

SCHOOL DISTRICT
FREEHOLD TOWNSHIP
OF Monmouth COUNTY

Freehold
FREEHOLD, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2015

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Freehold Township School District
of Monmouth County

Freehold, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

Freehold Township School District
of Monmouth County Board of Education
Finance Department

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INTRODUCTORY SECTION



Freehold Township Schools

Ross Kasun, Ed.D., Superintendent of Schools

732-462-8400 ext. 8807 ♦ 732-761-1809 fax

rkasun@freeholdtp.k12.nj.us

*"...preparing all students to
be responsible citizens and
life long learners."*

November 17, 2015

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

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter OMB 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.

1) REPORTING ENTITY AND ITS SERVICES: Freehold Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Freehold Township School District Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, as well as special education for youngsters with disabilities. The District completed the 2014-2015 fiscal year with an enrollment of 4,013 students, which is 37 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
1992-93	2,785	3.57%
1993-94	2,880	3.41%
1994-95	3,037	5.45%
1995-96	3,217	5.93%
1996-97	3,290	2.27%
1997-98	3,375	2.58%
1998-99	3,734	10.63%
1999-00	3,898	4.39%
2000-01	4,085	4.79%
2002-02	4,347	6.41%
2002-03	4,452	2.42%
2003-04	4,565	1.03%
2004-05	4,635	1.02%
2005-06	4,658	1.01%
2006-07	4,595	1.35%
2007-08	4,651	1.20%
2008-09	4,521	-2.80%
2009-10	4,500	-0.05%
2010-11	4,375	-2.80%
2011-12	4,276	-2.26%
2012-13	4,155	-2.83%
2013-14	4,050	-2.53%
2014-15	4,013	-1.00%

2) ECONOMIC CONDITION AND OUTLOOK: The economic climate in the State of Jersey continues to be slow in recovering from the recession. The District saw an increase in state aid of \$78,240 bringing its state aid to \$4.2 million. However, for Freehold Township, this is still \$1.5 million less than 2009-2010 levels of state aid. The District was able to manage its funds such that it produced additional fund balance to be used in subsequent years for capital projects.

3) MAJOR INITIATIVES: The school district experienced the first year of the new PARCC testing which was the major driver of technology enhancements the last few years. The district also continued with its one to one Chromebook initiative and is expanding it beyond 6th and 7th grade to the elementary schools. The district also continued to maintain and improve its facilities. Some significant projects included the refurbishing of several gym floors and stages, installation of new HVAC controls and completion of the new parking lots at the ECLC and Barkalow Middle School.

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion

related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

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

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

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Readers should refer to the Management's Discussion and Analysis for a summary of the financial statements in relation to the prior year.

8) DEBT ADMINISTRATION: At June 30, 2015, the District's outstanding debt issues included \$46,250,000 of general obligation bonds (Note 9).

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

10) RISK MANAGEMENT: The District maintains a comprehensive insurance program, including (but not limited to) blanket building and contents property insurance, general liability, auto liability, umbrella liability, and workers compensation. In addition, the District purchases special coverage such as boiler and machinery, sports accident, and student trip insurances. Annual reviews of the entire program are done in order to evaluate potential insurance changes.

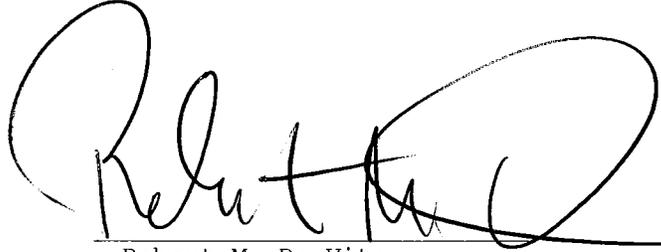
11) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, L.L.P. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1997 and the related OMB Circular A-133 and State Treasury Circular Letter OMB 04-04. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

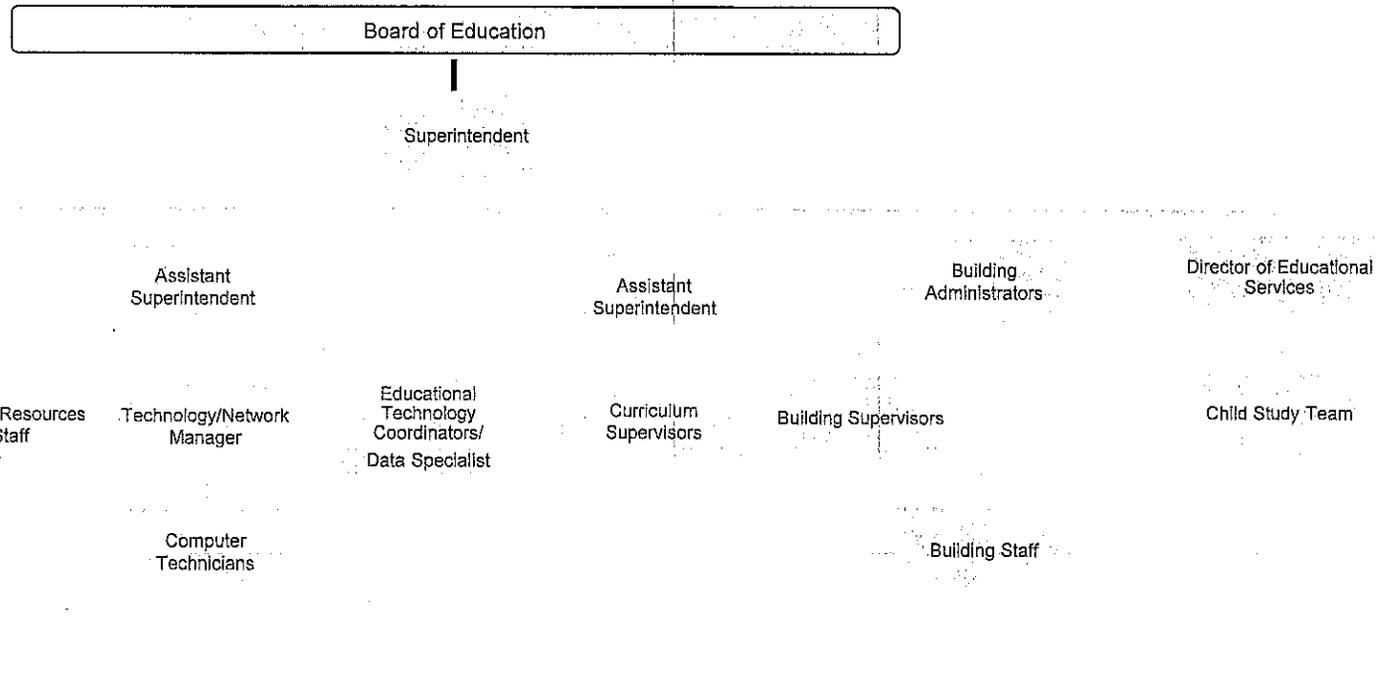


Ross Gasun
Superintendent of Schools



Robert M. De Vita
Business Administrator/Board Secretary

FREEHOLD TOWNSHIP SCHOOLS



2/10/2015

Freehold Township School District
Freehold, New Jersey

Roster of Officials
June 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Kay Poklemba-Holtz, President	2016
Christopher Marion, Vice President	2016
Michelle Lambert	2018
Tom Caruso	2018
Michael Amoroso	2018
Daniel DiBlasio	2017
Vincent Bruno	2017
Jason Levy	2016
Mindy Willie	2017

Other Officials

Ross Kasun, Superintendent
Brian P. Boyle, Board Secretary/School Business Administrator
Michael Gross, Attorney

Freehold Township School District
Consultants and Advisors

Architect

Fraytak Veisz Hopkins Duthie PC
1515 Lower Ferry Road
P.O. Box 7371
Trenton, NJ 08628

Audit Firm

Kathryn Perry, CPA
Jump, Perry and Company, L.L.P.
12 Lexington Avenue
Toms River, New Jersey 08753

Attorney

Michael Gross, Esq.
Kenney, Gross, Kovats, & Parton
130 Maple Avenue/Bldg 8
P.O. Box 8610
Red Bank, NJ 07701

Official Depositories

Provident Bank
4331 Route 9 North
Freehold, NJ 07728

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Freehold Township School District:
County of Monmouth
Freehold, New Jersey

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

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

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as presented 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 Freehold Township School District's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis 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 04-04 and/or 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is presented for purposes of additional analysis and are also not a required part of the basic financial statements.

Other Information (continued)

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

The introductory and statistical sections 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 November 17, 2015 on our consideration of the Freehold Township School District in the County of Monmouth, State of New Jersey 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 Freehold Township School District in the County of Monmouth, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted



Jump, Perry and Company L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

November 17, 2015

REQUIRED SUPPLEMENTARY INFORMATION - PART I

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Management Discussion and Analysis

For the year ended June 30, 2015

The Management Discussion and Analysis (MD&A) of the Freehold Township Board of Education provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2015. It should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found starting on page 1 of the Introductory Section, and the School Board's financial statements found in the District-Wide Financial Statements Section starting on page 22, and the notes thereto.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2014-2015 fiscal year include the following:

In total, net position decreased \$28,910,891 which represents a 226% decrease from 2014. The significant decrease is due to a change in accounting standards dictated by GASB 68. Details can be found under note 10 - Pension Plans.

Total assets of governmental activities decreased by \$2,983,339. Cash and cash equivalents decreased by \$1,440,913; receivables decreased by \$89,837; and capital assets increased by \$2,801,310.

Total liabilities of governmental activities increased by \$24,688,088 as a result of GASB 68. Accounts payable decreased by \$228,024, other current liabilities increased \$1,061, unearned revenue increased by \$25,931 and non-current liabilities (sick leave reimbursement, pension liability and bonds payable) increased by \$24,888,663.

General revenues accounted for \$70,817,859 in revenue or 91.9% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$6,224,312 or 8.1% of the total revenues of \$77,042,171.

Total spending for all programs was \$78,197,994. Expenses in the amount of \$6,224,312 were offset by specific charges for services and grants or contributions. General revenues (primarily local tax levy and state aid) of \$70,817,859 were adequate to provide for the balance of these programs, exclusive of the charge for depreciation.

USING THE ANNUAL REPORT

The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities Exhibits A-1 and A-2 provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. The School Board's financial statements start with Exhibit B-1. For the School Board's governmental activities, these statements tell how the School Board financed its services in the short-term as well as what remains for future spending. Fund statements also may give the reader some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds-such as the School Board's General Fund, Special Revenue Fund and Capital Project Fund. The remaining statement: Statement of Fiduciary Net Assets presents financial information about activities for which the School Board acts solely as an agent for the benefit of employees and students.

The School Board's auditor has provided assurance in his independent auditor's report, located immediately preceding this Management Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

The School Board prepared the Introductory Section and the Statistical Section without association by the independent auditors. Accordingly, the School Board assumes full responsibility for the accuracy of these sections.

THE SCHOOL DISTRICT AS A WHOLE

Table I provides a summary of the School Board's net assets as of June 30, 2015 and 2014.

	<u>2015</u>	<u>2014</u>	Percentage of Change <u>2014-2015</u>
ASSETS			
Cash and cash equivalents	\$5,317,138	\$6,670,010	-20.28%
Receivables	1,211,448	1,330,589	-8.95%
Inventory	18,064	11,432	58.01%
Other Assets	-	-	0.00%
Due from other funds	-	-	0.00%
Capital Assets	<u>56,072,127</u>	<u>57,512,165</u>	-2.50%
Total assets	<u>62,618,777</u>	<u>65,524,196</u>	-4.43%
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	814,013	0	
Deferred charge on refunding	<u>691,983</u>	<u>562,983</u>	22.91%
Total deferred outflows of resources	<u>1,505,996</u>	<u>562,983</u>	167.50%
LIABILITIES			
Accounts payable	460,663	671,315	-31.38%
Unearned revenue	216,692	190,761	13.59%
Other current liabilities	4,132	3,071	
Noncurrent liabilities:			
Due within one year	3,113,070	1,958,016	58.99%
Due beyond one year	<u>72,869,482</u>	<u>49,135,859</u>	48.30%
Total liabilities	<u>76,664,039</u>	<u>51,959,022</u>	47.55%
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - PERS	1,542,699	0	
Deferred premium on refunding	<u>2,063,704</u>	<u>1,363,378</u>	51.37%
Total deferred inflows of resources	<u>3,606,403</u>	<u>1,363,378</u>	164.52%
NET POSITION			
Invested in capital assets, net of related debt	7,711,395	3,485,807	121.22%
Restricted for:			
Capital projects	834,022	719,126	15.98%
Debt service	-	-	
Other purposes	4,393,591	4,855,061	-9.50%
Unrestricted	<u>-29,085,120</u>	<u>3,704,785</u>	-885.07%
Total net position	<u>(\$16,146,112)</u>	<u>\$12,764,779</u>	-226.49%

Total assets decreased by \$2,905,419. Unrestricted net assets are the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements of the School Board. These assets decreased by \$32,789,905 due to the new GASB 68 requirements.

Total liabilities increased by \$24,705,017. This was due to the new GASB 68 requirements.

Table II
Changes in Net Assets
For the Years Ended June 30, 2015 and 2014

	2015	2014	Percentage of Change 2014-2015
REVENUE			
Program revenue:			
Charges for services	\$1,218,279	\$1,094,925	11.27%
Federal, state and local aid-restricted	5,006,033	5,219,184	-4.08%
General revenue:			
Local tax levy	63,801,987	61,955,434	2.98%
Federal and State aid-unrestricted	5,011,977	5,022,916	-0.22%
State and local aid-restricted	1,376,905	1,372,291	0.34%
Other general revenue	626,990	381,341	64.42%
Total revenues	<u>77,042,171</u>	<u>75,046,091</u>	2.66%
FUNCTION/PROGRAM EXPENSES			
Instruction:			
Regular instruction	19,688,421	19,419,697	1.38%
Special instruction	8,728,826	8,387,187	4.07%
Other instruction	1,266,482	1,405,281	-9.88%
Support services:			
Instruction	1,229,804	1,264,988	-2.78%
Health services	732,481	690,829	6.03%
Other support services	6,201,535	6,089,565	1.84%
Educational media services	468,406	443,356	5.65%
Instructional staff training	120,970	65,385	85.01%
General administration	983,082	859,196	14.42%
School administration	2,224,721	2,105,775	5.65%
Central services	731,794	766,629	-4.54%
Admin info technology	970,428	728,490	33.21%
Operations and maintenance	7,991,520	7,810,239	2.32%
Security	38,099	21,975	73.37%
Student transportation services	3,602,705	3,814,473	-5.55%
Unallocated employee benefits	15,520,745	14,810,078	4.80%
Non-budgeted expenditures	4,699,742	4,938,450	-4.83%
Special schools	-	16,514	100.00%
Transfer to Charter School	-	-	0
Business type activities	969,567	896,916	8.10%
Interest on long-term debt	2,028,666	2,052,121	-1.14%
Total expenses	<u>\$78,197,994</u>	<u>\$76,587,144</u>	2.10%
Increase (decrease) in net assets	<u>(\$1,155,823)</u>	<u>(\$1,541,053)</u>	-25.00%

Table II shows the changes in net assets for fiscal year 2015 as compared to fiscal year 2014. This table categorizes total revenue generated by the School Board between program and general revenue, and total expenditures between instruction, support services and special extraordinary items.

Program revenue is up significantly as the district received more revenue from providing transportation services to Freehold Borough, increased sales and federal reimbursements in food services and additional reimbursements from the State for TPAF FICA and pension contributions. The tax levy increase was primarily due to increases in staffing, employee salaries and benefit costs. Other aid from federal and state aid was generally flat.

The 64.42% increase in other general revenue reflects one-time revenue from miscellaneous revenues such as prior year insurance refunds.

Overall expenses increased by 2.10%. Major cost drivers included staffing, health benefits and increases to technology as the district implements a one-to-one Chromebook initiative.

THE SCHOOL BOARD'S FUNDS

The School Board uses funds to control and manage money for particular purposes. The funds' basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Federal Government, State of New Jersey and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2015, it reported combined net assets of negative \$16,146,112 which is a decrease of \$28,910,891. Once again this is attributed to the new GASB 68 regulations. The Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Exhibit B-3, presents the reader with a detailed explanation of the decrease in fund balance for the fiscal year.

GENERAL FUND BUDGETING HIGHLIGHTS

The School Board's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in Section C of the CAFR, entitled Budgetary Comparison Schedules. The School Board generally does better than had been budgeted in its General Fund since it uses conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

The General Fund finished the fiscal year with \$3,472,506 less in expenditures than had been budgeted for appropriations. Revenue-wise, the General Fund fared about \$101,552 better than expected due to receiving additional local revenues. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The expenditures were held in check due to fiscal prudence by the administration to slow the rate of spending. At the same time, general supplies were purchased at better prices than expected due to the district joining other schools in cooperative bidding. The district participated in a co-op for energy consumption. Employees increased their contributions to health benefits as required by law.

The results show a decrease in fund balance mainly due to over-budgeting extraordinary aid by \$342,990 and moving additional funds to capital reserve to cover necessary capital projects. The amount budgeted for extraordinary aid for 16-17 will be reduced to reflect the trend amount received over the last several years.

CAPITAL ASSETS

At June 30, 2015 the School Board had approximately \$56 Million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year, and depreciation of depreciable assets for the year. Table III below shows the book value of capital assets at the end of the 2015 and 2014 fiscal years.

Table III
Capital Assets (net of accumulated depreciation)
June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>	Percent of Change <u>2015-2014</u>
Site and site improvements	\$2,079,919	\$2,079,919	0.00%
Land, buildings and building improvements	50,278,895	52,416,259	-4.08%
Furniture, vehicles and equipment	700,247	834,490	-16.09%
Construction in progress	<u>2,992,998</u>	<u>2,173,980</u>	37.67%
	<u>\$56,052,059</u>	<u>\$57,504,648</u>	-2.53%

During the current fiscal year, \$312,725 of fixed assets was capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

The School Board anticipates that capital additions for the 2015-2016 fiscal year may be less than the current year to manage our surplus to increased levels.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the 2014-2015 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 10% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 90% of total revenue is from local tax levy.

