

**EATONTOWN SCHOOL DISTRICT**

Eatontown, New Jersey  
County of Monmouth

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**EATONTOWN BOARD OF EDUCATION**

**EATONTOWN, NEW JERSEY**

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



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**INTRODUCTORY SECTION**

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# EATONTOWN BOARD OF EDUCATION

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LORI YOUNGCLAUS  
Business Administrator / Board Secretary

ADMINISTRATIVE OFFICES  
5 GRANT AVENUE  
EATONTOWN, NEW JERSEY 07724  
TEL. (732) 935-3302  
FAX (732) 542-1700

December 04, 2015

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

Dear Board Members:

The comprehensive annual financial report of the Eatontown School District ("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 Eatontown 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 operation 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, a roster of principal officials and a list of consultants and advisors. The financial section includes the district-wide and fund financial statements and schedules, as well as the auditor's report and the Management's Discussion and Analysis. The statistical section includes selected financial statements and schedules as well as information generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the State Treasury OMB Circular 04-04, 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.

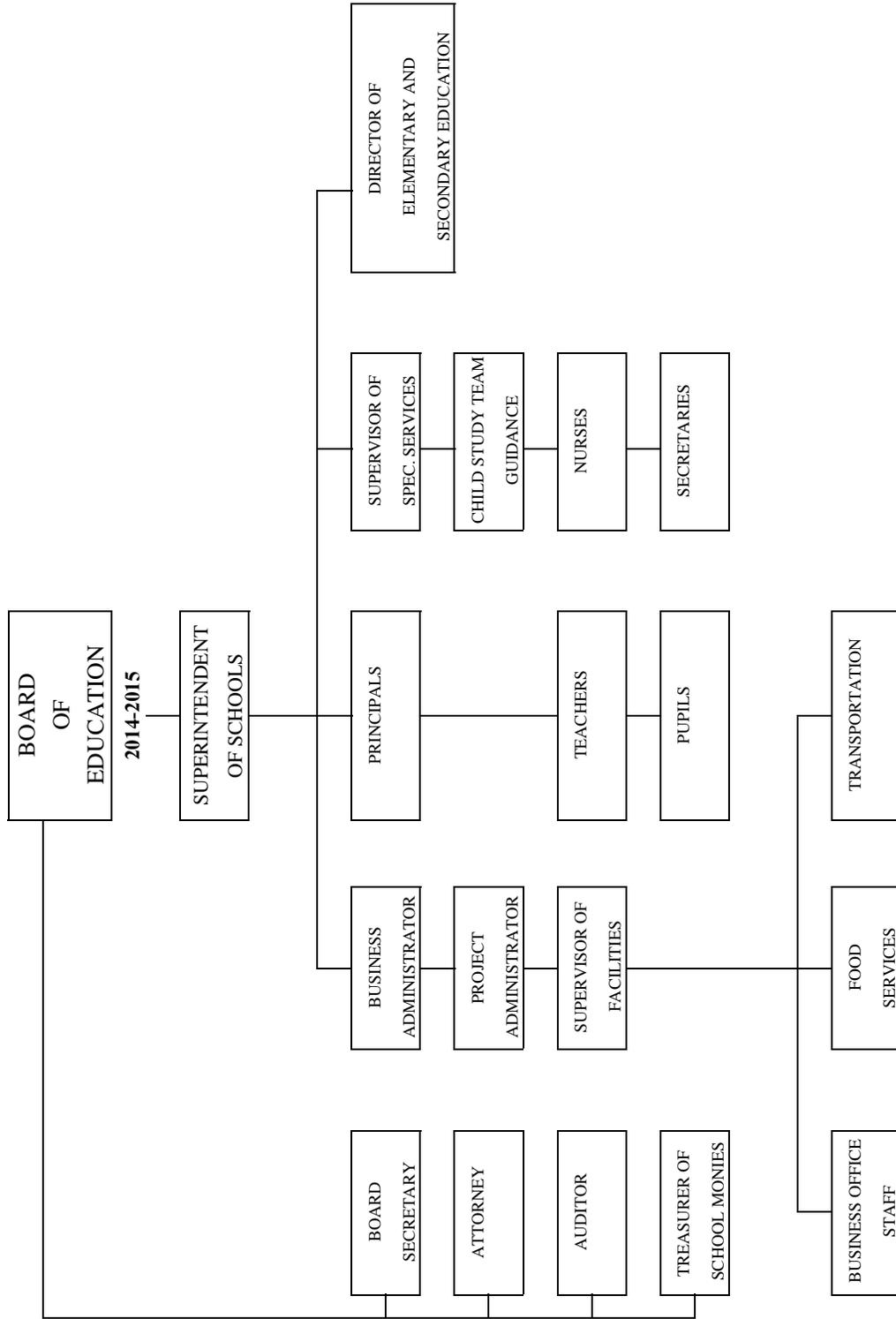
Respectfully submitted,

Scott T. McCue  
Superintendent of Schools

Lori Youngclaus  
Business Administrator/Board Secretary

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**EATONTOWN SCHOOL DISTRICT  
ORGANIZATIONAL CHART  
(UNIT CONTROL)**



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**EATONTOWN BOARD OF EDUCATION**  
**Eatontown, New Jersey**

**ROSTER OF OFFICIALS**

**JUNE 30, 2015**

**MEMBERS OF THE BOARD OF EDUCATION**

**TERM EXPIRES**

Bob English, President	2015
Carl Lawson, Vice President	2015
Pete Siino	2015
Deborah Martinock	2017
Joe Fukushima	2016
Edmund Fitterer	2016
Sharyn Chasey-Palenzuela	2016
John Bennett	2017
Shellie Miller	2017

**OTHER OFFICIALS**

Scott T. McCue, Superintendent of Schools

Lori Youngclaus, Business Administrator/Board Secretary

Deborah Trainor, Treasurer of School Monies

Dennis A. Collins, Esq., Board Attorney

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**EATONTOWN BOARD OF EDUCATION**  
**Eatontown, New Jersey**

**CONSULTANTS AND ADVISORS**

**JUNE 30, 2015**

**AUDITOR/AUDIT FIRM**

Robert W. Allison, CPA, RMA  
Holman Frenia Allison, P. C.  
912 Highway 33, Suite 2  
Freehold, New Jersey 07728

**ATTORNEY**

Dennis A. Collins, Esq.  
Collins, Vella & Casello, LLC  
1451 Route 34 South, Suite 303  
Farmingdale, New Jersey 07727

**OFFICIAL DEPOSITORY**

TD Bank  
175 Wyckoff Road  
Eatontown, New Jersey 07724

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**FINANCIAL SECTION**

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HOLMAN | FRENIA  
ALLISON, P.C.

Certified Public Accountants & Consultants

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Eatontown Board of Education  
County of Ocean  
Eatontown, New Jersey

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Eatontown School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Eatontown School District, County of Ocean, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### ***Change in Accounting Principle***

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

## **Other Matters**

### ***Required Supplementary Information***

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

### ***Other Information***

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

The accompanying combining statements and related major fund supporting statements and schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 04, 2015 on our consideration of the Eatontown 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 Eatontown School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Freehold, New Jersey  
December 04, 2015

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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EATONTOWN BOROUGH BOARD OF EDUCATION  
5 Grant Avenue, Eatontown, NJ 07724

MONMOUTH COUNTY

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

**Introduction**

Management's discussion and analysis of the Eatontown Borough School District's ("District") financial results that follows will provide statement readers with some insight into this philosophy and its impact on the educational changes taking place within the District as well as providing some understanding of the fiscal activities undertaken by the Board's administrative team to effect this change.

**Basic Financial Statements**

The annual report consists of a series of financial statements and notes to those statements presented so the reader can gain an understanding of the District as a financial operating entity. The overview statements then proceed to provide an increasingly detailed look at specific financial activities. These statements provide a "report card" of sorts on the District's financial transactions, including data on all assets and liabilities using full accrual accounting in a manner similar to information presented by publicly held companies. All of these activities are intended to advance the District's mission as stated at the beginning of this analysis.

The financial statements previously presented in the District's Comprehensive Annual Financial Report remain unchanged: detailed and comparative exhibits of budgeted and actual revenue and expenses by General, Special Revenue, Proprietary and Debt Service Funds. This disclosure has been expanded by the addition of the Statement of Net Position and the Statement of Activities using full accrual accounting similar to the statements used in reporting corporate financial results. Another new feature will be supplementary information that includes a comparison of the original and final budgets to the final expenditures for the General and Special Revenue Funds.

The Statement of Net Position presents the District's assets and liabilities in order of liquidity, except for liabilities with current and long-term elements that will be presented accordingly. Net position represents the difference between assets and liabilities, and will be presented in three categories: invested in capital assets net of related debt, restricted assets and unrestricted assets. Using this methodology requires depreciation of capital assets.

The Statement of Activities provides an overview of the cost of providing educational services by major categories of expense and revenue. These two statements report the District's net position and how they have changed year to year, reflecting a variety of influences such as the educational philosophy (i.e. dedicated to increased test scores), voter approval of tax levy, interest income, successful grant applications, etc. An additional factor influencing these results is the level of state funding received, as the flat funding over the past two years coupled with a looming decline in Federal PL874 Impact Aid funds has had a negative impact on the District's finances.

## **Financial Highlights**

Key financial highlights for 2015 are as follows:

- General revenues accounted for \$18,506,731.95 or 74.42% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$6,360,571.10 or 25.57% of total revenue of \$24,867,303.05.
- Total net position of governmental activities increased by \$618,741.44.
- The School District had \$24,245,324.46 in expenses; only \$6,360,571.10 of these expenses was offset by program specific charges for services, operating grants and contributions. General revenues of \$18,506,731.95, together with Fund Balance, were adequate to provide for these programs.
- In December 2014, the School District was able to accomplish a bond refunding which was triggered by the opportunity to refinance at a lower interest rate. The net savings has alleviated the taxpayers of the higher interest rate that was originally issued in 2007.

## **GASB 68**

As described in Note 19 to the financial statements, “Prior Period Adjustment/Restatement of Net Position”, the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principal resulted in a restatement of the District’s opening net position as of July 1, 2014 in the amount of \$1,402,793.23, as indicated in Note 19 to the financial statements.

## Using this General Accepted Accounting Principles Report (GAAP)

The Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position as of June 30, 2015 and 2014.

	<u>Table 1</u>	<u>2015</u>	<u>2014</u>
	Net Position		
Assets:			
Cash and Cash Equivalents		\$ 2,534,223.35	\$ 3,243,734.09
Receivables, Net		1,418,366.09	279,476.27
Inventory		4,734.80	2,805.37
Capital Assets, Non-Depreciable		2,375,200.00	2,375,200.00
Capital Assets, Net		<u>23,470,011.03</u>	<u>24,217,797.03</u>
 Total Assets		 <u>29,802,535.27</u>	 <u>30,119,012.76</u>
Deferred Outflows of Resources:			
Deferred Outflows Related to Pensions		240,854.00	-
Deferred Charges on Refunding of Debt		<u>2,055,643.53</u>	<u>-</u>
 Total Deferred Outflows of Resources		 <u>2,296,497.53</u>	 <u>-</u>
 Total Assets and Deferred Outflows of Resources		 <u>32,099,032.80</u>	 <u>30,119,012.76</u>
Liabilities:			
Accounts Payable		65,630.24	78,852.64
Pension Payable		143,089.00	-
Deferred Revenue		15,365.95	29,225.03
Accrued Interest		116,500.00	458,429.17
Payable to State Government		84.03	17,137.86
Payable to Federal Government		10,855.80	
Noncurrent Liabilities:			
Due Within One Year		1,192,543.00	950,000.00
Due Beyond One Year		<u>28,330,632.13</u>	<u>23,992,748.00</u>
 Total Liabilities		 <u>29,874,700.15</u>	 <u>25,526,392.70</u>
Deferred Inflows of Resources:			
Deferred Inflows Related to Pensions		<u>195,447.00</u>	
 Total Deferred Inflows of Resources		 <u>195,447.00</u>	 <u>-</u>
 Total Liabilities and Deferred Inflows of Resources		 <u>30,070,147.15</u>	 <u>25,526,392.70</u>
Net Position:			
Net Investment in Capital Assets		3,645,211.03	2,298,997.03
Restricted for:			
Debt Service		(116,500.00)	(458,429.17)
Capital Projects		922,942.93	964,423.93
General Fund		2,044,702.33	2,016,947.67
Unrestricted		<u>(4,467,470.64)</u>	<u>(229,319.40)</u>
 Total Net Position		 <u>\$ 2,028,885.65</u>	 <u>\$ 4,592,620.06</u>

Table 2 provides a comparison analysis of District-wide changes in net position from fiscal years 2015 and 2014.

Table 2

Changes in Net Position

	<u>2015</u>	<u>2014</u>
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 173,945.60	\$ 168,157.16
Operating Grants and Contributions	6,186,625.50	2,221,833.37
General Revenues:		
Property Taxes	14,851,566.00	14,711,648.00
Grants and Entitlements	3,646,370.95	5,275,845.08
Other	<u>8,795.00</u>	<u>11,353.61</u>
Total Revenues	<u>24,867,303.05</u>	<u>22,388,837.22</u>
<u>Program Expenses</u>		
Instruction	8,407,503.64	8,547,646.31
Support Services:		
Pupils and Instructional Staff	2,707,793.02	3,076,421.88
General Administration, School Administration, Business Operations and Maintenance of Facilities	3,229,138.00	3,011,213.00
Pupil Transportation	774,392.00	761,055.00
Employee Benefits	6,868,430.55	4,338,163.46
Food Service	386,618.74	429,090.63
Other	<u>1,871,448.51</u>	<u>2,142,950.83</u>
Total Expenses	<u>24,245,324.46</u>	<u>22,306,541.11</u>
Increase/(Decrease) in Net Position	<u>\$ 621,978.59</u>	<u>\$ 82,296.11</u>

## Governmental Activities

Annually, on the first Tuesday in November, the voters of New Jersey get an opportunity to voice their opinion on all things economic and/or political as they are asked to vote on their local school district's annual tax levy developed as part of the annual school budget process if the Board of Education decides to exceed the 2% cap. Over the last two budget cycles, the Board of Education has remained well within the 2% tax cap levy. The District remains as a minimum tax levy district. Property taxes made up 59.7 percent of revenues for governmental activities (excluding Capital Projects) for the Eatontown Borough Board of Education for fiscal year 2014-15.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services, identifying the cost of these services supported by tax revenue and unrestricted State entitlements. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

### Governmental Activities

	2015		2014	
	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>
Instruction	\$ 8,407,503.64	\$ 7,793,141.00	\$ 8,547,646.31	\$ 7,942,143.00
Support Services:				
Pupils and Instructional Staff	2,707,793.02	2,298,784.00	3,076,421.88	2,689,393.00
General Administration, School Administration, Business	1,316,616.00	1,316,616.00	1,205,475.00	1,205,475.00
Operation and Maintenance of Facilities	1,912,522.00	1,912,522.00	1,805,738.00	1,805,738.00
Pupil Transportation	774,392.00	503,337.00	761,055.00	484,338.00
Employee Benefits	6,868,430.55	2,889,220.00	4,338,163.46	4,338,163.46
Other	<u>1,871,448.51</u>	<u>1,174,370.51</u>	<u>2,142,950.83</u>	<u>1,449,102.83</u>
Total Expenses	<u>\$23,858,705.72</u>	<u>\$17,887,990.51</u>	<u>\$21,877,450.48</u>	<u>\$ 19,914,353.29</u>

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

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

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

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

Extracurricular activities includes expenses related to student activities provided by the School district which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

Other includes unallocated depreciation and amortization.

### School District's Funds

Information about the School District's major funds follows this report. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$22,368,204.16, and expenditures of \$22,212,151.10.

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

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2013/14</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 14,926,672.03	66.73%	\$ 173,539.47	1.18%
State Sources	6,675,922.55	29.85%	274,528.30	4.29%
Federal Sources	<u>765,609.58</u>	<u>3.42%</u>	<u>(41,807.49)</u>	<u>-5.18%</u>
Total	<u>\$ 22,368,204.16</u>	<u>100.00%</u>	<u>\$ 406,260.28</u>	<u>1.82%</u>

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

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2013/14</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 8,407,503.64	37.85%	\$ (140,142.67)	0.76%
Undistributed Expenditures	11,349,885.57	51.10%	100,414.23	-1.44%
Debt Service:				
Principal	950,000.00	4.28%	50,000.00	5.88%
Interest & Other Charges	1,331,439.89	5.99%	190,709.89	-3.24%
Capital Outlay	<u>173,322.00</u>	<u>0.78%</u>	<u>2,284.00</u>	<u>32.04%</u>
Total	<u>\$ 22,212,151.10</u>	<u>100.00%</u>	<u>\$ 203,265.45</u>	<u>0.92%</u>

### General Fund Budgeting Highlights

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent overexpenditures in specific line item accounts.

- \* Changes in appropriations to prevent budget overruns
- \* Payment of unused, accrued sick/vacation days for retiring staff members
- \* Supported additional educational technology purchases.
- \* Supported additional curriculum enhancements and resources in support of the CCSS

### Debt Administration

At June 30, 2015, the Eatontown Borough Board of Education had \$22,200,000.00 in outstanding bonds and \$748,363 for Compensated Absences.

At June 30, 2015, the School District's overall legal debt margin was \$42,175,188.88.

## Capital Assets

At the end of the fiscal year 2015, the School District had \$25,845,211.03 invested in land, buildings, equipment, and machinery.

Table 4

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

	<u>2015</u>	<u>2014</u>
Land	\$ 2,375,200.00	\$ 2,375,200.00
Building and Improvements	22,775,594.82	23,561,016.82
Equipment and Machinery	<u>694,416.21</u>	<u>656,780.21</u>
Total	<u>\$ 25,845,211.03</u>	<u>\$ 26,592,997.03</u>

## Current Financial Issues and Concerns

The Eatontown Borough School District is essentially financially stable, with surplus fully-funded as of June 30, 2015. However, concern exists about the community's ability and willingness to continue to fund the growing cost of education while the State's share has remained flat for many years. For the 2014-15 school year, however, the District will receive an increase of 2% in State Aid. In addition, the district has experienced new students coming to the schools that require additional services such as special education, basic skills, and ELL services. Providing these necessary educational services for students can strain the overall school budget.

The Board and administration continue to be extremely sensitive to the financial concerns of Eatontown taxpayers. In past years, the Board has had to use surplus to subsidize taxes. The main issue continues to be providing a first-rate education to the children of Eatontown while balancing fiscal and financial considerations.

Commencing with the 2007-08 school year and for the next 20 years, the District will also have to budget for Debt Service. This Debt Service consists of principal and interest payments on the local share of the \$2,050,000 School Bonds the District sold on August 8, 2006 and 20,150,000 School Bonds the District sold on December 24, 2014.

In general, the Eatontown Borough Board of Education has consistently committed itself to sound, conservative fiscal management, providing the most efficient and effective education possible given the demands and challenges associated with the need to improve students' academic performances, and there is no reason to believe that this commitment will not continue as the District moves forward.

### **Contacting the School District's Financial Management Team**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions on this report or need additional financial information, please contact the School Business Administrator/Board Secretary, at the Eatontown Borough Board of Education, 5 Grant Avenue, Eatontown, NJ 07724.

