.885%	Total	\$ 41,936,000.00		3.070%

Source: Municipal Tax Assessor

Source: Municipal Tax Assessor

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
UNAUDITED

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Taxes Levied for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2015	\$ 21,277,775.00	\$ 21,277,775.00	100.00%	0.00
2014	20,922,199.00	20,922,199.00	100.00%	0.00
2013	20,844,176.00	20,844,176.00	100.00%	0.00
2012	20,758,212.00	20,758,212.00	100.00%	0.00
2011	20,761,437.00	20,761,437.00	100.00%	0.00
2010	20,449,238.00	20,449,238.00	100.00%	0.00
2009	20,079,036.00	20,079,036.00	100.00%	0.00
2008	19,497,180.00	19,497,180.00	100.00%	0.00
2007	18,766,300.00	18,766,300.00	100.00%	0.00
2006	17,937,428.00	17,937,428.00	100.00%	0.00

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

Note: 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 is the amount voted upon or certified prior to the end of the school year.

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>			Total <u>District</u>	Percentage of Personal <u>Income (a)</u>	<u>Per Capita (a)</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>				
2015	\$ 15,610,000.00	\$ 134,036.36	\$	15,744,036.36	N/A	N/A
2014	16,225,000.00	216,439.36		16,441,439.36	N/A	1,633.53
2013	17,105,000.00	356,066.36		17,461,066.36	2.73%	1,715.06
2012	17,955,000.00	259,615.83		18,214,615.83	2.94%	1,804.50
2011	18,780,000.00	217,319.31		18,997,319.31	3.21%	1,871.47
2010	19,550,000.00	306,704.11		19,856,704.11	3.43%	1,955.94
2009	20,320,000.00	124,074.67		20,444,074.67	3.64%	2,031.20
2008	21,090,000.00	121,540.16		21,211,540.16	3.56%	2,109.55
2007	21,665,000.00	9,895.00		21,674,895.00	3.73%	2,151.14
2006	22,285,000.00	72,952.00		22,357,952.00	4.10%	2,202.75

Source: District CAFR Schedules I-1, I-2

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

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

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
RATIOS OF NET BONDED DEBT OUTSTANDING  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 15,610,000.00	\$ -0-	\$ 15,610,000.00	N/A	N/A
2014	16,225,000.00	-0-	16,225,000.00	0.533%	1,612.02
2013	17,105,000.00	-0-	17,105,000.00	0.558%	1,680.09
2012	17,955,000.00	-0-	17,955,000.00	0.577%	1,763.58
2011	18,780,000.00	-0-	18,780,000.00	0.592%	1,860.51
2010*	19,550,000.00	-0-	19,550,000.00	0.610%	1,925.92
2009	20,320,000.00	-0-	20,320,000.00	0.608%	2,001.58
2008	21,090,000.00	-0-	21,090,000.00	0.612%	2,095.38
2007	21,665,000.00	-0-	21,665,000.00	0.653%	2,154.65
2006	22,285,000.00	-0-	22,285,000.00	0.745%	2,211.69

\* - Revaluation

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.

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2014  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Colts Neck Township	\$ 9,937,227.42	100.000%	\$ 9,937,227.42
<b>Other debt</b>			
Freehold Regional High School Monmouth County	27,570,000.00	10.322%	2,845,869.90 <u>0.00</u>
Subtotal, overlapping debt			12,783,097.32
<b>Colts Neck Township School District Direct Debt</b>			<u>15,610,000.00</u>
<b>Total direct and overlapping debt</b>			<u>\$ 28,393,097.32</u>

Source: Township of Colts Neck Chief Financial Officer, Monmouth County Treasurer's Office and Freehold Regional School District

(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.