The -\$29,208,765 in unrestricted net assets for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.); the School Board would owe \$29,208,765. The implementation of GASB 68 has impacted this number as the Board needs to reflect its pension obligations.

The 2014-2015 budget was adopted based in part on the state education aid the School Board anticipated receiving. The State of New Jersey increased state aid for the 14-15 school year by \$78,240 over the 13-14 school year. However, the economic climate is such that this was not truly an increase but a partial restoration of the amount that was cut in 2010-2011. Future decreases in local revenue and state education aid will place an additional financial burden on the Township of Freehold.

The School Board anticipates an increase in costs for the 2015-2016 fiscal year. This includes additional staff, higher salaries and increases in health benefit rates. If the School Board were to experience a significant increase in costs for these items with no appreciable increase in state aid for future budgets, the School Board would be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

The School Board's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Robert M. De Vita, School Business Administrator/Board Secretary, at the Freehold Township Schools Board of Education, 384 West Main Street, Freehold, NJ 07728, or e-mail at rdevita@freeholdtpw.k12.nj.us.

BASIC FINANCIAL STATEMENTS

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,171,549	\$ 145,589	\$ 5,317,138
Receivables - other	31,352	-	31,352
Receivables - state	1,098,034	774	1,098,808
Receivables - federal	63,056	18,232	81,288
Inventory	-	18,064	18,064
Capital assets, non-depreciable	5,072,917	-	5,072,917
Capital assets, depreciable, net:	50,979,142	20,068	50,999,210
Total assets	<u>62,416,050</u>	<u>202,727</u>	<u>62,618,777</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	814,013	-	814,013
Deferred charge on refunding	691,983	-	691,983
Total deferred outflows of resources	<u>1,505,996</u>	<u>-</u>	<u>1,505,996</u>
LIABILITIES			
Accounts payable	401,649	59,014	460,663
Other liabilities	4,132	-	4,132
Unearned revenue	216,692	-	216,692
Noncurrent liabilities:			
Due within one year	3,113,070	-	3,113,070
Due beyond one year	72,869,925	-	72,869,925
Total liabilities	<u>76,605,468</u>	<u>59,014</u>	<u>76,664,482</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	1,542,699	-	1,542,699
Deferred premium on refunding	2,063,704	-	2,063,704
Total deferred inflows of resources	<u>3,606,403</u>	<u>-</u>	<u>3,606,403</u>
NET POSITION			
Net investment in capital assets	2,618,410	20,068	2,638,478
Restricted for:			
Debt service	-	-	-
Capital projects	834,022	-	834,022
Other purposes	4,393,591	-	4,393,591
Unrestricted	(24,135,848)	123,645	(24,012,203)
Total net position	<u>\$ (16,289,825)</u>	<u>\$ 143,713</u>	<u>\$ (16,146,112)</u>

See accompanying notes to financial statements.

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 19,688,421	\$ 211,413	\$ -	\$ -	\$ (19,477,008)	\$ -	\$ (19,477,008)
Special schools instruction	8,728,826	-	-	-	(8,728,826)	-	(8,728,826)
Other special instruction	1,266,482	-	-	-	(1,266,482)	-	(1,266,482)
Support services and undistributed costs:							
Instruction	1,229,804	-	-	-	(1,229,804)	-	(1,229,804)
Health services	732,481	-	-	-	(732,481)	-	(732,481)
Other support services	6,201,535	-	-	-	(6,201,535)	-	(6,201,535)
Educational media services	468,406	-	-	-	(468,406)	-	(468,406)
Instruction staff training	120,970	-	-	-	(120,970)	-	(120,970)
General administrative services	983,082	-	-	-	(983,082)	-	(983,082)
School administrative services	2,224,721	-	-	-	(2,224,721)	-	(2,224,721)
Central services	731,794	-	-	-	(731,794)	-	(731,794)
Admin info technology	970,428	-	-	-	(970,428)	-	(970,428)
Allowed maintenance for school facilities	1,212,834	-	-	-	(1,212,834)	-	(1,212,834)
Other operation & maintenance of plant	6,518,602	-	-	-	(6,518,602)	-	(6,518,602)
Care and upkeep of grounds	260,084	-	-	-	(260,084)	-	(260,084)
Security	38,099	-	-	-	(38,099)	-	(38,099)
Student transportation services	3,602,705	283,042	-	-	(3,319,663)	-	(3,319,663)
Unallocated employee benefits	15,520,745	-	-	-	(15,520,745)	-	(15,520,745)
Non-budgeted expenditures	4,699,742	-	4,699,742	-	-	-	-
Special schools	-	-	-	-	-	-	-
Transfer to Charter school	-	-	-	-	-	-	-
Interest expense	2,028,666	-	-	-	(2,028,666)	-	(2,028,666)
Total governmental activities	77,228,427	494,455	4,699,742	-	(72,034,230)	-	(72,034,230)
Business-type activities:							
Food service	969,567	723,824	306,291	-	-	60,548	60,548
Total business-type activities	969,567	723,824	306,291	-	-	60,548	60,548
Total primary government	\$ 78,197,994	\$ 1,218,279	\$ 5,006,033	\$ -	\$ (72,034,230)	\$ 60,548	\$ (71,973,682)
General revenues:							
Taxes:							
Property taxes levied for general purpose					60,383,969	-	60,383,969
Taxes levied for debt service					3,418,018	-	3,418,018
Federal and state aid - not restricted					5,011,977	-	5,011,977
Federal and state aid -restricted					46,397	-	46,397
State aid - restricted					1,330,508	-	1,330,508
Miscellaneous income					626,384	-	626,384
Investment earnings					606	-	606
Total general revenues, special items, extraordinary items and transfers					70,817,859	-	70,817,859
Change in net position					(1,216,371)	60,548	(1,155,823)
Net position—beginning					(15,073,454)	83,165	(14,990,289)
Net position—ending					\$ (16,289,825)	143,713	\$ (16,146,112)

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,280,694	\$ 118,463	\$ (39,897)	\$ -	\$ 2,359,260
Cash on hand with fiscal agent	2,608,983	-	-	-	2,608,983
Investments	-	-	-	-	-
Capital reserve	203,306	-	-	-	203,306
Receivables, net	28,173	3,179	-	-	31,352
Due from other funds	16,358	-	3,567	-	19,925
Receivables - State	911,624	-	186,410	-	1,098,034
Receivables - Federal	-	63,056	-	-	63,056
Total assets	<u>\$ 6,049,138</u>	<u>\$ 184,698</u>	<u>\$ 150,080</u>	<u>\$ -</u>	<u>\$ 6,383,916</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	400,841	808	-	-	401,649
Interfund payable	3,567	16,358	-	-	19,925
Deferred revenue	53,292	163,400	-	-	216,692
Due to grantor	-	4,132	-	-	4,132
Total liabilities	<u>457,700</u>	<u>184,698</u>	<u>-</u>	<u>-</u>	<u>642,398</u>
Fund Balances:					
Restricted for:					
Unexpended additional spending proposal	-	-	-	-	-
Capital reserve account	683,942	-	-	-	683,942
Maintenance reserve account	622,487	-	-	-	622,487
Emergency reserve account	608,857	-	-	-	608,857
Excess surplus	-	-	-	-	-
Excess surplus -- designated for subsequent year's expenditures	-	-	-	-	-
Committed to:					
Other purposes	835,795	-	-	-	835,795
Assigned to:					
Debt service fund	-	-	-	-	-
Designated by the BOE for subsequent year's expenditures	2,326,452	-	-	-	2,326,452
Capital projects fund	-	-	150,080	-	150,080
Other purposes	-	-	-	-	-
Unassigned to:					
General fund	513,905	-	-	-	513,905
Total Fund balances	<u>5,591,438</u>	<u>-</u>	<u>150,080</u>	<u>-</u>	<u>5,741,518</u>
Total liabilities and fund balances	<u>\$ 6,049,138</u>	<u>\$ 184,698</u>	<u>\$ 150,080</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$98,357,729 and the accumulated depreciation is \$42,305,670.	56,052,059
Deferred outflows related to the PERS pension plan	814,013
Deferred inflows related to the PERS pension plan	(1,542,699)
Bond issuance costs are being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$866,981.	691,983
Bond premium is being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$2,498,939.	(2,063,704)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(75,982,995)
Net position of governmental activities	<u>\$ (16,289,825)</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	GAAP Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 60,383,969	\$ -	\$ -	\$ 3,418,018	\$ 63,801,987
Tuition charges	211,413	-	-	-	211,413
Interest on investments	-	-	-	-	-
Interest earned on capital reserve funds	606	-	-	-	606
Transportation fees	283,042	-	-	-	283,042
Miscellaneous	409,594	216,790	-	-	626,384
Total - Local Sources	61,288,624	216,790	-	3,418,018	64,923,432
State sources	9,711,719	557	186,410	39,322	9,938,008
Federal sources	46,397	1,104,219	-	-	1,150,616
Total revenues	\$ 71,046,740	\$ 1,321,566	\$ 186,410	\$ 3,457,340	\$ 76,012,056
EXPENDITURES					
Current:					
Regular instruction	\$ 18,512,200	\$ 1,176,221	\$ -	\$ -	\$ 19,688,421
Special education instruction	8,728,826	-	-	-	8,728,826
Other special instruction	1,266,482	-	-	-	1,266,482
Support services and undistributed costs:					
Instruction	1,229,804	-	-	-	1,229,804
Health services	732,481	-	-	-	732,481
Other support services	6,056,190	145,345	-	-	6,201,535
Educational media services	468,406	-	-	-	468,406
Instruction staff training	120,970	-	-	-	120,970
General administrative services	983,082	-	-	-	983,082
School administrative services	2,224,721	-	-	-	2,224,721
Allowed maintenance for school facilities	1,212,834	-	-	-	1,212,834
Other operation & maintenance of plant	4,084,362	-	-	-	4,084,362
Care and upkeep of grounds	260,084	-	-	-	260,084
Security	38,099	-	-	-	38,099
Student transportation services	3,602,705	-	-	-	3,602,705
Central services	731,794	-	-	-	731,794
Admin info technology	970,428	-	-	-	970,428
Unallocated employee benefits	15,258,401	-	-	-	15,258,401
Non-budgeted expenditures	4,699,742	-	-	-	4,699,742
Special schools	-	-	-	-	-
Transfer to charter school	-	-	-	-	-
Debt service:					
Principal	-	-	-	1,370,000	1,370,000
Interest and other charges	-	-	-	2,087,340	2,087,340
Capital outlay	357,934	-	606,770	-	964,704
Total expenditures	71,539,545	1,321,566	606,770	3,457,340	76,925,221
Excess (Deficiency) of revenues over expenditures	(492,805)	-	(420,360)	-	(913,165)
OTHER FINANCING SOURCES (USES)					
Bond refunding	-	-	-	(7,255,000)	(7,255,000)
New bonds issued	-	-	-	6,625,000	6,625,000
Premium and costs for bond issuance	-	-	-	630,000	630,000
Transfer in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	(492,805)	-	(420,360)	-	(913,165)
Fund balance-July 1	6,084,243	-	570,440	-	6,654,683
Fund balance-June 30	\$ 5,591,438	\$ -	\$ 150,080	\$ -	\$ 5,741,518

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2015

Total net change in fund balances - governmental funds (from B-2)	\$ (913,165)								
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, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.									
	<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">Depreciation expense</td> <td style="text-align: right;">(2,496,763)</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">Capital outlays</td> <td style="text-align: right;"><u>1,044,174</u></td> <td style="text-align: right;">(1,452,589)</td> </tr> </table>		Depreciation expense	(2,496,763)			Capital outlays	<u>1,044,174</u>	(1,452,589)
	Depreciation expense	(2,496,763)							
	Capital outlays	<u>1,044,174</u>	(1,452,589)						
In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey	(64,901)								
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	1,370,000								
The sale of new bonds to refund bonds is reported as an other financing source in the governmental funds but is actually only issued to redeem principal and therefore is not reported in the statement of activities.	7,255,000								
Expended portion of equipment lease that is not reported in this fund financial statement, but is presented in the statement of net assets.	(136,936)								
Cash held in depository account for the unspent funds of master equipment lease that is not reported in this fund financial statement, but is presented in the statement of net assets.	(279,617)								
Repayment of bonds due to refunding of bonds is reported as an other financing source in the governmental funds but is actually only issued to redeem principal and therefore is not reported in the statement of activities.	(6,625,000)								
In the Statement of Activities, the bond issuance costs is capitalized as an other asset. In the governmental funds, the costs are expensed in the year incurred.	257,675								
In the Statement of Activities, the bond premium received is capitalized as an other liability. In the governmental funds, the income are recorded as a source of funds in the year received.	(887,675)								
In the Statement of Activities, the amortization of bond issuance costs is recorded as interest expense. In the governmental funds, the amortization is not recorded.	(128,675)								
In the Statement of Activities, the amortization of bond premium is recorded as a reduction to interest expense. In the governmental funds, the amortization is not recorded.	187,349								
In the Statement of Activities, the principal payments on capital leases are recorded as a reduction in the long-term liability. In the governmental funds, the payments is an expenditure.	399,606								
In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) 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, essentially, the amounts actually paid. This year, sick leave was increased by \$106,937.	<u>(197,443)</u>								
Change in net position of governmental activities	\$ (1,216,371)								

Freehold Township School District
Statement of Net Position
Proprietary Funds
June 30, 2015

		<u>Business-type-activities- Enterprise Funds</u>
		<u>Food Service</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$	145,589
Investments		-
Accounts receivable - State		774
Account receivable - Federal		18,232
Interfund receivable		-
Other receivables		-
Inventories		18,064
Total current assets		<u>182,659</u>
Noncurrent assets:		
Restricted cash and cash equivalents		-
Furniture, machinery & equipment		135,821
Less accumulated depreciation		<u>(115,753)</u>
Total noncurrent assets		<u>20,068</u>
Total assets	\$	<u>202,727</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$	59,014
Deposits payable		-
Total current liabilities		<u>59,014</u>
NET POSITION		
Net investment in capital assets		20,068
Contributed capital		-
Unrestricted		<u>123,645</u>
Total net position		<u>143,713</u>
Total liabilities and net position	\$	<u>202,727</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015

		Business-type Activities - Enterprise Fund
		<u>Food Service</u>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$	428,830
Daily sales - non-reimbursable programs		294,994
Special functions		-
Community service activities		-
Transportation fees from other LEA's within the state		-
Deductions from employees' salaries		-
Miscellaneous		-
Total operating revenues		<u>723,824</u>
Operating expenses:		
Cost of sales		350,239
Salaries		383,986
Employee benefits		69,352
Purchased property service		109,393
Other purchased professional services		-
Cleaning, repair and maintenance services		-
Rentals		-
General supplies		55,058
Depreciation		1,539
Total Operating Expenses		<u>969,567</u>
Operating income (loss)		<u>(245,743)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program		9,693
Federal sources:		
National school lunch program		217,458
Special milk program		9,919
Food distribution program		69,221
Interest and investment revenue		-
Total nonoperating revenues (expenses)		<u>306,291</u>
Change in net position		<u>60,548</u>
Total net position-beginning		<u>83,165</u>
Total net position-ending	\$	<u><u>143,713</u></u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Food Services Enterprise Fund
 Statement of Cash Flows
 for the Fiscal Year ended June 30, 2015

	Food Service
Cash Flows from Operating Activities:	
Receipts from customers and other funds	723,824
Payments to employees	(383,986)
Payments for employee benefits	(69,352)
Payments to suppliers	(434,729)
Net cash used for operating activities	(164,243)
Cash Flows from Noncapital Financing Activities	
State sources	10,970
Federal sources	255,404
Net cash provided by noncapital financing activities	266,374
Cash Flows from Capital and Related Financing Activities	
Purchases of fixed assets	(14,090)
Net cash used for capital and related financing activities	(14,090)
Net increase in cash and cash equivalents	88,041
Balances-beginning of the year	57,548
Balances-end of the year	145,589
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (245,743)
Adjustments to reconcile operating loss to cash used by operating activities:	
Depreciation	1,539
Federal commodities	69,221
Change in assets and liabilities:	
Decrease (increase) in interfund receivable	-
Decrease (increase) in accounts receivable	-
Decrease (increase) in inventory	(6,632)
Increase (decrease) in accounts payable	17,372
Total adjustments	81,500
Net cash used by operating activities	\$ (164,243)

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2015

	Unemployment Compensation Trust	Student Activity	Agency Fund	Total
ASSETS				
Cash and cash equivalents	\$ 357,403	\$ 26,816	\$ 138,194	\$ 522,413
Intergovernmental accounts receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	<u>\$ 357,403</u>	<u>\$ 26,816</u>	<u>\$ 138,194</u>	<u>\$ 522,413</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	-	138,194	138,194
Payable to student groups	-	26,816	-	26,816
Interfund payable	-	-	-	-
Other current liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>26,816</u>	<u>138,194</u>	<u>165,010</u>
NET POSITION				
Held in trust for unemployment claims and other purposes	357,403	-	-	357,403
Reserved for scholarships	-	-	-	-
Total net position	<u>357,403</u>	<u>-</u>	<u>-</u>	<u>357,403</u>
Total liabilities and net position	<u>\$ 357,403</u>	<u>\$ 26,816</u>	<u>\$ 138,194</u>	<u>\$ 522,413</u>

See accompanying notes to financial statements.

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2015

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan members	\$ 35,850
Other	-
Total contributions	35,850
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	822
Dividends	-
Less investment expense	-
Net investment earnings	822
Total additions	36,672
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	114,156
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	114,156
Change in net position	(77,484)
Net position—beginning of the year	434,887
Net position—end of the year	\$ 357,403

See accompanying notes to financial statements.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The district-wide financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include a preschool, elementary schools, and middle schools located in Freehold. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. Items not meeting that definition of assets and liabilities have been classified as deferred outflows or deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (Cont'd)

B. Basis of Presentation, Basis of Accounting (cont'd):

Basis of Presentation

The School District has Bond Costs which have been classified as a Deferred Outflow and the Bond Premium has been classified as a Deferred Inflow. The implementation of the new pension standards (GASB No. 68) as noted below and as calculated in Note 11 has created deferred outflows and inflows in the current year.

GASB to be Implemented in the current Fiscal Year: In June, 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27("GASB No. 68). The primary objective of this Statement is to improve 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 interperiod equity, and creating additional transparency. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2014.