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**BASIC FINANCIAL STATEMENTS**

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## A. District-Wide Financial Statements

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**EATONTOWN SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

	Governmental <u>Activities</u>	Business -Type <u>Activities</u>	Totals <u>June 30, 2015</u>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 2,487,140.87	\$ 47,082.48	\$ 2,534,223.35
Receivables, Net	1,397,202.15	21,163.94	1,418,366.09
Inventory	-	4,734.80	4,734.80
Capital Assets, Non-Depreciable (Note 6)	2,375,200.00	-	2,375,200.00
Capital Assets, Depreciable (Note 6)	23,470,011.03	-	23,470,011.03
<b>Total Assets</b>	<b>29,729,554.05</b>	<b>72,981.22</b>	<b>29,802,535.27</b>
<b>Deferred Outflow of Resources:</b>			
Deferred Outflows Related to Pensions	240,854.00	-	240,854.00
Deferred Charge on Refunding of Debt	2,055,643.53	-	2,055,643.53
<b>Total Deferred Outflows of Resources</b>	<b>2,296,497.53</b>	<b>-</b>	<b>2,296,497.53</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>32,026,051.58</b>	<b>72,981.22</b>	<b>32,099,032.80</b>
<b>Liabilities:</b>			
Accounts Payable	-	65,630.24	65,630.24
Pension Payable	143,089.00	-	143,089.00
Deferred Revenue	15,365.95	-	15,365.95
Accrued Interest	116,500.00	-	116,500.00
Payable to State Government	84.03	-	84.03
Payable to Federal Government	10,855.80	-	10,855.80
Noncurrent Liabilities (Note 7):			
Due Within One Year	1,192,542.84	-	1,192,542.84
Due Beyond One Year	28,330,632.29	-	28,330,632.29
<b>Total Liabilities</b>	<b>29,809,069.91</b>	<b>65,630.24</b>	<b>29,874,700.15</b>
<b>Deferred Inflows of Resources:</b>			
Deferred Inflows Related to Pensions	195,447.00	-	195,447.00
<b>Total Deferred Inflows of Resources</b>	<b>195,447.00</b>	<b>-</b>	<b>195,447.00</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>30,004,516.91</b>	<b>65,630.24</b>	<b>30,070,147.15</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	3,645,211.03		3,645,211.03
Restricted for:			
Debt Service	(116,500.00)	-	(116,500.00)
Capital Projects	922,942.93	-	922,942.93
General Fund	2,044,702.33	-	2,044,702.33
Unrestricted	(4,474,821.62)	7,350.98	(4,467,470.64)
<b>Total Net Position</b>	<b>\$ 2,021,534.67</b>	<b>\$ 7,350.98</b>	<b>\$ 2,028,885.65</b>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	June 30, 2015	
<b>GOVERNMENTAL ACTIVITIES</b>							
Instruction:							
Regular	\$ 6,017,071.64	\$ -	\$ 614,362.64	\$ (5,402,709.00)	\$ -	\$ (5,402,709.00)	
Special Education	1,792,773.00	-	-	(1,792,773.00)	-	(1,792,773.00)	
Other Special Instruction	472,935.00	-	-	(472,935.00)	-	(472,935.00)	
Other Instruction	124,724.00	-	-	(124,724.00)	-	(124,724.00)	
Support Services:							
Tuition	352,293.00	59,273.00	-	(293,020.00)	-	(293,020.00)	
Student and Instruction Related Services	2,355,500.02	-	349,736.02	(2,005,764.00)	-	(2,005,764.00)	
General Administration	384,182.00	-	-	(384,182.00)	-	(384,182.00)	
School Administrative Services	641,940.00	-	-	(641,940.00)	-	(641,940.00)	
Central Services	280,419.00	-	-	(280,419.00)	-	(280,419.00)	
Administrative Information Technology	10,075.00	-	-	(10,075.00)	-	(10,075.00)	
Plant Operations and Maintenance	1,912,522.00	-	-	(1,912,522.00)	-	(1,912,522.00)	
Pupil Transportation	774,392.00	-	271,055.00	(503,337.00)	-	(503,337.00)	
Employee Benefits	6,868,430.55	-	3,979,210.55	(2,889,220.00)	-	(2,889,220.00)	
Interest and other charges on Long-Term Debt	950,340.51	-	697,078.00	(253,262.51)	-	(253,262.51)	
Unallocated Depreciation and Amortization	921,108.00	-	-	(921,108.00)	-	(921,108.00)	
<b>Total Government Activities</b>	<b>23,858,705.72</b>	<b>59,273.00</b>	<b>5,911,442.21</b>	<b>(17,887,990.51)</b>	<b>-</b>	<b>(17,887,990.51)</b>	

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	June 30, 2015
<b>BUSINESS-TYPE ACTIVITIES</b>						
Food Service	386,618.74	114,672.60	275,183.29	-	3,237.15	3,237.15
Total Business-Type Activities	386,618.74	114,672.60	275,183.29	-	3,237.15	3,237.15
Total Primary Government	\$ 24,245,324.46	\$ 173,945.60	\$ 6,186,625.50	\$ (17,887,990.51)	\$ 3,237.15	\$ (17,884,753.36)
General Revenues:						
Property Taxes Levied for:						
General Purposes				\$ 13,498,414.00	\$ -	\$ 13,498,414.00
Debt Service				1,353,152.00	-	1,353,152.00
Federal and State Aid Not Restricted				3,646,370.95	-	3,646,370.95
Investment Earnings				1,059.00	-	1,059.00
Miscellaneous Income				7,736.00	-	7,736.00
Total General Revenues				18,506,731.95	-	18,506,731.95
Change in Net Position				618,741.44	3,237.15	621,978.59
Net Position - Beginning, as restated, See Note 19				1,402,793.23	4,113.83	1,406,907.06
Net Position - Ending				\$ 2,021,534.67	\$ 7,350.98	\$ 2,028,885.65

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

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## B. Fund Financial Statements

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## Governmental Funds

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**EATONTOWN SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Debt Service <u>Fund</u>	Totals June 30, 2015
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 1,140,663.27	\$ -	\$ 74,087.92	\$ 1,214,751.19
Due From Other Funds	8,426.45	-	-	8,426.45
<b>Receivables From Other Governments:</b>				
State	95,050.27	-	-	95,050.27
Federal	-	169,285.88	-	169,285.88
Local	1,124,866.00	-	-	1,124,866.00
Other Receivables	-	-	-	-
Restricted Cash	1,414,943.33	-	-	1,414,943.33
<b>Total Assets</b>	<b>3,783,949.32</b>	<b>169,285.88</b>	<b>74,087.92</b>	<b>4,027,323.12</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Cash Deficit	-	142,553.65	-	142,553.65
Interfund Payable	-	426.45	-	426.45
Payable To State Government	-	84.03	-	84.03
Payable To Federal Government	-	10,855.80	-	10,855.80
Unearned Revenue	-	15,365.95	-	15,365.95
<b>Total Liabilities</b>	<b>-</b>	<b>169,285.88</b>	<b>-</b>	<b>169,285.88</b>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Reserved Excess Surplus:				
Designated for Subsequent Year's Expenditures	749,947.27	-	-	749,947.27
Reserve for :				
Excess Surplus	802,754.66	-	-	802,754.66
Capital Reserve	922,942.93	-	-	922,942.93
Maintenance Reserve	350,000.00	-	-	350,000.00
Emergency Reserve	142,000.40	-	-	142,000.40
<b>Assigned:</b>				
Other Purposes - Year-End				
Encumbrances	513,924.43	-	-	513,924.43
Debt Service Fund	-	-	74,087.92	74,087.92
Designated for Subsequent Year's Expenditures	302,379.63	-	-	302,379.63
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>3,783,949.32</b>	<b>-</b>	<b>74,087.92</b>	<b>3,858,037.24</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,783,949.32</b>	<b>\$ 169,285.88</b>	<b>\$ 74,087.92</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$39,528,845.61 and the accumulated depreciation is \$13,683,634.58 (see Note 6).	25,845,211.03
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	2,101,050.53
Accrued interest on long-term liabilities and pension payable are not reported as liabilities in the Fund.	(259,589.00)
Long-term liabilities, including bonds payable, and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the fund (See Note 7).	(29,523,175.13)
<b>Net Position of Governmental Activities</b>	<b>\$ 2,021,534.67</b>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**EATONTOWN SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	General Fund	Special Revenue Fund	Debt Service Fund	Totals <u>June 30,</u> <u>2015</u>
<b>Revenues:</b>				
<b>Local Sources:</b>				
Local Tax Levy	\$ 13,498,414.00	\$ -	\$ 1,353,152.00	\$ 14,851,566.00
Tuition Charges	59,273.00	-	-	59,273.00
Interest Earnings	1,059.00	-	-	1,059.00
Miscellaneous	7,736.00	7,038.03	-	14,774.03
<b>Total - Local Sources</b>	<b>13,566,482.00</b>	<b>7,038.03</b>	<b>1,353,152.00</b>	<b>14,926,672.03</b>
State Sources	5,752,542.55	226,302.00	697,078.00	6,675,922.55
Federal Sources	34,850.95	730,758.63	-	765,609.58
<b>Total Revenues</b>	<b>19,353,875.50</b>	<b>964,098.66</b>	<b>2,050,230.00</b>	<b>22,368,204.16</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Regular Instruction	5,402,709.00	614,362.64	-	6,017,071.64
Special Education Instruction	1,792,773.00	-	-	1,792,773.00
Other Special Instruction	472,935.00	-	-	472,935.00
Other Instruction	124,724.00	-	-	124,724.00
<b>Support Services and Undistributed Costs:</b>				
Tuition	352,293.00	-	-	352,293.00
<b>Student and Instruction Related Services</b>				
General Administration	2,005,764.00	349,736.02	-	2,355,500.02
General Administration	384,182.00	-	-	384,182.00
School Administrative Services	641,940.00	-	-	641,940.00
Central Services	280,419.00	-	-	280,419.00
Administrative Information Technology	10,075.00	-	-	10,075.00
Plant Operations and Maintenance	1,912,522.00	-	-	1,912,522.00
Pupil Transportation	774,392.00	-	-	774,392.00
Employee Benefits	4,638,562.55	-	-	4,638,562.55
<b>Debt Service:</b>				
Interest and Other Charges	-	-	1,331,439.89	1,331,439.89
Principal	-	-	950,000.00	950,000.00
<b>Capital Outlay</b>	<b>173,322.00</b>	<b>-</b>	<b>-</b>	<b>173,322.00</b>
<b>Total Expenditures</b>	<b>18,966,612.55</b>	<b>964,098.66</b>	<b>2,281,439.89</b>	<b>22,212,151.10</b>
<b>Excess/(Deficit) of Revenues Over Expenditures</b>	<b>387,262.95</b>	<b>-</b>	<b>(231,209.89)</b>	<b>156,053.06</b>
<b>Other Financing Sources/(Uses):</b>				
Proceeds of Refunding Bonds	-	-	23,712,042.55	23,712,042.55
Deposit to Refunding Escrow	-	-	(23,406,744.74)	(23,406,744.74)
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>305,297.81</b>	<b>305,297.81</b>
<b>Net Change in Fund Balances</b>	<b>387,262.95</b>	<b>-</b>	<b>74,087.92</b>	<b>461,350.87</b>
<b>Fund Balance - July 1</b>	<b>3,396,686.37</b>	<b>-</b>	<b>-</b>	<b>3,396,686.37</b>
<b>Fund Balance - June 30</b>	<b>\$ 3,783,949.32</b>	<b>\$ -</b>	<b>\$ 74,087.92</b>	<b>\$ 3,858,037.24</b>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**EATONTOWN SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 461,350.87

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

Capital outlays are reported in governmental funds as expenditures. However, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current fiscal year.

Depreciation Expense	\$ (958,630.00)	
Adjustment to Fixed Assets	37,522.00	
Capital Outlay	<u>173,322.00</u>	(747,786.00)

Repayment of debt principal is an expenditure in the governmental funds, but the but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities. 22,244,000.00

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.

Unfunded TPAF Pension Expense	(2,109,243.00)	
State Share of Unfunded TPAF Pension Expense	2,109,243.00	
District Pension Contributions - PERS	136,895.00	
Pension Expense - PERS	<u>(157,905.00)</u>	(21,010.00)

In the governmental funds, Bond Proceeds are reported as an other financing source.

Bond Proceeds	<u>(20,150,000.00)</u>	(20,150,000.00)
---------------	------------------------	-----------------

Amortization of deferred charges on refunding of debt and premiums from refunded debt issuances are recorded when incurred in the governmental funds but are accrued and expensed over time in the statement of activities

Loss on Refunding	2,055,643.53	
Original Issue Premium	<u>(3,465,771.13)</u>	(1,410,127.60)

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

Current Year	(748,363.00)	
Prior Year	<u>648,748.00</u>	(99,615.00)

In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest over the previous year is an addition in the reconciliation; when accrued interest increases over the previous year, it is a reduction to the reconciliation.

Prior Year	458,429.17	
Current Year	<u>(116,500.00)</u>	341,929.17

Change in Net Position of Governmental Activities \$ 618,741.44

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## Proprietary Funds

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

	Business-Type Activities - <u>Enterprise Funds</u>	<u>Totals</u> June 30, 2015
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 47,082.48	\$ 47,082.48
Accounts Receivable:		
State	371.10	371.10
Federal	20,792.84	20,792.84
Other	-	-
Inventories	4,734.80	4,734.80
Total - Current Assets	<u>72,981.22</u>	<u>72,981.22</u>
Noncurrent Assets:		
Furniture, Machinery and Equipment	157,715.00	157,715.00
Less: Accumulated Depreciation	(157,715.00)	(157,715.00)
Total - Noncurrent Assets	<u>-</u>	<u>-</u>
Total Assets	<u>72,981.22</u>	<u>72,981.22</u>
Liabilities:		
Current Liabilities:		
Accounts Payable	65,630.24	65,630.24
Unearned Revenue	-	-
Total Liabilities	<u>65,630.24</u>	<u>65,630.24</u>
Net Position:		
Unrestricted	<u>7,350.98</u>	<u>7,350.98</u>
Total Net Position	<u>\$ 7,350.98</u>	<u>\$ 7,350.98</u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

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

	<u>Business-Type Activities - Enterprise Funds</u>	<u>Totals June 30, 2015</u>
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 72,998.60	\$ 72,998.60
Daily Sales - Non-Reimbursable Programs	38,840.30	38,840.30
Special Functions	1,963.84	1,963.84
Miscellaneous	869.86	869.86
	114,672.60	114,672.60
Total Operating Revenues		
Operating Expenses:		
Salaries	114,064.63	114,064.63
Support Services - Employee Benefits	25,226.97	25,226.97
Purchased Professional/Technical Services	27,730.00	27,730.00
Other Purchased Services	-	-
Supplies and Materials	32,874.26	32,874.26
Cost of Sales	153,167.94	153,167.94
Miscellaneous Expenditures	33,554.94	33,554.94
	386,618.74	386,618.74
Total Operating Expenses		
Operating Loss	(271,946.14)	(271,946.14)
Nonoperating Revenues:		
State Sources:		
State School Lunch Program	4,491.83	4,491.83
Federal Sources:		
Federal School Lunch Program	198,351.08	198,351.08
Federal School Breakfast Program	40,812.30	40,812.30
Healthy Hunger-Free Kids Act (HHFKA)	5,273.88	5,273.88
Food Distribution Program	26,254.20	26,254.20
	275,183.29	275,183.29
Total Nonoperating Revenues		
Change in Net Position	3,237.15	3,237.15
Total Net Position - Beginning	4,113.83	4,113.83
Total Net Position - Ending	\$ 7,350.98	\$ 7,350.98

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**EATONTOWN SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
JUNE 30, 2015**

	Business-Type Activities - <u>Enterprise Funds</u>	<u>Totals</u> June 30, 2015
Cash Flows From Operating Activities:		
Receipts From Customers	\$ 141,722.62	\$ 141,722.62
Payments To Employees	(114,064.63)	(114,064.63)
Payments For Employee Benefits	(25,226.97)	(25,226.97)
Payments To Suppliers	(236,224.77)	(236,224.77)
	<hr/>	<hr/>
Net Cash Used For Operating Activities	(233,793.75)	(233,793.75)
Cash Flows From Noncapital Financing Activities:		
State Sources	5,096.13	5,096.13
Federal Sources	275,635.82	275,635.82
	<hr/>	<hr/>
Net Cash Provided By Noncapital Financing Activities	280,731.95	280,731.95
	<hr/>	<hr/>
Net Increase in Cash and Cash Equivalents	46,938.20	46,938.20
Balance - Beginning of Year	144.28	144.28
	<hr/>	<hr/>
Balance - End of Year	\$ 47,082.48	\$ 47,082.48
	<hr/> <hr/>	<hr/> <hr/>
Reconciliation of Operating Loss To Net Cash Used For Operating Activities:		
Operating Loss	\$ (271,946.14)	\$ (271,946.14)
Adjustments To Reconcile Operating Loss To Net Cash Used For Operating Activities:		
(Increase)/Decrease in Accounts Receivable	27,050.02	27,050.02
Food Distribution Program	26,254.20	26,254.20
(Increase)/Decrease in Inventories	(1,929.43)	(1,929.43)
Increase/(Decrease) in Accounts Payable	(13,222.40)	(13,222.40)
	<hr/>	<hr/>
Net Cash Used For Operating Activities	\$ (233,793.75)	\$ (233,793.75)
	<hr/> <hr/>	<hr/> <hr/>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

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## Fiduciary Fund

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

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Fund</u>	Agency <u>Funds</u>	<u>Totals</u> June 30, 2015
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 97,886.00	\$ 6,843.62	\$ 67,528.82	\$ 172,258.44
Due from State	-	-	-	-
<b>Total Assets</b>	<b>\$ 97,886.00</b>	<b>\$ 6,843.62</b>	<b>\$ 67,528.82</b>	<b>\$ 172,258.44</b>
<b>Liabilities:</b>				
Interfund Payable	\$ -	\$ -	\$ 8,000.00	\$ 8,000.00
Due To State	128.19	-	-	128.19
Payroll Deductions and Withholdings	-	-	22,741.98	22,741.98
Payable To Student Groups	-	-	36,786.84	36,786.84
<b>Total Liabilities</b>	<b>128.19</b>	<b>-</b>	<b>67,528.82</b>	<b>67,657.01</b>
<b>Net Position:</b>				
Held in Trust for Unemployment Claims and Other Purposes	97,757.81	-	-	97,757.81
Reserved for Scholarships	-	6,843.62	-	6,843.62
<b>Total Net Position</b>	<b>97,757.81</b>	<b>6,843.62</b>	<b>-</b>	<b>104,601.43</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 97,886.00</b>	<b>\$ 6,843.62</b>	<b>\$ 67,528.82</b>	<b>\$ 172,258.44</b>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**EATONTOWN SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2015**

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Funds</u>	<u>Totals</u> June 30, 2015
Additions:			
Contributions:			
Payroll Withholdings	\$ 24,320.08	\$ -	\$ 24,320.08
Board Contribution	-	-	-
<b>Total Contributions</b>	<b>24,320.08</b>	<b>-</b>	<b>24,320.08</b>
Investment Earnings:			
Interest	-	5.51	5.51
<b>Net Investment Earnings</b>	<b>-</b>	<b>5.51</b>	<b>5.51</b>
<b>Total Additions</b>	<b>24,320.08</b>	<b>5.51</b>	<b>24,325.59</b>
Deductions:			
Quarterly Contribution Reports	5,378.36	-	5,378.36
Unemployment Claims	7,208.29	-	7,208.29
Scholarships Awarded	-	100.00	100.00
<b>Total Deductions</b>	<b>12,586.65</b>	<b>100.00</b>	<b>12,686.65</b>
<b>Change in Net Position</b>	<b>11,733.43</b>	<b>(94.49)</b>	<b>11,638.94</b>
<b>Net Position - Beginning of Year</b>	<b>86,024.38</b>	<b>6,938.11</b>	<b>90,000.29</b>
<b>Net Position - End of Year</b>	<b>\$ 97,757.81</b>	<b>\$ 6,843.62</b>	<b>\$104,601.43</b>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**EATONTOWN SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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## EATONTOWN SCHOOL DISTRICT

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

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

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

For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

#### A. Reporting Entity

The Eatontown School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK-8. The Eatontown School District has an approximate enrollment at June 30, 2015 of 1,051 students.