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
UNAUDITED

Legal Debt Margin Calculation for Year 2014:

Equalized Valuation Basis	
2014	\$ 3,038,337,700.00
2013	3,062,498,693.00
2012	3,119,075,216.00
	<u>\$ 9,219,911,609.00</u>
Average Equalized Valuation of Taxable Property	\$ 3,073,303,869.67
Debt Limit (3% (a) of Average Equalization Value)	\$ 92,199,116.09
Total Net Debt Applicable to Limit	<u>19,070,869.90</u>
Legal Debt Margin	<u>\$ 73,128,246.19</u>

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	\$ 92,199,116.09	\$ 82,952,180.39	\$ 96,533,321.56	\$ 99,841,152.66	\$ 101,738,655.09	\$ 100,947,511.46	\$ 95,784,099.76	\$ 87,956,784.00	\$ 85,205,273.00	\$ N/A
Total Net Debt Applicable To Limit	<u>19,070,869.90</u>	<u>17,105,000.00</u>	<u>17,955,000.00</u>	<u>19,979,197.27</u>	<u>24,986,943.96</u>	<u>26,134,343.59</u>	<u>27,092,000.69</u>	<u>28,353,792.00</u>	<u>29,324,847.00</u>	<u>N/A</u>
Legal Debt Margin	<u>\$ 73,128,246.19</u>	<u>\$ 75,847,180.39</u>	<u>\$ 78,578,321.56</u>	<u>\$ 79,861,955.39</u>	<u>\$ 76,751,711.13</u>	<u>\$ 68,692,099.07</u>	<u>\$ 68,692,099.07</u>	<u>\$ 59,602,992.00</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	20.68%	18.40%	18.60%	20.01%	24.56%	28.28%	28.28%	32.24%	N/A	N/A

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation (a) Limit set by N.J.S.A. 18A:24-19 for a K through 8 district; other % limits would be applicable for other district types.

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
UNAUDITED

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2014	10,065	\$ N/A	\$ N/A	4.70%
2013	10,181	640,395,081.00	62,901.00	3.10%
2012	10,094	620,034,044.00	61,426.00	7.60%
2011	10,151	592,361,605.00	58,355.00	7.30%
2010	10,152	578,207,160.00	56,955.00	7.30%
2009	10,065	561,264,660.00	55,764.00	7.20%
2008	10,055	596,603,370.00	59,334.00	4.30%
2007	10,076	581,284,440.00	57,690.00	3.40%
2006	10,150	545,217,400.00	53,716.00	4.60%
2005	10,181	500,589,589.00	49,169.00	4.50%

## Source:

- (a) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented in the annual report of the NJ Dept. of Labor and Workforce Development.
- (c) Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Employer	2015			2006		
	# of Employees	Rank (Optional)	Percentage of Total Employment (b)	# of Employees	Rank (Optional)	Percentage of Total Employment
Naval Weapons Station EARLE	635	(a) 1	14.11%	750	(a) 1	N/A
Colts Neck Township Bd. Of Educ.	243	2	5.40%	248	(a) 3	N/A
Delicious Orchards	228	(a) 3	5.07%	250	2	N/A
Colts Neck Township	47	4	1.04%	55	5	N/A
Lairds	25	5	0.56%	75	4	N/A
	<u>1,178</u>		<u>6.67%</u>	<u>N/A</u>		<u>N/A</u>

Source: Municipal Records

(a) Estimate

(b) 4,500 per New Jersey Department of Labor 2014 Average Labor Force Estimates

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 UNAUDITED

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction:										
Regular	85.0	86.0	96.0	98.0	110.0	110.0	108.0	100.0	100.0	138.0
Special education	39.0	39.0	29.0	50.0	46.0	46.0	60.0	62.0	62.0	53.0
Support Services:										
Student & instruction related services	57.0	56.5	42.0	33.0	35.0	35.0	28.0	26.0	25.0	17.0
General administrative services	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	5.0	4.0
School administrative services	8.0	8.0	7.0	11.0	11.0	11.0	11.0	11.0	11.0	10.0
Central services	5.0	5.0	7.0	4.0	4.0	4.0	5.0	5.0	4.0	4.0
Plant operations and maintenance	20.0	19.0	19.2	18.0	18.0	19.0	18.0	16.0	16.0	16.0
Pupil transportation	27.0	27.0	25.0	27.0	26.0	28.0	29.0	29.0	29.0	27.0
<b>Total</b>	<b>245.0</b>	<b>244.5</b>	<b>228.2</b>	<b>244.0</b>	<b>253.0</b>	<b>256.0</b>	<b>262.0</b>	<b>252.0</b>	<b>252.0</b>	<b>269.0</b>