District-Wide Statements: The district-wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These statements include the financial activities of the overall District, except for fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally financed in whole or in part with fees charged to external customers.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation (Cont'd):

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

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in Governmental Accounting Standards. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

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

As required by the New Jersey State Department of Education, the District includes in this fund budgeted Capital Outlay. 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, district taxes and appropriated fund balances. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (Cont'd)

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation (Cont'd):

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). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

The District reports the following proprietary fund:

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

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

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

Equipment	5-20 Years
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Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Payroll Agency Fund and Unemployment Compensation Insurance Trust Fund.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (Cont'd)

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Accounting:

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

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds use the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. The tax revenues are recognized in the year for which they are levied (see Note 1.d.). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital releases are reported as other financing sources.

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

C. Property Taxes

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

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (Cont'd)

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6a:23-1.2.

All budget amendments/transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 were insignificant.

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.

E. Encumbrances

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

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (Cont'd)

F. Cash, Cash Equivalents and Investments

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

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:2037 provides a list of permissible investments that may be purchased by New Jersey school districts

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

G. Tuition Receivable

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

H. Tuition Payable

Tuition charges for the fiscal years 2013-2014 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

I. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods are recorded as an expenditure during the year of purchase.

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

J. Short-Term Interfund Receivables/Payables

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

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (Cont'd)

K. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & computer equipment	5-10
Instructional equipment	10
Grounds equipment	15

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Compensated Absences

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

M. Unearned/Deferred Revenue

Unearned/Deferred revenue in the general and special revenue funds represent cash which has been received but not yet earned.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (Cont'd)

N. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Bonds are recognized as a liability on the fund financial statements when due.

O. Deferred Outflows/Inflows 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, represent 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time.

P. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

Q. Fund Balance Resources

Governmental Accounting Standards established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed – includes amounts that can be spent only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned – includes all spendable amounts not contained in the other classifications

R. Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year-end.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (Cont'd)

R. Revenues – Exchange and Non-exchange Transactions (Cont'd)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

S. Operating Revenues and Expenses

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

T. Management Estimates

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

2. Cash and Cash Equivalents and Investments

Operating cash, in the form of Negotiable Order of Withdrawal ("NOW") accounts, is held in the District's name by a commercial banking institution. At June 30, 2015, the carrying amount of the District's deposits was \$5,839,551 and the bank balance was \$5,949,287. Of the bank balance, \$250,000 was insured with Federal Deposit Insurance.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

2. Cash and Cash Equivalents and Investments (continued)

Pursuant to Government Accounting Standards, the District's NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2015, all of the District's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The District does not have a policy for custodial credit risk.

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits 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 GUDPA. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

3. Investments

Pursuant to the Enabling Act, the funds of the District may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the District may approve.

New Jersey Asset and Rebate Management Program - The Program has been established as a joint investment trust, (the "Trust"), by local governmental units in the State of New Jersey, (the "State"), consistent with the Interlocal Services Act, constituting Chapter 208 of the Pamphlet Laws of 1973 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (N.J.S.A. 40:8A-1 et seq.), (the "Interlocal Services Act"), to make available to counties, municipalities, school districts, authorities, or other political subdivisions of the State, and where applicable, any bond trustee acting on behalf of such local government, a convenient method for investing and accounting for surplus cash and tax exempt debt proceeds. The Program seeks to invest tax-exempt bond and note proceeds in compliance with arbitrage management and rebate requirements of the Internal Revenue Code of 1986, as amended. The Program also provides for record keeping, depository and arbitrage rebate calculation.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

3. Investments (continued)

Pursuant to the Enabling Act, the funds of the District may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by the United States of America or other obligations as the District may approve.

In order to maximize liquidity, the District utilized the New Jersey Cash Management Fund ("NJCMF") as its sole investment. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At June 30, 2015, the District's balance was \$7,909.

Custodial Credit Risk: Pursuant to Government Accounting Standards, the NJCMF, which is a pooled investment, is exempt from custodial credit risk disclosure. The District does not have a policy for custodial credit risk.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. Government Accounting Standards, require that disclosure be made as to the credit rating of all debt security investments except for obligations of U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

Interest Rate Risk: The District does not have a policy to limit interest rate risk. The average maturity of the District's sole investment, the NJCMF, is less than one year.

4. Capital Reserve Account

A capital reserve account was established by the District during fiscal year 2001-2002 in which it deposited \$100,000 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.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

4. Capital Reserve Account (continued)

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

The activity of the Capital Reserve for the July 01, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance	\$	148,687
Interest Earned		606
Deposits		-
Approved at June 2015 Meeting		480,636
Transfer of Unspent Funds		<u>54,013</u>
Ending Balance	\$	<u><u>683,942</u></u>

The June 30, 2015 LRFP balance of local support costs of uncompleted capital projects is \$-. There were withdrawals from the capital reserve in the amount of \$- for DOE approved facilities projects.

5. Maintenance Reserve Account

A Maintenance Reserve Account was established by the Freehold Township School District for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Maintenance Reserve Account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP). Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2015.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

5. Maintenance Reserve Account (Continued)

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

Balance, June,30 2014	\$ 926,867
Add:	
Interest	896
Deposits	-
Less:	
Budgeted transfer out	<u>(305,276)</u>
Balance, at June 30, 2015	<u>\$ 622,487</u>

6. Emergency Reserve Account

An Emergency Reserve Account was established by the Freehold Township School District for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Emergency Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

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

Balance June 30, 2014	\$ 608,280
Add:	
Interest	<u>577</u>
Balance, June 30, 2015	<u>\$ 608,857</u>

7. Receivables

Receivables at June 30, 2015, consisted of accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows:

	Governmental Fund Financial Statements	District-Wide Financial Statements
State Aid	1,098,034	1,098,808
Federal Aid	63,056	81,288
Interfunds	19,925	-
Other	<u>31,352</u>	<u>31,352</u>
Gross Receivables	1,212,367	1,211,448
Allowance for Uncollectible	<u>-</u>	<u>-</u>
Total Receivables, Net	<u><u>1,212,367</u></u>	<u><u>1,211,448</u></u>

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

8. Capital Assets

Capital Assets consisted of the following at June 30, 2015.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 2,079,919	\$ -	-	\$ 2,079,919
Construction in Progress	<u>2,173,980</u>	<u>819,018</u>	<u>-</u>	<u>2,992,998</u>
Total Capital Assets Not Being Depreciated	<u>4,253,899</u>	<u>819,018</u>	<u>-</u>	<u>5,072,917</u>
Capital Assets Being Depreciated				
Site Improvements	-	-	-	-
Building and Building Improvements	76,160,629	-	-	76,160,629
Machinery and Equipment	<u>16,899,027</u>	<u>312,725</u>	<u>(87,569)</u>	<u>17,124,183</u>
Totals at Historical Cost	<u>93,059,656</u>	<u>312,725</u>	<u>(87,569)</u>	<u>93,284,812</u>
Less Accumulated Depreciation for:				
Site Improvements	-	-	-	-
Building and Building Improvements	(23,744,370)	(2,137,364)	-	(25,881,734)
Machinery and Equipment	<u>(16,064,537)</u>	<u>(376,913)</u>	<u>17,514</u>	<u>(16,423,936)</u>
Total Accumulated Depreciation	<u>(39,808,907)</u>	<u>(2,514,277)</u>	<u>17,514</u>	<u>(42,305,670)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>53,250,749</u>	<u>(2,201,552)</u>	<u>(70,055)</u>	<u>50,979,142</u>
Government Activity Capital Assets, Net	<u>57,504,648</u>	<u>(1,382,534)</u>	<u>(70,055)</u>	<u>56,052,059</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	121,731	14,090	-	135,821
Less: Accumulated Depreciation	<u>(114,214)</u>	<u>(1,539)</u>	<u>-</u>	<u>(115,753)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 7,517</u>	<u>\$ 12,551</u>	<u>-</u>	<u>\$ 20,068</u>

Depreciation expense was charged to governmental functions as follows:

Operations and maintenance	\$ <u>2,514,277</u>
Total depreciation expense	\$ <u>2,514,277</u>

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

9. Non-current Liabilities

During the fiscal year ended June 30, 2015 the following changes occurred in the non-current liabilities:

	Balance June 30, 2014	Increase/ (Decrease)	Balance June 30, 2015	Due within one year
Bonds payable	\$48,250,000	(2,000,000)	46,250,000	\$ 1,515,000
Obligations under capital leases	1,138,617	(399,606)	739,011	234,620
Compensated absences payable	1,705,258	197,443	1,902,701	158,731
Pension liability - PERS	-	<u>27,091,283</u>	<u>27,091,283</u>	<u>1,204,719</u>
	<u>\$51,093,875</u>	<u>24,889,120</u>	<u>75,982,995</u>	<u>\$ 3,113,070</u>

a. 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.

Principal and interest due on serial bonds outstanding is as follows:

Year ended	Principal	Interest	Total
June 30			
2016	\$ 1,515,000	\$ 1,899,976	\$ 3,414,976
2017	1,730,000	1,919,446	3,649,446
2018	1,855,000	1,849,446	3,704,446
2019	1,985,000	1,774,446	3,759,446
2020	2,130,000	1,694,146	3,824,146
2021-2025	13,285,000	6,887,182	20,172,182
2026-2030	18,060,000	3,366,525	21,426,525
2031-2032	<u>5,690,000</u>	<u>376,032</u>	<u>6,066,032</u>
	<u>\$ 46,250,000</u>	<u>\$ 19,767,199</u>	<u>\$ 66,017,199</u>

b. Bonds Authorized But Not Issued

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

c. Capital Leases:

The District is leasing equipment under various capital leases. The following is a schedule of the remaining future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2015:

Year ended June 30,	
2016	\$ 255,715
2017	255,620
2018	136,300
2019	<u>135,576</u>
Total minimum lease payments	783,211
Less: amounts representing interest	<u>(44,200)</u>
Present value of lease payments	<u>\$ 739,011</u>

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

10. Pension Plans

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System ("PERS"), the Teachers' Pension and Annuity Fund ("TPAF") or the Defined Contribution Retirement Program (DCRP) which have been established by State statute and are administered by the New Jersey Division of Pension and Benefits ("Division"). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund ("TPAF")

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

For the year ended June 30, 2015, the District recognized pension expense of \$1,080,179 and revenue of \$1,080,179 for support provided by the State on the fund financials. These amounts are not included in the district-wide financials as required by GASB 68.

At June 30, 2015, the District has no deferred outflow, deferred inflows or pension liability for the TPAF plan as all future costs are to be incurred by the State of New Jersey. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed. These items are not included on the district-wide financials. The District's proportionate share is 0.2553368545% of the total plan. The information on the following page was provided from the State of New Jersey June 30, 2014 audit of the TPAF fund and has been adjusted to the District's proportionate share.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

10. Pension Plans (Cont'd)

Teachers' Pension and Annuity Fund ("TPAF") (Cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 55,713
Changes of assumptions	5,849,568	-
Net difference between projected and actual earnings on pension plan investments	-	4,415,753
Changes in proportion and differences between District contributions and proportionate share of contributions	-	212,785
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 5,849,568</u>	<u>\$ 4,684,251</u>

The District's proportionate share of the pension liability at June 30, 2014 as it relates to the District is \$136,469,238.

The District's proportionate share of other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense by the State of New Jersey as follows:

Year ended June 30:	
2015	\$ (333,696)
2016	(333,696)
2017	(333,696)
2018	(333,696)
2019	777,809
Thereafter	<u>1,944,522</u>
Total	<u>\$ 1,387,547</u>

Public Employees' Retirement System ("PERS")

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

For the year ended June 30, 2015, the District recognized pension expense of \$1,204,719. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed and recorded. These items are included on the district-wide financials. The District's proportionate share is 0.1382627295% of the total plan. The information on the following page was provided from the State of New Jersey June 30, 2014 audit of the PERS fund and has been adjusted to the District's proportionate share. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

10. Pension Plans (Cont'd)

Public Employees' Retirement System ("PERS") (Cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	814,013	-
Net difference between projected and actual earnings on pension plan investments	-	1,542,699
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 814,013</u>	<u>\$ 1,542,699</u>

The District's proportionate share of the pension liability at June 30, 2014 as it relates to the District is \$25,886,564 and has been recorded on the district-wide financials. The current portion due in April 2016 for the June 30, 2015 liability is \$1,204,719 and has been included on the district-wide financials. The total PERS pension liability at June 30, 2015 is \$27,091,283.

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 June 30:	
2015	\$ (236,040)
2016	(236,040)
2017	(236,040)
2018	(236,040)
2019	149,635
Thereafter	<u>65,839</u>
Total	<u>\$ (728,686)</u>

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

10. Pension Plans (Cont'd)

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 %

Discount Rate

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

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

10. Pension Plans (Cont'd)

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 was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.39 %)	Current Discount Rate (5.39 %)	1% Increase (6.39 %)
District's proportionate share of the net pension liability	32,566,180	25,886,564	20,277,388

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

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by the N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years or service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

10. Pension Plans (Cont'd)

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (ACP)	Percentage of ACP Contributed	Net Pension Obligation
6/30/15	\$ 1,154,023	100	0
6/30/14	975,530	100	0
6/30/13	1,005,663	100	0

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

Year Funding	Annual Pension Cost (ACP)	Percentage of ACP Contributed	Net Pension Obligation
06/30/15	\$ 3,681,742	100	0
06/30/14	2,851,267	100	0
06/30/13	3,378,128	100	0

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$3,681,742 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:6666 the State of New Jersey reimbursed the District \$2,098,179 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenues and expenditures in accordance with Governmental Accounting Standards.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

Defined Contribution Retirement Plan (DCRP)

The Defined Contribution Retirement Plan is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A.43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential not later than the fifth business day after the date on which the employee is paid for that pay period.

The District's contributions to the DCRP for June 30, 2015 were \$6,286. There was no liability for unpaid contributions at June 30, 2015.

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the School District.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

11. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits of those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees 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 Chapter 62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

12. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards.

District employees are granted varying amounts of sick leave in accordance with the districts personnel policy. District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. Upon separation the District shall pay the employee for unused sick leave in accordance with the Districts' agreements with the various employees. Vacation days not used during the year may only be carried forward with approval from the Superintendent.

The liability for vested compensated absences of the governmental fund types is recorded on the District-wide financials. The current portion of the compensated absences balance is shown separately from the long-term liability balance of compensated absences. The liability for vested compensated absences of the proprietary fund type is recorded within those funds as the benefits accrue to employees.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

13. Deferred Compensation

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

- Lincoln Financial
- The Variable Annuity Life Insurance Co.
- AXA Equitable Life Insurance Co.
- Great American Financial Resources, Inc.
- Metlife Resources
- Security Benefit Corp.
- Legend Equities Corporation

14. 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.

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 expendable trust fund for the current and prior year:

District Financial Year	Employee Contributions	Interest	Amount Reimbursed	Ending Balance
2014-2015	\$ 35,850	822	114,156	\$ 357,403
2013-2014	316,275	391	62,313	434,887
2013-2013	\$ 154,905	204	160,852	\$ 180,534

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

15. Interfund Receivables and Payables

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 16,358	\$ 3,567
Special Revenue Fund	-	16,358
Capital Projects Fund	3,567	-
Debt Service Fund	-	-
Enterprise Fund	-	-
Trust and Agency Fund	-	-
	<u>\$ 19,925</u>	<u>\$ 19,925</u>

16. Inventory

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

Food	\$ 13,776
Supplies	<u>4,288</u>
	<u>\$ 18,064</u>

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

17. Contingent Liabilities

Grant Programs

The school district participates in federal awards and state financial assistance grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

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

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2015

18. Fund Balances

General Fund – Of the \$5,591,438 General Fund balance at June 30, 2015, \$835,795 of encumbrances is committed to other purposes, \$683,942 is restricted for capital reserve, \$622,487 is restricted for maintenance reserve, \$608,857 is restricted for the emergency reserve, \$- is restricted for excess surplus for subsequent year expenditures, \$2,326,452 has been classified as assigned fund balance designated for subsequent year expenditures, \$- is restricted for excess surplus and \$513,905 is unassigned.

19. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund 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 \$-. The excess fund balance at June 30, 2014 was \$-. Pursuant to the provisions of Executive Order No. 14, \$- of that amount was approved by the Commissioner of the Department of Education for withdrawal to address any budget shortfall in the general fund account group due to the 2014-2015 withholding of state aid.

20. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2015. The school district files tax returns in the U.S. federal jurisdiction and various states. The school district has no open year prior to June 30, 2012.

21. Subsequent Events

Management has evaluated subsequent events through November 17, 2015, the date the financial statements were available to be issued.