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

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

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

#### B. Government-Wide Financial Statements

The District’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position.

## EATONTOWN SCHOOL DISTRICT

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

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

##### B. Government-Wide Financial Statements (continued)

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

##### C. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

##### D. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

## EATONTOWN SCHOOL DISTRICT

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

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

##### D. Proprietary Fund Financial Statements (continued)

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

##### E. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

##### F. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

## EATONTOWN SCHOOL DISTRICT

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

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

##### E. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the

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

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

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

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

The District reports the following major governmental funds:

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

EATONTOWN SCHOOL DISTRICT

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

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

E. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

The District reports the following major proprietary fund:

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

Additionally, the District reports the following major fiduciary funds:

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

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

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

EATONTOWN SCHOOL DISTRICT

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

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

E. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are approved by the County Superintendent. 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.6:20-2A(m)1*. All budget amendments must be approved by School Board resolution.

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

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

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

## EATONTOWN SCHOOL DISTRICT

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

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

##### F. Budgets/Budgetary Control

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

##### G. Encumbrances

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

Open encumbrances in the special revenue fund for which the Eatontown School District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

##### H. Cash and Cash Equivalents

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

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.18A:20-37* provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

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

**EATONTOWN SCHOOL DISTRICT**

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

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

Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**I. Tuition Receivable/Payable**

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

**J. Inventories & Prepaid Expenses**

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

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

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditure during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

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

**K. Capital Assets**

General capital assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated capital assets are valued at their estimated fair market value on the date received. The general capital assets acquired or constructed were valued by an independent appraisal company. General capital assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

General capital assets are reflected as expenditures in the applicable governmental funds. Depreciation expense is recorded in the district-wide financial statements as well as the proprietary fund. Capital assets are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and construction in progress. Generally estimated useful lives are as follows:

Buildings	20-50 Years
Machinery and Equipment	5-10 Years
Improvements	10-20 Years

**EATONTOWN SCHOOL DISTRICT**

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

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

**L. Accrued Salaries and Wages**

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2015 for such salaries.

**M. Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its

**M. Compensated Absences**

employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

**N. Unearned Revenue**

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

**O. Accrued Liabilities and Long-Term Obligations**

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

**P. Use of Estimates**

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

## EATONTOWN SCHOOL DISTRICT

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

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

##### Q. Fund Balance

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2015.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

## EATONTOWN SCHOOL DISTRICT

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

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

##### R. Net Position

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

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

##### S. Impact of Recently Issued Accounting Principles

###### Recently Issued and Adopted Accounting Pronouncements

The GASB issued Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27* effective for fiscal years beginning after June 15, 2014. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental 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 inter-period equity, and creating additional transparency.

##### T. Bond Premiums, Discounts and Issuance Costs

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

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

##### U. Deferred Loss on Refunding Debt

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

EATONTOWN SCHOOL DISTRICT

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

**V. Deferred Inflows/Outflows of Resources**

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

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

**W. Pensions**

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

**X. Subsequent Events**

The District has evaluated subsequent events occurring after June 30, 2015 through the date of December 04, 2015, which is the date the financial statements were available to be issued.

**Note 2. Cash and Cash Equivalents**

The District is governed by the deposit and investment limitations of New Jersey state law. The cash and cash equivalents held at June 30, 2015, are reported at carrying value as follows:

Type	Carrying Value
<b>Deposits</b>	
Demand Deposits	\$ 2,706,481.79
Total Deposits	<u>\$ 2,706,481.79</u>
<b>The District's Cash and Cash Equivalents are Reported as Follows:</b>	
Government Activities	\$ 2,487,140.87
Business-Type Activities	47,082.48
Fiduciary Funds	<u>172,258.44</u>
Total Cash and Cash Equivalents	<u>\$ 2,706,481.79</u>

EATONTOWN SCHOOL DISTRICT

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

Note 2. Cash and Cash Equivalents (continued)

**Custodial Credit Risk** – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District’s bank balance of \$3,168,409.11 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 250,000.00
Uninsured and uncollateralized	157,444.51
Collateralized in the District's Name	
Under GUDPA	<u>2,760,964.60</u>
Total	<u>\$ 3,168,409.11</u>

Note 3. Reserve Accounts

A. Capital Reserve Account

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

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

EATONTOWN SCHOOL DISTRICT

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

Note 3. Reserve Accounts (continued)

A. Capital Reserve Account (continued)

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

Beginning Balance, July 1, 2014		\$ 964,423.93
Increased By:		
Transferred by Board Resolution	\$ 75,000.00	
Interest Earnings	<u>1,059.00</u>	
		<u>76,059.00</u>
Withdrawals:		
Board Resolution, March 10, 2014	<u>\$ (117,540)</u>	
Total Withdrawals		<u>\$ (117,540)</u>
Ending Balance, June 30, 2015		<u>\$ 922,942.93</u>

The June 30, 2015 LRFP balance of local support costs of uncompleted capital projects at June 30, 2015 is \$2,975,000.00. The withdrawals from the capital reserve will be used in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

B. Maintenance Reserve Account

A Maintenance Reserve Account was established by the Eatontown Board of Education by inclusion of \$200,000.00 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23A-14.2) or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end. The board resolution for deposit at year end into a maintenance reserve account must be made between June 1 and June 30 of the budget year. EFCFA requires that upon District completion of a school facilities project, the district must submit a plan for the maintenance of that facility. Auditors and District staff should refer to the regulations, N.J.A.C.6A:26A, for further guidance. A separate line is provided in the Audsum for this reserve account.

**EATONTOWN SCHOOL DISTRICT**

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

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

**B. Maintenance Reserve Account (continued)**

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

Beginning Balance, July 1, 2014	\$ 325,000.00
Increased By:	
Transferred by Board Resolution	<u>25,000.00</u>
Ending Balance, June 30, 2015	<u><u>\$ 350,000.00</u></u>

**C. Emergency Reserve Account**

An Emergency Reserve Account was established by the Eatontown Board of Education during the 2012-2013 school year for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

There was no activity in the Emergency Reserve Account for July 1, 2014 through June 30, 2015. The balance at June 30, 2015 is \$142,000.40.

**Note 4. Accounts Receivable**

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Proprietary Funds</b>	<b>Total</b>
State Aid	\$ 95,050.27	\$ -	\$ 371.10	\$ 95,421.37
Federal Aid	-	169,285.88	20,792.84	190,078.72
Other	1,124,866.00	-	-	1,124,866.00
<b>Total</b>	<u>\$ 1,219,916.27</u>	<u>\$ 169,285.88</u>	<u>\$ 21,163.94</u>	<u>\$ 1,410,366.09</u>

**EATONTOWN SCHOOL DISTRICT**

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

**Note 5. Inventory**

Inventory recorded at June 30, 2015 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Foods	\$ 4,492.39
Supplies	<u>242.41</u>
Total	<u>\$ 4,734.80</u>

**Note 6. Capital Assets**

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

	June 30, 2014	Additions	Adustments/ Deletions	June 30, 2015
<b>Governmental Activities:</b>				
Capital assets that are not being depreciated:				
Land	\$ 2,375,200.00	\$ -	\$ -	\$ 2,375,200.00
Total capital assets not being depreciated	<u>2,375,200.00</u>	<u>-</u>	<u>-</u>	<u>2,375,200.00</u>
Buildings and improvements	33,179,508.00	-	-	33,179,508.00
Machinery and equipment	3,763,293.61	210,844.00	-	3,974,137.61
Subtotal	36,942,801.61	210,844.00	-	37,153,645.61
Less: accumulated depreciation:				
Buildings and improvements	(9,618,491.18)	(782,422.00)		(10,400,913.18)
Machinery and equipment	(3,106,513.40)	(178,829.00)	5,621.00	(3,279,721.40)
Total accumulated depreciation	<u>(13,693,411.87)</u>	<u>(961,251.00)</u>	<u>5,621.00</u>	<u>(13,680,634.58)</u>
Total capital assets being depreciated, net	<u>23,369,739.20</u>	<u>(750,407.00)</u>	<u>5,621.00</u>	<u>23,473,011.03</u>
Governmental activities capital assets, net	<u>\$ 25,744,939.20</u>	<u>\$ (750,407.00)</u>	<u>\$ 5,621.00</u>	<u>\$ 25,848,211.03</u>

**EATONTOWN SCHOOL DISTRICT**

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

**Note 6. Capital Assets**

	June 30, 2014	Additions	Adjustments/ Deletions	June 30, 2015
<b>Business-Type Activities:</b>				
Capital Assets Being Depreciated:				
Equipment	\$ 168,134.00	\$ -	\$ (10,419.00)	\$ 157,715.00
Less: accumulated depreciation:				
Equipment	\$ (168,134.00)	\$ -	\$ 10,419.00	\$ (157,715.00)
	<hr/>			
Business-type activities capital assets, net	\$ -	\$ -	\$ -	\$ -
	<hr/>			

**Note 7. Long-Term Obligations**

**A. Long-Term Obligation Activity**

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

	June 30, 2014	Accrued/ Increases	Retired/ Decreases	June 30, 2015	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 24,294,000.00	\$ 20,150,000.00	\$ (22,244,000.00)	\$ 22,200,000.00	\$ 1,000,000.00
Bond Premium	-	3,562,042.55	(96,271.42)	3,465,771.13	192,542.84
Compensated Absences	648,748.00	99,615.00	-	748,363.00	-
Net Pension Liability	3,185,713.00	-	(76,672.00)	3,109,041.00	-
	<hr/>				
Total	\$ 24,942,748.00	\$ 23,811,657.55	\$ (22,416,943.42)	\$ 29,523,175.13	\$ 1,192,542.84
	<hr/>				

**B. Bonds Payable**

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

On August 1, 2006, the District issued General Obligation Bonds totaling \$29,794,000.00 for the purpose of renovations to the schools.

The Bonds bear interest from 4.5% to 5.0% per annum payable semi-annually on the first day of February and August of each year, until maturity. The principal is due annually on the first day of February through 2033, installments range from \$850,000.00 to \$1,400,000.00.

The Bonds maturing prior to February 1, 2018 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after February 1, 2018 are redeemable at the option of the Board in whole or in part, on any date on or after February 1, 2017 at par, plus unpaid accrued interest to the date fixed for redemption.

**EATONTOWN SCHOOL DISTRICT**

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

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

**B. Bonds Payable (continued)**

On December 24, 2014, the District issued General Obligation Bonds totaling \$20,150,000.00 for the purpose of refunding a portion of the 2006 General Obligation Bonds.

The Bonds bear interest from 4.0% to 5.0% per annum payable semi-annually on the first day of December and June of each year, until maturity. The principal is due annually on the first day of December through 2033, installments range from \$1,040,000.00 to \$1,345,000.00.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,000,000.00	\$ 1,029,000.00	\$ 2,029,000.00
2016	1,050,000.00	984,000.00	2,034,000.00
2017	1,040,000.00	915,950.00	1,955,950.00
2018	1,080,000.00	873,550.00	1,953,550.00
2019	1,125,000.00	829,450.00	1,954,450.00
2020 - 2024	6,280,000.00	3,316,925.00	9,596,925.00
2025 - 2029	6,615,000.00	1,701,625.00	8,316,625.00
2030 - 2033	4,010,000.00	246,525.00	4,256,525.00
	<u>\$ 22,200,000.00</u>	<u>\$ 9,897,025.00</u>	<u>\$ 32,097,025.00</u>

**C. Bonds Authorized But Not Issued**

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

**D. Capital Leases**

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

**Note 8. Interfund Receivables and Payables**

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 8,426.45	\$ -
Special Revenue Fund	-	426.45
Payroll Trust Fund	-	8,000.00
Total	<u>\$ 8,426.45</u>	<u>\$ 8,426.45</u>

The purpose of interfunds are short-term borrowings.

EATONTOWN SCHOOL DISTRICT

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

**Note 9: Pension Obligations**

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

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

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

The following represents the membership tiers for PERS:

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

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

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

**EATONTOWN SCHOOL DISTRICT**

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

**Note 9: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**Three-Year Trend Information for PERS**

<u>Year</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
<u>Funding</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/2015	\$ 136,895	100%	\$ 3,109,041
6/30/2014	125,595	100%	3,185,713
6/30/2013	130,313	100%	-

**Components of Net Pension Liability** - At June 30, 2015, the District reported a liability of \$3,109,041 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .01661%, which was a decrease of .00005% from its proportion measured as of June 30, 2013.

**EATONTOWN SCHOOL DISTRICT**

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

**Note 9: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

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

	<u>6/30/2015</u>	<u>6/30/2014</u>
	July 1, 2014	July 1, 2013
Actuarial valuation date		
Deferred Outflows of Resources	\$ 240,854	\$ 136,895
Deferred Inflows of Resources	\$ 195,447	N/A
Net Pension Liability	\$ 3,109,041	\$ 3,185,713
District's portion of the Plan's total net pension Liability	0.01661%	0.01666%

**Pension Expense and Deferred Outflows/Inflows of Resources** - For the year ended June 30, 2015, the District recognized pension expense of \$159,630. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	97,765	-
Net difference between projected and actual earnings on pension plan investments	-	185,282
Changes in proportion and differences between District contributions and proportionate share of contributions	-	10,165
District contributions subsequent to the measurement date	143,089	-
Total	\$ 240,854	\$ 195,447

**EATONTOWN SCHOOL DISTRICT**

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

**Note 9: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

\$143,089 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
<u>June 30:</u>	<u>PERS</u>
2016	\$ (23,454)
2017	(23,454)
2018	(23,454)
2019	(23,454)
2020	(23,454)
Thereafter	19,588

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

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

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

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

**EATONTOWN SCHOOL DISTRICT**

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

**Note 9: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

**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 PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate - Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
Total	100.00%	

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

**EATONTOWN SCHOOL DISTRICT**

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

**Note 9: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

**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, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	<u>1%</u> <u>Decrease</u> <u>(4.39%)</u>	<u>Current</u> <u>Discount</u> <u>Rate (5.39%)</u>	<u>1%</u> <u>Increase</u> <u>(6.39%)</u>
District's proportionate share of the net pension liability	3,911,280	3,109,041	2,435,365

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

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

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are

**EATONTOWN SCHOOL DISTRICT**

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

**Note 9: Pension Obligations (continued)**

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

reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

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

**Special Funding Situation** - The employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

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

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2015	\$ 480,950	100%	\$ -
6/30/2014	381,010	100%	-
6/30/2013	582,563	100%	-

EATONTOWN SCHOOL DISTRICT

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

Note 9: Pension Obligations (continued)

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

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

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

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

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

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

**EATONTOWN SCHOOL DISTRICT**

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

**Note 9: Pension Obligations (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
Total	<u>100%</u>	

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

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

**EATONTOWN SCHOOL DISTRICT**

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

**Note 10. Post-Retirement Benefits**

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

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2015.

**Note 11. Risk Management**

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

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

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

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2014-2015	\$ -	\$ 24,320.08	\$ 12,586.65	\$ 97,757.81
2013-2014	-	24,201.02	12,524.54	86,024.38
2012-2013	7,119.50	22,320.94	14,902.72	74,347.90

EATONTOWN SCHOOL DISTRICT

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

**Note 12. Contingent Liabilities**

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

**Note 13. Economic Dependency**

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

**Note 14. Deferred Compensation**

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

Equitable	Lincoln	VALIC	Met Life
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**Note 15. Compensated Absences**

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$748,363.00.

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

## EATONTOWN SCHOOL DISTRICT

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

#### **Note 16. Fund Balance Disclosure**

**General Fund (Exhibit B-1)** – Of the \$3,783,949.32 General Fund fund balance at June 30, 2015, \$922,942.93 has been restricted for the Capital Reserve Account; \$350,000.00 has been restricted for the Maintenance Reserve; \$142,000.40 has been restricted for the Emergency Reserve; \$802,942.93 has been reserved for excess surplus – current year; \$749,947.27 has been reserved for excess surplus – designated for subsequent year’s expenditures; \$302,379.63 has been designated for subsequent year’s expenditures; and \$513,924.43 has been assigned for other purposes – year-end encumbrances.

#### **Note 17. Calculation of Excess Surplus**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A. 18A:7F-7*, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2015 is \$802,754.66.