Source: District Personnel Records

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio		Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2014-2015	996	\$23,120,620.86	\$23,213.47	3.99%	140	10:01	8:01	959	914	-4.48%	95.31%
2013-2014	1,034	23,081,636.45	22,322.67	7.36%	138	10:01	8:01	1,004	956	-8.89%	95.22%
2012-2013	1,093	22,726,241.06	20,792.54	10.99%	140	9:01	9:01	1,102	1,054	-7.16%	95.64%
2011-2012	1,170	21,918,844.50	18,734.06	-3.68%	148	10:01	9:01	1,187	1,132	-2.63%	95.37%
2010-2011	1,216	21,593,335.79	19,450.00	11.30%	156	9:01	8:01	1,219	1,161	-7.23%	95.24%
2009-2010	1,304	22,788,498.85	17,475.84	7.11%	156	9:01	8:01	1,314	1,249	-4.44%	95.05%
2008-2009	1,350	22,026,806.16	16,316.15	0.78%	165	10:01	10:01	1,375	1,310	-4.05%	95.27%
2007-2008	1,374	22,244,331.88	16,189.47	10.24%	162	11:01	10:01	1,433	1,365	-2.45%	95.25%
2006-2007	1,443	21,191,815.00	14,685.94	8.67%	162	11:01	10:01	1,469	1,405	-3.74%	95.64%
2005-2006	1,480	20,001,877.00	13,514.78	12.38%	156	10:01	10:01	1,526	1,457	0.46%	95.48%

Sources: 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).

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>District Buildings</b>										
Early Learning Center										
Conover Road Primary School (2003)	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000
Square Feet	457	457	576	576	576	576	576	576	576	576
Capacity (students)	235	278	288	339	363	381	391	375	412	437
Enrollment										
<b>Elementary</b>										
Conover Road Elementary School	81,099	81,099	81,099	81,099	81,099	81,099	81,099	81,099	81,099	81,099
Square Feet	587	587	574	574	574	574	574	574	574	574
Capacity (students)	365	348	375	384	398	434	473	471	488	484
Enrollment										
<b>Middle School</b>										
Cedar Drive Middle School	89,345	89,345	89,345	89,345	89,345	89,345	89,345	89,345	89,345	89,345
Square Feet	677	677	603	603	603	603	603	603	603	603
Capacity (students)	396	408	430	467	462	486	509	508	533	540
Enrollment										
<b>Other</b>										
Administration Building	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Square Feet	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520
Transportation										
Square Feet										

Number of Schools at June 30, 2015  
 Early Learning Center = 1  
 Elementary = 1  
 Middle School = 1  
 Other = 2

Source: District records  
 Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
UNAUDITED

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

School Facilities * Project #(s)	<u>Total</u>	<u>Cedar Drive Middle School</u>	<u>Conover Road Elementary School</u>	<u>Administration Building</u>	<u>Conover Road Primary School</u>
2015	\$ 449,070.00	\$ 124,768.00	\$ 121,526.00	\$ 3,108.00	\$ 199,668.00
2014	482,277.85	134,400.17	130,752.60	5,423.99	211,701.09
2013	475,230.00	130,636.00	131,829.00	15,019.00	197,746.00
2012	392,584.00	112,346.67	110,506.67	4,242.00	165,488.67
2011	404,774.63	112,573.54	117,759.54	7,068.00	167,373.55
2010	442,802.00	107,150.00	86,399.00	7,082.00	242,171.00
2009	502,948.00	152,436.00	118,128.00	6,212.00	226,172.00
2008	435,808.00	103,773.00	84,507.00	9,539.00	237,989.00
2007	404,962.00	91,773.00	64,117.00	3,484.00	245,588.00
2006	412,170.00	103,147.00	73,700.00	2,830.00	232,493.00
Total School Facilities: \$	<u>2,603,464.63</u>	<u>670,852.54</u>	<u>544,610.54</u>	<u>36,215.00</u>	<u>1,351,786.55</u>