22. Prior Period Adjustment

The implementation of GASB 68 resulted in recording the Deferred Outflows, Deferred Inflows and Pension liability on the June 30, 2015 district-wide financials. The balances at June 30, 2014 have been recorded into the beginning net position (A-1) for a total adjustment of \$27,755,068. This net recording into the net position created non-comparability in the MD&A and has been acknowledged and allowed by the GASB.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 60,383,969	\$ -	\$ 60,383,969	60,383,969	\$ -
Tuition	168,527	-	168,527	211,413	42,886
Transportation Fees from Other LEAs	25,050	-	25,050	283,042	257,992
Interest earned on capital reserve funds	1,000	-	1,000	606	(394)
Sale of Capital Assets	-	-	-	150,000	150,000
Miscellaneous	281,575	-	281,575	259,594	(21,981)
Total - local sources	60,860,121	-	60,860,121	61,288,624	428,503
State sources:					
Transportation aid	300,655	-	300,655	300,655	-
Special education aid	2,597,902	-	2,597,902	2,597,903	1
Extraordinary aid	1,145,948	-	1,145,948	802,958	(342,990)
Other state aids	78,241	-	78,241	94,280	16,039
Equalization aid	1,140,072	-	1,140,072	1,140,072	-
Categorical security aid	84,658	-	84,658	84,658	-
TPAF pension (on-behalf - Non-budgeted)	-	-	-	3,681,742	3,681,742
TPAF social security (reimbursed - Non-budgeted)	-	-	-	2,098,179	2,098,179
Total state sources	5,347,476	-	5,347,476	10,800,447	5,452,971
Federal Sources:					
Medicaid Reimbursement	26,835	-	26,835	46,397	19,562
Title I	116,765	116,765	-	-	-
Title II	17,578	-	-	-	-
Title III	38,630	38,630	-	-	-
I.D.E.A. Part B (handicapped)	762,363	762,363	-	-	-
Total federal sources	962,171	935,336	26,835	46,397	19,562
Total revenues	67,169,768	935,336	66,234,432	72,135,468	5,901,036
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Preschool/Kindergarten - Salaries of teachers	1,438,566	(131,924)	1,306,642	1,306,636	6
Grades 1-5 - Salaries of teachers	8,613,302	(17,246)	8,596,056	8,596,056	-
Grades 6-8 - Salaries of teachers	6,459,896	260,003	6,719,899	6,719,899	-
Regular Programs - Home Instruction:					
Salaries of teachers	23,697	8,201	31,898	31,898	-
Purchased professional-educational services	16,000	26,221	42,221	31,221	11,000
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	324,901	31,344	356,245	356,245	-
Purchased professional technical services	87,250	(1,355)	85,895	72,172	13,723
Other purchased services (400-500 series)	119,042	(5,338)	113,704	93,101	20,603
General supplies	1,314,638	201,343	1,515,981	1,270,436	245,545
Textbooks	75,090	(34,699)	40,391	34,536	5,855
Other objects	100	-	100	-	100
TOTAL REGULAR PROGRAMS - INSTRUCTION	18,472,482	336,550	18,809,032	18,512,200	296,832
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of teachers	414,660	(300,000)	114,660	98,710	15,950
Other salaries for instruction	384,821	80,280	465,101	465,101	-
General supplies	11,250	-	11,250	9,108	2,142
Learning and/or Language Disabilities:	810,731	(219,720)	591,011	572,919	18,092
Behavioral Disabilities:					
Salaries of teachers	56,780	72,824	129,604	129,604	-
Other salaries for instruction	242,037	(98,850)	143,187	142,474	713
General supplies	7,400	1,121	8,521	2,037	6,484
Behavioral Disabilities:	306,217	(24,905)	281,312	274,115	7,197
Multiple Disabilities:					
Salaries of teachers	460,464	(109,348)	351,116	345,081	6,035
Other salaries for instruction	194,122	25,794	219,916	219,916	-
Other Purch. Serv. (400-500 series)	2,050	(1,800)	250	-	250
General supplies	10,683	1,800	12,483	8,526	3,957
Multiple Disabilities:	667,319	(83,554)	583,765	573,523	10,242

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of teachers	\$ 4,384,164	\$ 147,668	\$ 4,531,832	4,531,832	\$ -
Other salaries for instruction	1,241,633	28,309	1,269,942	1,269,462	480
Other Purch. Serv. (400-500 series)	112,000	(97,000)	15,000	9,364	5,636
General supplies	17,500	-	17,500	17,007	493
Total Resource Room/Resource Center	5,755,297	78,977	5,834,274	5,827,665	6,609
Autism:					
Salaries of teachers	240,926	54,078	295,004	295,004	-
Other salaries for instruction	263,976	36,388	300,364	294,450	5,914
Other purchased services (400-500 series)	3,250	-	3,250	2,400	850
General supplies	19,150	416	19,566	7,921	11,645
Total Autism	527,302	90,882	618,184	599,775	18,409
Preschool Disabilities - Part Time					
Salaries of teachers	296,897	(125,000)	171,897	170,974	923
Other salaries for instruction	268,846	(20,000)	248,846	248,515	331
Purchased technical services	200	-	200	-	200
Other purchased services (400-500 series)	250	-	250	-	250
General supplies	2,600	1,074	3,674	2,705	969
Total Preschool Disabilities - Part Time	568,793	(143,926)	424,867	422,194	2,673
Preschool Disabilities - Full Time					
Salaries of teachers	164,564	15,360	179,924	179,923	1
Other salaries for instruction	195,768	77,946	273,714	273,714	-
Purchased technical services	750	-	750	-	750
Other Purch. Serv. (400-500 series)	-	-	-	-	-
General supplies	2,760	2,640	5,400	4,998	402
Total Preschool Disabilities - Full Time	363,842	95,946	459,788	458,635	1,153
TOTAL SPECIAL EDUCATION - INSTRUCTION	8,999,501	(206,300)	8,793,201	8,728,826	64,375
Basic Skills/Remedial - Instruction					
Salaries of teachers	933,664	(227,563)	706,101	704,215	1,886
General Supplies	8,820	-	8,820	7,044	1,776
Total Basic Skills/Remedial - Instruction	942,484	(227,563)	714,921	711,259	3,662
Bilingual Education - Instruction					
Salaries of teachers	199,174	(21,000)	178,174	177,341	833
Other purchased services (400-500 series)	8,500	(8,114)	386	382	4
General Supplies	12,550	(8,261)	4,289	4,289	-
Total Bilingual Education - Instruction	220,224	(37,375)	182,849	182,012	837
School-Spon. Cocurricular Activities - Instruction					
Salaries	115,872	11,265	127,137	127,137	-
Supplies and materials	4,000	2,575	6,575	6,370	205
Other objects	3,500	-	3,500	1,931	1,569
Total School-Spon. Cocurricular Actvts. - Instruction	123,372	13,840	137,212	135,438	1,774
School-Spon. Athletics - Instruction					
Salaries	113,056	85,410	198,466	198,466	-
Purchased services (300-500 series)	29,000	(8,360)	20,640	20,640	-
Supplies and materials	29,000	(12,948)	16,052	16,051	1
Total School-Spon. Cocurricular Actvts. - Instruction	171,056	64,102	235,158	235,157	1
Other Instructional Programs - Instruction					
Supplies and materials	5,600	664	6,264	2,616	3,648
Total Other Instructional Programs - Instruction	5,600	664	6,264	2,616	3,648
Total Instruction	28,934,719	(56,082)	28,878,637	28,507,508	371,129
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - regular	-	-	-	-	-
Tuition to other LEAs within the state - special	111,587	-	111,587	7,885	103,702
Tuition to Priv. Sch. For Handic. in state	1,687,173	19,322	1,706,495	1,221,919	484,576
Tuition to Priv. Sch. For Handic. Out of state	-	-	-	-	-
Total Undistributed Expenditures - Instruction:	1,798,760	19,322	1,818,082	1,229,804	588,278
Undist. Expend. - Health Services					
Salaries	734,609	(30,500)	704,109	684,571	19,538
Purchased professional and technical services	17,808	-	17,808	16,552	1,256
Other Purchd. Serv. (400-500 series)	9,250	40	9,290	6,229	3,061
Supplies and materials	28,935	140	29,075	24,670	4,405
Other objects	475	144	619	459	160
Total Undistributed Expenditures - Health Services	791,077	(30,176)	760,901	732,481	28,420

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Support Serv - Students Related Service					
Salaries	\$ 878,892	\$ -	\$ 878,892	861,228	\$ 17,664
Purchased professional - educational services	112,714	3,770	116,484	49,051	67,433
Supplies and materials	10,000	-	10,000	2,834	7,166
Total Undist. Expend. - Other Support Serv - Students	1,001,606	3,770	1,005,376	913,113	92,263
Undist. Expend. - Other Support Services - Students - Extraordinary Services					
Salaries	315,900	57,107	373,007	361,458	11,549
Purchased Prof. Ed. Services	11,700	-	11,700	10,167	1,533
Student Prof. Services	-	5,664	5,664	5,428	236
Supplies and materials	23,600	(1,000)	22,600	7,802	14,798
Other Undist Expend.	-	-	-	-	-
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	351,200	61,771	412,971	384,855	28,116
Undist. Expend. - Other Support Serv Students-Regular					
Salaries of other professional staff	662,508	38,091	700,599	682,807	17,792
Salaries of secretarial and clerical assistants	112,964	-	112,964	112,964	-
Purchased professional - educational services	2,000	(1,000)	1,000	422	578
Other purchased prof. and tech. services	-	-	-	-	-
Other purchased services (400-500 series)	-	1,000	1,000	-	1,000
Supplies and materials	23,550	-	23,550	16,581	6,969
Total Undist. Expend. - Other Support Serv - Students-Regular	801,022	38,091	839,113	812,774	26,339
Undist. Expend. - Other Support Serv - Students-Special					
Salaries of other professional staff	2,223,403	52,643	2,276,046	2,232,785	43,261
Salaries of secretarial and clerical assistants	252,290	4,784	257,074	257,073	1
Other purchased prof. and tech. services	65,000	56,725	121,725	95,153	26,572
Other purchased services (400-500 series)	19,672	28,750	48,422	21,789	26,633
Supplies and materials	66,500	35,170	101,670	71,439	30,231
Other objects	7,000	-	7,000	6,121	879
Total Undist. Expend. - Other Supp Services - Students-Special	2,633,865	178,072	2,811,937	2,684,360	127,577
Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr					
Salaries of supervisor of instruction	1,104,199	(9,411)	1,094,788	1,094,788	-
Other Salaries	135,685	(7,400)	128,285	127,649	636
Other purchased services (400-500)	72,700	(26,230)	46,470	26,391	20,079
Supplies and materials	10,910	-	10,910	7,306	3,604
Other objects	7,017	1,425	8,442	4,954	3,488
Total Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr	1,330,511	(41,616)	1,288,895	1,261,088	27,807
Undist. Expend. - Educational Media Services/School Library					
Salaries	400,903	13,224	414,127	414,127	-
Supplies and materials	57,300	1,897	59,197	54,279	4,918
Total Undist. Expend. - Educational Media Services/School Library	458,203	15,121	473,324	468,406	4,918
Undist. Expend. - Instruction Staff Training Services					
Salaries of other professional staff	61,485	-	61,485	61,449	36
Purchased professional - educational services	15,000	-	15,000	5,998	9,002
Other purchased services (400-500)	51,000	1,575	52,575	50,326	2,249
Supplies and materials	3,550	-	3,550	3,197	353
Total Undist. Expend. - Instruction Staff Training Services	131,035	1,575	132,610	120,970	11,640
Undist. Expend. - Support Service - General Administration					
Salaries	470,081	60,808	530,889	530,889	-
Legal services	105,400	25,175	130,575	107,460	23,115
Audit Fees	31,200	750	31,950	31,950	-
Architectural/Engineering Services	55,000	67,225	122,225	98,696	23,529
Other purchased professional services	13,500	3,400	16,900	10,233	6,667
Purchased technical services	19,300	-	19,300	4,910	14,390
Communications/Telephone	100,000	(55,308)	44,692	44,692	-
BOE Other purchased services	15,300	295	15,595	10,207	5,388
Other purchased services (400-500 series)	82,494	-	82,494	82,465	29
General supplies	24,500	-	24,500	6,103	18,397
BOE In-House Training/Meeting Supplies	-	-	-	-	-
Miscellaneous expenditures	14,000	13,878	27,878	26,365	1,513
BOE membership dues and fees	31,000	249	31,249	29,112	2,137
Total Undist. Expend. - Support Service - General Administration	961,775	116,472	1,078,247	983,082	95,165
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	1,309,150	15,299	1,324,449	1,324,070	379
Salaries of secretarial and clerical assistants	772,890	900	773,790	761,228	12,562
Purchased professional and technical services	3,000	-	3,000	-	3,000
Other purchased services (400-500 series)	82,332	686	83,018	61,918	21,100
Supplies and materials	61,800	33	61,833	58,345	3,488
Other objects	23,350	281	23,631	19,160	4,471
Total Undist. Expend. - Support Service - School Administration	2,252,522	17,199	2,269,721	2,224,721	45,000

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Central Services					
Salaries	\$ 691,974	\$ (57,900)	\$ 634,074	626,439	\$ 7,635
Purchased professional services	13,970	-	13,970	9,670	4,300
Purchased technical services	75,708	(18,878)	56,830	56,468	362
Misc. Purchased Services	7,900	636	8,536	3,933	4,603
Supplies and materials	21,000	624	21,624	10,718	10,906
Miscellaneous expenditures	39,175	126	39,301	24,566	14,735
Total Undist. Expend. - Central Services	849,727	(75,392)	774,335	731,794	42,541
Undist.- Admin. Info. Technology					
Salaries	358,568	51,285	409,853	409,853	-
Purchased technical services	281,500	(18,789)	262,711	245,355	17,356
Other Purchased Services	161,421	(2,000)	159,421	138,872	20,549
Supplies and materials	169,000	42,405	211,405	176,348	35,057
Total Undist. Expend - Admin. Info. Technology	970,489	72,901	1,043,390	970,428	72,962
Undist. Expend. - Allowed Maintenance for School Facilities					
Salaries	425,464	-	425,464	402,224	23,240
Cleaning, repair and maintenance services	878,868	291,234	1,170,102	685,556	484,546
General supplies	140,400	11,052	151,452	125,054	26,398
Total Undist. Expend. - Allowed Maintenance for School Facilities	1,444,732	302,286	1,747,018	1,212,834	534,184
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries	2,130,052	489	2,130,541	2,010,003	120,538
Purchased professional and technical services	2,500	-	2,500	-	2,500
Cleaning, repair and maintenance services	31,750	7,081	38,831	13,612	25,219
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt	128,444	-	128,444	128,444	-
Other purchased property services	61,100	356	61,456	61,456	-
Misc Purchased Services	5,000	-	5,000	-	5,000
Insurance	248,647	-	248,647	248,201	446
General supplies	185,989	2,500	188,489	172,635	15,854
Energy (electricity)	1,096,058	115,000	1,211,058	1,113,311	97,747
Other objects	3,500	-	3,500	600	2,900
Energy (natural gas)	301,711	77,051	378,762	336,100	42,662
Total Undist Expend-Other Operation & Maint Of Plant	4,194,751	202,477	4,397,228	4,084,362	312,866
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	200,082	2,070	202,152	178,130	24,022
Cleaning, repair and maintenance services	62,000	4,399	66,399	64,154	2,245
General supplies	33,950	(5,092)	28,858	17,800	11,058
Total Undist Expend-Care & Upkeep of Grounds	296,032	1,377	297,409	260,084	37,325
Security					
Purchased Professional and Technical Services	26,400	18,865	45,265	29,974	15,291
General supplies	43,325	(35,200)	8,125	8,125	-
Total Security	69,725	(16,335)	53,390	38,099	15,291
Undist. Expend. - Student Transportation Services					
Salaries of non-instructional aides	-	-	-	-	-
Salaries-pupil transport (between home & school)-Regular	1,445,714	21,517	1,467,231	1,467,232	(1)
Salaries-pupil transport (between home & school)-Special	624,355	-	624,355	607,110	17,245
Salaries-pupil transport (other than home & school)-Regular	1,993	-	1,993	-	1,993
Other purchased professional and technical services	17,000	-	17,000	8,560	8,440
Cleaning, repair and maintenance services	356,000	90,231	446,231	405,629	40,602
Salaries-pupil transport (bet home & school)-Nonpublic	-	-	-	-	-
Rental Payments - School Busses	24,252	-	24,252	24,030	222
Lease purchase payments - School buses	186,631	-	186,631	186,614	17
Contract Svc (btw Home & Sch.) - Vendors	-	-	-	-	-
Contract Svc (other btw home & Sch.) - Vendors	11,000	2,700	13,700	10,970	2,730
Contract Svc (btw home & Sch.) - Joint Agreements	-	-	-	-	-
Contract Svc (other btw home & Sch.) - Vendors	-	-	-	-	-
Contract Svc (Regular students) - ESCs & CTSAs	170,000	-	170,000	72,783	97,217
Contract Svc (Spl. Ed. Students) - ESCs & CTSAs	700,000	-	700,000	519,393	180,607
Contract Svc - Aid in Lieu Pymts - NonPub Sch	45,000	(21,520)	23,480	21,847	1,633
General supplies	6,000	-	6,000	3,946	2,054
Misc Purchased Serv - Transportation	42,003	-	42,003	34,867	7,136
transportation supplies	375,000	(26,455)	348,545	235,299	113,246
Other objects	7,500	1,725	9,225	4,425	4,800
Total Undist. Expend. - Student Transportation Services	4,012,448	68,198	4,080,646	3,602,705	477,941

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED EMPLOYEE BENEFITS					
Group insurance	\$ 14,700	\$ -	\$ 14,700	11,724	\$ 2,976
Social security contributions	1,064,186	29,348	1,093,534	1,093,534	-
Other retirement contributions - PERS	1,303,042	(149,019)	1,154,023	1,154,023	-
Other retirement contributions - regular	-	-	-	-	-
Unemployment Compensation	153,000	(65,982)	87,018	-	87,018
Workmen's compensation	449,836	-	449,836	441,995	7,841
Health benefits	12,583,179	(89,260)	12,493,919	12,220,338	273,581
Tuition reimbursement	165,000	-	165,000	105,962	59,038
Other employee benefits	159,060	81,488	240,548	230,825	9,723
TOTAL UNALLOCATED EMPLOYEE BENEFITS	15,892,003	(193,425)	15,698,578	15,258,401	440,177
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	3,681,742	(3,681,742)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	2,098,179	(2,098,179)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	5,779,921	(5,779,921)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	15,892,003	(193,425)	15,698,578	21,038,322	(5,339,744)
TOTAL UNDISTRIBUTED EXPENDITURES	40,241,483	741,688	40,983,171	43,754,282	(2,771,111)
TOTAL GENERAL CURRENT EXPENSE	69,176,202	685,606	69,861,808	72,261,790	(2,399,982)
CAPITAL OUTLAY					
Interest	1,000	-	1,000	607	393
Equipment					
Regular Programs - Instruction:					
Undistributed expenditures-Support services-Child Study Teams	11,000	-	11,000	10,770	230
Undistributed expenditures - Central services	-	-	-	-	-
Undistributed expenditures - Admin Info Tech	-	5,205	5,205	4,557	648
Undistributed expenditures - Custodial services	25,971	(8,190)	17,781	17,781	-
Undistributed expenditures - Care and upkeep of grounds	8,500	14,977	23,477	-	23,477
Total Equipment	45,471	11,992	57,463	33,108	24,355
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	-	-	-	-
Construction Services	-	396,777	396,777	212,247	184,530
Assessment for Debt Service on SDA Funding	112,000	-	112,000	111,972	28
Total Facilities Acquisition and Construction Services	112,000	396,777	508,777	324,219	184,558
TOTAL CAPITAL OUTLAY	158,471	408,769	567,240	357,934	209,306