#### **Note 18. Deficit in Net Position**

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(4,474,821.62) existed as of June 30, 2015 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

**EATONTOWN SCHOOL DISTRICT**

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

**Note 19. Prior Period Adjustment / Restatement of Net Position**

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

	<u>Governmental Activities</u>
Net Position as previously reported at June 30, 2014	\$ 4,588,506.23
Prior period adjustment - Implementation of GASB 68: Net Pension Liability (measurement date as of June 30, 2013)	(3,185,713.00)
Deferred Outflows - district contributions made during fiscal year 2014	136,895.00
Pensions Payable at June 30, 2014	<u>(136,895.00)</u>
Total prior period adjustment	<u>(3,185,713.00)</u>
Net Position as restated, July 1, 2014	<u><u>\$ 1,402,793.23</u></u>

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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**EATONTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015**

		June 30, 2015				Variance
		Original	Budget	Final	Actual	Final To
		Budget	Transfers	Budget	Actual	Actual
<b>REVENUES:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210	\$ 13,498,414.00	\$ -	\$ 13,498,414.00	\$ 13,498,414.00	\$ -
Tuition Other	10-1320	15,562.00	-	15,562.00	59,273.00	43,711.00
Transportation Fees Individuals	10-1410	7,700.00	-	7,700.00	-	(7,700.00)
Interest Earned on Emergency Reserve		15.00	-	15.00	-	(15.00)
Interest Earned on Maintenance Reserve		25.00	-	25.00	-	(25.00)
Interest Earned on Capital Reserve Funds		750.00	-	750.00	1,059.00	309.00
Unrestricted Miscellaneous Revenues	10-1990	24,000.00	-	24,000.00	7,736.00	(16,264.00)
<b>Total Local Sources</b>		<b>13,546,466.00</b>	<b>-</b>	<b>13,546,466.00</b>	<b>13,566,482.00</b>	<b>20,016.00</b>
<b>State Sources:</b>						
Extraordinary Aid	10-3131	75,000.00	-	75,000.00	50,987.00	(24,013.00)
Categorical Special Education Aid	10-3132	645,399.00	-	645,399.00	645,399.00	-
Equalization Aid	10-3176	721,245.00	-	721,245.00	721,245.00	-
Categorical Security Aid	10-3177	225,767.00	-	225,767.00	225,767.00	-
Adjustment Aid	10-3178	1,953,085.00	-	1,953,085.00	1,953,085.00	-
Categorical Transportation Aid	10-3121	258,203.00	-	258,203.00	258,203.00	-
PARRC Readiness Aid	10-3190	10,570.00	-	10,570.00	10,570.00	-
Per Pupil Growth Aid	10-3190	10,570.00	-	10,570.00	10,570.00	-
Other State Aids	10-3190	-	-	-	12,852.00	12,852.00
TPAF Pension Contributions (On-Behalf - Non-Budgeted)		-	-	-	480,950.00	480,950.00
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)		-	-	-	763,509.00	763,509.00
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	625,508.55	625,508.55
<b>Total State Sources</b>		<b>3,899,839.00</b>	<b>-</b>	<b>3,899,839.00</b>	<b>5,758,645.55</b>	<b>1,858,806.55</b>
<b>Federal Sources:</b>						
Medicaid Reimbursement	10-4200	33,108.00	-	33,108.00	13,193.71	(19,914.29)
Medicaid Reimbursement (ARRA)	10-4210	-	-	-	10,442.24	10,442.24
Impact Aid	10-4100	-	-	-	11,215.00	11,215.00
<b>Total Federal Sources</b>		<b>33,108.00</b>	<b>-</b>	<b>33,108.00</b>	<b>34,850.95</b>	<b>1,742.95</b>
<b>Total Revenues</b>		<b>17,479,413.00</b>	<b>-</b>	<b>17,479,413.00</b>	<b>19,359,978.50</b>	<b>1,880,565.50</b>
<b>EXPENDITURES:</b>						
<b>Current Expense:</b>						
<b>Regular Programs - Instruction:</b>						
<b>Salaries of Teachers:</b>						
Preschool	11-105-100-101	114,158.00	20,208.66	134,366.66	130,645.00	3,721.66
Kindergarten	11-110-100-101	400,943.00	(75,000.00)	325,943.00	315,809.00	10,134.00
Grades 1-5	11-120-100-101	2,686,185.00	(26,914.00)	2,659,271.00	2,651,003.00	8,268.00
Grades 6-8	11-130-100-101	1,778,178.00	(113,745.00)	1,664,433.00	1,582,263.00	82,170.00
<b>Regular Programs - Home Instruction:</b>						
Salaries of Teachers	11-150-100-101	7,000.00	40.00	7,040.00	7,037.00	3.00
<b>Regular Programs - Undistributed Instruction:</b>						
Other Salaries for Instruction	11-190-100-106	121,935.00	2,395.00	124,330.00	118,953.00	5,377.00
Purchased Professional-Educational Services	11-190-100-320	4,500.00	717.00	5,217.00	5,217.00	-
Purchased Technical Services	11-190-100-340	16,300.00	10,294.00	26,594.00	26,289.00	305.00
Other Purchased Services	11-190-100-500	80,400.00	(7,196.00)	73,204.00	40,852.00	32,352.00
General Supplies	11-190-100-610	398,764.00	62,136.00	460,900.00	384,345.00	76,555.00
Textbooks	11-190-100-640	129,904.00	11,938.00	141,842.00	137,800.00	4,042.00
Other Objects	11-190-100-800	2,000.00	2,015.00	4,015.00	2,496.00	1,519.00
<b>Total Regular Programs - Instruction</b>		<b>5,740,267.00</b>	<b>(113,111.34)</b>	<b>5,627,155.66</b>	<b>5,402,709.00</b>	<b>224,446.66</b>

**EATONTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015**

		June 30, 2015				Variance
		Original Budget	Budget Transfers	Final Budget	Actual	Final To Actual
Special Education Instruction -						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	553,303.00	166,477.00	719,780.00	719,744.00	36.00
Other Salaries for Instruction	11-204-100-106	219,797.00	16,859.00	236,656.00	224,840.00	11,816.00
General Supplies	11-204-100-610	8,821.00	(890.00)	7,931.00	7,912.00	19.00
<b>Total Learning and/or Language Disabilities</b>		<b>781,921.00</b>	<b>182,446.00</b>	<b>964,367.00</b>	<b>952,496.00</b>	<b>11,871.00</b>
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	919,573.00	(2,500.00)	917,073.00	832,868.00	84,205.00
General Supplies	11-213-100-610	8,321.00	942.00	9,263.00	4,532.00	4,731.00
Textbooks	11-213-100-640	3,100.00	8.00	3,108.00	2,877.00	231.00
<b>Total Resource Room/Resource Center</b>		<b>930,994.00</b>	<b>(1,550.00)</b>	<b>929,444.00</b>	<b>840,277.00</b>	<b>89,167.00</b>
Preschool Disabilities Part Time						
Salaries of Teachers	11-215-100-XXX	57,284.00	(57,284.00)	-	-	-
Other State for Instruction	11-215-100-XXX	19,434.00	(19,434.00)	-	-	-
<b>Total Preschool Disabilities Part Time</b>		<b>76,718.00</b>	<b>(76,718.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Home Instruction:						
Purchased Professional - Educational Services	11-219-100-320	3,800.00	1,200.00	5,000.00	-	5,000.00
<b>Total Home Instruction</b>		<b>3,800.00</b>	<b>1,200.00</b>	<b>5,000.00</b>	<b>-</b>	<b>5,000.00</b>
<b>Total Special Education</b>		<b>1,793,433.00</b>	<b>105,378.00</b>	<b>1,898,811.00</b>	<b>1,792,773.00</b>	<b>106,038.00</b>
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-230-100-101	551,527.00	(150,050.00)	401,477.00	335,104.00	66,373.00
General Supplies	11-230-100-XXX	1,800.00	-	1,800.00	1,088.00	712.00
<b>Total Basic Skills/Remedial - Instruction</b>		<b>553,327.00</b>	<b>(150,050.00)</b>	<b>403,277.00</b>	<b>336,192.00</b>	<b>67,085.00</b>
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	137,275.00	-	137,275.00	134,583.00	2,692.00
Purchased Professional - Educational Services	11-240-100-320	1,000.00	897.00	1,897.00	1,090.00	807.00
General Supplies	11-240-100-XXX	1,000.00	70.00	1,070.00	1,070.00	-
Textbooks	11-240-100-XXX	500.00	(77.00)	423.00	-	423.00
<b>Total Bilingual Education - Instruction</b>		<b>139,775.00</b>	<b>890.00</b>	<b>140,665.00</b>	<b>136,743.00</b>	<b>3,922.00</b>
School Sponsored Co/Extra-Curricular Activities - Instruction:						
Salaries	11-401-100-100	83,213.00	2,601.00	85,814.00	85,810.00	4.00
Other Objects	11-401-100-800	30,610.00	8,754.00	39,364.00	38,914.00	450.00
<b>Total School Sponsored Co/Extra-Curricular Activities - Instruction</b>		<b>113,823.00</b>	<b>11,355.00</b>	<b>125,178.00</b>	<b>124,724.00</b>	<b>454.00</b>
<b>Total - Instruction</b>		<b>8,340,625.00</b>	<b>(145,538.34)</b>	<b>8,195,086.66</b>	<b>7,793,141.00</b>	<b>401,945.66</b>
Undist. Expend. - Instruction:						
Tuition To Other LEAs within the State - Regular	11-000-100-561	-	-	-	-	-
Tuition To Other LEAs within the State - Special	11-000-100-562	338,016.00	(10,843.00)	327,173.00	279,230.00	47,943.00
Tuition To Private Schools for the Disabled Within State	11-000-100-566	353,011.00	(58,182.00)	294,829.00	73,063.00	221,766.00
<b>Total Undist. Expend. - Instruction</b>		<b>691,027.00</b>	<b>(69,025.00)</b>	<b>622,002.00</b>	<b>352,293.00</b>	<b>269,709.00</b>
Undist. Expend. - Health Services:						
Salaries of Social Services Coordinators	11-000-213-175	327,904.00	(31,350.00)	296,554.00	289,893.00	6,661.00
Purchased Professional and Technical Services	11-000-213-300	14,430.00	-	14,430.00	14,380.00	50.00
Supplies and Materials	11-000-213-600	2,710.00	-	2,710.00	1,404.00	1,306.00
Other Objects	11-000-213-800	525.00	-	525.00	225.00	300.00
<b>Total Undist. Expend. - Health Services</b>		<b>345,569.00</b>	<b>(31,350.00)</b>	<b>314,219.00</b>	<b>305,902.00</b>	<b>8,317.00</b>

**EATONTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015**

		June 30, 2015				Variance
		Original	Budget	Final	Actual	Final To
		Budget	Transfers	Budget		Actual
Undist. Expend. - Speech, OT, PT & Related Svc:						
Salaries	11-000-216-100	225,109.00	-	225,109.00	220,805.00	4,304.00
Purchased Professional - Educational Services	11-000-216-320	31,170.00	(500.00)	30,670.00	26,475.00	4,195.00
Supplies and Materials	11-000-216-600	1,680.00	-	1,680.00	1,321.00	359.00
Total Undist. Expend. - Speech, OT, PT & Related Svc.		257,959.00	(500.00)	257,459.00	248,601.00	8,858.00
Undist. Expend. - Other Support Serv. Students - Extra. Serv:						
Purchased Professional - Educational Services	11-000-217-320	25,517.00	3,383.00	28,900.00	24,814.00	4,086.00
Total Undist. Expend. - Other Support Serv. Students - Extra. Serv.		25,517.00	3,383.00	28,900.00	24,814.00	4,086.00
Undist. Expend.- Guidance:						
Salaries of Other Professional Staff	11-000-218-104	153,189.00	(110.00)	153,079.00	150,185.00	2,894.00
Supplies and Materials	11-000-218-XXX	400.00	293.00	693.00	589.00	104.00
Total Undist. Expend. - Guidance		153,589.00	183.00	153,772.00	150,774.00	2,998.00
Undist. Expend.- Child Study Teams:						
Salaries of Other Professional Staff	11-000-219-104	611,480.00	(4,770.00)	606,710.00	553,897.00	52,813.00
Salaries of Secretarial and Clerical Assistants	11-000-219-105	53,037.00	-	53,037.00	52,034.00	1,003.00
Other Salaries	11-000-219-110	16,300.00	-	16,300.00	15,731.00	569.00
Purchased Professional - Educational Services	11-000-219-320	25,369.00	(1,865.00)	23,504.00	20,260.00	3,244.00
Other Purchased Professional & Technical Services	11-000-219-390	10,130.00	(4,275.00)	5,855.00	4,311.00	1,544.00
Miscellaneous Purchased Services	11-000-219-592	1,572.00	-	1,572.00	1,330.00	242.00
Supplies & Materials	11-000-219-600	9,033.00	3,935.00	12,968.00	11,618.00	1,350.00
Other Objects	11-000-219-800	1,020.00	-	1,020.00	100.00	920.00
Total Undist. Expend.- Child Study Teams		727,941.00	(6,975.00)	720,966.00	659,281.00	61,685.00
Undist. Expend. - Improvement of Instructional Services:						
Salaries of Supervisors of Instruction	11-000-221-102	29,000.00	-	29,000.00	29,000.00	-
Salaries of Secretarial and Clerical Assistants	11-000-221-105	18,293.00	458.00	18,751.00	18,750.00	1.00
Salaries of Facilitators, Math & Literacy Coaches	11-000-221-176	118,408.00	-	118,408.00	107,196.00	11,212.00
Purchased Professionals - Educational Services	11-000-221-320	15,000.00	(3,458.00)	11,542.00	6,265.00	5,277.00
Other Purchased Prof. & Tech. Services	11-000-221-390	114,000.00	(11,070.00)	102,930.00	70,827.00	32,103.00
Supplies and Materials	11-000-221-600	500.00	340.00	840.00	832.00	8.00
Other Objects	11-000-221-800	920.00	-	920.00	820.00	100.00
Total Undist. Expend. - Improvement of Instructional Services		296,121.00	(13,730.00)	282,391.00	233,690.00	48,701.00
Undist. Expend. - Educational Media/School Library:						
Salaries of Technology Coordinators	11-000-222-177	330,811.00	1,746.00	332,557.00	329,775.00	2,782.00
General Supplies and Materials	11-000-222-610	22,528.00	12,385.00	34,913.00	32,695.00	2,218.00
Total Undist. Expend. - Educational Media/School Library		353,339.00	14,131.00	367,470.00	362,470.00	5,000.00
Undist. Expend. - Instructional Staff Training Services:						
Purchased Professional - Educational Services	11-000-223-320	2,000.00	-	2,000.00	1,650.00	350.00
Other Purchased Services	11-000-223-500	21,350.00	(55.00)	21,295.00	18,027.00	3,268.00
Other Objects	11-000-223-800	500.00	55.00	555.00	555.00	-
Total Undist. Expend. - Instructional Staff Training Services		23,850.00	-	23,850.00	20,232.00	3,618.00
Undist. Expend. - Support Services - General Administration:						
Salaries	11-000-230-100	225,486.00	1,000.00	226,486.00	225,820.00	666.00
Salaries of Attorneys	11-000-230-108	9,373.00	-	9,373.00	9,180.00	193.00
Legal Services	11-000-230-331	43,000.00	6,696.00	49,696.00	32,902.00	16,794.00
Audit Fees	11-000-230-332	26,955.00	1,666.00	28,621.00	28,545.00	76.00
Architectural/Engineering Services	11-000-230-334	29,000.00	(3,650.00)	25,350.00	13,004.00	12,346.00
Communications/Telephone	11-000-230-530	41,775.00	25,750.00	67,525.00	51,639.00	15,886.00
BOE - Other Purchased Services	11-000-230-585	5,350.00	-	5,350.00	1,345.00	4,005.00
Misc Purchased Services	11-000-230-590	1,500.00	-	1,500.00	-	1,500.00
General Supplies	11-000-230-610	3,100.00	9,819.00	12,919.00	902.00	12,017.00
Miscellaneous Expenditures	11-000-230-890	11,200.00	681.00	11,881.00	8,520.00	3,361.00
BOE Membership Dues and Fees	11-000-230-895	15,000.00	-	15,000.00	12,325.00	2,675.00
Total Undist. Expend. - Support Services - General Administration		411,739.00	41,962.00	453,701.00	384,182.00	69,519.00

**EATONTOWN SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FISCAL YEAR ENDED JUNE 30, 2015**

		June 30, 2015				Variance
		Original	Budget	Final	Actual	Final To
		<u>Budget</u>	<u>Transfers</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Undist. Expend. - Support Services - School Administration:						
Salaries of Principals/Assistant Principals	11-000-240-103	444,774.00	-	444,774.00	439,186.00	5,588.00
Salaries of Secretarial and Clerical Assistants	11-000-240-105	202,450.00	5,000.00	207,450.00	192,283.00	15,167.00
Other Purchased Services	11-000-240-500	800.00	-	800.00	-	800.00
Supplies and Materials	11-000-240-600	10,805.00	40,604.00	51,409.00	7,839.00	43,570.00
Other Objects	11-000-240-800	4,075.00	12,000.00	16,075.00	2,632.00	13,443.00
<b>Total Undist. Expend. - Support Services - School Administration</b>		<b>662,904.00</b>	<b>57,604.00</b>	<b>720,508.00</b>	<b>641,940.00</b>	<b>78,568.00</b>
Undist. Expend. - Central Services:						
Salaries	11-000-251-100	255,194.00	-	255,194.00	243,722.00	11,472.00
Purchased Professional Services	11-000-251-330	-	-	4,000.00	2,080.00	-
Misc. Purchased Services NonRes	11-000-251-592	15,750.00	(250.00)	15,500.00	9,905.00	5,595.00
Supplies & Materials	11-000-251-600	12,000.00	14,449.00	26,449.00	16,982.00	9,467.00
Other Objects	11-000-251-890	6,000.00	1,730.00	7,730.00	7,730.00	-
<b>Total Undist. Expend. - Central Services</b>		<b>288,944.00</b>	<b>19,929.00</b>	<b>308,873.00</b>	<b>280,419.00</b>	<b>28,454.00</b>
Undist. Expend. - Admin. Info. Technology:						
Purchased Technical Services	11-000-252-340	2,000.00	9,427.00	11,427.00	10,075.00	1,352.00
<b>Total Undist. Expend. - Admin. Info. Technology</b>		<b>2,000.00</b>	<b>9,427.00</b>	<b>11,427.00</b>	<b>10,075.00</b>	<b>1,352.00</b>
Undist. Expend. - Required Maintenance for School Facilities:						
Salaries	11-000-261-100	131,804.00	4,083.00	135,887.00	135,887.00	-
Cleaning, Repair and Maintenance Services	11-000-261-420	547,902.00	96,554.00	644,456.00	629,770.00	14,686.00
General Supplies	11-000-261-610	43,500.00	4,403.00	47,903.00	45,448.00	2,455.00
Other Objects	11-000-261-800	37,500.00	780.00	38,280.00	7,364.00	30,916.00
<b>Total Undist. Expend. - Required Maintenance for School Facilities</b>		<b>760,706.00</b>	<b>105,820.00</b>	<b>866,526.00</b>	<b>818,469.00</b>	<b>48,057.00</b>
Undist. Expend. - Custodial Services:						
Salaries	11-000-262-100	46,155.00	-	46,155.00	46,155.00	-
Cleaning, Repair, & Maintenance Services	11-000-262-420	278,288.00	35,000.00	313,288.00	312,941.00	347.00
Rental of Land and Buildings	11-000-262-441	-	1,750.00	1,750.00	750.00	1,000.00
Other Purchased Property Services	11-000-262-490	69,200.00	703.00	69,903.00	56,404.00	13,499.00
Insurance	11-000-262-520	175,000.00	1,052.00	176,052.00	175,613.00	439.00
General Supplies	11-000-262-610	34,400.00	11,243.00	45,643.00	44,228.00	1,415.00
Energy (Natural Gas)	11-000-262-621	108,000.00	2,639.00	110,639.00	73,792.00	36,847.00
Energy (Electricity)	11-000-262-622	516,500.00	(16,463.00)	500,037.00	381,624.00	118,413.00
<b>Total Undist. Expend. - Custodial Services</b>		<b>1,227,543.00</b>	<b>35,924.00</b>	<b>1,263,467.00</b>	<b>1,091,507.00</b>	<b>171,960.00</b>
Undist. Expend. - Security:						
Purchased Prof. and Technical Services	11-000-266-300	7,500.00	-	7,500.00	2,546.00	4,954.00
General Supplies	11-000-266-610	10,000.00	-	10,000.00	-	10,000.00
<b>Total Undist. Expend. - Security</b>		<b>17,500.00</b>	<b>-</b>	<b>17,500.00</b>	<b>2,546.00</b>	<b>14,954.00</b>
<b>Total Undist. Expend. - Oper. &amp; Maint. of Plant</b>		<b>2,005,749.00</b>	<b>141,744.00</b>	<b>2,147,493.00</b>	<b>1,912,522.00</b>	<b>234,971.00</b>
Undist. Expend. - Student Transportation Services:						
Salaries for Non-Instructional Aides	11-000-270-107	179,207.00	10,990.00	190,197.00	188,530.00	1,667.00
Cleaning, Repair, & Maintenance Services	11-000-270-420	5,250.00	-	5,250.00	3,062.00	2,188.00
Contract Services ( Bet. Home & School)- Vendors	11-000-270-511	430,000.00	(3,520.00)	426,480.00	369,825.00	56,655.00
Contracted Services (Other Than Bet. Home & School) - Ven	11-000-270-512	25,000.00	-	25,000.00	23,488.00	1,512.00
Contract Serv. (Spl. Ed. Students) - ESCs & CTSA	11-000-270-518	91,000.00	64,520.00	155,520.00	155,516.00	4.00
General Supplies	11-000-270-610	6,200.00	(598.00)	5,602.00	4,133.00	1,469.00
Transportation Supplies	11-000-270-615	35,000.00	-	35,000.00	20,188.00	14,812.00
Other Objects	11-000-270-800	8,600.00	1,345.00	9,945.00	9,650.00	295.00
<b>Total Undist. Expend. - Student Transportation Services</b>		<b>780,257.00</b>	<b>72,737.00</b>	<b>852,994.00</b>	<b>774,392.00</b>	<b>78,602.00</b>

**EATONTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015**

		June 30, 2015				
		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Student Transportation Services - Employee Benefits:						
Social Security Contributions	11-000-270-220	11,000.00	-	11,000.00	11,000.00	-
Other Retirement Contributions - Regular	11-000-270-241	18,000.00	-	18,000.00	18,000.00	-
Health Benefits	11-000-270-270	36,518.00	-	36,518.00	36,518.00	-
<b>Total Student Transportation Services - Employee Benefits</b>		<b>65,518.00</b>	<b>-</b>	<b>65,518.00</b>	<b>65,518.00</b>	<b>-</b>
<b>Total Allocated Benefits</b>		<b>65,518.00</b>	<b>-</b>	<b>65,518.00</b>	<b>65,518.00</b>	<b>-</b>
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	139,000.00	4,440.00	143,440.00	143,431.00	9.00
Other Retirement Contributions - Regular	11-000-291-241	154,149.00	(4,682.00)	149,467.00	118,895.00	30,572.00
Unemployment Compensation	11-000-291-250	12,500.00	-	12,500.00	1,023.00	11,477.00
Workmen's Compensation	11-000-291-260	112,675.00	-	112,675.00	96,772.00	15,903.00
Health Benefits	11-000-291-270	2,548,305.00	46,540.00	2,594,845.00	2,283,000.00	311,845.00
Tuition Reimbursement	11-000-291-280	25,000.00	-	25,000.00	5,696.00	19,304.00
Other Employee Benefits	11-000-291-290	76,000.00	-	76,000.00	54,260.00	21,740.00
<b>Total Unallocated Benefits - Employee Benefits</b>		<b>3,067,629.00</b>	<b>46,298.00</b>	<b>3,113,927.00</b>	<b>2,703,077.00</b>	<b>410,850.00</b>
TPAF Contributions (On-Behalf - Non-Budgeted)		-	-	-	480,950.00	(480,950.00)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)		-	-	-	763,509.00	(763,509.00)
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	625,508.55	(625,508.55)
<b>Total On-Behalf Contributions</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,869,967.55</b>	<b>(1,869,967.55)</b>
<b>Total Personal Services - Employee Benefits</b>		<b>3,133,147.00</b>	<b>46,298.00</b>	<b>3,179,445.00</b>	<b>4,638,562.55</b>	<b>(1,459,117.55)</b>
<b>Total Undistributed Expenditures</b>		<b>10,159,652.00</b>	<b>285,818.00</b>	<b>10,445,470.00</b>	<b>11,000,149.55</b>	<b>(554,679.55)</b>
Interest Earned on Maintenance Reserve	10-606	25.00	-	25.00	-	25.00
Interest Earned on Emergency Reserve	10-606	15.00	-	15.00	-	15.00
<b>Total Expenditures - Current Expense</b>		<b>18,500,317.00</b>	<b>140,279.66</b>	<b>18,640,596.66</b>	<b>18,793,290.55</b>	<b>(152,693.89)</b>
CAPITAL OUTLAY						
Equipment:						
Undistributed:						
Undistributed Expenditures - Instruction	12-000-100-730	6,500.00	3,807.40	10,307.40	3,056.40	7,251.00
Non-Instructional Equipment	12-000-100-732	-	24,205.60	24,205.60	24,205.60	-
<b>Total Equipment</b>		<b>6,500.00</b>	<b>28,013.00</b>	<b>34,513.00</b>	<b>27,262.00</b>	<b>7,251.00</b>
Facilities and Acquisition Services:						
Land Improvements	12-000-400-710	-	29,000.00	29,000.00	28,519.96	480.04
Construction Services	12-000-401-450	300,750.00	-	300,750.00	117,540.04	183,209.96
<b>Total Facilities and Acquisition Services</b>		<b>300,750.00</b>	<b>29,000.00</b>	<b>329,750.00</b>	<b>146,060.00</b>	<b>183,690.00</b>
<b>Total Capital Outlay</b>		<b>307,250.00</b>	<b>57,013.00</b>	<b>364,263.00</b>	<b>173,322.00</b>	<b>190,941.00</b>
<b>Total Expenditures</b>		<b>18,807,567.00</b>	<b>197,292.66</b>	<b>19,004,859.66</b>	<b>18,966,612.55</b>	<b>38,247.11</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(1,328,154.00)	(197,292.66)	(1,525,446.66)	393,365.95	1,918,812.61
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources/(Uses)		(1,328,154.00)	(197,292.66)	(1,525,446.66)	393,365.95	1,918,812.61
Fund Balances, July 1		3,772,166.37	-	3,772,166.37	3,772,166.37	-
<b>Fund Balances, June 30</b>		<b>\$ 2,444,012.37</b>	<b>\$ (197,292.66)</b>	<b>\$ 2,246,719.71</b>	<b>\$ 4,165,532.32</b>	<b>\$ 1,918,812.61</b>

**EATONTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015**

		June 30, 2015			Variance
		Original Budget	Budget Transfers	Final Budget	Final To Actual
<b>Recapitulation of Budget Transfers</b>					
Prior Year-End Encumbrances			197,292.66		
Total Budget Transfers			\$ 197,292.66		
<b>Recapitulation of Fund Balance</b>					
Restricted for:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 749,947.27	
Excess Surplus				802,754.66	
Capital Reserve				922,942.93	
Maintenance Reserve				350,000.00	
Emergency Reserve				142,000.40	
Assigned:					
Year-End Encumbrances				513,924.43	
Designated for Subsequent Year's Expenditures				317,962.73	
Unassigned				365,999.90	
				4,165,532.32	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not recognized on GAAP Basis				(381,583.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 3,783,949.32	

**EATONTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FISCAL YEAR ENDED JUNE 30, 2015**

	June 30, 2015				Variance Final To Actual
	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	
Revenues:					
Local Sources	\$ -	\$ 3,400.00	\$ 3,400.00	\$ 6,038.03	\$ 2,638.03
State Sources	187,800.00	41,796.00	229,596.00	226,302.00	(3,294.00)
Federal Sources	650,000.00	328,121.54	978,121.54	765,278.77	(212,842.77)
<b>Total Revenues</b>	<b>837,800.00</b>	<b>373,317.54</b>	<b>1,211,117.54</b>	<b>997,618.80</b>	<b>(213,498.74)</b>
Expenditures:					
Instruction:					
Salaries of Teachers	312,000.00	(15,559.62)	296,440.38	237,642.66	(58,797.72)
Purchased Services	-	9,100.00	9,100.00	4,245.00	(4,855.00)
Other Purchased Services	310,000.00	14,782.00	324,782.00	309,106.64	(15,675.36)
General Supplies	-	63,951.95	63,951.95	45,450.45	(18,501.50)
Textbooks	7,000.00	924.00	7,924.00	7,924.00	-
Other Objects	-	13,505.65	13,505.65	6,038.03	(7,467.62)
<b>Total Instruction</b>	<b>629,000.00</b>	<b>86,703.98</b>	<b>715,703.98</b>	<b>610,406.78</b>	<b>(105,297.20)</b>
Support Services:					
Salaries	-	29,675.00	29,675.00	6,363.95	(23,311.05)
Personal Services - Employee Benefits	-	44,030.00	44,030.00	38,136.00	(5,894.00)
Professional and Technical Services	-	142,274.74	142,274.74	84,208.94	(58,065.80)
Purchased Professional - Educational Services	208,800.00	38,534.00	247,334.00	245,052.00	(2,282.00)
Other Purchased Services	-	5,301.00	5,301.00	1,194.00	(4,107.00)
Supplies and Materials	-	9,813.00	9,813.00	5,757.13	(4,055.87)
Other Objects	-	16,985.82	16,985.82	6,500.00	(10,485.82)
<b>Total Support Services</b>	<b>208,800.00</b>	<b>286,613.56</b>	<b>495,413.56</b>	<b>387,212.02</b>	<b>(108,201.54)</b>
<b>Total Expenditures</b>	<b>837,800.00</b>	<b>373,317.54</b>	<b>1,211,117.54</b>	<b>997,618.80</b>	<b>(213,498.74)</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -

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

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

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

	General <u>Fund</u>	Special Revenue <u>Fund</u>
<b>SOURCES/INFLOWS OF RESOURCES</b>		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 19,359,978.50	\$ 997,618.80
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Less: Current Year Encumbrances		(38,950.50)
Add: Prior Year Encumbrances		5,430.36
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	375,480.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(381,583.00)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 19,353,875.50</u>	<u>\$ 964,098.66</u>
<b>USES/OUTFLOWS OF RESOURCES</b>		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 18,966,612.55	\$ 997,618.80
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Less: Current Year Encumbrances		(38,950.50)
Add: Prior Year Encumbrances		5,430.36
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 18,966,612.55</u>	<u>\$ 964,098.66</u>

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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**EATONTOWN SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.01661%	0.01666%	N/A							
District's proportionate share of the net pension liability (asset)	\$ 3,109,041	\$ 3,185,713	N/A							
District's covered-employee payroll	\$1,122,841.00	\$1,155,174.00	**N/A							
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	276.89%	275.78%	N/A							
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%	N/A							

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

**EATONTOWN SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 136,895.00	\$ 125,595.00	\$ 130,313.00	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
Contributions in relation to the contractually required contribution	\$ 136,895.00	\$ 125,595.00	\$ 130,313.00	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
District's covered-employee payroll	\$1,122,841.00	\$1,155,174.00	\$1,139,112.00	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
Contributions as a percentage of covered-employee payroll	13.35%	12.37%	11.61%	13.21%	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A

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

**EATONTOWN SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' PENSION AND ANNUITY FUND  
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.09001%	0.09016%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 48,136,446.00	\$ 45,565,423.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$ 8,529,641.00	\$ 8,570,681.00	\$8,773,171.00	**N/A						
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A

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

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

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

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

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

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

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

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

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

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**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**EATONTOWN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	N.J. Nonpublic						
	Auxiliary Services				Handicapped Services Ch. 193		
	Textbooks Aid	Nursing Aid	Technology Aid	Compensatory Education	Exam. and Classification	Corrective Speech	Supplementary Instruction
Revenues							
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	7,924.00	12,615.00	4,256.00	94,955.00	40,713.00	27,389.00	38,450.00
Federal Sources	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 7,924.00</b>	<b>\$ 12,615.00</b>	<b>\$ 4,256.00</b>	<b>\$ 94,955.00</b>	<b>\$ 40,713.00</b>	<b>\$ 27,389.00</b>	<b>\$ 38,450.00</b>
<u>Expenditures</u>							
Instruction:							
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Services	-	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-	-
Textbooks	7,924.00	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-
<b>Total Instruction</b>	<b>7,924.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Support Services:							
Salaries	-	-	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-	-	-
Professional and Technical Services	-	-	-	-	-	-	-
Purchased Professional - Educational Services	-	12,615.00	4,256.00	94,955.00	40,713.00	27,389.00	38,450.00
Other Purchased Services	-	-	-	-	-	-	-
Supplies and Materials	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-
<b>Total Support Services</b>	<b>-</b>	<b>12,615.00</b>	<b>4,256.00</b>	<b>94,955.00</b>	<b>40,713.00</b>	<b>27,389.00</b>	<b>38,450.00</b>
<b>Total Expenditures</b>	<b>\$ 7,924.00</b>	<b>\$ 12,615.00</b>	<b>\$ 4,256.00</b>	<b>\$ 94,955.00</b>	<b>\$ 40,713.00</b>	<b>\$ 27,389.00</b>	<b>\$ 38,450.00</b>

**EATONTOWN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	No Child Left Behind					Totals	
	Local Programs	IDEA Part B	IDEA Preschool	Title I	Title II Part A	Title III	2015
<b>Revenues</b>							
Local Sources	\$ 6,038.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,038.03
State Sources	-	-	-	-	-	-	226,302.00
Federal Sources	-	364,783.94	11,221.00	340,910.01	37,534.00	10,829.82	765,278.77
<b>Total Revenues</b>	<b>\$ 6,038.03</b>	<b>\$ 364,783.94</b>	<b>\$ 11,221.00</b>	<b>\$ 340,910.01</b>	<b>\$ 37,534.00</b>	<b>\$ 10,829.82</b>	<b>\$ 997,618.80</b>
<b>Expenditures</b>							
Instruction:							
Salaries of Teachers	\$ -	\$ -	9,228.00	\$ 225,760.66	\$ -	\$ 2,654.00	\$ 237,642.66
Purchased Services	-	-	-	2,245.00	-	2,000.00	4,245.00
Other Purchased Services	-	306,430.00	-	2,676.64	-	-	309,106.64
General Supplies	-	-	-	41,647.33	-	3,803.12	45,450.45
Textbooks	-	-	-	-	-	-	7,924.00
Other Objects	6,038.03	-	-	-	-	-	6,038.03
<b>Total Instruction</b>	<b>6,038.03</b>	<b>306,430.00</b>	<b>9,228.00</b>	<b>272,329.63</b>	<b>-</b>	<b>8,457.12</b>	<b>610,406.78</b>
Support Services:							
Salaries	-	-	-	5,327.95	-	1,036.00	6,363.95
Personal Services - Employee Benefits	-	-	1,993.00	36,143.00	-	-	38,136.00
Professional and Technical Services	-	58,353.94	-	21,495.00	4,360.00	-	84,208.94
Purchased Professional - Educational Services	-	-	-	-	26,674.00	-	245,052.00
Other Purchased Services	-	-	-	-	-	1,194.00	1,194.00
Supplies and Materials	-	-	-	5,614.43	-	142.70	5,757.13
Other Objects	-	-	-	-	6,500.00	-	6,500.00
<b>Total Support Services</b>	<b>-</b>	<b>58,353.94</b>	<b>1,993.00</b>	<b>68,580.38</b>	<b>37,534.00</b>	<b>2,372.70</b>	<b>387,212.02</b>
<b>Total Expenditures</b>	<b>\$ 6,038.03</b>	<b>\$ 364,783.94</b>	<b>\$ 11,221.00</b>	<b>\$ 340,910.01</b>	<b>\$ 37,534.00</b>	<b>\$ 10,829.82</b>	<b>\$ 997,618.80</b>

F. Capital Projects Fund

Not Applicable

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## H. Fiduciary Fund

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

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Funds</u>	Agency <u>Funds</u>	<u>Totals</u> <u>2015</u>
Assets:				
Cash and Cash Equivalents	\$ 97,886.00	\$ 6,843.62	\$ 67,528.82	\$ 172,258.44
Due from State	-	-	-	-
<b>Total Assets</b>	<b>\$ 97,886.00</b>	<b>\$ 6,843.62</b>	<b>\$ 67,528.82</b>	<b>\$ 172,258.44</b>
Liabilities:				
Interfund Payable	-	-	8,000.00	8,000.00
Due To State	128.19	-	-	128.19
Payroll Deductions and Withholdings	-	-	22,741.98	22,741.98
Payable To Student Groups	-	-	36,786.84	36,786.84
<b>Total Liabilities</b>	<b>128.19</b>	<b>-</b>	<b>67,528.82</b>	<b>67,657.01</b>
Net Position:				
Held in Trust for Unemployment Claims and Other Purposes	97,757.81	-	-	97,757.81
Reserved for Scholarships	-	6,843.62	-	6,843.62
<b>Total Net Position</b>	<b>97,757.81</b>	<b>6,843.62</b>	<b>-</b>	<b>104,601.43</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 97,886.00</b>	<b>\$ 6,843.62</b>	<b>\$ 67,528.82</b>	<b>\$ 172,258.44</b>

**EATONTOWN SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2015**

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Funds</u>	<u>Totals</u> <u>2015</u>
Additions:			
Contributions:			
Payroll Withholdings	\$ 24,320.08	\$ -	\$ 24,320.08
Board Contribution	-	-	-
Total Contributions	24,320.08	-	24,320.08
Investment Earnings:			
Interest	-	5.51	5.51
Net Investment Earnings	-	5.51	5.51
Total Additions	24,320.08	5.51	24,325.59
Deductions:			
Quarterly Contribution Reports	5,378.36	-	5,378.36
Unemployment Claims	7,208.29	-	7,208.29
Scholarships Awarded	-	100.00	100.00
Total Deductions	12,586.65	100.00	12,686.65
Change in Net Position	11,733.43	(94.49)	11,638.94
Net Position - Beginning of Year	86,024.38	6,938.11	92,962.49
Net Position - End of Year	\$ 97,757.81	\$ 6,843.62	\$ 104,601.43

**EATONTOWN BOARD OF EDUCATION  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
STUDENT ACTIVITY AGENCY FUND  
JUNE 30, 2015**

	Balance July 1, <u>2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance June 30, <u>2015</u>
Elementary Schools:				
Woodmere School	\$ 3,557.14	\$ 4,443.56	\$ 3,719.92	\$ 4,280.78
Margaret L. Vetter School	1,621.22	3,387.79	2,092.35	2,916.66
Meadowbrook School	2,956.99	2,432.98	2,774.02	2,615.95
Total Elementary Schools	<u>8,135.35</u>	<u>10,264.33</u>	<u>8,586.29</u>	<u>9,813.39</u>
Junior High School:				
Memorial School	23,618.25	46,891.08	43,535.88	26,973.45
Total Junior High Schools	<u>23,618.25</u>	<u>46,891.08</u>	<u>43,535.88</u>	<u>26,973.45</u>
Total Assets	<u>\$ 31,753.60</u>	<u>\$ 57,155.41</u>	<u>\$ 52,122.17</u>	<u>\$ 36,786.84</u>

EATONTOWN SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
JUNE 30, 2015

	Balance July 1, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2015</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 12,666.97	\$ 11,670,089.88	\$ 11,652,014.87	\$ 30,741.98
Total Assets	<u>\$ 12,666.97</u>	<u>\$ 11,670,089.88</u>	<u>\$ 11,652,014.87</u>	<u>\$ 30,741.98</u>
<u>Liabilities</u>				
Payroll Deductions and Withholdings	\$ 4,666.97	\$ 11,670,050.35	\$ 11,651,975.34	\$ 22,741.98
Interfund Payable	8,000.00	39.53	39.53	8,000.00
Total Liabilities	<u>\$ 12,666.97</u>	<u>\$ 11,670,089.88</u>	<u>\$ 11,652,014.87</u>	<u>\$ 30,741.98</u>