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

Source: District records

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30,2015  
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Package Policy - School Alliance Insurance Fund (SAIF)		
Property:		
Blanket Buildings and Contents Limits	\$61,091,729	\$2,500
Comprehensive General Liability - Aggregate	5,000,000	
Comprehensive Automobile Liability	5,000,000	
Inland Marine - Computers	1,088,000	
Boiler Machinery	100,000,000	
Excess Liability - SAIF	5,000,000	
School Board Legal Liability - Directors and Officers Policy MOCSSIF/NJSBAIG	1,000,000	5,000
Workers Compensation - MOCSSIF/NJSBAIG	2,000,000	
Group Accident - Volunteers	100,000	
Student Accident - All Students (except football)	1,000,000	
AHERA Liability	500,000	1,000
Public Employees Faithful Performance Blanket Bond - SAIF		
Employee Dishonesty	500,000	1,000
Vincent S. Marasco - Business Administrator	250,000	
John Antonides - Treasurer of School Monies	250,000	

**SINGLE AUDIT SECTION**



**SUPLEE, CLOONEY & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

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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 BASIC FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Honorable President and Members  
of the Board of Education  
Township of Colts Neck School District  
County of Monmouth  
Colts Neck, New Jersey 07722

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Township of Colts Neck School District (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 2, 2015.

***Internal Control Over Financial Reporting***

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

# SUPLEE, CLOONEY & COMPANY

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

## ***Compliance and Other Matters***

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

## ***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* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 93

December 2, 2015



**SUPLEE, CLOONEY & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL  
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH U.S. OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and Members  
of the Board of Education  
Township of Colts Neck School District  
County of Monmouth  
Colts Neck, New Jersey 07722

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

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

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Township of Colts Neck School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and *New Jersey OMB 04-04*. Those standards, *OMB Circular A-133* and *New Jersey OMB 04-04* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Colts Neck School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

# SUPLEE, CLOONEY & COMPANY

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

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

In our opinion, the Township of Colts Neck School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

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

Management of the Township of Colts Neck 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 Township of Colts Neck School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with *OMB Circular A-133* and New Jersey *OMB 04-04*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Colts Neck School District's internal control over compliance.