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of teachers	\$ -	\$ -	\$ -	-	\$ -
General Supplies	-	-	-	-	-
Total Summer School - Instruction	-	-	-	-	-
TOTAL SPECIAL SCHOOLS	-	-	-	-	-
Transfer of funds to Charter Schools	-	-	-	-	-
TOTAL EXPENDITURES	69,334,673	1,094,375	70,429,048	72,619,724	(2,190,676)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(2,164,905)	(159,039)	(4,194,616)	(484,256)	(3,710,360)
Other Financing Sources/ (Uses):					
Transfer to capital projects from capital reserve	-	-	-	-	-
Transfer out of capital reserve	-	-	-	-	-
Transfer to debt service	-	-	-	-	-
Total Other Financing Sources:	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures & Other Financing Sources (Uses)	(2,164,905)	(159,039)	(4,194,616)	(484,256)	(3,710,360)
Fund Balance, July 1	6,479,248	-	6,479,248	6,479,248	-
Fund Balance, June 30	\$ 4,314,343	\$ (159,039)	\$ 2,284,632	5,994,992	\$ (3,710,360)
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				683,942	
Maintenance reserve				622,487	
Emergency reserve				608,857	
Excess surplus-current year				-	
Excess surplus - designated for subsequent year's expenditures				-	
Committed Fund Balance:					
Other purposes				-	
Year-end encumbrances				835,795	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				2,326,452	
Unrestricted/undesignated fund balance				917,459	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				5,994,992	
Last state aid payment not recognized on GAAP basis				(403,554)	
Fund balance per governmental funds (GAAP) - B-1				<u>5,591,438</u>	
Restricted fund balances				5,077,533	
Unrestricted fund balances				513,905	
Fund balance per governmental funds (GAAP) - B-1				<u>5,591,438</u>	

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local sources	\$ -	\$ 284,447	\$ 284,447	\$ 216,790	\$ (67,657)
State sources	-	4,689	4,689	557	(4,132)
Federal sources	935,336	199,001	1,134,337	1,133,968	(369)
Total Revenues	<u>935,336</u>	<u>488,137</u>	<u>1,423,473</u>	<u>1,351,315</u>	<u>(72,158)</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	935,336	(218,186)	717,150	717,150	-
Other salaries for instruction	-	-	-	-	-
Purchased professional services	-	22,177	22,177	18,086	4,091
Textbooks	-	-	-	-	-
Miscellaneous expense	-	-	-	-	-
General supplies	-	389,270	389,270	321,530	67,740
Tuition	-	133,591	133,591	133,591	-
Total instruction	<u>935,336</u>	<u>326,852</u>	<u>1,262,188</u>	<u>1,190,357</u>	<u>71,831</u>
Support services:					
Other professional staff salaries	-	37,079	37,079	37,079	-
Secretarial/clerical salaries	-	-	-	-	-
Personal services - employee benefits	-	40,200	40,200	40,200	-
Purchased professional - educational services	-	-	-	-	-
Other purchased professional services	-	16,048	16,048	16,048	-
Purchased technical services	-	-	-	-	-
Travel	-	10,000	10,000	10,000	-
Miscellaneous purchased services (400-500 series)	-	19,335	19,335	19,274	61
Miscellaneous expenditures	-	-	-	-	-
Supplies & materials	-	38,623	38,623	38,357	266
Total support services	<u>-</u>	<u>161,285</u>	<u>161,285</u>	<u>160,958</u>	<u>327</u>
EXPENDITURES (CONT'D):					
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>935,336</u>	<u>488,137</u>	<u>1,423,473</u>	<u>1,351,315</u>	<u>72,158</u>
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	<u>935,336</u>	<u>488,137</u>	<u>1,423,473</u>	<u>1,351,315</u>	<u>72,158</u>
Excess (deficiency) of revenues					
Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				\$ -	
Fund balance per governmental funds (GAAP)				<u>\$ -</u>	

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2015

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 72,135,468	[C-2]	\$ 1,351,315
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(29,749)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,080,179)		
The 2013-14 last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GAAP 33).		395,005		-
The 2014-15 last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GAAP 33).		(403,554)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 71,046,740	[B-2]	\$ 1,321,566
 Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 72,619,724	[C-2]	\$ 1,351,315
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,080,179)		
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.		-		(29,749)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 71,539,545	[B-2]	\$ 1,321,566

REQUIRED SUPPLEMENTARY INFORMATION - PART III

Freehold Township School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of Net Pension Liability-PERS
 For the Fiscal Year Ended June 30, 2015

Last 10 Fiscal Years*

	<u>2015</u>
District's proportion of the net pension liability	0.1382627295%
District's proportionate share of the net pension liability	\$ 27,091,283
District's covered-employee payroll	9,903,070
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	36.55%
Plan fiduciary net position as a percentage of the total pension liability	67.89%

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements 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.

Freehold Township School District
Required Supplementary Information
Schedule of the District Contributions-PERS
For the Fiscal Year Ended June 30, 2015

Last 10 Fiscal Years*

	<u>2015</u>
Contractually required contributions	\$ 1,139,818
Contributions in relation to the contractually required contribution	<u>1,154,023</u>
Contribution deficiency (excess)	<u>\$ (14,205)</u>
District's covered-employee payroll	\$ 9,903,070
Contributions as a percentage of covered-employee payroll	11.51%

* The schedule is presented to illustrate the requirements 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.

Freehold Township School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of Net Pension Liability-TPAF
 For the Fiscal Year Ended June 30, 2015

Last 10 Fiscal Years*

	<u>2015</u>
District's proportionate share of the net pension liability	0.2553368545%
District's proportionate share of the net pension liability	\$ 136,469,238
District's covered-employee payroll	28,272,442
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	20.72%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

The District has a special funding situation as is not required to make any payments for this liability therefore it is not recorded on the CAFR.

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements 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.

Freehold Township School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2015

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

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

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

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

OTHER SUPPLEMENTARY INFORMATION

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Title I Part A 14/15	Title II Part A 14/15	Title III Part A 14/15	IDEA-Part B-Basic Reg Prog 14/15	IDEA-Part B-Preschool Reg Prog 14/15
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	<u>126,116</u>	<u>63,122</u>	<u>14,904</u>	<u>892,360</u>	<u>37,466</u>
Total revenues	<u>126,116</u>	<u>63,122</u>	<u>14,904</u>	<u>892,360</u>	<u>37,466</u>
Expenditures:					
Instruction:					
Salaries of teachers	92,025	-	11,606	613,519	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	-	-	18,000	-
General supplies	-	-	1,725	102,544	-
Tuition	-	-	-	96,125	37,466
Textbooks	-	-	-	-	-
Miscellaneous expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total instruction	<u>92,025</u>	<u>-</u>	<u>13,331</u>	<u>830,188</u>	<u>37,466</u>
Support services:					
Other support services - students - special:					
Other professional staff salaries	-	11,579	-	25,500	-
Secretarial/Clerical salaries	-	-	-	-	-
Purchased professional services	-	-	-	-	-
Other purchased professional services	-	16,048	-	-	-
Purchased technical services	-	-	-	-	-
Employee benefits	34,091	885	887	4,337	-
Travel	-	-	-	10,000	-
Miscellaneous purchased services	-	253	686	18,335	-
General supplies	-	34,357	-	4,000	-
Miscellaneous expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other support services - students - special	<u>34,091</u>	<u>63,122</u>	<u>1,573</u>	<u>62,172</u>	<u>-</u>
Total support services	<u>34,091</u>	<u>63,122</u>	<u>1,573</u>	<u>62,172</u>	<u>-</u>
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 126,116</u>	<u>\$ 63,122</u>	<u>\$ 14,904</u>	<u>\$ 892,360</u>	<u>\$ 37,466</u>

(continued on next page)

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

(Continued from prior page)

	Nonpublic Technology 14/15	Nonpublic Nursing 14/15	Local 14/15	Total 2015
Revenues:				
Local sources	\$ -	\$ -	\$ 216,790	\$ 216,790
State sources	471	86	-	557
Federal sources	-	-	-	1,133,968
Total revenues	<u>471</u>	<u>86</u>	<u>216,790</u>	<u>1,351,315</u>
Expenditures:				
Instruction:				
Salaries of teachers	-	-	-	717,150
Other salaries/instruction	-	-	-	-
Purchased professional services	-	86	-	18,086
General supplies	471	-	216,790	321,530
Tuition	-	-	-	133,591
Textbooks	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total instruction	<u>471</u>	<u>86</u>	<u>216,790</u>	<u>1,190,357</u>
Support services:				
Other support services - students - special:				
Other professional staff salaries	-	-	-	37,079
Secretarial/Clerical salaries	-	-	-	-
Purchased professional services	-	-	-	-
Other purchased professional services	-	-	-	16,048
Purchased technical services	-	-	-	-
Employee benefits	-	-	-	40,200
Travel	-	-	-	10,000
Miscellaneous purchased services	-	-	-	19,274
General supplies	-	-	-	38,357
Miscellaneous expenses	-	-	-	-
Total other support services - students - special	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,958</u>
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,958</u>
Equipment:				
Regular programs instruction	-	-	-	-
Non-instructional equipment	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 471</u>	<u>\$ 86</u>	<u>\$ 216,790</u>	<u>\$ 1,351,315</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2015

Revenues and Other Financing Sources

State Sources - SCC Grant	\$	186,410
Bond proceeds and transfers		-
Contribution from private source		-
Transfer from capital reserve		-
Transfer from capital outlay		-
Total revenues		<u>186,410</u>

Expenditures and Other Financing Uses

Purchased professional and technical services		-
Land and improvements		-
Construction services		606,770
Equipment purchases		-
Total expenditures		<u>606,770</u>
Excess (deficiency) of revenues over (under) expenditures		(420,360)
Fund balance - beginning		570,440
Fund balance - ending	\$	<u>150,080</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund

Exhibit F-1a

Additions and Renovations to various Schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Errickson Middle School - Security Enhancements
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 17,564	\$ 17,564	\$ 28,420
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	44,280	-	44,280	44,280
Transfer from capital outlay	-	-	-	-
Total revenues	<u>44,280</u>	<u>17,564</u>	<u>61,844</u>	<u>72,700</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	49,277	49,277	72,700
Equipment purchases	-	-	-	-
Total expenditures	<u>-</u>	<u>49,277</u>	<u>49,277</u>	<u>72,700</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 44,280</u>	<u>\$ (31,713)</u>	<u>\$ 12,567</u>	<u>\$ -</u>

Additional project information:

Project Number	1660-025-14-1006-G04
Grant Date	1/6/2013
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 71,049
Additional Authorized Cost	1,651
Revised Authorized Cost	\$ 72,700

Percentage Increase over Original Authorized Cost	2.3%
Percentage Completion	0%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Additions and Renovations for various schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Barkalow Middle School - Security Enhancements
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 19,292	\$ 19,292	\$ 31,215
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	75,382	-	75,382	75,382
Transfer from capital outlay	-	-	-	-
Total revenues	<u>75,382</u>	<u>19,292</u>	<u>94,674</u>	<u>106,597</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	85,219	85,219	106,597
Equipment purchases	-	-	-	-
Total expenditures	<u>-</u>	<u>85,219</u>	<u>85,219</u>	<u>106,597</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 75,382</u>	<u>\$ (65,927)</u>	<u>\$ 9,455</u>	<u>\$ -</u>

Additional project information:

Project Number	1660-023-14-1004-G04
Grant Date	1/6/2014
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 78,038
Additional Authorized Cost	\$ 28,559
Revised Authorized Cost	\$ 106,597

Percentage Increase over Original Authorized Cost	26.8%
Percentage Completion	80%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Additions and Renovations for various schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Applegate Elementary School - Security Enhancements
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 17,564	\$ 17,564	\$ 28,420
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	44,307	-	44,307	44,307
Transfer from capital outlay	-	-	-	-
Total revenues	<u>44,307</u>	<u>17,564</u>	<u>61,871</u>	<u>72,727</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	51,692	51,692	72,727
Equipment purchases	-	-	-	-
Total expenditures	<u>-</u>	<u>51,692</u>	<u>51,692</u>	<u>72,727</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 44,307</u>	<u>\$ (34,128)</u>	<u>\$ 10,179</u>	<u>\$ -</u>
Additional project information:				
Project Number	1660-021-14-1003-G04			
Grant Date	1/6/2014			
Bond Authorization Date	-			
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	\$ 71,049			
Additional Authorized Cost	1,678			
Revised Authorized Cost	\$ 72,727			
Percentage Increase over Original Authorized Cost	2.3%			
Percentage Completion	71%			
Original target completion date	-			
Revised target completion date	-			

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Additions and Renovations for various schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Donovan Elementary School - Security Enhancements
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 14,328	\$ 14,328	\$ 23,184
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	55,594	-	55,594	55,594
Transfer from capital outlay	-	-	-	-
Total revenues	<u>55,594</u>	<u>14,328</u>	<u>69,922</u>	<u>78,778</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	65,934	65,934	78,778
Equipment purchases	-	-	-	-
Total expenditures	<u>-</u>	<u>65,934</u>	<u>65,934</u>	<u>78,778</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 55,594</u>	<u>\$ (51,606)</u>	<u>\$ 3,988</u>	<u>\$ -</u>

Additional project information:

Project Number	1660-026-14-1007-G04
Grant Date	1/6/2014
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 57,959
Additional Authorized Cost	\$ 20,819
Revised Authorized Cost	\$ 78,778
Percentage Increase over Original Authorized Cost	26.4%
Percentage Completion	83.7%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund

Exhibit F-1e

Additions and Renovations to various Schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Eisenhower Middle School - Security Enhancements
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 13,800	\$ 13,800	\$ 22,329
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	95,754	-	95,754	95,754
Transfer from capital outlay	-	-	-	-
Total revenues	<u>95,754</u>	<u>13,800</u>	<u>109,554</u>	<u>118,083</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	99,210	99,210	118,083
Equipment purchases	-	-	-	-
Total expenditures	<u>-</u>	<u>99,210</u>	<u>99,210</u>	<u>118,083</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 95,754</u>	<u>\$ (85,410)</u>	<u>\$ 10,344</u>	<u>\$ -</u>

Additional project information:

Project Number	1660-024-14-1005-G04
Grant Date	1/6/2014
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 55,823
Additional Authorized Cost	62,260
Revised Authorized Cost	\$ 118,083

Percentage Increase over Original Authorized Cost	52.7%
Percentage Completion	84.0%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Additions and Renovations for various schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Early Childhood Learning Center - Security Enhancements
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 7,062	\$ 7,062	\$ 10,626
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	46,409	-	46,409	46,409
Transfer from capital outlay	-	-	-	-
Total revenues	46,409	7,062	53,471	57,035
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	48,654	48,654	57,035
Equipment purchases	-	-	-	-
Total expenditures	-	48,654	48,654	57,035
Excess (deficiency) or revenues over (under) expenditures	\$ 46,409	\$ (41,592)	\$ 4,817	\$ -
Additional project information:				
Project Number	1660-070-14-1009-G04			
Grant Date	1/6/2014			
Bond Authorization Date	-			
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	\$ 26,566			
Additional Authorized Cost	30,469			
Revised Authorized Cost	\$ 57,035			
Percentage Increase over Original Authorized Cost	53.4%			
Percentage Completion	85.3%			
Original target completion date	-			
Revised target completion date	-			

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund

Exhibit F-1g

Additions and Renovations to various Schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Catina Elementary School - Security Enhancements
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 8,220	\$ 8,220	\$ 13,300
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	20,714	-	20,714	20,714
Transfer from capital outlay	-	-	-	-
Total revenues	<u>20,714</u>	<u>8,220</u>	<u>28,934</u>	<u>34,014</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	22,351	22,351	34,014
Equipment purchases	-	-	-	-
Total expenditures	<u>-</u>	<u>22,351</u>	<u>22,351</u>	<u>34,014</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 20,714</u>	<u>\$ (14,131)</u>	<u>\$ 6,583</u>	<u>\$ -</u>

Additional project information:

Project Number	1660-020-14-1002-G04
Grant Date	1/6/2014
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 33,250
Additional Authorized Cost	764
Revised Authorized Cost	\$ 34,014

Percentage Increase over Original Authorized Cost	2.2%
Percentage Completion	0%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund

Exhibit F-1h

Additions and Renovations to various Schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Clifton T. Barkalow Middle School - Boiler/Asbestos
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ 88,580	\$ 88,580	\$ 187,694
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	188,000	-	188,000	281,541
Transfer from capital outlay	-	-	-	-
Total revenues	<u>188,000</u>	<u>88,580</u>	<u>276,580</u>	<u>469,235</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	184,433	184,433	469,235
Equipment purchases	-	-	-	-
Total expenditures	<u>-</u>	<u>184,433</u>	<u>184,433</u>	<u>469,235</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 188,000</u>	<u>\$ (95,853)</u>	<u>\$ 92,147</u>	<u>\$ -</u>

Additional project information:

Project Number	1660-023-14-1001-G04
Grant Date	1/6/2014
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 469,235
Additional Authorized Cost	-
Revised Authorized Cost	\$ 469,235

Percentage Increase over Original Authorized Cost	0.0%
Percentage Completion	0%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Enterprise Fund
Statement of Net Position
June 30, 2015

	Food Service
Assets:	
Current assets:	
Cash and cash equivalents	\$ 145,589
Accounts receivable:	
State	774
Federal	18,232
Interfunds	-
Other	-
Inventories	18,064
Total current assets	182,659
Fixed assets:	
Equipment	135,821
Accumulated depreciation	(115,753)
Total fixed assets	20,068
Total assets	202,727
Liabilities and Net Position:	
Liabilities:	
Accounts payable	59,014
Deferred revenue	-
Total liabilities	59,014
Net position:	
Net investment in capital assets	20,068
Restricted for other purposes	-
Contributed capital	-
Unrestricted net position	123,645
Total net position	143,713
Total liabilities and net position	\$ 202,727

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Food Services Enterprise Fund
Statement of Revenues, Expenses and
Changes in Net Position
for the Fiscal Year ended June 30, 2015

	Food Service
Operating revenues:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 428,830
Special milk program	-
	428,830
Total-daily sales-reimbursable programs	428,830
Daily sales non-reimbursable programs	294,994
Total operating revenues	723,824
Operating expenses:	
Salaries	383,986
Employee benefits	69,352
Purchased property	109,393
Other purchased services	-
Supplies and materials	55,058
Depreciation	1,539
Cost of sales	350,239
Total operating expenses	969,567
Operating loss	(245,743)
Nonoperating revenues:	
State sources:	
State school lunch program	9,693
Federal sources:	
National school lunch program	217,458
National School Breakfast program	9,919
U.S.D.A. commodities	69,221
Total nonoperating revenues	306,291
Change in net position	60,548
Total net position beginning	83,165
Total net position ending	\$ 143,713

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Food Services Enterprise Fund
Statement of Cash Flows
for the Fiscal Year ended June 30, 2015

	Food Service
Cash Flows from Operating Activities:	
Receipts from customers and other funds	\$ 723,824
Payments to employees	(383,986)
Payments for employee benefits	(69,352)
Payments to suppliers	(434,729)
Net cash provided by (used for) operating activities	(164,243)
Cash Flows from Noncapital Financing Activities:	
State sources	10,970
Federal sources	255,404
Operating subsidies	-
Net cash provided by (used for) noncapital financing activities	266,374
Cash Flows from Capital and Related Financing Activities:	
Purchases of fixed assets	(14,090)
Net cash provided by (used for) capital and related financing activities	(14,090)
Net increase (decrease) in cash and cash equivalents	88,041
Balances-beginning of the year	57,548
Balances-end of the year	145,589
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating loss	\$ (245,743)
Adjustments to reconcile operating loss to cash provided by (used for) operating activities:	
Depreciation	1,539
Federal commodities	69,221
Change in assets and liabilities:	
Decrease (increase) in interfund receivable	-
Decrease (increase) in accounts receivable	-
Decrease (increase) in inventory	(6,632)
Increase (decrease) in accounts payable	17,372
Total adjustments	81,500
Net cash provided by (used for) operating activities	\$ (164,243)

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Agency Fund Assets and Liabilities
Fiduciary Funds
June 30, 2015

	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Agency Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 357,403	\$ 26,816	\$ 138,194	\$ 522,413
Intergovernmental Accounts Receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	<u>357,403</u>	<u>26,816</u>	<u>138,194</u>	<u>522,413</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	-	138,194	138,194
Payable to student groups	-	26,816	-	26,816
Interfund payable	-	-	-	-
Other current liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>26,816</u>	<u>138,194</u>	<u>165,010</u>
NET POSITION				
Held in trust for unemployment claims and other purposes	357,403	-	-	357,403
Reserved for scholarships	-	-	-	-
Total net position	<u>357,403</u>	<u>-</u>	<u>-</u>	<u>357,403</u>
Total liabilities and net position	<u>\$ 357,403</u>	<u>\$ 26,816</u>	<u>\$ 138,194</u>	<u>\$ 522,413</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2015

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ 35,850
Other	-
Total Contributions	35,850
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	822
Dividends	-
Less investment expense	-
Net investment earnings	822
Total additions	36,672
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	114,156
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	114,156
Change in net position	(77,484)
Net position—beginning of the year	434,887
Net position—end of the year	\$ 357,403

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Clifton T. Barkalow School	\$ 9,306	\$ 44,713	\$ 43,420	\$ 10,599
Dwight D. Eisenhower School	28,263	50,001	62,047	16,217
Total all schools	<u>\$ 37,569</u>	<u>\$ 94,714</u>	<u>\$ 105,467</u>	<u>\$ 26,816</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of receipts and disbursements
 For the Fiscal Year ended June 30, 2015

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2015</u>
Payroll deductions and withholdings	\$ 445,400	47,638,648	47,945,854	\$ 138,194
Total	<u>\$ 445,400</u>	<u>47,638,648</u>	<u>47,945,854</u>	<u>\$ 138,194</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Long-Term Debt
 Statement of Serial Bonds
 June 30, 2015

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
Refunding of Additions and Renovations Bond issue (original issue 7/15/97)	3/9/2005	\$ 7,255,000	1/15/2018	45,000	4.250%	7,255,000	-	7,255,000	-
			1/15/2019	45,000	4.250%				
			1/15/2020	50,000	4.250%				
			1/15/2021	50,000	4.250%				
			1/15/2022	50,000	4.250%				
			1/15/2023	55,000	4.250%				
			1/15/2024	55,000	4.250%				
			1/15/2025	60,000	4.250%				
			1/14/2026	1,595,000	4.250%				
			1/15/2027	1,670,000	4.375%				
			1/15/2028	1,745,000	4.375%				
			1/15/2029	1,835,000	4.500%				
			Refunding School Bonds Series 2006 (original issue 2/15/02)	2/15/06	\$ 31,035,000				
2/15/2017	855,000	4.000%							
2/15/2018	940,000	4.000%							
2/15/2019	1,030,000	4.000%							
2/15/2020	1,130,000	4.125%							
2/15/2021	1,235,000	4.125%							
2/15/2022	1,350,000	4.200%							
2/15/2023	1,475,000	4.200%							
2/15/2024	1,615,000	4.750%							
2/15/2025	1,765,000	4.750%							
2/15/2026	1,935,000	4.250%							
2/15/2027	2,105,000	4.300%							
2/15/2028	2,290,000	4.375%							
2/15/2029	2,495,000	4.375%							
2/15/2030	2,655,000	4.375%							
2/15/2031	2,785,000	4.375%							
2/15/2032	2,905,000	4.375%							

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Long-Term Debt
 Statement of Serial Bonds
 June 30, 2015

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>	
			<u>Date</u>	<u>Amount</u>						
(Continued from prior page)										
Refunding of Additions and Renovations Bond issue (original issue 7/15/97)	4/17/2012	12,130,000	7/15/2015	845,000	3.000%					
			7/15/2016	875,000	4.000%					
			7/15/2017	915,000	4.000%					
			7/15/2018	955,000	4.000%					
			7/15/2019	1,000,000	4.000%					
			7/15/2020	1,050,000	4.500%					
			7/15/2021	1,105,000	5.000%					
			7/15/2022	1,165,000	5.000%					
			7/15/2023	1,225,000	5.000%					
			7/15/2024	1,300,000	5.000%			11,255,000	-	820,000
Refunding of Additions and Renovations Bond issue (original issue 3/9/05)		6,625,000	7/15/2015	45,000	3.000%					
			7/15/2025	1,540,000	4.000%					
			7/15/2026	1,610,000	4.000%					
			7/15/2027	1,675,000	4.000%					
			7/15/2028	1,755,000	4.000%			-	6,625,000	-
						<u>\$ 48,250,000</u>	<u>\$ 6,625,000</u>	<u>\$ 8,625,000</u>	<u>\$ 46,250,000</u>	

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Obligations Under Capital Leases
 Year Ended June 30, 2015

<u>Purpose</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original</u>		<u>Interest Rate</u>	<u>Balance 06/30/14</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 06/30/15</u>
			<u>Principal</u>	<u>Interest</u>					
Equipment	11/10/2009	5 Years	\$ 776,000	\$ 81,709	2.00%	\$ 169,000	-	169,000	\$ -
Equipment	10/20/2011	5 Years	\$ 544,000	\$ 56,253	2.00%	340,000	-	109,000	231,000
Equipment	9/24/2013	5 Years	\$ 350,000	\$ 49,644	various	350,000	-	65,000	285,000
Equipment	6/25/2014	5 Years	\$ 279,617	\$ 8,084	1.37%	279,617	-	56,606	223,011
						<u>\$ 1,138,617</u>	<u>-</u>	<u>399,606</u>	<u>\$ 739,011</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative Final to Actual)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,418,018	\$ -	\$ 3,418,018	\$ 3,418,018	\$ -
State Sources:					
Debt Service Aid Type II	39,322	-	39,322	39,322	-
Total - State Sources	39,322	-	39,322	39,322	-
Total Revenues	3,457,340	-	3,457,340	3,457,340	-
EXPENDITURES:					
Regular Debt Service:					
Interest	2,087,340	-	2,087,340	2,087,340	-
Redemption of Principal	1,370,000	-	1,370,000	1,370,000	-
Total Regular Debt Service	3,457,340	-	3,457,340	3,457,340	-
Total expenditures	3,457,340	-	3,457,340	3,457,340	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources (uses):					
Bond premium	-	-	-	887,675	(887,675)
Bond refunding costs	-	-	-	(99,078)	99,078
Interest on bond payoff	-	-	-	(158,597)	158,597
Payoff old bonds	-	-	-	(7,255,000)	7,255,000
Issue new bonds	-	-	-	6,625,000	(6,625,000)
Operating transfer in	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ -	-	\$ -	\$ -	\$ -

STATISTICAL SECTION

**Freehold Township School District
Statistical Section**

Contents**Pages****Financial Trends****99-103**

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

Revenue Capacity**104-107**

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

Debt Capacity**108-111**

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information**112-113**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information**114-119**

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

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

Freehold Township School District
Net Assets/ Position by Component
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2006	2007	2008	2012	2013	2014	2015
Governmental activities							
Net investment in capital assets	\$ 10,362,081	\$ 9,193,571	\$ 7,708,309	\$ 6,435,070	\$ 5,868,706	\$ 3,478,290	\$ 2,618,410
Restricted	4,130,962	6,424,392	7,018,644	7,834,549	7,786,350	5,574,187	5,227,613
Unrestricted	36,859	111,167	702,906	125,150	620,891	3,629,137	(24,135,848)
Total governmental activities net assets/position	\$ 14,529,902	\$ 15,729,130	\$ 15,429,859	\$ 14,394,769	\$ 14,275,947	\$ 12,681,614	\$ (16,289,825)
Business-type activities							
Net investment in capital assets	\$ 1,528	\$ 1,169	\$ 16,335	\$ 10,950	\$ 8,500	\$ 7,517	\$ 20,068
Restricted	-	-	-	-	-	-	-
Unrestricted	92,106	94,995	82,419	118,442	21,385	75,648	123,645
Total business-type activities net assets/position	\$ 93,634	\$ 96,164	\$ 98,754	\$ 129,392	\$ 29,885	\$ 83,165	\$ 143,713
District-wide							
Net investment in capital assets	\$ 10,363,609	\$ 9,194,740	\$ 7,724,644	\$ 6,446,020	\$ 5,877,206	\$ 3,485,807	\$ 2,638,478
Restricted	4,130,962	6,424,392	7,018,644	7,834,549	7,786,350	5,574,187	5,227,613
Unrestricted	128,965	206,162	785,325	243,592	642,276	3,704,785	(24,012,203)
Total district net assets/position	\$ 14,623,536	\$ 15,825,294	\$ 15,528,613	\$ 14,524,161	\$ 14,305,832	\$ 12,764,779	\$ (16,146,112)

Freehold Township School District
Changes in Net Assets/Position
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,						
	2006	2007	2008	2012	2013	2014	2015
Expenses							
Governmental activities							
Instruction							
Regular	\$ 17,212,141	\$ 16,781,066	\$ 17,121,314	\$ 16,967,321	\$ 17,928,224	\$ 19,419,697	\$ 19,688,421
Special education	3,916,987	4,280,593	5,151,862	7,760,459	8,099,430	8,387,187	8,728,826
Other special education	1,086,846	857,762	1,132,928	1,118,409	1,351,171	1,405,281	1,266,482
Support Services:							
Instruction	2,058,265	2,572,438	2,472,231	2,154,962	1,468,708	1,264,988	1,229,804
Health services	510,633	549,783	668,865	636,295	624,192	690,829	732,481
Other support services	3,826,431	3,808,856	4,527,393	5,058,531	5,844,845	6,089,565	6,201,535
Educational media services	691,143	661,682	747,457	479,578	465,749	443,356	468,406
Instruction staff training	273,857	182,465	136,513	76,656	72,206	65,385	120,970
General administration	798,491	822,372	874,137	788,052	849,568	859,196	983,082
School administrative services	1,823,902	1,760,649	1,905,401	1,975,788	2,035,946	2,105,775	2,224,721
Central services	692,457	659,966	711,611	739,690	733,475	766,629	731,794
Plant operations and maintenance	6,462,881	7,101,527	7,503,164	6,746,080	6,868,380	7,610,419	7,731,436
Care & upkeep of grounds	-	-	-	274,790	225,360	199,820	260,084
Security	-	-	-	-	-	21,975	38,099
Administrative information technolc	645,476	816,708	710,567	561,690	725,710	728,490	970,428
Pupil transportation	2,604,881	3,646,404	4,729,358	3,372,461	3,466,345	3,814,473	3,602,705
Special schools	278,000	300,000	177,658	8,812	6,634	16,514	-
Transfer to charter school	-	-	-	17,026	-	-	-
Interest on long-term debt	2,736,766	2,454,446	2,505,772	2,381,534	1,967,046	2,052,121	2,028,666
Unallocated employee benefits	9,812,499	10,319,400	12,231,548	14,713,885	15,084,741	14,810,078	15,520,745
Non-budgeted expenditures	3,227,460	3,340,257	5,206,363	4,283,874	5,355,028	4,938,450	4,699,742
Total governmental activities expenses	58,659,116	60,916,374	68,514,142	70,115,893	73,172,758	75,690,228	77,228,427
Business-type activities:							
Food service	1,011,892	1,034,551	1,058,446	956,840	1,027,533	896,916	969,567
Total business-type activities expense	1,011,892	1,034,551	1,058,446	956,840	1,027,533	896,916	969,567
Total district expenses	\$ 59,671,008	\$ 61,950,925	\$ 69,572,588	\$ 71,072,733	\$ 74,200,291	\$ 76,587,144	\$ 78,197,994
Program Revenues							
Governmental activities:							
Charges for services:							
Instruction (tuition)	\$ 3,359	\$ -	\$ -	\$ 164,972	\$ 350,386	\$ 180,214	\$ 211,413
Pupil transportation	-	-	-	-	-	245,249	283,042
Operating grants and contributions	3,227,460	3,340,257	5,206,363	4,283,874	5,355,028	4,938,450	4,699,742
Total governmental activities program reve	3,230,819	3,340,257	5,206,363	4,448,846	5,705,414	5,363,913	5,194,197
Business-type activities:							
Charges for services							
Food service	862,485	837,340	837,999	735,708	660,219	669,462	723,824
Operating grants and contributions	189,101	199,741	223,037	249,885	267,807	280,734	306,291
Total business type activities program rev	1,051,586	1,037,081	1,061,036	985,593	928,026	950,196	1,030,115
Total district program revenues	\$ 4,282,405	\$ 4,377,338	\$ 6,267,399	\$ 5,434,439	\$ 6,633,440	\$ 6,314,109	\$ 6,224,312
Net (Expense)/Revenue							
Governmental activities	\$ (55,428,297)	\$ (57,576,117)	\$ (63,307,779)	\$ (65,667,047)	\$ (67,467,344)	\$ (70,326,315)	\$ (72,034,230)
Business-type activities	39,694	2,530	2,590	28,753	(99,507)	53,280	60,548
Total district-wide net expense	\$ (55,388,603)	\$ (57,573,587)	\$ (63,305,189)	\$ (65,638,294)	\$ (67,566,851)	\$ (70,273,035)	\$ (71,973,682)
General Revenues and Other Changes in Net Assets/Position							
Governmental activities:							
Property taxes levied for general purp	\$ 46,409,730	\$ 49,976,081	\$ 52,264,040	\$ 56,734,169	\$ 57,446,816	\$ 58,589,742	\$ 60,383,969
Taxes levied for debt service	3,218,058	3,144,916	3,263,588	3,449,149	3,312,772	3,365,692	3,418,018
Unrestricted grants and contributions	5,553,022	5,445,882	5,588,942	4,409,843	4,815,481	5,022,916	5,011,977
Restricted federal and state aid	-	-	-	190,864	4,644	11,894	46,397
Payments in lieu of taxes	1,321,020	945,493	1,357,330	1,363,672	1,349,981	1,360,397	1,330,508
Investment earnings	239,933	361,229	370,205	15,245	1,639	1,518	606
Miscellaneous income	41,650	61,744	164,403	210,398	417,189	379,823	626,384
Total governmental activities	56,783,413	59,935,345	63,008,508	66,373,340	67,348,522	68,731,982	70,817,859
Business-type activities:							
Investment earnings	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-
Total district-wide	\$ 56,783,413	\$ 59,935,345	\$ 63,008,508	\$ 66,373,340	\$ 67,348,522	\$ 68,731,982	\$ 70,817,859
Change in Net Assets/Position							
Governmental activities	\$ 1,355,116	\$ 2,359,228	\$ (299,271)	\$ 706,293	\$ (118,822)	\$ (1,594,333)	\$ (1,216,371)
Business-type activities	39,694	2,530	2,590	28,753	(99,507)	53,280	60,548
Total district	\$ 1,394,810	\$ 2,361,758	\$ (296,681)	\$ 735,046	\$ (218,329)	\$ (1,541,053)	\$ (1,155,823)

Freehold Township School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2006	2007	2011	2012	2013	2014	2015
General Fund							
Reserved	\$ 3,289,001	\$ 6,097,183	\$ 5,124,013	\$ 7,622,450	\$ 7,786,350	\$ 5,003,747	\$ 5,077,533
Unreserved	1,061,881	1,086,334	2,123,205	1,699,768	1,610,980	1,080,496	513,905
Total general fund	<u>\$ 4,350,882</u>	<u>\$ 7,183,517</u>	<u>\$ 7,247,218</u>	<u>\$ 9,322,218</u>	<u>\$ 9,397,330</u>	<u>\$ 6,084,243</u>	<u>\$ 5,591,438</u>
All Other Governmental Funds							
Reserved	\$ 841,961	\$ 327,209	\$ 1,237,000	\$ 212,101	\$ -	\$ 570,440	\$ 150,080
Unreserved, reported in:							
Special revenue fund	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 841,961</u>	<u>\$ 327,209</u>	<u>\$ 1,237,000</u>	<u>\$ 212,101</u>	<u>\$ -</u>	<u>\$ 570,440</u>	<u>\$ 150,080</u>

Freehold Township School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 49,627,788	\$ 53,120,997	\$ 55,527,628	\$ 56,341,417	\$ 58,847,172	\$ 58,887,862	\$ 60,183,318	\$ 60,759,588	\$ 61,955,434	\$ 63,801,987
Tuition charges	3,359	-	-	70,615	74,213	5,110	121,431	244,773	180,214	211,413
Interest earnings	239,933	361,229	370,205	156,725	41,493	18,692	15,245	1,639	1,518	606
Miscellaneous	41,650	61,744	164,403	206,007	240,783	232,848	210,398	417,189	379,823	626,384
Transportation fees	-	-	-	-	121,992	25,218	43,541	105,613	245,249	283,042
State sources	8,851,059	8,639,099	11,020,925	10,078,133	8,807,607	7,817,815	8,740,386	10,216,029	9,998,352	9,938,008
Federal sources	1,250,443	1,092,533	1,131,710	1,102,655	1,911,290	1,764,056	1,507,867	1,309,105	1,335,305	1,150,616
Total revenue	60,014,232	63,275,602	68,214,871	67,955,552	70,044,550	68,751,601	70,822,186	73,053,936	74,095,895	76,012,056
Expenditures										
Instruction										
Regular instruction	17,212,141	16,781,066	17,121,314	17,411,815	18,325,288	16,766,651	16,967,321	17,928,224	19,419,697	19,688,421
Special education instruction	3,916,987	4,280,593	5,151,862	6,138,006	6,764,491	6,618,571	7,760,459	8,099,430	8,387,187	8,728,826
Other special instruction	1,086,846	857,762	1,132,928	1,178,085	1,051,618	935,634	1,118,409	1,351,171	1,405,281	1,266,482
Support Services:										
Tuition	2,058,265	2,572,438	2,472,231	2,975,952	2,707,378	2,510,459	2,154,962	1,468,708	1,264,988	1,229,804
Student & inst. related services	1,475,633	1,393,930	1,552,835	1,619,848	1,591,993	1,231,035	1,192,529	1,162,147	1,199,570	1,321,857
General administration	798,491	822,372	874,137	938,678	906,972	783,530	788,052	849,568	859,196	983,082
School administrative services	1,823,902	1,760,649	1,905,401	1,892,484	1,905,909	1,891,199	1,975,788	2,035,946	2,105,775	2,224,721
Central services	692,457	659,966	711,611	732,698	762,903	716,620	739,690	733,475	766,629	731,794
Admin. information technology	645,476	816,708	710,567	762,397	687,139	522,942	561,690	725,710	728,490	970,428
Plant operations and maintenance	4,820,800	5,113,975	5,209,977	5,455,180	5,189,461	5,038,583	4,547,690	4,546,489	5,220,809	5,297,196
Pupil transportation	4,167,716	4,273,704	4,089,304	3,982,569	3,923,154	3,475,591	3,372,461	3,466,345	3,814,473	3,602,705
Other Support Services	3,826,431	3,808,856	4,527,393	4,842,689	5,255,099	4,936,401	5,058,531	5,844,845	6,089,565	6,201,535
Care & upkeep of grounds	-	-	-	-	269,162	301,312	274,790	-	225,360	260,084
Security	-	-	-	-	-	-	-	-	21,975	38,099
Employee benefits	9,879,042	10,369,255	12,023,947	12,999,174	13,911,739	14,686,799	14,397,301	15,061,040	14,703,141	15,258,401
Non-budgeted expenditures	3,227,460	3,340,257	5,206,363	3,250,119	3,511,005	3,509,504	4,283,874	5,355,028	4,938,450	4,699,742
Transfer to charter school	-	-	-	-	-	-	17,026	-	-	-
Special Schools	278,000	300,000	177,658	17,236	18,793	15,266	8,812	6,634	16,514	-
Capital outlay	1,211,792	613,817	640,054	515,727	805,185	688,248	1,060,584	975,065	2,296,167	964,704
Debt service:										
Principal	31,458,000	750,000	820,000	915,000	985,000	1,060,000	1,150,000	1,310,000	1,270,000	1,370,000
Interest and other charges	2,659,369	2,442,371	2,493,697	2,464,679	2,430,317	2,388,516	2,342,116	2,045,740	2,130,815	2,087,340
Total expenditures	91,238,808	60,957,719	66,821,279	68,092,336	71,002,606	68,076,861	69,772,085	73,190,925	76,838,542	76,925,221
Excess (Deficiency) of revenues over (under) expenditures	(31,224,576)	2,317,883	1,393,592	(136,784)	(958,056)	674,740	1,050,101	(136,989)	(2,742,647)	(913,165)
Other Financing sources (uses)										
Proceeds from borrowing	31,035,000	-	-	-	-	-	(13,310,000)	-	-	(7,255,000)
Proceeds from refunding	-	-	-	-	-	-	12,130,000	-	-	6,625,000
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
State school building aid - Section 15 g	-	-	-	-	-	-	-	-	-	-
Premium and costs for bond issuance	(178,042)	-	-	-	-	-	1,180,000	-	-	630,000
Accrued interest	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	570,442	-
Transfers out	-	-	-	-	-	-	-	-	(570,442)	-
Costs of issuance	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	30,856,958	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (367,618)	\$ 2,317,883	\$ 1,393,592	\$ (136,784)	\$ (958,056)	\$ 674,740	\$ 1,050,101	\$ (136,989)	\$ (2,742,647)	\$ (913,165)
Debt service as a percentage of noncapital expenditures	37.90%	5.29%	5.01%	5.00%	4.87%	5.12%	5.08%	4.65%	4.56%	4.55%
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										

Freehold Township School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years

UNAUDITED

(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Sale of Capital Assets	Donations	Rentals	Prior Year Refunds	Sale and Leaseback of Textbooks	Miscellaneous	Annual Totals
2006	-	-	-	-	-	41,650	41,650
2007	-	-	-	-	-	49,583	49,583
2008	-	-	-	-	-	72,945	72,945
2009	-	-	-	-	-	165,928	165,928
2010	-	-	-	-	-	155,267	155,267
2011	-	-	-	-	-	172,515	172,515
2012	-	-	-	-	-	108,823	108,823
2013	-	-	-	-	-	191,295	191,295
2014	69,300	-	81,539	-	-	39,103	189,942
2015	150,000	-	84,602	-	-	280,864	515,466

Source: District records

Freehold Township School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2006	66,615,000	2,096,875,500	15,635,600	1,779,600	636,922,000	78,428,200	30,958,400	2,927,214,300	-	48,144,874	2,975,359,174	1.634	4,663,434,469
2007	65,790,600	2,146,671,100	15,123,200	1,726,900	642,767,600	79,946,600	30,948,600	2,982,974,600	-	42,025,816	3,025,000,416	1.722	5,391,727,021
2008	49,811,400	2,205,318,600	14,730,600	1,764,500	633,230,100	71,697,200	30,948,600	3,007,501,000	-	36,970,360	3,044,471,360	1.791	6,037,954,660
2009	43,886,000	2,245,621,400	14,932,600	1,700,500	644,466,200	74,628,300	30,165,900	3,055,400,900	-	32,780,996	3,088,181,896	1.792	6,427,750,216
2010	95,225,000	4,529,646,900	30,709,200	1,670,000	1,341,345,700	154,573,100	64,320,400	6,217,490,300	-	68,077,410	6,285,567,710	0.922	6,734,691,283
2011	79,832,500	4,549,534,600	30,233,300	1,654,900	1,291,205,600	154,573,100	61,500,000	6,168,534,000	-	49,220,887	6,217,754,887	0.936	6,647,432,225
2012	69,363,900	4,551,925,900	31,282,000	1,541,900	1,247,563,400	154,791,300	61,500,000	6,117,968,400	-	41,218,304	6,159,186,704	0.966	6,427,603,681
2013	67,931,000	4,548,659,400	32,524,700	1,509,700	1,245,930,300	156,782,100	61,500,000	6,114,837,200	-	-	6,114,837,200	0.983	6,197,354,750
2014	56,004,900	3,949,909,700	28,280,200	1,466,400	1,243,834,300	146,521,200	60,794,300	5,486,811,000	-	-	5,486,811,000	1.117	5,873,438,863
2015	50,881,700	3,955,292,200	27,666,200	1,440,900	1,239,936,400	146,563,700	60,794,300	5,482,575,400	-	-	5,482,575,400	1.151	5,837,654,006

Source: District records and Monmouth County Board of Taxation

Freehold Township School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
UNAUDITED
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Freehold Township School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Freehold Regional School District	Freehold Township	Monmouth County	
2006	1.526	0.108	1.634	0.662	0.419	0.540	3.255
2007	1.619	0.104	1.723	0.700	0.439	0.541	3.403
2008	1.651	0.107	1.758	0.700	0.439	0.541	3.438
2009	1.684	0.107	1.791	0.707	0.475	0.523	3.496
2010	0.869	0.053	0.922	0.373	0.265	0.282	1.842
2011	0.882	0.054	0.936	0.39	0.28	0.286	1.892
2012	0.911	0.055	0.966	0.399	0.304	0.291	1.960
2013	0.929	0.054	0.983	0.411	0.324	0.292	2.010
2014	1.057	0.061	1.117	0.471	0.378	0.327	2.293
2015	1.089	0.062	1.151	0.48	0.388	0.33	2.349

Source: District Records and Municipal Tax Collector

**Freehold Township School District
Principal Property Tax Payers,
Current Year and Nine Years Ago
UNAUDITED**

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Freemall Associates, LLC	\$ 332,160,500	1	6.05%	\$ 154,401,000	1	5.19%
Freehold Financing LLC Avalon Bay	53,393,900	2	0.97%	25,065,900	3	0.84%
Iron Mountain Info. Mgmt., LLC	47,490,700	3	0.87%	17,500,000	7	0.55%
Freemall Associates (Formerly Lowes Theater	32,964,200	4	0.60%	-	10	0.42%
Center for Aging DBA/Applewood Estates	30,000,000	5	0.55%	19,489,500	6	0.66%
New Jersey Bell Telephone Co	-		0.00%	23,106,000	5	0.78%
Raintree Towne Center Assoc. LP	24,341,400	7	0.44%	14,500,000	9	0.49%
Freehold Shopping Associates	24,191,700	8	0.44%	-		0.00%
Wal-Mart Real Estate Business Trust	23,164,000	10	0.42%	-		0.00%
Macy's East, Inc.	26,034,200	6	0.47%	24,897,800	4	0.84%
Verizon	-		0.00%	42,025,816	2	1.62%
Nordstrom	-		0.00%	14,257,000	10	0.48%
JDN Real Estate	-		0.00%	14,761,800	8	0.00%
Ronardi Freehold Enterprises	23,597,200	9	0.43%	-		0.00%
Total	\$ 617,337,800		11.25%	350,004,816		11.87%

Source: District CAFR & Municipal Tax Assessor

**Freehold Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	49,697,788	49,697,788	100.00%	-
2007	53,120,997	53,120,997	100.00%	-
2008	55,527,628	55,527,628	100.00%	-
2009	56,341,417	56,341,417	100.00%	-
2010	58,847,172	58,847,172	100.00%	-
2011	58,887,862	58,887,862	100.00%	-
2012	60,183,318	60,183,318	100.00%	-
2013	60,759,588	60,759,588	100.00%	-
2014	61,955,434	61,955,434	100.00%	-
2015	63,801,987	63,801,987	100.00%	-

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

Freehold Township School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	<u>Governmental Activities</u>				<u>Business- Type Activities</u>	
	<u>General Obligation Bonds</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Bond Anticipation Notes (BANs)</u>	<u>Capital Leases</u>	<u>Total District</u>
2006	56,530,000	n/a	979,535	n/a	n/a	57,509,535
2007	55,780,000	n/a	-	n/a	n/a	55,780,000
2008	56,120,000	n/a	-	n/a	n/a	56,120,000
2009	55,205,000	n/a	-	n/a	n/a	55,205,000
2010	54,220,000	n/a	776,000	n/a	n/a	54,996,000
2011	53,160,000	n/a	641,000	n/a	n/a	53,801,000
2012	52,010,000	n/a	1,031,000	n/a	n/a	53,041,000
2013	49,520,000	n/a	776,000	n/a	n/a	50,296,000
2014	48,250,000	n/a	1,155,617	n/a	n/a	49,405,617
2015	46,250,000	n/a	751,617	n/a	n/a	47,001,617

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

**Freehold Township School District
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 UNAUDITED**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	56,530,000	-	56,530,000	1.87%	\$ 1,656
2007	55,780,000	-	55,780,000	1.83%	\$ 1,643
2008	56,120,000	-	56,120,000	1.82%	\$ 1,609
2009	55,205,000	-	55,205,000	0.88%	\$ 1,590
2010	54,220,000	-	54,220,000	0.87%	\$ 1,568
2011	53,160,000	-	53,160,000	0.86%	\$ 1,469
2012	52,010,000	-	52,010,000	0.85%	\$ 1,436
2013	49,520,000	-	49,520,000	0.81%	\$ 1,372
2014	48,250,000	-	48,250,000	0.88%	\$ 1,333
2015	46,250,000	-	46,250,000	0.78%	\$ 1,278

Freehold Township School District
 Ratios of Overlapping Governmental Activities Debt
 As of June 30, 2015
 UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Freehold Township	\$34,560,855	100.000%	\$34,560,855
Other debt			
Water Sewer System	13,925,000	100.000%	13,925,000
Freehold Regional High School	23,540,000	19.935%	4,692,777
Manasquan River Regional Sewerage Authority	4,990,000	39.384%	1,965,267
Monmouth County	428,759,490	5.317%	<u>22,796,413</u>
Subtotal, overlapping debt			77,940,312
Freehold Township School District Direct Debt			<u>48,250,000</u>
Total direct and overlapping debt			<u><u>\$ 126,190,312</u></u>

Sources: Freehold Township Finance Officer, Monmouth County Finance Office
 and Utility Authorities

**Freehold Township School District
Legal Debt Margin Information,
Last Ten Fiscal Years
UNAUDITED**

Equalized valuation basis	
2015	\$ 5,482,575,400
2014	5,486,811,000
2013	6,114,837,200
[A]	<u>\$ 17,084,223,600</u>
[A/3]	\$ 5,694,741,200
[B]	170,842,236 ^a
[C]	-
[B-C]	<u>\$ 170,842,236</u>

	Fiscal Year						
	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 194,773,177	\$ 135,475,345	\$ 199,751,382	\$ 192,723,907	\$ 170,842,236	\$ 179,084,476	\$ 170,842,236
Total net debt applicable to limit	<u>55,205,000</u>	<u>54,220,000</u>	<u>53,160,000</u>	<u>52,010,000</u>	<u>50,000,000</u>	<u>48,250,000</u>	<u>46,250,000</u>
Legal debt margin	<u>\$ 139,568,177</u>	<u>\$ 81,255,345</u>	<u>\$ 146,591,382</u>	<u>\$ 140,713,907</u>	<u>\$ 120,842,236</u>	<u>\$ 130,834,476</u>	<u>\$ 124,592,236</u>
Total net debt applicable to the limit as a percentage of debt limit	28.34%	40.02%	26.61%	26.99%	29.27%	26.94%	27.07%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

^a Limit set by NJS A:24-19 for a K through 8 district; other % limits would be applicable for other districts

**Freehold Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years
UNAUDITED**

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2006	33,953	-	-	3.5%
2007	33,953	-	-	3.3%
2008	34,875	-	-	4.1%
2009	34,730	-	-	4.2%
2010	34,589	-	-	7.5%
2011	36,184	-	-	7.7%
2012	36,219	-	-	8.2%
2013	36,806	-	-	7.0%
2014	36,184	-	-	5.0%
2015	35,812	-	-	4.7%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income not available by municipality.

^c Per Capita Income not available by municipality

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

Freehold Township School District
Principal Employers,
Current Year and Nine Years Ago
UNAUDITED

Employer	2015			2006		
	Employees	Rank (Optional)	Percentage of Total Employment ^b	Employees	Rank (Optional)	Percentage of Total Employment ^b
CentraState Medical Center	2,027	1	10.65%	1,802	1	10.12%
YMCA of Freehold	897	2	4.71%			
Center for Aging	552	3	2.90%	444	2	2.49%
Nordstrom	325	4	1.71%	397	5	2.23%
iPlay America, Inc.	296	5	1.55%			
IVC Industries, Inc.	280	6	1.47%	290	6	1.63%
Shore Point Distributing Co., Inc.	266	7	1.40%			
Macy's	250	8	1.31%	250	7	1.40%
Verizon	246	9	1.29%	431	3	2.42%
Sam's Club	224	10	1.18%	250		1.40%
Asbury Park Press				400	4	2.25%
Sears				225	9	1.26%
Nestle-Hills Coffee, Inc.				189	10	1.06%
	<u>5,363</u>		<u>28.17%</u>	<u>4,678</u>		<u>26.28%</u>

Source: Freehold Township Official Statement

^b Total labor force provided by U.S. Department of Labor, Bureau of Labor Statistics

Freehold Township School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years
UNAUDITED

<u>Function/Program</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>
Instruction								
Regular	295	284	277	271	271	282	298	295
Special education	153	186	187	195	191	200	214	221
Other special education	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-
Support Services:								
Tuition	-	-	-	-	-	-	-	-
Student & instruction related service:	89	67	72	66	69	80	82	84
General administrative services	5	5	5	4	4	4	4	4
School administrative services	25	24	24	24	30	29	26	27
Business administrative services	16	16	17	14	14	15	14	15
Plant operations and maintenance	74	73	71	75	73	75	67	82
Pupil transportation	90	92	89	66	71	67	72	69
Special Schools	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-
Total	<u>747</u>	<u>747</u>	<u>742</u>	<u>715</u>	<u>723</u>	<u>752</u>	<u>777</u>	<u>797</u>

Source: District Personnel Records

Freehold Township School District
Operating Statistics
Last Ten Fiscal Years
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2006	4,653	55,328,818	11,891	1.02%	323	17:01	25:01	4,658	4,447	0.76%	95.50%
2007	4,652	57,463,173	12,352	3.88%	272	17:01	25:01	4,629	4,418	-0.62%	95.50%
2008	4,622	61,739,327	13,358	8.14%	332	17:01	24:01	4,622	4,428	-0.15%	95.80%
2009	4,512	62,143,910	13,773	3.11%	405	17:01	25:01	4,521	4,330	-2.23%	95.78%
2010	4,500	64,942,806	14,432	4.78%	341	17:01	24:01	4,500	4,312	-0.46%	95.82%
2011	4,375	61,778,766	14,121	-2.15%	338	17:01	25:01	4,365	4,170	-3.00%	95.53%
2012	4,276	62,963,967	14,725	4.28%	308	17:01	20:01	4,271	4,099	-2.15%	95.97%
2013	4,170	64,431,299	15,451	4.93%	353	17:01	16:01	4,155	3,970	-2.72%	95.55%
2014	4,042	66,902,931	16,552	7.13%	354	17:01	14:01	4,050	3,881	-2.53%	95.83%
2015	3,937	69,359,914	17,617	14.02%	367	11:01	10:01	3,921	3,748	-5.63%	95.59%

Sources: District records and Schedules J-12, J-14

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1

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

Freehold Township School District
School Building Information
Last Ten Fiscal Years
UNAUDITED

	2008	2009	2010	2011	2012	2013	2014	2015
District Building^a								
Early Learning Center								
Early Childhood Learning Center (1936) ^b								
Square Feet	37156	37156	37156	37156	37156	37156	37156	37156
Capacity (students)	127	127	127	127	127	127	127	127
Enrollment ^b	79	83	83	101	115	121	114	114
Elementary								
Joseph J. Catena (1951)								
Square Feet	76,045	76,045	76,045	76,045	76,045	76,045	76,045	76,045
Capacity (students)	633	633	633	633	633	633	633	633
Enrollment	602	561	561	518	492	491	511	511
C. Richard Applegate (1972)								
Square Feet	81,963	81,963	81,963	81,963	81,963	81,963	81,963	81,963
Capacity (students)	606	606	606	606	606	606	606	606
Enrollment	509	544	544	531	539	541	487	487
Marshall W. Errickson (1972)								
Square Feet	78,130	78,130	78,130	78,130	78,130	78,130	78,130	78,130
Capacity (students)	606	606	606	606	606	606	606	606
Enrollment	611	561	561	546	526	502	468	468
Laura Donovan (1968)								
Square Feet	76,491	76,491	76,491	76,491	76,491	76,491	76,491	76,491
Capacity (students)	653	653	653	653	653	653	653	653
Enrollment	531	537	537	508	485	487	488	488
West Freehold (9/04)								
Square Feet	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Capacity (students)	636	636	636	636	636	636	636	636
Enrollment	595	582	582	553	532	516	522	522
Middle School								
Clifton T. Barkalow (1965)								
Square Feet	110,553	110,553	110,553	110,553	110,553	110,553	110,553	110,553
Capacity (students)	831	831	831	831	831	831	831	831
Enrollment	853	822	822	808	803	763	752	752
Dwight D. Eisenhower (1971)								
Square Feet	114,979	114,979	114,979	114,979	114,979	114,979	114,979	114,979
Capacity (students)	863	863	863	863	863	863	863	863
Enrollment	827	822	822	800	784	749	700	700
Other								
Transportation & Maintenance Offices								
Square Feet	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Number of Schools at June 30, 2014								
Early Learning Center =	1							
Elementary =	5							
Middle School =	2							
Other =	1							

Source: District records, ASSA

^a 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 (ASSA). Only 7 years of data required to be kept.

^b Prior to September 2004, the ECLC housed the West Freehold School. At the time of the ASSA in October 2004, the ECLC population was housed in the Joseph J. Catena & C. Richard Applegate Elementary Schools.

**FREEHOLD TOWNSHIP SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years
UNAUDITED**

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

* School Facilities Project # (s)	Joseph J. Catena Elementary N/A	C. Richard Applegate Elementary N/A	Clifton T. Barkalow Middle School N/A	Dwight D. Eisenhower Middle School N/A	Marshall W. Errickson Elementary N/A	Laura Donovan Elementary N/A	West Freehold Elementary N/A	Early Childhood Learning Center N/A	Total
2006	105,558	96,671	132,076	141,880	92,678	91,544	104,792	60,297	825,496
2007	89,770	128,153	139,890	134,249	125,509	89,471	108,542	47,905	863,489
2008	104,125	112,229	151,348	157,436	106,980	104,736	123,233	50,876	910,964
2009	111,559	120,240	162,153	168,675	114,617	112,213	132,031	54,508	975,996
2010	99,851	107,622	145,136	150,974	102,589	100,437	118,175	48,788	873,572
2011	99,633	107,387	144,819	150,644	102,365	100,217	117,917	48,681	871,662
2012	90,719	97,779	131,862	137,166	93,206	91,251	107,367	44,326	793,676
2013	43,820	47,231	63,694	66,256	45,022	44,077	51,862	21,411	383,372
2014	128,893	138,923	187,348	194,884	132,427	129,649	152,546	62,977	1,127,647
2015	138,630	149,418	201,501	209,606	142,431	139,443	164,070	67,735	1,212,834
Total School Facilities	<u>\$ 1,012,559</u>	<u>\$ 1,105,652</u>	<u>\$ 1,459,827</u>	<u>\$ 1,511,770</u>	<u>\$ 1,057,824</u>	<u>\$ 1,003,038</u>	<u>\$ 1,180,535</u>	<u>\$ 507,504</u>	<u>\$ 8,838,708</u>

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

Source: District records

FREEHOLD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

Company	Type of Coverage	Coverage	Deductible	
American Zurich Insurance	Property			
	Blanket Building & Contents	\$ 173,337,650	\$ 5,000	
	Business Income & Extra Exp.	5,000,000		
	Data Processing Equipment	75,000	Per Building	
	Data & Media	10,000	Per Building	
	Flood	1,015,000	25,000	
	Earthquake	1,000,000		
	Equipment Breakdown (Blanket)	Included		
	Commercial Liability			
	Bodily Injury & Property Damage Each Occurrence	1,000,000		
	General Aggregate	3,000,000		
	Products/Completed Operations	3,000,000		
	Damage to Premises Rented	1,000,000		
	Medical Payments	10,000		
	Personal & Advertising Injury	1,000,000		
	Crime			
	Employee Theft	400,000	5,000	
	Forgery or Alteration	100,000		
	Theft of Money & Securities	25,000	500	
	School Board Legal			
	Limit of Liability	10,000,000	15,000	
	Business Auto			
	Combined Single Limit	1,000,000		
Personal Injury Protection	Statutory			
Medical Payments	5,000			
Uninsured & Underinsured	1,000,000			
Comprehensive Deductible	-	1,000		
Collision Deductible	-	1,000		

Source: District Records

FREEHOLD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

Company	Type of Coverage	Coverage	Deductible
NJSIG	Worker's Compensation Section A Section B	Statutory 200,000/200,000/200,000	
Chubb	Supplemental Worker's Compensation Maximum Benefit Period Waiting Period	52 Weeks 7 days	
McCloskey	Student Accident Maximum Benefit	1,000,000	
Selective	Bonds Business Adm./Board Sec'y.	320,000	
Commerce & Industry Insurance	Environmental Policy Each Incident Aggregate	1,000,000 2,000,000	5,000
Utica Mutual Ins. Co.	Excess Umbrella Limit of Liability Retention	10,000,000 10,000	
Fund Indemnity	CAP Program Each Occurrence Aggregate	50,000,000 50,000,000	

Source: District Records

SINGLE AUDIT SECTION

**INDEPENDENT AUDITORS' 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
Freehold Township School District
County of Monmouth
Freehold, New Jersey 07728

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 activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Freehold Township School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Freehold Township School District basic financial statements, and have issued our report thereon dated November 17, 2015.

Internal Control Over Financial Reporting

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

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

Compliance and Other Matters

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

Respectfully Submitted



Jump, Perry and Company, L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

November 17, 2015

**INDEPENDENT AUDITORS' 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
Freehold Township School District
County of Monmouth
Freehold Township School District, New Jersey 07728

Report on Compliance for Each Major Federal and State Program

We have audited Freehold Township School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 and/or 15-08 that could have a direct and material effect on each of Freehold Township School District's major federal programs for the year ended June 30, 2015. Freehold Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with 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 Freehold Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular(s) 04-04 and/or 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and OMB Circular A-133 and the New Jersey OMB Circular 04-04 and/or 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 and state program occurred. An audit includes examining, on a test basis, evidence about Freehold Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

BRICK OFFICE: 1845 HIGHWAY 88 EAST · BRICK, NJ · 08724 · PHONE (732) 840-1600 · FAX (732) 840-8349

MANAHAWKIN OFFICE: 21 JENNINGS ROAD · MANAHAWKIN, NJ · 08050 · PHONE (609) 978-9500 · FAX (609) 978-9515

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of Freehold Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Freehold Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the New Jersey OMB 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 Freehold Township School District's internal control over compliance.

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

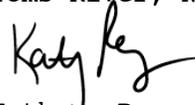
Report on Internal Control Over Compliance (continued)

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 State OMB Circular 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



JUMP, PERRY AND COMPANY, L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

November 17, 2015

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior years' Balances	Deferred Revenue at June 30, 2015	(Accounts Receivable) at June 30, 2015	Due to Grantor at June 30, 2015
General Fund:											
U.S Department of Education Medical Assistance Program	93.778	9/1/14-8/31/15	\$ 46,397	\$ -	\$ -	\$ 46,397	\$ (46,397)	\$ -	\$ -	\$ -	\$ -
				-	-	46,397	(46,397)	-	-	-	-
U.S. Department of Agriculture Passed-through State Department of Education:											
Food Distribution Program	10.550	7/1/14-6/30/15	69,221	-	-	69,221	(69,221)	-	-	-	-
National School Breakfast Program	10.553	7/1/14-6/30/15	9,919	-	-	9,131	(9,919)	-	-	(788)	-
National School Lunch Program	10.555	7/1/14-6/30/15	217,458	-	-	200,014	(217,458)	-	-	(17,444)	-
National School Breakfast Program	10.553	7/1/13-6/30/14	2,921	(662)	-	662	-	-	-	-	-
National School Lunch Program	10.555	7/1/12-6/30/14	211,570	(45,597)	-	45,597	-	-	-	-	-
Total U.S. Department of Agriculture				(46,259)	-	324,625	(296,598)	-	-	(18,232)	-
U.S. Department of Education Passed-through State Department of Education:											
Title I	84.010	7/1/14-6/30/15	126,116	-	-	113,104	(126,116)	-	-	(13,012)	-
Title I	84.010	7/1/13-6/30/14	137,371	(47,172)	-	47,172	-	-	-	-	-
Title II Part A	84.367A	7/1/14-6/30/15	63,135	-	-	57,258	(63,122)	-	-	(5,864)	-
Title II Part A	84.367A	7/1/13-6/30/14	45,447	(4,955)	-	4,955	-	-	-	-	-
Title III	84.365A	7/1/14-6/30/15	15,260	-	-	13,457	(14,904)	-	-	(1,447)	-
Title III	84.365A	7/1/13-6/30/14	15,061	(2,297)	-	2,297	-	-	-	-	-
Title III Immigrant		7/1/14-6/30/15	-	-	-	-	-	-	-	-	-
Title III Immigrant		7/1/13-6/30/14	5,619	(3,230)	-	3,230	-	-	-	-	-
I.D.E.A. Part B Basic Regular	84.027	7/1/13-6/30/14	870,374	(87,685)	-	87,685	-	-	-	-	-
I.D.E.A. Part B Basic Regular	84.027	7/1/14-6/30/15	892,360	-	-	849,627	(892,360)	-	-	(42,733)	-
I.D.E.A. ARRA	84.391	9/1/11-8/31/12	-	-	-	-	-	-	-	-	-
I.D.E.A. ARRA	84.391	9/1/12-8/31/13	-	-	-	-	-	-	-	-	-
I.D.E.A. Part B Preschool	84.173	7/1/14-6/30/15	37,466	-	-	37,466	(37,466)	-	-	-	-
I.D.E.A. Part B Preschool	84.173	7/1/13-6/30/14	38,025	(8,696)	-	8,696	-	-	-	-	-
Total U.S. Department of Education				(154,035)	-	1,224,947	(1,133,968)	-	-	(63,056)	-
Total Expenditures of Federal Awards				\$ (200,294)	\$ -	\$ 1,595,969	\$ (1,476,963)	\$ -	\$ -	\$ (81,288)	\$ -

See accompanying notes to schedules of expenditures.

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Schedule of Expenditures of State Awards
 for the Fiscal Year ended June 30, 2015

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2015	(Accounts Receivable) at June 30, 2015	Due to Grantor at June 30, 2015	Budgetary Receivable	Total Expenditures
State Department of Education													
General Fund:													
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	300,655	-	-	270,594	(300,655)	-	-	-	-	(30,061)	300,655
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	300,655	(30,062)	-	30,062	-	-	-	-	-	-	-
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	2,597,902	-	-	2,354,717	(2,597,903)	-	-	-	-	(243,186)	2,597,903
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	2,597,902	(253,667)	-	253,667	-	-	-	-	-	-	-
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	1,140,072	-	-	1,026,056	(1,140,072)	-	-	-	-	(114,016)	1,140,072
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	1,140,072	(102,810)	-	102,810	-	-	-	-	-	-	-
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	84,658	-	-	76,192	(84,658)	-	-	-	-	(8,466)	84,658
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	84,658	(8,466)	-	8,466	-	-	-	-	-	-	-
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	39,120	-	-	35,208	(39,120)	-	-	-	-	(3,912)	39,120
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	39,120	-	-	35,208	(39,121)	-	-	-	-	(3,913)	-
Extraordinary Aid	15-495-034-5120-044	7/1/14-6/30/15	802,958	-	-	8,775	(802,958)	-	-	(794,183)	-	-	802,958
Extraordinary Aid	14-495-034-5120-044	7/1/13-6/30/14	840,418	(840,418)	-	840,418	-	-	-	-	-	-	-
Nonpublic Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	16,039	-	-	-	(16,039)	-	-	(16,039)	-	-	16,039
Nonpublic Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	19,853	(21,667)	-	21,667	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	15-495-034-5094-003	7/1/14-6/30/15	2,098,179	-	-	1,996,777	(2,098,179)	-	-	(101,402)	-	-	2,098,179
Reimbursed TPAF Social Security Contribution	14-495-034-5095-002	7/1/13-6/30/14	2,087,183	(100,295)	-	100,295	-	-	-	-	-	-	-
Total General Fund				(1,357,385)	-	7,160,912	(7,118,705)	-	-	(911,624)	-	(403,554)	7,079,584
Enterprise Fund:													
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	9,693	-	-	8,919	(9,693)	-	-	(774)	-	-	9,693
State School Lunch Program	14-100-010-3350-023	7/1/13-6/30/14	9,502	(2,051)	-	2,051	-	-	-	-	-	-	-
Total Enterprise Fund				(2,051)	-	10,970	(9,693)	-	-	(774)	-	-	9,693
Debt Service Fund:													
Debt service aid	15-495-034-5120-017	7/1/14-6/30/15	39,322	-	-	39,322	(39,322)	-	-	-	-	-	39,322
Total Debt Service Fund				-	-	39,322	(39,322)	-	-	-	-	-	39,322
Special Revenue Fund:													
N.J. Nonpublic Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	953	-	-	953	-	-	-	-	953	-	-
N.J. Non Public Nursing Aid	15-100-034-5120-070	7/1/14-6/30/15	1,518	-	-	1,518	(86)	-	-	-	1,432	-	86
N.J. Nonpublic Technology Aid	15-100-034-5120-373	7/1/14-6/30/15	512	-	-	512	(471)	-	-	-	41	-	471
Chapter 192/193	15-100-034-5120-068	7/1/14-6/30/15	1,706	-	-	1,706	-	-	-	-	1,706	-	-
Total Special Revenue Fund				-	-	4,689	(557)	-	-	-	4,132	-	557
Total Expenditures of State Awards				(1,359,436)	-	7,215,893	(7,168,277)	-	-	(912,398)	4,132	(403,554)	7,129,156

See accompanying notes to schedules of expenditures.

Freehold Township School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2015

1. General

The accompanying schedules of expenditures of award present the activity of all federal and state awards of the Board of Education of Freehold Township School District. The Board of Education is defined in Note 1(A) to the Board's general purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards 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.

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 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 last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(1,088,728) for the general fund, \$(29,749) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page.

Freehold Township School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2015

3. Relationship to Basic Financial Statements (cont'd)

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>TPAF</u>	<u>Total</u>
General Fund	\$ 46,397	9,711,719	-	(3,681,742)	6,076,374
Special Revenue Fund	1,104,219	557	-	-	1,104,776
Debt Service Fund	-	39,322	-	-	39,322
Capital Projects Fund	-	186,410	-	-	186,410
Food Service Fund	<u>296,598</u>	<u>9,693</u>	<u>-</u>	<u>-</u>	<u>306,291</u>
Total awards and financial assistance	<u>\$ 1,447,214</u>	<u>9,947,701</u>	<u>-</u>	<u>(3,681,742)</u>	<u>\$ 7,713,173</u>

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.

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2015.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 04-04 and/or 15-08.

Freehold Township School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2015

Section I – Summary of Auditor’s Results
Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to general-purpose financial statements noted? yes no

Federal Awards Section

Internal Control over major programs:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? yes no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	I.D.E.A. - Part B
84.173	I.D.E.A. - Part B Preschool

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes no

Freehold Township School District
 Schedule of Finding and Questioned Costs
 June 30, 2015

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

State Awards Section

Dollar threshold used to distinguish between type A and type B programs:
 \$325,501

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

- 1) Material weakness(es) identified? yes X no
 2) Significant deficiencies identified that
 are not considered to be material
 weaknesses? yes X none reported

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

Identification of major programs:

GMIS Number(s)	Name of State Program
	State Aid - Public (Cluster)
495-034-5120-089	Special Education Categorical Aid
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness
495-034-5094-003	Reimbursed TPAF Social Security Contributions

Section II – Financial Statement Findings

No matters were reported for the period ended June 30, 2015.

Prior Year Audit Findings – N/A

Section III – State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2015.

Freehold Township School District
Summary Schedule of Prior Audit Findings
June 30, 2015

There were no prior year findings for the period ended June 30, 2014.