## I. Long-Term Debt

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**EATONTOWN SCHOOL DISTRICT  
SCHEDULE OF SERIAL BONDS PAYABLE  
JUNE 30, 2015**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance	Issued	Retired	Balance
			Date	Amount		July 1, 2014			June 30, 2015
General Improvements	08/01/06	\$ 29,794,000.00	02/01/16	\$ 1,000,000.00	4.50%	\$ 24,294,000.00	\$ -	\$ 22,244,000.00	\$ 2,050,000.00
			02/01/17	1,050,000.00	4.50%				
General Improvements	12/1/2014	\$ 20,150,000.00	12/01/17	1,040,000.00	4.00%	-	20,150,000.00	-	20,150,000.00
			12/01/18	1,080,000.00	4.00%				
			12/01/19	1,125,000.00	4.00%				
			12/01/20	1,165,000.00	4.00%				
			12/01/21	1,260,000.00	5.00%				
			12/01/22	1,265,000.00	5.00%				
			12/01/23	1,295,000.00	5.00%				
			12/01/24	1,295,000.00	5.00%				
			12/01/25	1,300,000.00	5.00%				
			12/01/26	1,305,000.00	5.00%				
			12/01/27	1,335,000.00	5.00%				
			12/01/28	1,335,000.00	5.00%				
12/01/29	1,340,000.00	5.00%							
12/01/30	1,345,000.00	5.00%							
12/01/31	1,340,000.00	4.00%							
12/01/32	1,325,000.00	4.00%							
						<b>\$ 24,294,000.00</b>	<b>\$ 20,150,000.00</b>	<b>\$ 22,244,000.00</b>	<b>\$ 22,200,000.00</b>

**EATONTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON STATEMENT  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)**

	June 30, 2015				Positive/ (Negative) Final To Actual
	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 1,353,152.00	\$ -	\$ 1,353,152.00	\$ 1,353,152.00	\$ -
State Sources:					
Debt Service Aid	697,078.00	-	697,078.00	697,078.00	-
<b>Total Revenues</b>	<b>2,050,230.00</b>	<b>-</b>	<b>2,050,230.00</b>	<b>2,050,230.00</b>	<b>-</b>
Expenditures:					
Regular Debt Service:					
Interest on Bonds	1,100,230.00	-	1,100,230.00	1,026,142.08	74,087.92
Redemption of Principal	950,000.00	-	950,000.00	950,000.00	-
Expense of Refunding Bonds	-	-	-	305,297.81	(305,297.81)
<b>Total Regular Debt Service</b>	<b>2,050,230.00</b>	<b>-</b>	<b>2,050,230.00</b>	<b>2,281,439.89</b>	<b>(231,209.89)</b>
<b>Total Expenditures</b>	<b>2,050,230.00</b>	<b>-</b>	<b>2,050,230.00</b>	<b>2,281,439.89</b>	<b>(231,209.89)</b>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	-	-	-	(231,209.89)	(231,209.89)
Other Financial Sources/(Uses):					
Proceeds of Refunding Bonds	-	-	-	23,712,042.55	(23,712,042.55)
Deposit to Refunding Escrow	-	-	-	(23,406,744.74)	23,406,744.74
<b>Total Other Financial Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>305,297.81</b>	<b>(305,297.81)</b>
Excess/(Deficiency) of Revenues and Other Financial Sources Over/(Under) Expenditures	-	-	-	74,087.92	74,087.92
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 74,087.92	\$ 74,087.92

**STATISTICAL SECTION (Unaudited)**

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Financial Trends Information

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

Exhibits are presented for the last ten fiscal years.

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EATONTOWN SCHOOL DISTRICT  
 NET POSITION BY COMPONENT  
 LAST TEN FISCAL YEARS  
 (ACCURAL BASIS OF ACCOUNTING)  
 (UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Government Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 2,452,087.64	\$ (15,361,872.05)	\$ 2,131,902.07	\$ 3,966,740.76	\$ 5,143,131.22	\$ 1,913,622.00	\$ 2,062,334.03	\$ 2,247,054.86	\$ 2,298,997.03	\$ 3,645,211.03
Restricted	1,573,490.03	20,710,307.70	3,758,850.21	3,094,399.86	2,127,268.64	1,544,579.21	3,228,648.62	3,340,079.35	2,522,942.43	2,851,145.26
Unrestricted	(402,136.17)	(1,178,333.25)	491,744.65	112,292.45	(732,037.09)	(80,302.67)	(1,151,474.11)	(1,088,121.38)	(233,433.23)	(4,474,821.62)
<b>Total Government Activities Net Position</b>	<b>\$ 3,623,441.50</b>	<b>\$ 4,170,102.40</b>	<b>\$ 6,382,496.93</b>	<b>\$ 7,173,433.07</b>	<b>\$ 6,538,562.77</b>	<b>\$ 3,377,898.54</b>	<b>\$ 4,139,508.54</b>	<b>\$ 4,504,012.83</b>	<b>\$ 4,588,506.23</b>	<b>\$ 2,021,534.67</b>
<b>Business-Type Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 8,292.00	\$ 6,969.00	\$ 5,690.00	\$ 4,389.00	\$ 3,288.00	\$ 382.00	\$ -	\$ -	\$ -	\$ -
Unrestricted	(447,999)	3,391.90	13,506.47	14,393.40	11,866.00	15,606.40	9,040.97	6,311.12	4,113.83	7,350.98
<b>Total Business-Type Activities Net Position</b>	<b>\$ 7,844.01</b>	<b>\$ 10,360.90</b>	<b>\$ 19,196.47</b>	<b>\$ 18,782.40</b>	<b>\$ 15,154.00</b>	<b>\$ 15,988.40</b>	<b>\$ 9,040.97</b>	<b>\$ 6,311.12</b>	<b>\$ 4,113.83</b>	<b>\$ 7,350.98</b>
<b>District-wide:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 2,460,379.64	\$ (15,354,903.05)	\$ 2,137,592.07	\$ 3,971,129.76	\$ 5,146,419.22	\$ 1,914,004.00	\$ 2,062,334.03	\$ 2,247,054.86	\$ 2,247,054.86	\$ 3,645,211.03
Restricted	1,573,490.03	20,710,307.70	3,758,850.21	3,094,399.86	2,127,268.64	1,544,579.21	3,228,648.62	3,340,079.35	3,340,079.35	2,851,145.26
Unrestricted	(402,584.16)	(1,174,941.35)	505,251.12	126,685.85	(720,171.09)	(64,696.27)	(1,142,433.14)	(1,076,810.26)	(1,076,810.26)	(4,467,470.64)
<b>Total District Net Position</b>	<b>\$ 3,631,285.51</b>	<b>\$ 4,180,463.30</b>	<b>\$ 6,401,693.40</b>	<b>\$ 7,192,215.47</b>	<b>\$ 6,553,516.77</b>	<b>\$ 3,393,886.94</b>	<b>\$ 4,148,549.51</b>	<b>\$ 4,510,323.95</b>	<b>\$ 4,510,323.95</b>	<b>\$ 2,028,885.65</b>

**EATONTOWN SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ (8,310,053.53)	\$ (8,741,465.79)	\$ (9,227,118.38)	\$ (8,475,714.85)	\$ (8,761,721.54)	\$ (8,342,598.37)	\$ (8,363,363.83)	\$ (6,195,151.57)	\$ (6,066,077.31)	\$ (6,017,071.64)
Special Education	(1,756,350.63)	(2,010,987.76)	(2,192,314.73)	(1,992,814.83)	(2,172,129.93)	(2,154,674.55)	(2,230,521.92)	(1,563,495.95)	(1,714,360.00)	(1,792,773.00)
Other Special Education	(719,017.20)	(826,388.98)	(944,941.89)	(1,092,680.79)	(832,093.37)	(949,114.04)	(899,985.05)	(628,941.60)	(654,988.00)	(472,935.00)
Other Instruction	(84,367.49)	(88,885.75)	(88,249.00)	(106,104.08)	(638,205.67)	(622,738.36)	(672,903.90)	(95,262.19)	(112,221.00)	(124,724.00)
Support Services:										
Tuition	(284,275.50)	(485,604.58)	(532,009.10)	(517,704.40)	(434,769.16)	(311,828.90)	(569,661.06)	(722,222.13)	(636,574.00)	(352,293.00)
Student and Instruction Related Services	(2,644,185.99)	(2,748,044.17)	(2,880,864.85)	(2,708,283.10)	(2,197,183.73)	(1,916,662.93)	(2,082,314.52)	(2,217,382.42)	(2,439,847.88)	(2,355,500.02)
General Administration	(1,275,826.39)	(662,301.71)	(616,347.34)	(529,440.29)	(502,256.85)	(528,062.48)	(404,282.39)	(370,118.20)	(354,893.00)	(384,182.00)
School Administrative Services	(847,251.27)	(994,550.60)	(957,284.04)	(851,712.28)	(901,515.78)	(922,626.05)	(892,574.75)	(667,931.49)	(629,442.00)	(641,940.00)
Central Services		(391,195.92)	(422,047.20)	(401,112.37)	(335,627.05)	(295,499.40)	(282,237.50)	(243,783.75)	(217,268.00)	(280,419.00)
Administrative Information Technology		(108,682.07)	(118,070.16)	(157,611.83)	(104,073.95)	(119,921.96)	(128,688.91)	(6,250.00)	(3,872.00)	(10,075.00)
Plant Operations and Maintenance	(1,392,058.71)	(1,577,018.75)	(1,815,198.54)	(1,811,610.54)	(1,804,631.30)	(1,850,541.64)	(1,609,605.11)	(1,663,393.11)	(1,805,738.00)	(1,912,522.00)
Pupil Transportation	(1,121,935.44)	(1,021,742.58)	(899,925.62)	(892,100.37)	(921,489.76)	(863,075.79)	(832,909.90)	(751,358.84)	(761,055.00)	(774,392.00)
Employee Benefits								(4,641,967.84)	(4,338,163.46)	(6,868,430.55)
Interest on Long-Term Debt		(1,235,419.17)	(1,308,399.11)	(1,302,636.25)	(1,269,542.39)	(1,235,323.75)	(1,199,980.00)	(1,163,042.50)	(1,123,855.00)	(950,340.51)
Unallocated Depreciation	(131,003.75)	21,480.94	(175,392.08)	(297,920.69)	(676,297.50)	(744,958.00)	(752,631.04)	(973,149.29)	(1,019,095.83)	(921,108.00)
Total Governmental Activities Expenses	(18,566,325.90)	(20,870,806.89)	(22,178,162.04)	(21,137,446.67)	(21,551,539.98)	(20,857,626.22)	(20,921,659.88)	(21,903,450.88)	(21,877,450.48)	(23,858,705.72)
Business-Type Activities:										
Food Service	(329,001.57)	(330,589.39)	(320,051.56)	(340,789.62)	(363,512.95)	(363,908.60)	(394,241.38)	(392,162.48)	(429,090.63)	(386,618.74)
Total Business-Type Activities Expenses	(329,001.57)	(330,589.39)	(320,051.56)	(340,789.62)	(363,512.95)	(363,908.60)	(394,241.38)	(392,162.48)	(429,090.63)	(386,618.74)
Total District Expenses	\$ (18,895,327.47)	\$ (21,201,396.28)	\$ (22,498,213.60)	\$ (21,478,236.29)	\$ (21,915,052.93)	\$ (21,221,534.82)	\$ (21,315,901.26)	\$ (22,295,613.36)	\$ (22,306,541.11)	\$ (24,245,324.46)
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,754.00	\$ 58,004.00	\$ 12,945.00	\$ 59,273.00
Pupil Transportation	-	-	-	-	-	-	24,049.41	17,412.03	-	-
Interest on Long-Term Debt	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	336,241.00	336,241.00	336,241.00	266,931.00	215,162.00	271,260.81	271,669.22	1,871,807.05	1,950,152.19	4,041,474.66
Total Governmental Activities Program Revenues	336,241.00	336,241.00	336,241.00	266,931.00	215,162.00	271,260.81	342,472.63	1,947,223.08	1,963,097.19	4,100,747.66

**EATONTOWN SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Business-Type Activities:</b>										
Changes for Services:										
Food Service	182,781.00	181,900.17	143,847.02	153,520.24	141,247.39	145,641.81	128,945.85	122,657.52	155,212.16	114,672.60
Operating Grants and Contributions	141,072.01	151,206.11	157,787.91	186,855.31	218,637.16	219,644.19	258,348.10	266,775.11	271,681.18	275,183.29
<b>Total Business-Type Activities Program Revenues</b>	<b>323,853.01</b>	<b>333,106.28</b>	<b>301,634.93</b>	<b>340,375.55</b>	<b>359,884.55</b>	<b>365,286.00</b>	<b>387,293.95</b>	<b>389,432.63</b>	<b>426,893.34</b>	<b>389,855.89</b>
<b>Total District Program Revenues</b>	<b>660,094.01</b>	<b>669,347.28</b>	<b>637,875.93</b>	<b>607,306.55</b>	<b>575,046.55</b>	<b>636,546.81</b>	<b>729,766.58</b>	<b>2,336,655.71</b>	<b>2,389,990.53</b>	<b>4,490,603.55</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	(18,230,084.90)	(20,534,565.89)	(21,841,921.04)	(20,870,515.67)	(21,336,377.98)	(20,586,365.41)	(20,579,187.25)	(19,956,227.80)	(19,914,353.29)	(19,757,958.06)
Business-Type Activities	(5,148.56)	2,516.89	(18,416.63)	(414.07)	(3,628.40)	1,377.40	(6,947.43)	(2,729.85)	(2,197.29)	3,237.15
<b>Total District-wide Net (Expense)/Revenue</b>	<b>\$(18,235,233.46)</b>	<b>\$(20,532,049.00)</b>	<b>\$(21,860,337.67)</b>	<b>\$(20,870,929.74)</b>	<b>\$(21,340,006.38)</b>	<b>\$(20,584,988.01)</b>	<b>\$(20,586,134.68)</b>	<b>\$(19,958,957.65)</b>	<b>\$(19,916,550.58)</b>	<b>\$(19,754,720.91)</b>
<b>General Revenues and</b>										
<b>Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for -										
General Purposes, Net	\$ 11,892,961.00	\$ 12,689,970.00	\$ 12,947,762.00	\$ 12,859,451.00	\$ 13,076,199.00	\$ 13,076,199.00	\$ 13,076,199.00	\$ 13,206,960.00	\$ 13,364,766.00	\$ 13,498,414.00
Taxes Levied for Debt Service	6,491,825.54	6,998,044.10	8,298,286.92	7,402,793.91	6,080,316.96	6,357,518.51	6,888,589.26	5,586,643.24	5,275,845.08	5,516,338.50
Unrestricted Grants and Contributions	197.73	1,236,961.44	513,274.14	64,305.78	866.49	39,661.78	4,110.90	907.13	1,128.93	1,059.00
Investment Earnings	214,317.38	156,251.25	58,285.71	110,163.12	349,968.23	51,799.01	42,011.12	8,756.05	10,224.68	7,736.00
Miscellaneous Income	(879.26)		(27,252.20)							
Transfers										
<b>Total Governmental Activities</b>	<b>18,598,422.39</b>	<b>21,081,226.79</b>	<b>23,023,315.57</b>	<b>21,661,451.81</b>	<b>20,701,307.68</b>	<b>20,835,375.30</b>	<b>21,340,797.28</b>	<b>20,142,393.42</b>	<b>19,998,846.69</b>	<b>20,376,699.50</b>
<b>Business-Type Activities:</b>										
Investment Earnings	1,806.59	-	-	-	-	-	-	-	-	-
Transfers	879.26	-	27,252.20	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>2,685.85</b>	<b>-</b>	<b>27,252.20</b>	<b>-</b>						
<b>Total District-wide</b>	<b>\$ 18,601,108.24</b>	<b>\$ 21,081,226.79</b>	<b>\$ 23,023,315.57</b>	<b>\$ 21,661,451.81</b>	<b>\$ 20,701,307.68</b>	<b>\$ 20,835,375.30</b>	<b>\$ 21,340,797.28</b>	<b>\$ 20,142,393.42</b>	<b>\$ 19,998,846.69</b>	<b>\$ 20,376,699.50</b>
<b>Changes in Net Position:</b>										
Governmental Activities	\$ 368,337.49	\$ 546,660.90	\$ 1,181,394.53	\$ 790,936.14	\$ (635,070.30)	\$ 249,009.89	\$ 761,610.03	\$ 186,165.62	\$ 84,493.40	\$ 618,741.44
Business-Type Activities	(2,462.71)	2,516.89	(18,416.63)	(414.07)	(3,628.40)	1,377.40	(6,947.43)	(2,729.85)	(2,197.29)	3,237.15
<b>Total District</b>	<b>\$ 365,874.78</b>	<b>\$ 549,177.79</b>	<b>\$ 1,162,977.90</b>	<b>\$ 790,522.07</b>	<b>\$ (638,698.70)</b>	<b>\$ 250,387.29</b>	<b>\$ 754,662.60</b>	<b>\$ 183,435.77</b>	<b>\$ 82,296.11</b>	<b>\$ 621,978.59</b>

**EATONTOWN SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund:</b>										
Reserved	\$ 1,215,033.41	\$ 2,895,970.82	\$ 3,557,035.80	\$ 4,168,924.21	\$ 2,053,284.36	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	943,123.45	681,688.88	1,969,364.05	320,199.81	582,763.83	1,358,880.42	2,340,277.67	3,099,130.86	2,981,371.60	2,967,645.26
Restricted	-	-	-	-	-	1,119,137.69	831,398.83	240,948.49	415,314.77	816,304.06
Assigned	-	-	-	-	-	251,916.23	180,145.56	103,548.79	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total General Fund</b>	<b>\$ 2,158,156.86</b>	<b>\$ 3,577,659.70</b>	<b>\$ 5,526,399.85</b>	<b>\$ 4,489,124.02</b>	<b>\$ 2,636,048.19</b>	<b>\$ 2,729,934.34</b>	<b>\$ 3,351,822.06</b>	<b>\$ 3,443,628.14</b>	<b>\$ 3,396,686.37</b>	<b>\$ 3,783,949.32</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ -	\$ -	\$ 437,649.39	\$ 68,828.95	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported In:										
Special Revenue Fund	-	(3,359.10)	(10,534.10)	-	-	-	-	-	-	-
Capital Projects Fund	-	17,620,792.53	(1,180,697.00)	107,813.87	73,984.28	-	-	-	-	-
Debt Service Fund	-	400,000.00	26,205.89	26,205.89	26,206.00	-	-	-	-	74,087.92
Restricted:										
Capital Projects Fund	-	-	-	-	-	66,560.87	56,972.12	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ -</b>	<b>\$ 18,017,433.43</b>	<b>\$ (727,375.82)</b>	<b>\$ 202,848.71</b>	<b>\$ 100,190.28</b>	<b>\$ 66,560.87</b>	<b>\$ 56,972.12</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 74,087.92</b>