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

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

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

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 93

December 2, 2015

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT PERIOD		AWARD AMOUNT	BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2015	
		FROM	TO						UNEARNED REVENUE	DUE GRANTOR
84.041	Special Revenue Fund U.S. Department of Education Passed-through State Department of Education: General Fund Impact Aid Total General Fund	9/1/14	8/31/15	\$680,686.00		\$680,686.00 680,686.00	(\$680,686.00) (680,686.00)			
84.010	Special Revenue Fund Title I Part A	9/1/14	8/31/15	16,095.00		10,500.00	(16,095.00)	(5,595.00)		
84.010	Title I Part A	7/1/13	6/30/14	16,839.00	(1,958.00)	1,958.00				
84.367	Title II Part A	9/1/14	8/31/15	25,032.00		22,099.00	(25,032.00)	(2,933.00)		
84.367	Title II Part A	7/1/13	6/30/14	24,763.00	(\$21,300.00)	21,300.00				
84.027	I.D.E.A. Part B	9/1/14	8/31/15	202,879.00		119,483.00	(202,879.00)	(83,396.00)		
84.027	I.D.E.A. Part B	7/1/13	6/30/14	206,269.00	(63,070.00)	63,070.00				
84.173	I.D.E.A. Preschool	7/1/14	6/30/15	9,813.00		469.00	(9,813.00)	(9,344.00)		
84.173	I.D.E.A. Preschool	7/1/13	6/30/14	9,964.00	(5,687.00)	5,687.00	(253,819.00)	(101,268.00)		
	Total U.S. Department of Education				(92,015.00)	244,566.00				
	Total Special Revenue Fund				(92,015.00)	244,566.00				
10.550	Enterprise Fund: U.S. Department of Agriculture Passed-through State Department of Education: U.S.D.A. Commodities Program	7/1/13	6/30/14	8,681.69	4,034.99	13,433.93	(4,034.99)			2,258.90
10.550	U.S.D.A. Commodities Program	7/1/14	6/30/15	13,433.93		6,662.36	(11,175.03)			
10.555	National School Lunch Program	7/1/13	6/30/14	30,930.89	(6,662.36)	24,220.40	(30,523.62)	(6,303.22)		
10.555	National School Lunch Program	7/1/14	6/30/15	30,523.62	(2,627.37)	44,316.69	(45,733.64)	(6,303.22)		2,258.90
	Total Enterprise Fund					\$969,568.69	(\$980,238.64)	(\$107,571.22)		\$2,258.90

See accompanying notes to schedules of financial assistance.

COLTS NECK TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE JUNE 30, 2014		ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES	BALANCE JUNE 30, 2015		MEMO					
				UNEARNED REVENUE (ACCTS REC)	CASH RECEIVED		BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES		
State Department of Education General Funds:														
Categorical Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	\$703,608.00	\$67,458.66	\$67,458.66	(\$67,458.66)							\$703,608.00	
Categorical Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	703,608.00	636,109.78	636,109.78	67,498.22							703,608.00	
Categorical Security Aid	14-495-034-5120-084	7/1/13-6/30/14	89,893.00	8,615.34	8,615.34	(8,615.34)							89,893.00	
Categorical Security Aid	15-495-034-5120-084	7/1/14-6/30/15	89,893.00	81,269.08	81,269.08	8,623.92							89,893.00	
Categorical Transportation Aid	14-495-034-5120-078	7/1/13-6/30/14	171,526.00	16,442.34	16,442.34	(16,442.34)							171,526.00	
Categorical Transportation Aid	15-495-034-5120-078	7/1/14-6/30/15	171,526.00	155,072.59	155,072.59	16,453.41							171,526.00	
Adjustment Aid	14-495-034-5120-085	7/1/13-6/30/14	13,941.00	1,332.66	1,332.66	(1,332.66)							13,941.00	
Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	13,941.00	12,600.99	12,600.99	1,340.01							13,941.00	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	9,330.00	8,430.28	8,430.28	899.72							9,330.00	
PARCC Readiness	15-495-034-5120-098	7/1/14-6/30/15	9,330.00	8,430.28	8,430.28	899.72							9,330.00	
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	256,535.00	(\$256,535.00)	256,535.00								256,535.00	
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	208,757.00		208,757.00								208,757.00	
Non-Public Transportation Aid	N/A	7/1/13-6/30/14	20,434.00		20,434.00								20,434.00	
Non-Public Transportation Aid	N/A	7/1/14-6/30/15	12,125.00		12,125.00								12,125.00	
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	7/1/13-6/30/14	789,217.45	(36,757.77)	36,757.77	(745,121.55)							789,217.45	
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/14-6/30/15	745,121.55	(313,726.77)	2,017,892.64	(1,963,631.55)							745,121.55	
Total General Funds														4,006,786.00
Capital Projects Fund:														
State of New Jersey School Development Authority														
Cedar Drive Middle School Boiler Replacement	0945-030-14-G1ZY	7/1/14-6/30/15	737,300.00											24,480.00
Cedar Drive Middle School Generator	0945-030-14-G1ZZ	7/1/14-6/30/15	258,000.00											8,400.00
Conover Road Elementary School Generator	0945-030-14-G2AA	7/1/14-6/30/15	258,000.00											8,400.00
Debt Service Fund:														
Debt Service Aid Type II	15-100-034-5120-125	7/1/14-6/30/15	132,755.00											132,755.00
Total Debt Service Fund														132,755.00
Enterprise Fund:														
National School Lunch Program (State Share)	14-100-034-5120-122	7/1/13-6/30/14	2,420.69	(535.93)	535.93									2,420.69
National School Lunch Program (State Share)	15-100-034-5120-122	7/1/14-6/30/15	2,472.68	(535.93)	1,962.75	(2,472.68)								2,472.68
Total Enterprise Fund														4,893.37
Total State Financial Assistance Subject to OMB 04-04														
														\$4,187,714.37
On Behalf TPAF Contributions Not Subject to OMB 04-04:														
( On-behalf TPAF non-contributory insurance														
On-behalf TPAF Pension														
( On-behalf TPAF post retirement medical														
Total State Financial Assistance														\$4,187,714.37

See accompanying notes to schedules of financial assistance.

**Township of Colts Neck School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2015**

**NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of 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 schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

**Township of Colts Neck School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2015**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$1,866.00 for the general fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$680,686.00	\$3,303,734.55	\$3,984,420.55
Special Revenue Fund	253,819.00		253,819.00
Capital Projects Fund		41,280.00	41,280.00
Debt Service Fund		132,755.00	132,755.00
Food Service Fund	45,733.64	2,472.68	48,206.32
	<u>\$980,238.64</u>	<u>\$3,480,242.23</u>	<u>\$4,460,480.87</u>
GAAP Adjustment		(\$1,866.00)	(\$1,866.00)
Total Awards and Financial Assistance	<u>\$980,238.64</u>	<u>\$3,478,376.23</u>	<u>\$4,458,614.87</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5: OTHER**

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 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.

**Township of Colts Neck School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2015**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

- |     |  |            |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued:   | Unmodified |
| (2) | Internal Control Over Financial Reporting:   |            |
|     | (a) Material weakness identified?  | No         |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No         |
| (3) | Noncompliance material to basic financial statements noted?                                | No         |

**Federal Program(s)**

- |     |  |            |
|-----|--|------------|
| (1) | Internal Control Over Major State Programs:  |            |
|     | (a) Material weakness identified?  | No         |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses?           | No         |
| (2) | Type of Auditor’s Report issued on compliance for major state program(s)?                            | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133? | No         |

- (4) Identification of Major Federal Program(s):

<u>Program</u>	<u>Grant Number</u>
Impact Aid	84.041
IDEA Basic	84.027
IDEA Preschool	84.173

- |     |   |     |
|-----|---|-----|
| (5) | Program Threshold Determination:<br>Type A State Program Threshold > \$300,000.00<br>Type B State Program Threshold <= \$300,000.00 |     |
| (6) | Auditee qualified as a low-risk auditee under OMB Circular A-133?   | Yes |

**Township of Colts Neck School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2015**

**Section I – Summary of Auditor’s Results (Continued)**

**State Program(s)**

- (1) Internal Control Over Major State Programs:
- (a) Material weakness identified? No
- (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? No
- (4) Identification of Major State Program(s):
- | <u>Program</u>                 | <u>Grant Number</u> |
|--------------------------------|---------------------|
| Reimburse TPAF Social Security | 15-495-034-5095-002 |
| Extraordinary Aid              | 15-100-034-5120-473 |
- (5) Program Threshold Determination:  
Type A State Program Threshold > \$300,000.00  
Type B State Program Threshold <= \$300,000.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

**Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards**

**Internal Control Findings**

None Reported

**Compliance Findings**

None Reported

**Section III – Findings and Questioned Costs Relative to Major Federal and State Programs**

Federal Programs – None Reported  
State Programs – None Reported

**Township of Colts Neck School District**

**Schedule of Prior Year Audit Findings**

Not Applicable