**EATONTOWN SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Tax Levy	\$ 11,892,961.00	\$ 12,689,970.00	\$ 14,180,721.00	\$ 14,084,189.00	\$ 14,270,156.00	\$ 14,386,396.00	\$ 14,406,086.00	\$ 14,546,087.00	14,711,648.00	\$ 14,851,566.00
Tuition Charges	-	-	-	-	70,892.12	-	46,754.00	58,004.00	12,945.00	59,273.00
Transportation Fees from Other LEAs	-	-	-	-	-	-	24,049.41	17,412.03	-	-
Interest Earnings	98,061.29	5,859.36	118,900.85	38,010.01	12,816.83	9,817.86	559.02	907.13	1,128.93	1,059.00
Miscellaneous	124,094.43	568,148.18	452,659.00	1,511,499.89	267,125.76	71,066.34	45,563.00	9,080.90	27,410.63	14,774.03
State Sources	5,778,030.60	6,416,000.16	7,744,006.11	6,236,124.91	5,209,879.82	5,569,322.22	6,195,807.23	6,623,366.51	6,401,394.25	6,675,922.55
Federal Sources	1,050,035.94	924,601.14	890,521.81	1,433,600.00	1,085,599.14	1,059,457.10	964,451.25	835,758.93	807,417.07	765,609.58
<b>Total Revenues</b>	<b>18,943,183.26</b>	<b>20,604,578.84</b>	<b>23,386,808.77</b>	<b>23,303,423.81</b>	<b>20,916,469.67</b>	<b>21,096,059.52</b>	<b>21,683,269.91</b>	<b>22,089,616.50</b>	<b>21,961,943.88</b>	<b>22,368,204.16</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular	6,300,112.88	6,222,593.34	6,561,396.36	6,432,173.70	6,666,478.04	6,066,831.45	5,956,142.95	6,195,151.57	6,066,077.31	6,017,071.64
Special Education	1,196,710.33	1,246,084.27	1,357,376.93	1,433,701.23	1,562,427.56	1,548,240.48	1,612,489.64	1,563,495.95	1,714,360.00	1,792,773.00
Other	451,929.71	530,216.05	633,555.60	781,883.20	564,497.15	658,004.90	628,479.98	628,941.60	654,988.00	472,935.00
School-Sponsored/Other Instructional Support Services and Undistributed Costs:	84,367.49	88,885.75	88,249.00	106,104.08	89,380.77	79,925.27	70,593.21	95,262.19	112,221.00	124,724.00
Tuition	284,275.50	485,604.58	532,009.10	517,704.40	434,769.16	311,828.90	569,661.06	722,222.13	636,574.00	352,293.00
Student and Instruction Related Services	2,142,973.70	2,133,173.22	2,180,547.99	2,105,608.19	2,221,671.40	1,938,224.93	2,102,333.52	2,217,382.42	2,439,847.88	2,355,500.02
General Administration	467,230.78	576,381.73	508,855.57	459,177.98	425,745.05	432,573.29	361,060.74	370,118.20	354,893.00	384,182.00
School Administrative Services	675,358.34	725,975.01	681,199.04	658,193.89	682,306.07	718,993.94	690,674.25	667,931.49	629,442.00	641,940.00
Central Services	522,430.21	279,328.68	298,266.24	309,134.09	292,109.17	250,001.07	232,272.69	243,783.75	217,268.00	280,419.00
Admin. Information Technology	119,427.79	41,362.48	36,143.42	94,717.72	33,727.39	76,170.36	77,082.36	6,250.00	3,872.00	10,075.00
Plant Operations and Maintenance	1,384,401.71	1,573,511.01	1,801,306.54	1,796,049.43	1,773,924.23	1,832,259.42	1,592,234.02	1,663,393.11	1,805,738.00	1,912,522.00
Pupil Transportation	847,466.14	896,335.18	861,620.62	849,307.31	801,524.70	796,857.79	734,597.90	751,358.84	761,055.00	774,392.00
Business and Other Support Services:										
Other	-	-	-	-	-	-	-	-	-	-
Employee Benefits	3,879,794.57	4,796,529.55	4,875,949.94	3,688,707.85	3,977,275.40	4,063,719.99	4,256,890.55	4,770,979.84	4,400,781.46	4,638,562.55
Capital Outlay	-	5,343.20	18,443,760.20	2,486,782.04	1,312,762.95	247,892.58	171,478.07	129,531.45	171,038.00	173,322.00
Special Revenue	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	-	-	700,000.00	725,000.00	750,000.00	775,000.00	800,000.00	850,000.00	900,000.00	950,000.00
Interest and Other Charges	-	-	1,995,389.11	1,316,230.00	1,283,604.89	1,249,855.00	1,214,980.00	1,178,980.00	1,140,730.00	1,331,439.89
<b>Total Expenditures</b>	<b>18,356,479.15</b>	<b>19,601,324.05</b>	<b>41,555,625.66</b>	<b>23,760,475.11</b>	<b>22,872,203.93</b>	<b>21,046,379.37</b>	<b>21,070,970.94</b>	<b>22,054,782.54</b>	<b>22,008,885.65</b>	<b>22,212,151.10</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>586,704.11</b>	<b>1,003,254.79</b>	<b>(18,168,816.89)</b>	<b>(457,051.30)</b>	<b>(1,955,734.26)</b>	<b>49,680.15</b>	<b>612,298.97</b>	<b>34,833.96</b>	<b>(46,941.77)</b>	<b>156,053.06</b>

**EATONTOWN SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing Sources/(Uses):					**	**				
Sale of Equipment - Buses	58,789.00	-	-	-	-	-	-	-	-	-
Sale of Real Property	-	-	1,400,000.00	-	-	-	-	-	-	-
Capital Leases (Non-Budgeted)	-	-	-	350,000.00	-	-	-	-	-	-
Proceeds of Refunding Bonds	-	-	-	-	-	-	-	-	-	23,712,042.55
Deposit to Refunding Escrow	-	-	-	-	-	-	-	-	-	(23,406,744.74)
Cancellation of Arbitrage Payable	-	-	-	-	-	10,576.59	(10,576.59)	-	-	-
Transfers In	-	-	-	-	-	-	11,564.43	56,972.12	-	-
Transfers Out	(879,26)	-	(27,252.20)	-	-	-	(987.84)	(56,972.12)	-	-
<b>Total Other Financing Sources/(Uses)</b>	<b>57,909.74</b>	<b>-</b>	<b>1,372,747.80</b>	<b>350,000.00</b>	<b>-</b>	<b>10,576.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>305,297.81</b>
<b>Net Change in Fund Balances</b>	<b>\$ 644,613.85</b>	<b>\$ 1,003,254.79</b>	<b>\$ (16,796,069.09)</b>	<b>\$ (107,051.30)</b>	<b>\$ (1,955,734.26)</b>	<b>\$ 60,256.74</b>	<b>\$ 612,298.97</b>	<b>\$ 34,833.96</b>	<b>\$ (46,941.77)</b>	<b>\$ 461,350.87</b>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	11.66%	9.60%	9.43%	9.74%	9.64%	9.25%	9.34%	10.35%

Source: District records

Note: Noncapital expenditures are total expenditures less Capital Outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year-end June 30, 2005.  
Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

\* Special Revenue expenditure allocation not available (2000 - 2004).

\*\* Other Financing Sources/Uses - not available.

**EATONTOWN SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

<u>Fiscal Year Ending June 30.</u>	<u>Interest</u>	<u>Tuition From Other LEA's</u>	<u>Tuition Other</u>	<u>Transportation Fees From</u>		<u>Miscellaneous</u>	<u>Annual Totals</u>
				<u>Individuals</u>	<u>Other LEAs</u>		
2006	\$ 98,061.29	\$ -	\$ -	\$ -	\$ -	\$ 124,094.43	\$ 222,155.72
2007	418,215.14	-	-	-	-	128,869.10	547,084.24
2008	118,900.85	-	-	-	-	42,064.76	160,965.61
2009	38,010.01	-	-	-	-	102,943.28	140,953.29
2010	12,816.83	70,892.12	-	-	-	70,514.18	154,223.13
2011	7,389.55	1,067.00	-	-	-	29,504.97	37,961.52
2012	3,551.88	44,704.00	2,050.00	-	24,049.41	11,511.10	85,866.39
2013	3,974.32	-	58,004.00	16,987.00	425.03	5,688.86	85,079.21
2014	3,938.64	-	12,945.00	-	-	7,414.97	24,298.61
2015	1,059.00	-	59,273.00	-	-	7,736.00	68,068.00

Source: District records

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## Revenue Capacity Information

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

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**EATONTOWN SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year Ending June 30,	R	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Less:			Total
									Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	
2006		\$ 47,920,000.00	\$ 1,109,601,700.00	\$ 416,900.00	\$ 16,300.00	\$ 1,026,271,900.00	\$ 236,549,600.00	\$ 205,659,700.00				
2007		50,434,200.00	1,103,387,000.00	416,900.00	16,300.00	938,918,200.00	213,318,200.00	176,808,300.00				
2008		41,936,400.00	1,111,379,400.00	416,900.00	16,300.00	907,558,600.00	211,999,300.00	175,227,100.00				
2009		39,369,900.00	1,079,073,400.00	406,900.00	16,600.00	910,250,900.00	211,999,300.00	175,172,100.00				
2010		29,549,500.00	890,088,700.00	379,500.00	13,900.00	835,059,800.00	198,173,200.00	166,707,800.00				
2011		28,399,200.00	893,833,000.00	379,500.00	13,900.00	824,613,500.00	194,822,900.00	166,707,800.00				
2012		26,622,600.00	884,763,000.00	379,500.00	13,900.00	807,994,400.00	182,553,000.00	164,359,700.00				
2013		33,369,100.00	871,759,800.00	379,500.00	13,900.00	772,831,800.00	180,753,100.00	164,280,000.00				
2014		32,786,600.00	869,596,840.00	379,500.00	13,900.00	766,767,300.00	178,485,300.00	163,809,800.00				
2015		27,778,200.00	957,096,500.00	408,600.00	13,900.00	154,117,100.00	182,089,800.00	163,884,100.00				

Source: County Abstracts of Ratables

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 ("R") occurs when the County Board of Taxation requests Treasury to order a reassessment.

- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100
- N/A At the time of CAFR Completion, this data was not yet available

**EATONTOWN SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(RATE PER \$100 OF ASSESSED VALUE)  
(UNAUDITED)**

Fiscal Year <u>Ending June 30,</u>	<u>Eatontown School District Direct Rate</u>				<u>Overlapping Rates</u>				Total Direct and Overlapping <u>Tax Rate</u>
	<u>Basic Rate<sup>a</sup></u>	General		School Tax <u>Rate</u>	Municipal		Regional <u>Rate</u>	Monmouth <u>County</u>	
		<u>Obligation</u>	<u>Service<sup>b</sup></u>		<u>Borough of</u>	<u>Eatontown</u>			
2006	0.482	-	-	0.482	0.414	0.308	0.237	1.441	
2007	0.569	-	-	0.569	0.472	0.333	0.241	1.615	
2008	0.573	-	-	0.573	0.513	0.348	0.244	1.678	
2009	0.589	-	-	0.589	0.541	0.371	0.282	1.783	
2010	0.676	-	-	0.676	0.655	0.411	0.318	2.060	
2011	0.681	-	-	0.681	0.681	0.406	0.317	2.085	
2012	0.697	-	-	0.697	0.706	0.391	0.302	2.096	
2013	0.724	-	-	0.724	0.761	0.429	0.311	2.225	
2014	0.736	-	-	0.736	0.789	0.420	0.311	2.256	
2015	0.721	-	-	0.721	0.789	0.406	0.307	2.223	

Source: Municipal Tax Assessor

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

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

**EATONTOWN SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

	2015			2006		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Eatontown Monmouth Mall LLC	\$ 167,855,000	1	8.27%	\$ 120,000,000	1	11.3%
Eatontown Cooperative Corp.	28,484,100	2	1.40%	24,017,500	2	2.3%
East Coast Eatoncrest Apt	24,696,400	3	1.22%	14,575,000	3	1.4%
VM Kushner LLC	23,812,600	4	1.17%	13,200,000	4	1.3%
Macy's East Federated Dept. Stores	22,944,000	5	1.13%	13,026,000	5	1.2%
Old Orchard Country ClubAssoc.,LP	22,522,200	6	1.11%	12,175,000	6	1.2%
Country Club Associates (Apartments)	21,993,700	7	1.08%	11,672,000	7	1.1%
Stoney Hill Apartments	21,007,300	8	1.03%	11,178,000	8	1.1%
Laurel Gardens Co-op, Inc.	20,832,700	9	1.03%	11,152,000	9	1.1%
JC Penney	18,400,000	10	0.91%	10,600,000	10	1.0%
<b>Total</b>	<b>\$ 372,548,000</b>		<b>18.34%</b>	<b>\$ 241,595,500</b>		<b>22.83%</b>

Source: Municipal Tax Assessor

**EATONTOWN SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year Ended <u>June 30,</u>	Taxes Levied for <u>the Fiscal Year</u>	Collected Within Fiscal Year of Levy (a)		Collections in Subsequent <u>Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
		0		
2006	\$ 11,892,961.00	\$ 11,892,961.00	100.00%	-
2007	12,689,970.00	12,689,970.00	100.00%	-
2008	14,180,721.00	14,180,721.00	100.00%	-
2009	14,084,189.00	14,084,189.00	100.00%	-
2010	14,270,156.00	14,270,156.00	100.00%	-
2011	14,386,396.00	14,386,396.00	100.00%	-
2012	14,406,086.00	14,406,086.00	100.00%	-
2013	14,546,087.00	14,546,087.00	100.00%	-
2014	14,711,648.00	14,711,648.00	100.00%	-
2015	14,851,566.00	13,498,414.00	100.00%	

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

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

## Debt Capacity Information

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

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**EATONTOWN SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year Ending June 30,	Governmental Activities					Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)				
2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2007	29,794,000.00	-	-	-	29,794,000.00	N/A	N/A	
2008	29,094,000.00	-	-	-	29,094,000.00	N/A	2,062.09	
2009	28,369,000.00	-	295,000.00	-	28,664,000.00	N/A	N/A	
2010	27,619,000.00	-	-	-	27,619,000.00	7.16%	26,965.00	
2011	26,844,000.00	-	-	-	26,844,000.00	5.99%	35,200.00	
2012	26,044,000.00	-	-	-	26,044,000.00	6.08%	33,708.00	
2013	25,194,000.00	-	-	-	25,194,000.00	6.25%	31,676.00	
2014	24,294,000.00	-	-	-	24,294,000.00	5.36%	35,693.00	
2015	22,200,000.00	-	-	-	22,200,000.00	5.02%	36,036.00	

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

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

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

**EATONTOWN SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2006	N/A	-	N/A	N/A	N/A
2007	29,794,000.00	-	29,794,000.00	1.20%	2,124.80
2008	29,094,000.00	-	29,094,000.00	1.19%	2,062.09
2009	28,369,000.00	-	28,369,000.00	1.17%	2,025.20
2010	27,619,000.00	-	27,619,000.00	0.068%	1,930.05
2011	26,844,000.00	-	26,844,000.00	0.681%	2,110.05
2012	26,044,000.00	-	26,044,000.00	0.697%	2,049.26
2013	25,194,000.00	-	25,194,000.00	0.72%	1,980.50
2014	24,294,000.00	-	24,294,000.00	0.74%	1,911.56
2015	22,200,000.00	-	22,200,000.00	0.74%	1,810.47

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.

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

**EATONTOWN SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2015  
(UNAUDITED)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Eatontown Borough	\$ 8,363,909.23	100.000%	\$ 8,363,909.23
Monmouth County General Obligation Debt	441,364,984.58	1.854%	<u>8,181,335.31</u>
Subtotal, Overlapping Debt			16,545,244.54
Eatontown District Direct Debt			<u>22,200,000.00</u>
Total Direct and Overlapping Debt			<u>\$ 38,745,244.54</u>

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

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

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

**EATONTOWN SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**Legal Debt Margin Calculation for Fiscal Year 2015**

	Equalized Valuation Basis				
	2015	2014	2013	(A)	(A/3)
	\$ 2,076,996,330	2,060,110,356	2,074,516,960	6,211,623,646	2,070,541,215
Average Equalized Valuation of Taxable Property					
Debt Limit (3% of Average Equalization Value)				62,116,236	
Total Net Debt Applicable To Limit				<u>22,200,000</u>	
Legal Debt Margin				<u>\$ 39,916,236</u>	

	2006	2007	2008	2009	2010
Debt Limit	\$ 54,181,039.00	\$ 61,008,287.00	\$ 68,031,649.00	\$ 73,085,493.00	\$ 73,085,493.00
Total Net Debt Applicable To Limit	None	29,794,000.00	29,094,000.00	28,369,000.00	28,369,000.00
Legal Debt Margin	<u>\$ 54,181,039.00</u>	<u>0 \$ 31,214,287.00</u>	<u>\$ 38,937,649.00</u>	<u>\$ 44,716,493.00</u>	<u>\$ 44,716,493.00</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		48.84%	42.77%	38.82%	38.82%
	2011	2012	2013	2014	2015
Debt Limit	\$ 75,274,148.00	\$ 70,348,483.00	\$ 66,168,531.00	\$ 62,776,292.44	\$ 62,116,236.46
Total Net Debt Applicable To Limit	26,844,000.00	26,044,000.00	25,194,000.00	24,294,000.00	22,200,000.00
Legal Debt Margin	<u>\$ 48,430,148.00</u>	<u>\$ 44,304,483.00</u>	<u>\$ 40,974,531.00</u>	<u>\$ 38,482,292.44</u>	<u>\$ 42,175,188.88</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	35.66%	37.02%	38.08%	38.70%	35.74%

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 percentage limits would be applicable for other District types.

## Demographic and Economic Information

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

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**EATONTOWN SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Year</u>	<u>Population<sup>a</sup></u>	<u>Personal Income<sup>b</sup></u>	<u>Per Capita Personal Income<sup>c</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2006	14,340	N/A	N/A	4.00%
2007	14,022	N/A	N/A	4.30%
2008	14,109	N/A	N/A	4.40%
2009	14,008	N/A	N/A	8.50%
2010	14,310	385,869,150	26,965	8.50%
2011	12,722	447,814,400	35,200	4.20%
2012	12,709	428,394,972	33,708	4.20%
2013	12,721	402,950,396	31,676	8.20%
2014	12,709	453,622,337	35,693	6.60%
2015	12,262	441,873,432	36,036	5.60%

Source:

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

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

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

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

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

**EATONTOWN SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

<u>Employer</u>	2015			2006			Percentage of Total Municipal <u>Employment</u>	
	<u>Employees</u>	Rank (Optional)	Percentage of Total Municipal <u>Employment</u>	<u>Employees</u>	Rank (Optional)	Percentage of Total Municipal <u>Employment</u>		
		1			1			
		2			2			
		3			3			
		4			4			
		5			5			
		6			6			
		7			7			
		8			8			
		9			9			
		10			10			
		<b>DATA NOT AVAILABLE</b>						
<b>Total</b>	<u>0</u>			<u>0</u>			<u>0.00%</u>	

Source: \_\_\_\_\_

## Operating Information

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

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**EATONTOWN SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Instruction:</b>										
Regular	93	96	101	104	94	82	84	85.6	85	85
Special Education	20	20	20	23	23	24	23	20.5	24	26
Other Special Education	6	12	12	9	10	11	11	11.5	10	10
Vocational	10	0	0	0	0	0	0	0	0	0
<b>Support Services:</b>										
Student and Instruction Related Services	19	20	15	18	17	22	22	24	25	27
General Administration	4	4	4	5	8	7	7	7.9	8	8
School Administrative Services	9	9	8	8	5	4	4	4.4	5	5
Central Services	5	5	3	4	6	5	5	4.6	9	10
Administrative Information Technology					1	1	2	1.5	2	2
Plant Operations and Maintenance	7	1	1	1	1	1	1	1	1	1
Pupil Transportation		7	9	7	7	7	9	9	7	8
<b>Total</b>	<b>173</b>	<b>174</b>	<b>173</b>	<b>179</b>	<b>172</b>	<b>164</b>	<b>167</b>	<b>169.5</b>	<b>176</b>	<b>182</b>

Source: District Personnel Records

**EATONTOWN SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>d</sup>	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2006	1,167	18,356,479	15,730	7.45%	107.00	9.8:1	7.3:1	1,150.0	1,102	-7.50%	95.90%
2007	1,174	19,601,324	16,696	6.14%	128.00	9.2:1	7.2:1	1,192.9	1,141	3.73%	95.62%
2008	1,134	18,436,613	16,258	-2.62%	121.00	9.2:1	7.2:1	1,131.1	1,086	-4.79%	96.00%
2009	1,132	17,617,386	15,563	-4.27%	119.00	9.2:1	7.2:1	1,152.1	1,105	1.86%	95.90%
2010	1,098	19,147,850	17,439	12.05%	119.00	9.2:1	7.2:3	1,093.0	1,048	-5.16%	95.80%
2011	1,057	17,886,539	16,922	-2.96%	118.00	9.6:1	7.0:1	1,060.5	1,013	-2.77%	95.84%
2012	1,053	16,486,570	15,657	-7.48%	117.00	9.6:1	9.1:1	1,040.5	999	-1.89%	94.86%
2013	1,073	17,204,390	16,034	2.41%	122.00	9.7:1	10.2:1	1,071.5	1,023	2.98%	95.34%
2014	1,061	19,797,118	18,659	16.37%	119.00	9:1	8.6:1	1,068.4	1,020	-0.29%	96.14%
2015	1,051	19,757,389	18,799	0.75%	121.00	0.4	7.6:1	1,059.5	1,012	-0.83%	96.29%

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).

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

**EATONTOWN SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>District/Building</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Elementary:</b>										
<b>Administration Offices (2008)</b>										
Square Feet	15,875	15,875	1,654	1,654	1,654	1,654	1,654	1,654	1,654	1,654
Capacity (Students)	N/A									
Enrollment	N/A									
<b>Woodmere Elementary (1961)</b>										
Square Feet	44,510	44,510	44,510	44,510	44,510	44,510	44,510	44,510	44,510	44,510
Capacity (Students)	305	305	305	305	305	305	305	305	305	305
Enrollment	264	298	285	279	283	281	259	263	254	239
<b>Margaret L. Vetter Elementary (1954)</b>										
Square Feet	33,635	33,635	33,635	33,635	33,635	33,635	33,635	33,635	33,635	33,635
Capacity (Students)	344	344	344	344	344	344	344	344	344	344
Enrollment	309	288	286	278	280	249	257	281	280	285
<b>Meadowbrook Elementary (1964)</b>										
Square Feet	43,580	43,580	43,580	43,580	43,580	43,580	43,580	43,580	43,580	43,580
Capacity (Students)	320	320	320	320	320	320	320	320	320	320
Enrollment	306	329	305	313	305	309	308	309	286	300
<b>Middle School:</b>										
<b>Memorial Middle School (1955)</b>										
Square Feet	53,070	53,070	53,070	53,070	53,070	53,070	53,070	53,070	53,070	53,070
Capacity (Students)	321	321	321	321	321	321	321	321	321	321
Enrollment	275	259	258	262	230	223	233	227	241	227
<b>Number of Schools at June 30,</b>										
Elementary =	3	3	3	3	3	3	3	3	3	3
Middle School =	1	1	1	1	1	1	1	1	1	1

Source: District Facilities Office  
 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.

**EATONTOWN SCHOOL DISTRICT  
STATEMENT OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

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

	*School Facilities Project # (s)	Steelman		Woodmere		Margaret L. Vetter		Meadowbrook		Memorial		Total
		School	School	School	School	School	School	School	School	School	School	
2006	N/A	\$ 21,068.00	\$ 82,232.00	\$ 62,116.00	\$ 80,821.00	\$ 98,114.00	\$ 344,351.00					
2007	N/A	37,988.48	71,473.49	73,250.90	77,229.08	71,318.81	331,260.76					
2008	N/A	11,465.03	86,133.94	83,341.92	125,663.35	84,470.00	391,074.24					
2009	N/A	SOLD	114,557.07	121,286.84	130,076.28	123,517.01	489,437.20					
2010	N/A	SOLD	142,142.00	141,313.83	144,395.20	142,933.01	570,784.04					
2011	N/A	SOLD	174,652.48	171,603.80	173,263.75	178,485.29	698,005.32					
2012	N/A	SOLD	174,548.41	172,540.18	173,522.18	176,270.39	696,881.16					
2013	N/A	SOLD	179,156.73	186,604.36	183,215.52	181,628.81	730,605.42					
2014	N/A	SOLD	181,989.75	190,416.56	182,769.99	179,556.73	734,733.03					
2015	N/A	SOLD	182,734.00	274,703.00	179,961.00	181,071.00	818,469.00					
Total School Facilities		70,521.51	1,389,619.87	1,477,177.39	1,450,917.35	1,417,365.05	5,805,601.17					

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

Source: District records

**EATONTOWN SCHOOL DISTRICT  
INSURANCE STATEMENT  
JUNE 30, 2015  
(UNAUDITED)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1):		
Building and Contents (All Locations)	\$ 40,265,001	\$ 5,000
Boiler and Machinery	100,000,000 *	5,000
General Liability	6,000,000	None
Automobile Liability	6,000,000	-
Auto Physical Damage	ACV	1,000
Electronic Data Processing	2,000,000	1,000
School Board Legal Liability	6,000,000	5,000
Student Accident Insurance (2):		
Compulsory	1,000,000	-
Surety Bonds:		
Treasurer (1)	250,000	-
School Business Administrator (1)	100,000	500
Crime:		
Public Employee Dishonesty	100,000	1,000
Theft, Disappearance & Dishonesty - on or off property	10,000	500
Forgery & Alteration	100,000	1,000
Environmental Liability (1)	1,000,000	25,000

(1) NJ School Boards Ass. Ins. Group

(2) Berkley Life & Health

\* Boiler and Machinery Policy is pooled  
Source: District records

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**SINGLE AUDIT SECTION**

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EXHIBIT K-1

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

Honorable President and Members  
of the Board of Education  
Eatontown Board of Education  
County of Ocean  
Plumsted, New Jersey 08533

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Eatontown School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Eatontown School District’s basic financial statements, and have issued our report thereon dated December 04, 2015.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Freehold, New Jersey  
December 04, 2015



HOLMAN | FRENIA  
ALLISON, P.C.  
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## EXHIBIT K-2

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

Honorable President and Members  
of the Board of Education  
Eatontown Board of Education  
County of Ocean  
Plumsted, New Jersey 08533

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

We have audited Eatontown Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2015. Eatontown Board of Education's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Eatontown Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*; *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit

includes examining, on a test basis, evidence about Eatontown Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, Eatontown Board of Education 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 Eatontown Board of Education 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 Eatontown Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Eatontown Board of Education's internal control over compliance.

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Freehold, New Jersey  
December 04, 2015

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EATONTOWN SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Program Amount	Balance at June 30, 2014	Cash Received	Budgetary Expenditures	Balance at June 30, 2015	
			From	To					(Accounts Receivable)	Deferred Revenue
		\$	07/01/13	06/30/15	\$	(11,368.05)	35,004.00	\$ (33,108.00)	\$ (9,472.05)	\$ -
93-778	N/A		07/01/13	06/30/14		-	11,215.08	(11,215.08)	-	-
84-041	N/A		07/01/13	06/30/14		(11,368.05)	46,219.08	(44,323.08)	(9,472.05)	-
Total General Fund										
U.S. Department of Education:										
Passed-Through State Department of Education:										
Special Revenue Fund:										
84-010A	NCLB126014	349,374.00	09/01/13	08/31/14		(23,626.35)	34,482.15	-	-	10,855.80
84-010A	NCLB126015	426,753.00	09/01/14	08/31/15		-	258,779.65	(340,910.01)	(82,130.36)	-
84-367A	NCLB126014	36,195.00	09/01/13	08/31/14		(999.35)	999.35	-	-	-
84-367A	NCLB126015	40,658.00	09/01/14	08/31/15		-	33,592.65	(37,534.00)	(3,941.35)	-
84-365A	NCLB126014	31,525.00	09/01/13	08/31/14		(6,675.86)	6,675.86	-	-	-
84-365A	NCLB126015	32,978.00	09/01/14	08/31/15		(29,466.05)	10,650.14	(10,829.82)	(179.68)	-
84-027	IDEA126014	375,749.00	09/01/13	08/31/14		-	40,685.79	-	-	-
84-027	IDEA126013	408,365.00	09/01/12	08/31/13		11,628.00	231,579.21	(353,564.20)	(121,984.99)	407.00
84-173	IDEA126014	12,639.00	09/01/13	08/31/14		-	-	-	-	-
84-173	IDEA126013	12,552.00	09/01/12	08/31/13		-	-	-	-	-
Total Special Revenue Fund										
						(49,139.61)	617,444.80	(765,278.77)	(208,236.38)	407.00
U.S. Department of Agriculture:										
Passed-Through State Department of Education:										
Enterprise Fund:										
10-565	N/A	26,254.20	07/01/13	06/30/14		-	26,254.20	-	-	-
10-553	N/A	38,467.20	07/01/13	06/30/14		(8,659.12)	8,659.12	-	-	-
10-553	N/A	40,812.30	07/01/14	06/30/15		-	36,755.66	(40,812.30)	(4,056.64)	-
10-551	N/A	5,460.72	07/01/13	06/30/14		(1,147.38)	1,147.38	-	-	-
10-551	N/A	5,273.88	07/01/14	06/30/15		-	4,837.38	(5,273.88)	(436.50)	-
10-555	N/A	200,573.75	07/01/13	06/30/14		(42,184.90)	42,184.90	-	-	-
10-555	N/A	198,351.08	07/01/14	06/30/15		-	182,051.38	(198,351.08)	(16,299.70)	-
Total Enterprise Fund										
						(51,991.40)	301,890.02	(270,691.46)	(20,792.84)	-
Total Federal Financial Awards										
		\$			\$	(112,499.06)	965,553.90	(1,080,293.31)	(238,501.27)	407.00
										\$ 10,855.80

EATONTOWN 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	Program or Award Amount	Grant Period		Deferred		Balance June 30, 2014		Balance at June 30, 2015		Memo					
			From	To	Revenue/ (Accounts Receivable)	Due To Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balance	(Accounts Receivable)	Deferred Revenue	Due To Grantor	Budgetary Receivable	Cumulative Total Expenditures		
State Department of Education																
General Fund:																
Equalization Aid	15-495-034-5120-078	\$721,245.00	07/01/14	06/30/15	\$ -	\$ -	\$ 721,245.00	\$ (721,245.00)	\$ -	\$ -	\$ -	\$ 71,954.62	\$ -	\$ -	\$ 71,954.62	\$ 721,245.00
Transportation Aid	15-495-034-5120-014	258,203.00	07/01/14	06/30/15	-	-	258,203.00	(258,203.00)	-	-	-	25,759.48	-	-	25,759.48	258,203.00
Special Education Aid	15-495-034-5120-089	645,399.00	07/01/14	06/30/15	-	-	645,399.00	(645,399.00)	-	-	-	64,387.88	-	-	64,387.88	645,399.00
Security Aid	15-495-034-5120-084	225,767.00	07/01/14	06/30/15	-	-	225,767.00	(225,767.00)	-	-	-	22,523.52	-	-	22,523.52	225,767.00
Adjustment Aid	15-495-034-5120-085	1,953,085.00	07/01/14	06/30/15	-	-	1,953,085.00	(1,953,085.00)	-	-	-	194,848.47	-	-	194,848.47	1,953,085.00
PARCC Readiness Aid	15-495-034-5120-098	10,570.00	07/01/14	06/30/15	-	-	10,570.00	(10,570.00)	-	-	-	1,054.51	-	-	1,054.51	10,570.00
Per Pupil Growth Aid	15-495-034-5120-097	10,570.00	07/01/14	06/30/15	-	-	10,570.00	(10,570.00)	-	-	-	1,054.51	-	-	1,054.51	10,570.00
Reimbursement of Nonpublic Transportation	14-495-034-5120-014	18,514.00	07/01/13	06/30/14	(18,514.00)	-	18,514.00	-	-	-	-	-	-	-	-	-
Reimbursement of Nonpublic Transportation	15-495-034-5120-014	12,852.00	07/01/14	06/30/15	-	-	12,852.00	(12,852.00)	-	-	(12,852.00)	-	-	-	-	12,852.00
Extraordinary Special Education Costs Aid	14-100-034-5120-473	56,772.00	07/01/13	06/30/14	(56,772.00)	-	56,772.00	-	-	-	-	-	-	-	-	-
Extraordinary Special Education Costs Aid	15-100-034-5120-473	50,987.00	07/01/14	06/30/15	-	-	-	(50,987.00)	-	-	(50,987.00)	-	-	-	-	50,987.00
On-Behalf TPAF Pension System Contribution	14-495-034-5095-006	480,950.00	07/01/13	06/30/14	-	-	480,950.00	(480,950.00)	-	-	-	-	-	-	-	480,950.00
On-Behalf TPAF Pension System Contribution - Post Retirement	14-495-034-5095-001	763,509.00	07/01/13	06/30/14	-	-	763,509.00	(763,509.00)	-	-	-	-	-	-	-	763,509.00
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	625,508.55	07/01/12	06/30/13	-	-	594,316.71	(625,508.55)	-	-	(31,191.84)	-	-	-	-	625,508.55
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	641,141.08	07/01/13	06/30/14	(31,414.33)	-	31,414.33	-	-	-	-	-	-	-	-	-
Total General Fund					(106,700.33)	-	5,770,315.04	(5,758,645.55)	-	-	(95,030.84)	381,582.99	-	-	381,582.99	5,758,645.55
Special Revenue Fund:																
N.J. Nonpublic Textbook Aid	14-100-034-5120-064	7,954.00	07/01/13	06/30/14	-	453.34	-	-	(453.34)	-	-	-	-	-	-	-
N.J. Nonpublic Textbook Aid	15-100-034-5120-064	7,924.00	07/01/14	06/30/15	-	-	7,924.00	(7,924.00)	-	-	-	-	-	-	-	7,924.00
N.J. Nonpublic Nursing Services Aid	14-100-034-5120-070	11,194.00	07/01/13	06/30/14	-	2,408.06	-	-	(2,408.06)	-	-	-	-	-	-	-
N.J. Nonpublic Nursing Services Aid	15-100-034-5120-070	12,615.00	07/01/14	06/30/15	-	-	12,615.00	(12,615.00)	-	-	-	-	-	-	-	12,615.00
N.J. Nonpublic Technology Aid	14-100-034-5120-373	2,960.00	07/01/13	06/30/14	-	1.31	-	-	(1.31)	-	-	-	-	-	-	-
N.J. Nonpublic Technology Aid	15-100-034-5120-373	4,256.00	07/01/14	06/30/15	-	-	4,256.00	(4,256.00)	-	-	-	-	-	-	-	4,256.00
N.J. Nonpublic Auxiliary Services Aid: Compensatory Education	14-100-034-5120-067	82,174.00	07/01/13	06/30/14	-	1,711.96	-	-	(1,711.96)	-	-	-	-	-	-	-
Compensatory Education	15-100-034-5120-067	94,955.00	07/01/14	06/30/15	-	-	94,955.00	(94,955.00)	-	-	-	-	-	-	-	94,955.00
N.J. Nonpublic Handicapped Aid: Examination and Classification	14-100-034-5120-066	36,162.00	07/01/13	06/30/14	-	3,192.00	-	-	(3,192.00)	-	-	-	-	-	-	-
Examination and Classification	15-100-034-5120-066	40,713.00	07/01/14	06/30/15	-	-	40,713.00	(40,713.00)	-	-	-	-	-	-	-	40,713.00
Corrective Speech	14-100-034-5120-066	29,686.00	07/01/13	06/30/14	-	8,593.32	-	-	(8,593.32)	-	-	-	-	-	-	-
Corrective Speech	15-100-034-5120-066	27,389.00	07/01/14	06/30/15	-	-	27,389.00	(27,389.00)	-	-	-	-	-	-	-	27,389.00
Supplementary Instruction	14-100-034-5120-066	30,529.00	07/01/13	06/30/14	-	693.84	-	-	(693.84)	-	-	-	-	-	-	-
Supplementary Instruction	15-100-034-5120-066	38,450.00	07/01/14	06/30/15	-	-	38,450.00	(38,450.00)	-	-	-	-	-	-	-	38,450.00
Anti-Bully	N/A	1,334.00	07/01/13	06/30/14	-	-	-	-	-	-	-	-	-	-	-	-
Character Education Aid	05-495-034-5120-053	4,000.00	07/01/04	06/30/05	-	84.03	-	-	-	-	-	84.03	-	-	-	-
Total Special Revenue Fund					1,029.00	17,137.86	226,302.00	(226,302.00)	(17,053.83)	-	1,029.00	-	-	-	84.03	226,302.00



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**EATONTOWN SCHOOL DISTRICT**

**NOTES TO SCHEDULES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE**

**June 30, 2015**

**Note 1. General**

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

**Note 2. Basis of Accounting**

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements.

**Note 3. Relationship to Basic Financial Statements**

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

The General Fund is presented in the accompanying Schedules on the modified accrual basis, with the exception of the revenue recognition of the 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 revenues, whereas the 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:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$6,103.00) for the General Fund and (\$33,520.14) for the Special Revenue Fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

EATONTOWN SCHOOL DISTRICT

NOTES TO SCHEDULES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

June 30, 2015

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 34,850.95	\$ 5,752,542.55	\$ 5,787,393.50
Special Revenue Fund	730,758.63	226,302.00	957,060.63
Debt Service Fund	-	697,078.00	697,078.00
Food Service Fund	<u>270,691.46</u>	<u>4,491.83</u>	<u>275,183.29</u>
Total Awards and Financial Assistance	<u>\$ 1,036,301.04</u>	<u>\$ 6,680,414.38</u>	<u>\$ 7,716,715.42</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 under the Food Distribution Program represents 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 represents the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2015.

**Note 6. Federal and State Loans Outstanding**

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

**EATONTOWN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2015**

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

**Financial Statements**

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	None Reported

**Federal Awards**

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance With 510(A) of Circular A-133	None Reported

**Identification of major programs:**

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.027 / 84.173	Special Education Cluster (IDEA)
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**EATONTOWN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):  
For the Fiscal Year Ended June 30, 2015**

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

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	Unmodified
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04	None Reported

**Identification of major programs:**

GMIS Number(s)	Name of State Program
15-495-034-5120-078	Equalization Aid
15-495-034-5120-084	Security Aid
15-495-034-5120-089	Special Education Categorical Aid
15-495-034-5120-097	Per Pupil Growth Aid
15-495-034-5120-098	PARCC Readiness Aid

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

No Current Year Findings

**Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs**

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB’s Circular Letter 04-04.

No Current Year Findings

**EATONTOWN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2015**

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

**Financial Statements**

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	None Reported

**Federal Awards**

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance With 510(A) of Circular A-133	None Reported

**Identification of major programs:**

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.027 / 84.173	Special Education Cluster (IDEA)
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes