

HOLMDEL SCHOOL DISTRICT

Holmdel, New Jersey

County of Monmouth

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

HOLMDEL SCHOOL DISTRICT

HOLMDEL, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	3
Roster of Officials	5
Consultants and Advisors	7
FINANCIAL SECTION	
Independent Auditor's Report	11
REQUIRED SUPPLEMENTARY INFORMATION – PART I	
Management's Discussion and Analysis	17
BASIC FINANCIAL STATEMENTS	
A. Government-wide Financial Statements:	
A-1 Statement of Net Position	29
A-2 Statement of Activities	30
B. Fund Financial Statements:	
B-1 Balance Sheet	37
B-2 Statement of Revenues, Expenditures & Changes in Fund Balances	38
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balances of Governmental Funds to the Statement of Activities	39
Proprietary Funds:	
B-4 Statement of Net Position	43
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	44
B-6 Statement of Cash Flows	45
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	49
B-8 Statement of Changes in Fiduciary Net Position	50
Notes to Financial Statements	53
REQUIRED SUPPLEMENTARY INFORMATION – PART II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	87
C-1a Combining Schedule of Revenues, Expenditures & Changes in Fund Balance - Budget & Actual (if applicable)	N/A
C-1b Education Jobs Fund Program – Budget & Actual (if applicable)	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	99

	PAGE
Notes to the Required Supplementary Information - PART II	
C-3 Budget-to-GAAP Reconciliation	103
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68):	
L-1 Schedule of the District's Proportiate Share of the Net Pension Liability - PERS	109
L-2 Schedule of the District's Contributions	110
L-3 Schedule of the District's Proportiate Share of the Net Pensions Liability - TPAF	111
Notes to the Required Supplementary Information - PART III	
L-4 Change of Benefit Terms and Assumptions	115
D. School Based Budget Schedules Fund (if applicable):	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures Special Revenue Fund – Budgetary Basis	123
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	127
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	128
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Balance - Budgetary Basis - Renovations of and Additions to Schools, Various Capital Projects and Purchase Furniture and Equipment	129
F-2b Schedule of Project Revenues, Expenditures, Project Balance and Project Balance - Budgetary Basis - MCIA 2007 Capital Equipment Lease	130
F-2c Schedule of Project Revenues, Expenditures, Project Balance and Project Balance - Budgetary Basis - MCIA 2013 Capital Equipment Lease	131
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	137
G-2 Combining Schedule of Revenues, Expenses & Changes in in Fund Net Position	138
G-3 Combining Schedule of Cash Flows	139
Internal Service Fund –	
G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses & Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	145
H-2 Combining Statement of Changes in Fiduciary Net Position	146
H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	147
H-4 Payroll Agency Fund Schedule of Receipts & Disbursements	148
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	151
I-2 Schedule of Obligations Under Capital Leases	152
I-3 Debt Service Fund Budgetary Comparison Schedule	153
I-4 Schedule of Early Retirement Incentive Plan Loans Payable	N/A

TABLE OF CONTENTS (continued):

	PAGE
STATISTICAL SECTION (unaudited)	
Financial Trends:	
J-1 Net Position by Component	159
J-2 Changes in Net Position	160
J-3 Fund Balances – Governmental Funds	162
J-4 Changes in Fund Balances – Governmental Funds	163
J-5 General Fund Other Local Revenue by Source	164
Revenue Capacity:	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	167
J-7 Direct & Overlapping Property Tax Rates	168
J-8 Principal Property Taxpayers	169
J-9 Property Tax Levies & Collections	170
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	173
J-11 Ratios of General Bonded Debt Outstanding	174
J-12 Direct & Overlapping Governmental Activities Debt	175
J-13 Legal Debt Margin Information	176
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	179
J-15 Principal Employers	180
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	183
J-17 Operating Statistics	184
J-18 School Building Information	185
J-19 Schedule of Required Maintenance	186
J-20 Insurance Schedule	187
SINGLE AUDIT SECTION	
K-1 Report on Compliance and on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	191
K-2 Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	193
K-3 Schedule of Expenditures of Federal Awards, Schedule A	197
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	198
K-5 Notes to Schedules of Awards and Financial Assistance	199
K-6 Schedule of Findings and Questioned Costs	201
K-7 Summary Schedule of Prior Audit Findings	205

This page intentionally left blank.

INTRODUCTORY SECTION

This page intentionally left blank.

HOLMDEL TOWNSHIP PUBLIC SCHOOL DISTRICT

"A Commitment to Excellence"



Office of Business Administrator/Board Secretary

65 McCampbell Road
Holmdel, NJ 07733
Tel 732-946-1800
Fax 732-946-1875

December 11, 2015

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

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of principal officials and a list of consultants and advisors. The financial section includes the district-wide and fund financial statements and schedules, as well as the auditor's report and the Management's Discussion and Analysis. The statistical section includes selected financial statements and schedules as well as information generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the State Treasury OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

Respectfully submitted,

Handwritten signature of Barbara Duncan in cursive script.

Barbara Duncan
Superintendent of Schools

Handwritten signature of Michael Petrizzo in cursive script.

Michael Petrizzo
Business Administrator/Board Secretary

This page intentionally left blank.

This page intentionally left blank.

HOLMDEL SCHOOL DISTRICT
Holmdel, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Ana M. Vander Woude, President	2016
Dennis Pavlik, Vice President	2016
Michael Sockol	2016
Chiung-Yin Cheng Liu	2015
Lori Ammirati	2015
Joseph Hammer	2015
Denise Kline	2017
John Martinez	2017
Peter Reddy	2017

OTHER OFFICIALS

Barbara Duncan, Superintendent of Schools

Michael R. Petrizzo, CPA, Business Administrator/Board Secretary

Dr. Robert McGarry, Assistant Superintendent Curriculum and Instruction

Thomas Duane, Assistant Business Administrator/Board Secretary

Mandie Peart, Human Resources Manager

Leon Bruno, Treasurer of School Funds

Michael J. Gross, Solicitor

This page intentionally left blank.

**HOLMDEL SCHOOL DISTRICT
Holmdel, New Jersey**

CONSULTANTS AND ADVISORS

June 30, 2015

ARCHITECT

SSP Architect Group
148 West End Avenue
P.O. Box 758
Somerville, New Jersey 08876

AUDITOR/AUDIT FIRM

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

ATTORNEY

Michael J. Gross
Kenney, Gross, Kovats and Parton
130 Maple Avenue, Building 8
Red Bank, New Jersey 07701

OFFICIAL DEPOSITORY

Bank of America
Hazlet Branch
Route 35
Hazlet, New Jersey 07730

This page intentionally left blank.

FINANCIAL SECTION

This page intentionally left blank.



INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Holmdel Board of Education
County of Monmouth
Holmdel, New Jersey 07733

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

Change in Accounting Principle

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

Other Matters

Required Supplementary Information

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

Other Information

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

The accompanying combining statements and related major fund supporting statements and schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2015 on our consideration of the Holmdel Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Holmdel Board of Education's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Freehold, New Jersey
December 11, 2015

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

This page intentionally left blank.

HOLMDEL TOWNSHIP PUBLIC SCHOOL DISTRICT
HOLMDEL TOWNSHIP

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

UNAUDITED

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

Financial Highlights

Key financial highlights for 2015 are as follows:

- ◆ General revenues accounted for \$55.3 million in revenue or 79.15% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$14.5 million or 20.85% percent to total revenues of \$69.8 million.
- ◆ Total assets and deferred outflows of governmental activities as of June 30, 2015 were \$57.3 million of which cash and cash equivalents represented \$2.9 million, net receivables \$2.3 million and capital assets \$50.3 million.
- ◆ Total net position of governmental activities increased by \$2.4 million.
- ◆ The School District had \$67.3 million in expenses; only \$14.6 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$55.3 million were adequate to provide for these programs.
- ◆ The General Fund had \$57.8 million in revenues and \$57.2 million in expenditures. The General Fund's balance increased approximately \$0.5 million over the 2014-2015 school year.

GASB 68

As described in Note 19 to the financial statements, "Prior Period Adjustment/Restatement of Net Position", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of (\$17,893,541) to a net position of \$19,590,172, as indicated in Note 18 to the financial statements.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-

term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Holmdel Township Public School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

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

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major (all) funds is included in the 2014-15 comprehensive annual financial report as presented by the School District. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School district’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

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

The School District as a Whole

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

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

Table 1
Statement of Net Position

	<u>2015</u>	<u>2014</u>
Assets:		
Current and Other Assets	\$ 6,667,378	\$ 6,389,322
Capital Assets, Net	<u>50,312,575</u>	<u>50,841,955</u>
Total Assets	<u>56,979,953</u>	<u>57,231,277</u>
Deferred Outflows of Resources:		
Deferred Outflow Related to Pensions	1,664,415	-
Unamortized Loss of Early Retirement of Debt	<u>92,475</u>	<u>115,594</u>
Total Assets & Deferred Outflows of Resources	<u>58,736,843</u>	<u>57,346,871</u>
Liabilities:		
Long-Term Liabilities	30,555,616	15,369,053
Other Liabilities	<u>3,902,545</u>	<u>3,381,143</u>
Total Liabilities	<u>34,458,161</u>	<u>18,750,196</u>
Deferred Inflows of Resources:		
Deferred Inflow Related to Pensions	<u>1,063,639</u>	<u>-</u>
Total Liabilities & Deferred Inflows of Resources	<u>35,521,800</u>	<u>18,750,196</u>
Net Position:		
Net Investment in Capital Assets	36,141,575	32,030,461
Restricted	4,024,427	3,229,987
Unrestricted	<u>(16,950,959)</u>	<u>3,336,227</u>
Total Net Position	<u>\$ 23,215,043</u>	<u>\$ 38,596,675</u>

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

Table 2

Changes in Net Position

	<u>2015</u>	<u>2014</u>
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 2,286,231	\$ 1,926,445
Operating & Capital Grants and Contributions	12,274,445	1,316,644
General Revenues:		51,421,761
Property Taxes	52,215,652	7,563,872
Grants Restricted/Not Restricted	2,820,253	480,874
Other	252,828	
Total Revenues	<u>69,849,409</u>	<u>62,709,596</u>
<u>Program Expenses</u>		
Instruction	23,564,118	23,223,017
Support Services:		
Pupils and Instructional Staff	8,814,486	8,688,849
General Administration, School Administration, Business	3,034,512	2,874,740
Operations and Maintenance of Facilities	5,812,803	6,466,333
Pupil Transportation	2,529,060	2,473,004
Interest on Debt	596,009	785,967
Employee Benefits	20,306,796	13,845,065
Food Service and Latchkey	1,797,856	1,492,419
Other	881,860	1,333,877
Total Expenses	<u>67,337,500</u>	<u>61,183,271</u>
Increase in Net Position	<u>\$ 2,511,909</u>	<u>\$ 1,526,325</u>

Governmental Activities

Property taxes made up 75% percent of revenues for governmental activities for the Holmdel Township Public School District for fiscal year 2015. The District's total revenues were \$69.8 million for the fiscal year ended June 30, 2015. Federal, state and local/governmental grants accounted for another 4.04%.

The total cost of all program and services was \$67.3 million. Instruction comprises 35% of total District expenses.

Business-Type Activities

Revenues for the District's business-type activities (food service program, Prime Time, Summer Enrichment and Early Childhood program) were comprised solely of charges for services.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Comparisons to the net cost of services for the 2014/2015 school year are shown in the right hand column in the table.

Table 3

	2015		2014	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 23,564,118	\$ 22,385,788	\$ 23,223,017	\$ 22,151,256
Support Services:				
Pupils & Instructional Staff	8,814,486	8,052,770	8,688,849	8,053,973
General Administration, School Administration, Business	3,034,512	3,034,512	2,874,740	2,874,740
Operation & Maintenance of Facilities	5,812,803	5,812,803	6,466,333	6,466,333
Pupil Transportation	2,529,060	2,529,060	2,473,004	2,473,004
Employee Benefits	20,306,796	9,564,562	13,845,065	13,845,065
Interest and Fiscal Charges	596,009	596,009	785,967	785,967
Other	881,860	881,860	1,333,877	1,333,877
Total Expenses	<u>\$ 65,539,644</u>	<u>\$ 52,857,364</u>	<u>\$ 59,690,852</u>	<u>\$ 57,984,215</u>

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

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

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

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

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

Employee Benefits expenses include benefits for employees including Social Security, pension, unemployment, workmen's compensation, health benefits, tuition reimbursement and others as deemed by the District.

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

Other includes unallocated depreciation and amortization.

The School District's Funds

Information about the School District's major funds is included in the 2014-15 comprehensive annual financial report as presented by the School District. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., General Fund, Special Revenue Fund, Capital Projects and Debt Service Fund presented in the fund-based statements) had total revenues of \$62.3 million and expenditures of \$62.0 million.

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

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2013/14</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 52,870,116	84.89%	\$ 606,611	1.16%
State Sources	8,475,459	13.61%	429,462	5.34%
Federal Sources	936,994	1.50%	130,077	16.10%
Total	\$ 62,282,569	100.00%	\$ 1,166,150	22.60%

The increase in Local Sources is mostly attributable to an increase in local taxes.

The increase in State Sources is mostly attributable to a decrease in On-Behalf Pension and Post-retirement Benefits.

The increase in Federal Sources is attributed to a decrease in federal awards, specifically IDEA and NCLB.

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

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2013/14</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenses:				
Instruction	\$ 23,564,118	38.04%	\$ 341,101	1.47%
Undistributed Expenditures	34,649,237	55.93%	288,001	0.83
Capital Outlay	874,714	1.41%	(208,835)	(19.27)
Debt Service:				
Principal	2,285,000	3.69%	(15,000)	(0.65)
Interest	578,426	0.93%	(104,134)	(15.30)
Total	\$ 61,951,495	100.00%	\$ 301,133	(34.38)

The increase in Current - Instruction is primarily attributed to an increase in home instruction, special services and teacher salaries.

The increase in Current - Undistributed Expenditures is attributed to increased security enhancements for all schools, repairs and maintenance to all schools.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

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

- ◆ Staffing changes based on student needs
- ◆ Increases in tuition for out of district special education placements

While the District's final budget for the General Fund anticipated that revenues and expenditures would roughly equal, the actual results for the year show a \$472,361 increase in surplus funds.

Capital Assets

At the end of the fiscal year 2015, the School District had \$50.3 million invested in land, buildings, furniture and equipment, and vehicles (net of depreciation).

Table 4

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

	<u>2015</u>	<u>2014</u>
Land	\$ 5,122,300	\$ 5,122,300
Construction in Progress	27,205,535.00	26,941,289.00
Site Improvements	1,270,558.00	1,285,625.00
Building & Improvements	15,348,867.00	16,050,815.00
Equipment and Machinery	<u>1,360,301.00</u>	<u>1,433,643.00</u>
Total	<u>\$ 50,307,561</u>	<u>\$ 50,833,672</u>

Debt Administration

At June 30, 2015, the School District had \$33.1 million as outstanding debt. Of this amount \$782,230 is for compensated absences, \$796,000 for capital leases, \$17,847,912 is for net pension liability, and the balance, \$13,375,000, for bonds for school construction.

At June 30, 2015, the School District's overall legal debt margin was \$149,301,626.

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Balance</u>
Partial Refunding of March 15, 2002 Bonds, Various Capital Projects and Purchase of Furniture and Equipment	07/01/05	\$13,415,000	\$ 9,255,000
Refunding of 2003 Bonds	07/25/13	5,415,000	<u>4,120,000</u>
			<u>\$ 13,375,000</u>

For the Future

The Holmdel Township Public School District is in very good financial condition presently. Holmdel Township is primarily a residential community, with comparatively few commercial ratables. Future finances are not without challenges. The School District has mitigated the reliance on local property taxes by increasing revenue through Enterprise Fund initiatives in concert with an energy conservation program which continues to result in savings. Anticipation of the potential for reductions, coupled with a State-mandated tax levy cap, brings even more challenges to funding the School District. The School District is constantly analyzing alternate revenue sources to offset costs.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School district's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Michael R. Petrizzo, CPA, at the Holmdel Township Board of Education, 65 McCampbell Road, Holmdel, NJ 07733, or e-mail at mpetrizzo@holmdelschools.org.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

A. Government-Wide Financial Statements

This page intentionally left blank

HOLMDEL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental <u>Activities</u>	Business -Type <u>Activities</u>	<u>Total</u>
Assets:			
Cash and Cash Equivalents	\$ 2,965,899	\$ 1,342,713	\$ 4,308,612
Receivables, Net	2,340,411	766	2,341,177
Inventory	-	17,589	17,589
Capital Assets, Net (Note 5)	50,307,561	5,014	50,312,575
	<hr/>		
Total Assets	55,613,871	1,366,082	56,979,953
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow Related to Pensions	1,664,415	-	1,664,415
Unamortized Loss on Early Retirement of Debt	92,475	-	92,475
	<hr/>		
Total Deferred Outflow of Resources	1,756,890	-	1,756,890
	<hr/>		
Total Assets and Deferred Outflow of Resources	57,370,761	1,366,082	58,736,843
Liabilities:			
Accounts Payable	164,900	-	164,900
Pensions Payable	828,279	-	828,279
Unearned Revenue	14,805	126,893	141,698
Accrued Interest	156,099	-	156,099
Noncurrent Liabilities (Note 7):			
Due Within One Year	2,611,569	-	2,611,569
Due Beyond One Year	30,555,616	-	30,555,616
	<hr/>		
Total Liabilities	34,331,268	126,893	34,458,161
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	1,063,639	-	1,063,639
	<hr/>		
Total Deferred Inflows of Resources	1,063,639	-	1,063,639
	<hr/>		
Total Liabilities and Deferred Inflows of Resources	35,394,907	126,893	35,521,800
Net Position:			
Net Investment in Capital Assets	36,136,561	5,014	36,141,575
Restricted for:			
Debt Service	(156,098)	-	(156,098)
Capital Projects	46,471	-	46,471
General Fund	4,134,054	-	4,134,054
Unrestricted	(18,185,134)	1,234,175	(16,950,959)
	<hr/>		
Total Net Position	\$ 21,975,854	\$ 1,239,189	\$ 23,215,043
	<hr/>		

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

**HOLMDEL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2015**

Functions/Programs	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities			
GOVERNMENTAL ACTIVITIES								
Instruction:								
Regular	\$ 17,264,938	\$ -	1,178,330	(16,086,608)	\$ -	\$ -	(16,086,608)	
Special Education	4,931,631	-	-	(4,931,631)	-	-	(4,931,631)	
Other Special Instruction	626,652	-	-	(626,652)	-	-	(626,652)	
Other Instruction	740,897	-	-	(740,897)	-	-	(740,897)	
Support Services:								
Tuition	1,091,888	407,835	-	(684,053)	-	-	(684,053)	
Student and Instruction Related Services	7,722,598	-	353,881	(7,368,717)	-	-	(7,368,717)	
General Administration	640,945	-	-	(640,945)	-	-	(640,945)	
School Administrative Services	1,508,715	-	-	(1,508,715)	-	-	(1,508,715)	
Central Services	827,851	-	-	(827,851)	-	-	(827,851)	
Administrative Information Technology	57,001	-	-	(57,001)	-	-	(57,001)	
Plant Operations and Maintenance	5,812,803	-	-	(5,812,803)	-	-	(5,812,803)	
Pupil Transportation	2,529,060	-	-	(2,529,060)	-	-	(2,529,060)	
Employee Benefits	20,306,796	-	10,742,234	(9,564,562)	-	-	(9,564,562)	
Interest and Charges on Long-Term Debt	596,009	-	-	(596,009)	-	-	(596,009)	
Amortization of Loss on Debt Issuance & Bond Premium (Net)	(50,450)	-	-	50,450	-	-	50,450	
Unallocated Depreciation	932,310	-	-	(932,310)	-	-	(932,310)	
Total Government Activities	\$ 65,539,644	\$ 407,835.00	\$ 12,274,445.00	\$ (52,857,364)	\$ -	\$ -	\$ (52,857,364)	

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

**HOLMDEL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2015**

Functions/Programs	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities			
BUSINESS-TYPE ACTIVITIES								
Food Service	\$ 1,372,242	\$ 1,325,674	-	-	\$ (46,568)	\$	(46,568)	(46,568)
Latchkey Program	141,422	181,479	-	-	40,057		40,057	40,057
Summer Enrichment	31,777	23,282	-	-	(8,495)		(8,495)	(8,495)
Early Childhood	252,415	347,961	-	-	95,546		95,546	95,546
Total Business-Type Activities	1,797,856	1,878,396	-	-	80,540	-	80,540	80,540
Total Primary Government	67,337,500	2,286,231	12,274,445	(52,857,364)	80,540	-	(52,776,824)	(52,776,824)
GENERAL REVENUES								
Property Taxes Levied for:								
General Purposes				\$ 49,414,695	\$	-	\$	49,414,695
Debt Service				2,800,957		-		2,800,957
Federal and State Aid Not Restricted				2,714,555		-		2,714,555
Federal and State Aid Restricted				105,698		-		105,698
Miscellaneous Income				207,141		45,687		252,828
Total General Revenues				55,243,046		45,687		55,288,733
Change in Net Position				2,385,682		126,227		2,511,909
Net Position - Beginning, as restated, see Note 18				19,590,172		1,112,962		20,703,134
Net Position - Ending				\$ 21,975,854		\$ 1,239,189		\$ 23,215,043

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

This page intentionally left blank.

Governmental Funds

This page intentionally left blank

B. Fund Financial Statements

This page intentionally left blank

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
Assets:					
Cash and Cash Equivalents	\$ 2,031,093	\$ -	\$ 252,999	\$ 1	\$ 2,284,093
Interfund Receivables	1,265,273	-	-	-	1,265,273
Receivables From Other Governments:					
State	841,980	5,563	105,698	-	953,241
Federal	5,147	202,305	-	-	207,452
Other Receivables	189,746	36,925	3,227	-	229,898
Restricted Cash and Cash Equivalents	904,979	-	-	-	904,979
Total Assets	5,238,218	244,793	361,924	1	5,844,936
Liabilities and Fund Balances:					
Liabilities:					
Cash Deficit	-	223,173	-	-	223,173
Accounts Payable	145,599	2,913	-	-	148,512
Interfund Payables	-	-	315,453	-	315,453
Payable To State Government	-	13,702	-	-	13,702
Other Current Liabilities	2,686	-	-	-	2,686
Unearned Revenue	9,800	5,005	-	-	14,805
Total Liabilities	158,085	244,793	315,453	-	718,331
Fund Balances:					
Restricted:					
Maintenance Reserve	904,979	-	-	-	904,979
Capital Projects Fund	-	-	46,471	-	46,471
Assigned:					
Other Purposes - Year-End					
Encumbrances	268,075	-	-	-	268,075
Designated by BOE for Subsequent					
Year's Expenditures	2,961,000	-	-	1	2,961,001
Unassigned	946,079	-	-	-	946,079
Total Fund Balances	5,080,133	-	46,471	1	5,126,605
Total Liabilities and Fund Balances	\$ 5,238,218	\$ 244,793	\$ 361,924	\$ 1	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$75,692,336 and the accumulated depreciation is \$25,384,775 (See Note 5).	50,307,561
Deferred outflows and inflows of resources related to pensions and deferred charges and/or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	600,776
Long-term liabilities, including bonds payable, net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the fund (See Note 7).	(33,167,185)
Unamortized portion of Loss on Refunding are not reported as an asset in the funds.	92,475
Accrued interest and PERS Pension Payable on long-term liabilities are not reported as liabilities in the Fund.	(984,378)
Net Position of Governmental Activities	\$ 21,975,854

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
Revenues:					
Local Sources:					
Local Tax Levy	\$ 49,414,695	\$ -	\$ -	\$ 2,800,957	\$ 52,215,652
Tuition Charges	407,835	-	-	-	407,835
Miscellaneous	207,141	39,488	-	-	246,629
Total - Local Sources	50,029,671	39,488	-	2,800,957	52,870,116
State Sources	7,771,501	598,260	105,698	-	8,475,459
Federal Sources	42,531	894,463	-	-	936,994
Total Revenues	57,843,703	1,532,211	105,698	2,800,957	62,282,569
Expenditures:					
Current:					
Regular Instruction	16,086,608	1,178,330	-	-	17,264,938
Special Education Instruction	4,931,631	-	-	-	4,931,631
Other Special Instruction	626,652	-	-	-	626,652
Other Instruction	740,897	-	-	-	740,897
Support Services and Undistributed Costs:					
Tuition	1,091,888	-	-	-	1,091,888
Student and Instruction Related Services	7,368,717	353,881	-	-	7,722,598
General Administration	640,945	-	-	-	640,945
School Administrative Services	1,508,715	-	-	-	1,508,715
Central Services	827,851	-	-	-	827,851
Administrative Information Technology	57,001	-	-	-	57,001
Plant Operations and Maintenance	5,812,803	-	-	-	5,812,803
Pupil Transportation	2,529,060	-	-	-	2,529,060
Employee Benefits	14,458,376	-	-	-	14,458,376
Debt Service:					
Interest and Other Charges	-	-	-	578,426	578,426
Principal	-	-	-	2,285,000	2,285,000
Capital Outlay	531,651	-	343,063	-	874,714
Total Expenditures	57,212,795	1,532,211	343,063	2,863,426	61,951,495
Excess/(Deficit) of Revenues Over Expenditures	630,908	-	(237,365)	(62,469)	331,074
Other Financing Sources/(Uses):					
Transfers Out	(158,548)	-	(1)	-	(158,549)
Transfers In	1	-	158,548	-	158,549
Total Other Financing Sources/(Uses)	(158,547)	-	158,547	-	-
Net Change in Fund Balances	472,361	-	(78,818)	(62,469)	331,074
Fund Balance - July 1	4,607,772	-	125,289	62,470	4,795,531
Fund Balance - June 30	\$ 5,080,133	\$ -	\$ 46,471	\$ 1	\$ 5,126,605

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

HOLMDEL 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)	\$	331,074
<p>Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current fiscal year.</p>		
Depreciation Expense	(932,310)	
Capital Outlay	406,199	(526,111)
<hr/>		
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
Pension Expense - PERS District Contribution - 2015	785,866	
Unfunded TPAF Pension Expense	5,642,757	
State Share of Unfunded TPAF Pension Expense	(5,642,757)	
Pension Expense	(967,740)	(181,874)
<hr/>		
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.</p>		2,285,000
<p>Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities</p>		399,000
<p>Bond discount, bond premium and gain/loss on early retirement of debt are amortized over the lives of the bonds in the Statement of Activities but are recorded as an addition from the proceeds from sales of bonds in the governmental funds.</p>		
Loss on Early Retirement of Debt	(23,119)	
Amortization of Original Issue Premiums	73,569	50,450
<hr/>		
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacation and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
Current Year	(782,230)	
Prior Year	758,441	(23,789)
<hr/>		
<p>In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest over the previous year is an addition in the reconciliation; when accrued interest increases over the previous year, it is a reduction to the reconciliation.</p>		
Prior Year	208,031	
Current Year	(156,099)	51,932
<hr/>		
Change in Net Position of Governmental Activities	\$	<u>2,385,682</u>

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

This page intentionally left blank.

Proprietary Funds

This page intentionally left blank

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

	Business-Type Activities Enterprise Funds				Total
	Food Service	Prime Time	Summer Enrichment	Early Childhood	
Assets:					
Current Assets:					
Cash and Cash Equivalents	\$ 982,366	\$ 146,171	\$ 68,272	\$ 145,904	\$ 1,342,713
Accounts Receivables	766	-	-	-	766
Inventories	17,589	-	-	-	17,589
Total - Current Assets	1,000,721	146,171	68,272	145,904	1,361,068
Noncurrent Assets:					
Furniture, Machinery and Equipment	433,840	25,840	-	-	459,680
Less:					
Accumulated Depreciation	(428,826)	(25,840)	-	-	(454,666)
Total - Noncurrent Assets	5,014	-	-	-	5,014
Total Assets	1,005,735	146,171	68,272	145,904	1,366,082
Liabilities and Net Position:					
Liabilities:					
Current Liabilities:					
Unearned Revenue	40,778	-	15,615	70,500	126,893
Total Liabilities	40,778	-	15,615	70,500	126,893
Net Position:					
Net Investment in Capital Assets	5,014	-	-	-	5,014
Unrestricted	959,943	146,171	52,657	75,404	1,234,175
Total Net Position	\$ 964,957	\$ 146,171	\$ 52,657	\$ 75,404	\$ 1,239,189

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

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

	Business-Type Activities				Total
	Enterprise Funds				
	Food Service	Prime Time	Summer Enrichment	Early Childhood	
Operating Revenues:					
Charges for Services:					
Daily Sales - Non-Reimbursable Programs	\$ 1,325,674	\$ -	\$ -	\$ -	\$ 1,325,674
Tuition	-	181,479	23,282	347,961	552,722
Miscellaneous Revenue	45,687	-	-	-	45,687
Total Operating Revenues	1,371,361	181,479	23,282	347,961	1,924,083
Operating Expenses:					
Salaries	-	112,337	25,790	174,237	312,364
Support Services - Employee Benefits	-	15,191	3,858	43,808	62,857
Purchased Professional/Technical Services	1,309,515	-	-	-	1,309,515
Other Purchased Service	33,372	-	-	-	33,372
Repairs and Maintenance	14,764	-	-	-	14,764
Supplies and Materials	11,322	2,183	975	24,370	38,850
Depreciation	3,269	-	-	-	3,269
Utilities Expense	-	11,711	1,079	10,000	22,790
Miscellaneous Expenditures	-	-	75	-	75
Total Operating Expenses	1,372,242	141,422	31,777	252,415	1,797,856
Operating Income	(881)	40,057	(8,495)	95,546	126,227
Change in Net Position	(881)	40,057	(8,495)	95,546	126,227
Total Net Position - Beginning	965,838	106,114	61,152	(20,142)	1,112,962
Total Net Position - Ending	\$ 964,957	\$ 146,171	\$ 52,657	\$ 75,404	\$ 1,239,189

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

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

	Business-Type Activities Enterprise Funds				Total
	Food Service	Prime Time	Summer Enrichment	Early Childhood	
Cash Flows From Operating Activities:					
Receipts From Customers	\$ 1,376,216	\$ 181,479	\$ 11,392	\$ 367,461	\$ 1,936,548
Payments To Employees	-	(127,528)	(29,648)	(218,045)	(375,221)
Payments To Suppliers	(1,380,124)	(26,565)	(2,179)	(34,370)	(1,443,238)
Net Cash Provided By/(Used For) Operating Activities	(3,908)	27,386	(20,435)	115,046	118,089
Net Increase/(Decrease) in Cash and Cash Equivalents	(3,908)	27,386	(20,435)	115,046	118,089
Balance - Beginning of Year	986,274	118,785	88,707	30,858	1,224,624
Balance - End of Year	982,366	146,171	68,272	145,904	1,342,713
Reconciliation of Operating Loss To Net Cash Used for Operating Activities:					
Operating Income Used for Operating Activities:	(881)	40,057	(8,495)	95,546	126,227
(Decrease)/Increase in Accounts Payable	(5,490)	(12,671)	(50)	-	(18,211)
Decrease in Inventories	(5,661)	-	-	-	(5,661)
Decrease/(Increase) in Accounts Receivable	(295)	-	-	-	(295)
(Decrease)/Increase in Depreciation	3,269	-	-	-	3,269
Increase/(Decrease) in Unearned Revenue	5,150	-	(11,890)	19,500	12,760
Total Adjustments	(3,027)	(12,671)	(11,940)	19,500	(8,138)
Net Cash Provided By/(Used For) Operating Activities	\$ (3,908)	\$ 27,386	\$ (20,435)	\$ 115,046	\$ 118,089

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

This page intentionally left blank.

Fiduciary Fund

This page intentionally left blank

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

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Fund</u>	Agency <u>Funds</u>	<u>Total</u>
Assets				
Cash and Cash Equivalents	\$ 2,148	\$ 7,234	\$ 1,333,303	\$ 1,342,685
Interfund Receivable	154,493	-	-	154,493
Total Assets	156,641	7,234	1,333,303	1,497,178
Liabilities and Fund Balances				
Interfund Payable	-	-	1,104,313	1,104,313
Due To State	15,730	-	-	15,730
Payroll Deductions and Withholdings	-	-	24,230	24,230
Payable To Student Groups	-	-	204,760	204,760
Total Liabilities	15,730	-	1,333,303	1,349,033
Net Position:				
Held in Trust for Unemployment Claims and Other Purposes	140,911	-	-	140,911
Reserved for Scholarships	-	7,234	-	7,234
Total Net Position	140,911	7,234	-	148,145
Total Liabilities and Net Position	\$ 156,641	\$ 7,234	\$ 1,333,303	\$ 1,497,178

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

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

	Private Purpose		<u>Total</u>
	Unemployment Compensation <u>Trust</u>	Scholarship Funds <u>Funds</u>	
Additions:			
Contributions:			
Plan Member	\$ 89,724	\$ -	\$ 89,724
Board Contribution	-	11,750	11,750
Total Additions	89,724	11,750	101,474
Deductions:			
Quarterly Contribution Reports	162,124	-	162,124
Scholarships Awarded	-	6,800	6,800
Total Deductions	162,124	6,800	168,924
Change in Net Position	(72,400)	4,950	(67,450)
Net Position - Beginning of Year	213,311	2,284	215,595
Net Position - End of Year	\$ 140,911	\$ 7,234	\$ 148,145

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

HOLMDEL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

This page intentionally left blank

HOLMDEL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies

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

Reporting Entity

The Holmdel Board of Education (hereafter referred to as the ‘District’) is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the District is to educate students in grades kindergarten through twelfth at its three schools. The District has an approximate enrollment at June 30, 2015 of 3,019 students.

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

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

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

Component Units

GASB Statement No.14. *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The District had no component units as of for the year ended June 30, 2015.

Government-Wide Financial Statements

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

HOLMDEL SCHOOL DISTRICT

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

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

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

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

Governmental Fund Financial Statements

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

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

Proprietary Fund Financial Statements

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

HOLMDEL SCHOOL DISTRICT

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

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

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

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

Fiduciary Fund Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

HOLMDEL SCHOOL DISTRICT

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

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

reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

The District reports the following major governmental funds:

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

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

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

HOLMDEL SCHOOL DISTRICT

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

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

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

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

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

The District reports the following major proprietary funds:

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

Latchkey Program – This program accounts for the revenues and expenses pertaining to before and after school child care for the district.

Summer Enrichment Program – This program accounts for the revenues and expenses pertaining to summer educational programs for the district.

Early Childhood Program – This program accounts for the revenues and expenses pertaining to the educational programs and services for the district.

Additionally, the District reports the following major fiduciary funds:

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

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

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

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

HOLMDEL SCHOOL DISTRICT

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

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

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

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

Budgets/Budgetary Control

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

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP

HOLMDEL SCHOOL DISTRICT

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

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

basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash and Cash Equivalents

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

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

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

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

HOLMDEL SCHOOL DISTRICT

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

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

Tuition Payable/Receivable

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

Inventories

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

Short-Term Interfund Receivables/Payables

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

Capital Assets

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

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

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

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

Compensated Absences

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

HOLMDEL SCHOOL DISTRICT

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

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

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Use of Estimates

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

Fund Balance

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

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

HOLMDEL SCHOOL DISTRICT

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

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

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

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

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

Net Position

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

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

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

HOLMDEL SCHOOL DISTRICT

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

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

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

Recently Issued Accounting Pronouncements

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

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

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

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

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

Bond Premiums, Discounts and Issuance Costs

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

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

Deferred Loss on Refunding Debt

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

HOLMDEL SCHOOL DISTRICT

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

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

Deferred Outflows and Deferred 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, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2015 through the date of December 11, 2015, which is the date the financial statements were available to be issued.

Pensions Section

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

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District's bank balance of \$6,629,688 was exposed to custodial credit risk as follows:

HOLMDEL SCHOOL DISTRICT

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

Note 2. Cash Deposits and Investments (continued):

Insured Under FDIC	\$	250,000
Collateralized by securities held by Pledging financial institution		4,937,061
Uninsured and uncollateralized		<u>1,442,627</u>
Total	<u>\$</u>	<u>6,629,688</u>

Investments

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

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

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

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

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

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

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

Note 3. Maintenance Reserve Account

A maintenance reserve account was established by the Holmdel Board of Education for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget.

HOLMDEL SCHOOL DISTRICT

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

Note 3. Maintenance Reserve Account (continued):

Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Maintenance Plan (M-1). A district may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both

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

Ending Balance, June 30, 2014 & 2015	<u><u>\$ 904,979</u></u>
--------------------------------------	--------------------------

Note 4. Accounts Receivable

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

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Proprietary</u> <u>Funds</u>	<u>Total</u>
Intergovernmental	\$ 847,127	\$ 207,868	\$ 105,698	\$ -	\$ 1,160,693
Other	189,746	36,925	3,227	766	230,664
Total	<u>\$ 1,036,873</u>	<u>\$ 244,793</u>	<u>\$ 108,925</u>	<u>\$ 766</u>	<u>\$ 1,391,357</u>

HOLMDEL SCHOOL DISTRICT

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

Note 5. Capital Assets

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

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 5,122,300	\$ -	\$ -	\$ 5,122,300
Construction in Progress	26,941,289	264,246	-	27,205,535
	32,063,589	264,246	-	32,327,835
Total capital assets not being depreciated				
Capital Assets being depreciated:				
Site Improvements	1,442,776	-	-	1,442,776
Buildings	36,304,122	-	-	36,304,122
Machinery & Equipment	5,475,650	141,953	-	5,617,603
	43,222,548	141,953	-	43,364,501
Total capital assets being depreciated				
Less: accumulated depreciation:				
Site Improvements	(157,150)	(15,068)	-	(172,218)
Buildings	(20,253,307)	(701,948)	-	(20,955,255)
Machinery & Equipment	(4,042,007)	(215,296)	-	(4,257,303)
	(24,452,464)	(932,312)	-	(25,384,776)
Total accumulated depreciation				
	18,770,084	(790,359)	-	17,979,725
Total capital assets being depreciated, net				
	\$ 50,833,673	\$ (526,113)	\$ -	\$ 50,307,560
Total Governmental Activities capital assets, net				

HOLMDEL SCHOOL DISTRICT

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

Note 5. Capital Assets (continued):

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Business-Type Activities:				
Capital assets being depreciated:				
Machinery & Equipment	\$ 459,679	\$ -	\$ -	\$ 459,679
Total capital assets being depreciated	<u>459,679</u>	<u>-</u>	<u>-</u>	<u>459,679</u>
Less: accumulated depreciation:				
Machinery & Equipment	(451,396)	(3,269)	-	(454,665)
Total accumulated depreciation	<u>(451,396)</u>	<u>(3,269)</u>	<u>-</u>	<u>(454,665)</u>
Total capital assets being depreciated, net	<u>8,283</u>	<u>(3,269)</u>	<u>-</u>	<u>5,014</u>
Total Business-type activities capital assets, net	<u>\$ 8,283</u>	<u>\$ (3,269)</u>	<u>\$ -</u>	<u>\$ 5,014</u>

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

Governmental Activities:	
Unallocated	<u>\$ 526,113</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 526,113</u></u>

Note 6. Interfund Receivables, Payables and Transfers

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 1,265,273	\$ -
Capital Projects Fund	-	315,453
Payroll Agency	-	1,104,313
Unemployment Fund	<u>154,493</u>	<u>-</u>
	<u><u>\$ 1,419,766</u></u>	<u><u>\$ 1,419,766</u></u>

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

HOLMDEL SCHOOL DISTRICT

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

Note 6. Interfund Receivables, Payables and Transfers (continued):

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 1	\$ 158,548
Capital Projects Fund	<u>158,548</u>	<u>1</u>
	<u>\$ 158,549</u>	<u>\$ 158,549</u>

Note 7. Long-Term Obligations

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

	June 30, 2014	Additions	Reductions	June 30, 2015	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 758,441	\$ 104,477	\$ (80,688)	\$ 782,230	\$ -
Net Pension Liability	17,893,541	-	(45,629)	17,847,912	-
Capital Leases	1,195,000	-	(399,000)	796,000	238,000
General Obligation Bonds	15,660,000	-	(2,285,000)	13,375,000	2,300,000
Bond Premium on Refunding	439,612	-	(73,569)	366,043	73,569
Total	<u>\$ 35,946,594</u>	<u>\$ 104,477</u>	<u>\$ (2,883,886)</u>	<u>\$ 33,167,185</u>	<u>\$ 2,611,569</u>

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences and capital leases are liquidated by the general fund.

A. Bonds Payable:

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. At June 30, 2015, bonds payable consisted of the following individual issues:

Purpose	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding
2005 Refunding Bonds	3.000% - 4.500%	3/15/2023	\$ 13,395,000	\$ 9,255,000
2013 Refunding Bonds	3.625% - 4.500%	6/30/2019	5,415,000	<u>4,120,000</u>
Total				<u>\$ 13,375,000</u>

HOLMDEL SCHOOL DISTRICT

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

Note 7. Long-Term Obligations (continued):

Principal and Interest due on the outstanding bonds is as follows:

Year-ending June 30,	Principal	Interest	Total
2016	\$ 2,300,000	\$ 494,726	\$ 2,794,726
2017	2,275,000	409,751	2,684,751
2018	2,245,000	325,751	2,570,751
2019	1,740,000	255,199	1,995,199
2020	1,185,000	197,520	1,382,520
2021 - 2023	3,630,000	306,245	3,936,245
Total	<u>\$ 13,375,000</u>	<u>\$ 1,989,192</u>	<u>\$ 15,364,192</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 obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets and the General Long-Term Funds, respectively. Assets under capital leases total \$796,000. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2015:

Year-ending June 30,	Amount
2016	\$ 268,580
2017	268,660
2018	162,725
2019	<u>162,975</u>
Minimum Lease Payments	862,940.00
Less: Interest	<u>(66,940.00)</u>
Present Value of Minimum Lease Payments	<u>\$ 796,000.00</u>

HOLMDEL SCHOOL DISTRICT

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

Note 8: Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

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

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

HOLMDEL SCHOOL DISTRICT

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

Note 8: Pension Obligations (continued):

and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Three-Year Trend Information for PERS					
<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>of APC</u> <u>Contributed</u>	<u>Pension</u> <u>Obligation</u>		
6/30/2015	\$ 785,866	100%	\$	17,847,912	
6/30/2014	785,516	100%	\$	17,893,541	
6/30/2013	763,017	100%		-	

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$17,847,912 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .09533%, which was a decrease of .09362% from its proportion measured as of June 30, 2013.

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

	<u>6/30/2015</u>	<u>6/30/2014</u>
Actuarial valuation date	July 1, 2014	July 1, 2013
Deferred Outflows of Resources	\$ 1,664,415	\$ 785,866
Deferred Inflows of Resources	\$ 1,063,639	N/A
Net Pension Liability	17,847,912	17,893,541
District's portion of the Plan's total net pension Liability	0.09533%	0.09362%

HOLMDEL SCHOOL DISTRICT

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

Note 8: Pension Obligations (continued):

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of \$967,740. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	561,234	-
Net difference between projected and actual earnings on pension plan investments	-	1,063,639
Changes in proportion and differences between District contributions and proportionate share of contributions	274,902	-
District contributions subsequent to the measurement date	828,279	-
Total	\$ 1,664,415	\$ 1,063,639

\$828,279 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	<u>PERS</u>
<u>June 30:</u>	
2016	\$ (82,893)
2017	(82,893)
2018	(82,893)
2019	(82,893)
2020	(82,893)
Thereafter	186,962

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

HOLMDEL SCHOOL DISTRICT

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

Note 8: Pension Obligations (continued):

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

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

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

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

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

HOLMDEL SCHOOL DISTRICT

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

Note 8: Pension Obligations (continued):

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

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	Decrease (4.39%)	Discount Rate (5.39%)	Increase (6.39%)
District's Proportiante Share of the Net Pension Liability	\$ 22,453,281	\$ 17,847,912	\$ 13,980,574

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

HOLMDEL SCHOOL DISTRICT

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

Note 8: Pension Obligations (continued):

The following represents the membership tiers for TPAF:

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

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

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

Note 8: Pension Obligations (continued):

Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

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

HOLMDEL SCHOOL DISTRICT

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

Note 8: Pension Obligations (continued):

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

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>of APC</u> <u>Contributed</u>	<u>Pension</u> <u>Obligation</u>
6/30/2015	\$ 3,298,441	100%	\$ -
6/30/2014	2,685,932	100%	-
6/30/2013	3,348,189	100%	-

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

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

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

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

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

HOLMDEL SCHOOL DISTRICT

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

Note 8: Pension Obligations (continued):

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

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

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

HOLMDEL SCHOOL DISTRICT

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

Note 9. Post-Retirement Benefits

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

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

Note 10. Risk Management

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

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

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

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2014-2015	\$ -	\$ 89,724	\$ 162,124	\$ 140,911
2013-2014	100,000	75,768	67,200	213,311
2012-2013	-	82,809	111,176	104,743

HOLMDEL SCHOOL DISTRICT

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

Note 10: Risk Management (continued):

Joint Insurance Pool – The Holmdel School District participates in the School Alliance Insurance Fund and, public entity risk pool. The Fund provides its members with the following coverage's:

Property – Blanket Building & Grounds	General & Automobile Liability
Employers Liability	Workers' Compensation
School Board Legal Liability	Environmental Impairment Liability
Excess Liability	Comprehensive Crime Coverage

Note 11. Contingencies

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

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

Note 12. Economic Dependency

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

Note 13. Deferred Compensation

The District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Syracusa Benefits Program
Variable Annuity Life Insurance Company
AXA Equitable
Lincoln Investment Planning
Compass Capital Management
MG Trust

HOLMDEL SCHOOL DISTRICT

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

Note 14. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$782,230.00.

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

Note 15. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A.18A:7F-7*, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$0.

Note 16. Fund Balance

General Fund – Of the \$5,080,133 General Fund fund balance at June 30, 2015, \$904,979 has been reserved in the Maintenance Reserve Account; \$2,961,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; \$268,075 has been reserved for encumbrances; and \$946,079 is unassigned.

Capital Projects Fund – Of the \$46,471 Capital Projects Fund fund balance at June 30, 2015, \$46,471 is restricted for current capital projects approved by the District and the Department of Education.

Debt Service Fund – Of the \$1 Debt Service Fund fund balance at June 30, 2015, \$1 is designated for subsequent year's expenditures.

HOLMDEL SCHOOL DISTRICT

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

Note 17. Deficit in Net Position

Restricted Net Position – The School District had a deficit in restricted net position for Debt Service in the amount of \$156,098 at June 30, 2015. The deficit is caused by the accrual of bond interest in the government-wide financial statements.

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$18,185,134 at June 30, 2015. The deficit is due to the final June state aid payment of \$169,419 not recognized under GAAP and by the implementation of GASB 68 which requires the district to report their proportionate share of the net pension liability for the Public Employee’s Retirement System (PERS) at June 30, 2015.

Note 18. Prior Period Adjustment / Restatement of Net Position

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

	Governmental Activities
Net Position as previously reported at June 30, 2014	\$ 37,483,713
Prior Period Adjustment - Implementation of GASB 68:	
Net Pension Liability (measurement date as of June 30, 2013)	(17,893,541)
Deferred Outflows - District Contributions made during fiscal year 2014	785,866
PERS Pension Payable	<u>(785,866)</u>
Total Prior Period Adjustment	<u>(17,893,541)</u>
Net Position as restated, July 1, 2014	<u><u>\$ 19,590,172</u></u>

Note 19. Subsequent Events

On October 28, 2015 the District issued \$8,500,000.00 of refunding bonds. The purpose of the bonds is to refund a portion of the outstanding principal amount of the originally issued \$13,415,000 Refunding School Bonds dated July 1, 2005.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

This page intentionally left blank

C. Budgetary Comparison Schedules

This page intentionally left blank

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

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 49,414,695	\$ -	\$ 49,414,695	\$ 49,414,695	\$ -
Tuition	-	-	-	407,835	407,835
Unrestricted Miscellaneous Revenues	500,000	-	500,000	207,141	(292,859)
Total Local Sources	49,914,695	-	49,914,695	50,029,671	114,976
State Sources:					
Extraordinary Aid	269,058	-	269,058	812,991	543,933
Non Public Transportation	58,690	-	58,690	28,951	(29,739)
Categorical Special Education Aid	1,365,120	-	1,365,120	1,365,120	-
Categorical Security Aid	136,063	-	136,063	136,063	-
Categorical Transportation Aid	275,873	-	275,873	275,873	-
PARCC Readiness Aid	-	-	-	29,345	29,345
Per Pupil Growth Aid	-	-	-	29,345	29,345
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	2,023,681	2,023,681
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	1,274,760	1,274,760
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	1,801,036	1,801,036
Total State Sources	2,104,804	-	2,104,804	7,777,165	5,672,361
Federal Sources:					
Medical Assistance Program - SEMI	12,895	-	12,895	31,662	18,767
Medical Assistance Program - SEMI /ARRA	-	-	-	10,869	10,869
Total Federal Sources	12,895	-	12,895	42,531	29,636
Total Revenues	52,032,394	-	52,032,394	57,849,367	5,816,973

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

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	281,734	10,185	291,919	291,918	1
Grades 1-5	5,346,853	(20,296)	5,326,557	5,326,557	-
Grades 6-8	3,657,765	262,723	3,920,488	3,920,487	1
Grades 9-12	5,825,582	(91,813)	5,733,769	5,699,198	34,571
Regular Programs - Home Instruction:					
Salaries of Teachers	27,612	19,741	47,353	44,973	2,380
Purchased Professional - Educational Services	-	3,805	3,805	1,000	2,805
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	6,800	(470)	6,330	5,089	1,241
Other Purchased Services (400-500 series)	1,428	(290)	1,138	767	371
General Supplies	509,743	30,552	540,295	499,425	40,870
Textbooks	210,975	(35,625)	175,350	161,091	14,259
Other Objects	160,200	(2,000)	158,200	136,103	22,097
Total Regular Programs - Instruction	16,028,692	176,512	16,205,204	16,086,608	118,596
Special Education - Instruction - Cognitive - Mild:					
Salaries of Teachers	76,917	-	76,917	49,995	26,922
Total Special Education - Instruction - Cognitive - Mild	76,917	-	76,917	49,995	26,922
Special Education - Instruction - Visual Impairments:					
Salaries of Teachers	1,786	79,075	80,861	80,861	-
Other Salaries for Instruction	-	37,282	37,282	37,282	-
Purchased Professional - Educational Services	61,500	(3,146)	58,354	22,521	35,833
Total Special Education - Instruction - Visual Impairments	63,286	113,211	176,497	140,664	35,833

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

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
Special Education - Instruction - Multiple Disabilities:					
Salaries of Teachers	160,570	7,450	168,020	168,019	1
Other Salaries for Instruction	-	116,473	116,473	109,774	6,699
General Supplies	1,600	(750)	850	584	266
Other Objects	5,000	-	5,000	-	5,000
Total Special Education - Instruction - Multiple Disabilities	167,170	123,173	290,343	278,377	11,966
Sp. Educ. - Instruction - Resource Room/Resource Center:					
Salaries of Teachers	3,287,252	89,208	3,376,460	3,376,459	1
General Supplies	24,590	(3,500)	21,090	18,445	2,645
Textbooks	4,000	(4,000)	-	-	-
Total Sp. Educ. - Instruction - Resource Room/Resource Center	3,315,842	81,708	3,397,550	3,394,904	2,646
Special Education - Instruction - Autism:					
Salaries of Teachers	139,627	5,811	145,438	145,437	1
Other Salaries for Instruction	349,781	28,628	378,409	378,409	-
General Supplies	2,000	-	2,000	1,075	925
Total Special Education - Instruction - Autism	491,408	34,439	525,847	524,921	926
Sp. Educ. - Instruction - Preschool Disabilities - Part-Time:					
Salaries of Teachers	283,525	5,116	288,641	288,640	1
Other Salaries for Instruction	161,092	(10,656)	150,436	148,027	2,409
Total Sp. Educ. - Instruction - Preschool Disabilities - Part-Time	444,617	(5,540)	439,077	436,667	2,410

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

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
Special Education - Instruction - Home Instruction:					
Salaries of Teachers	74,694	18,965	93,659	88,272	5,387
Purchased Professional - Educational Services	12,000	12,000	24,000	17,831	6,169
Total Special Education - Instruction - Home Instruction	86,694	30,965	117,659	106,103	11,556
Total Special Education - Instruction	4,645,934	377,956	5,023,890	4,931,631	92,259
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	478,469	(62,770)	415,699	413,240	2,459
Total Basic Skills/Remedial - Instruction	478,469	(62,770)	415,699	413,240	2,459
Bilingual Education - Instruction:					
Salaries of Teachers	189,508	23,004	212,512	212,512	-
General Supplies	1,500	10	1,510	900	610
Total Bilingual Education - Instruction	191,008	23,014	214,022	213,412	610
School Sponsored Co/Extra-Curricular Activities - Instruction:					
Salaries	187,751	(116)	187,635	187,634	1
Supplies and Materials	15,040	-	15,040	13,590	1,450
Other Objects	1,200	(993)	207	120	87
Total School Spon. Co/Extra-Curricular Activities - Instruction	203,991	(1,109)	202,882	201,344	1,538

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

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
School Sponsored Athletics - Instruction:					
Salaries	410,488	144	410,632	410,632	-
Supplies and Materials	38,450	215	38,665	37,054	1,611
Other Objects	94,552	3,955	98,507	91,867	6,640
Total School Sponsored Athletics - Instruction	543,490	4,314	547,804	539,553	8,251
Total - Instruction	22,091,584	517,917	22,609,501	22,385,788	223,713
Undist. Expend. - Instruction:					
Tuition To County Voc. School District - Regular	553,029	55,635	608,664	579,136	29,528
Tuition To Private Schools for the Disabled Within State	701,707	(172,542)	529,165	512,752	16,413
Total Undist. Expend. - Instruction	1,254,736	(116,907)	1,137,829	1,091,888	45,941
Undist. Expend. - Health Services:					
Salaries	485,503	(47,919)	437,584	430,979	6,605
Purchased Professional and Technical Services	35,500	731	36,231	31,159	5,072
Supplies and Materials	8,064	(304)	7,760	7,517	243
Other Objects	239,378	(44,424)	194,954	149,094	45,860
Total Undist. Expend. - Health Services	768,445	(91,916)	676,529	618,749	57,780
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	936,803	55,757	992,560	992,560	-
Purchased Professional - Education Services	10,800	9,188	19,988	19,988	-
Supplies and Materials	27,850	(4,000)	23,850	20,053	3,797
Other Objects	151,527	42,454	193,981	182,644	11,337
Total Undist. Expend. - Speech, OT, PT & Related Services	1,126,980	103,399	1,230,379	1,215,245	15,134

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

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
EXPENDITURES (continued):					
Undist. Expend. - Other Support Serv. Stud. - Extra Svc:					
Salaries	1,347,528	(127,084)	1,220,444	1,220,443	1
Purchased Professional - Educational Services	138,688	(75,588)	63,100	53,289	9,811
Supplies and Materials	3,500	(364)	3,136	3,075	61
Total Undist. Expend. - Other Support Serv. Stud. - Extra Svc.	1,489,716	(203,036)	1,286,680	1,276,807	9,873
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	907,214	15,244	922,458	918,367	4,091
Salaries of Secretarial and Clerical Assistance	183,855	366	184,221	183,716	505
Supplies and Materials	14,400	(820)	13,580	13,038	542
Other Objects	2,879	454	3,333	1,668	1,665
Total Undist. Expend. - Guidance	1,108,348	15,244	1,123,592	1,116,789	6,803
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	999,964	72,525	1,072,489	1,072,488	1
Salaries of Secretarial and Clerical Assistance	107,427	3,709	111,136	111,136	-
Other Purchased Prof. and Tech. Services	1,000	27,631	28,631	28,031	600
Misc Pur Serv (400-500 series o/than Resid Costs)	1,000	-	1,000	697	303
Supplies and Materials	9,500	10,420	19,920	19,023	897
Other Objects	6,854	80	6,934	6,228	706
Total Undist. Expend. - Child Study Teams	1,125,745	114,365	1,240,110	1,237,603	2,507

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

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual	
Undist. Expend. - Improvement of Instructional Services:						
Salaries of Supervisors of Instruction	11-000-221-102	386,785	(26,082)	360,703	360,317	386
Salaries of Other Professional Staff	11-000-221-104	240,925	(15,103)	225,822	204,599	21,223
Salaries of Secretarial and Clerical Assistants	11-000-221-105	326,137	(3,709)	322,428	316,066	6,362
Purchased Professional - Educational Services	11-000-221-320	-	31,185	31,185	30,800	385
Other Purchased Services	11-000-221-500	1,400	300	1,700	782	918
Supplies and Materials	11-000-221-600	1,400	-	1,400	1,090	310
Other Objects	11-000-221-800	17,173	(300)	16,873	11,656	5,217
Total Undist. Expend. - Improvement of Instructional Services		973,820	(13,709)	960,111	925,310	34,801
Undist. Expend. - Educational Media/School Library:						
Salaries	11-000-222-100	920,332	-	920,332	886,162	34,170
Supplies and Materials	11-000-222-600	35,215	1,950	37,165	36,325	840
Total Undist. Expend. - Educational Media/School Library		955,547	1,950	957,497	922,487	35,010
Undist. Expend. - Instructional Staff Training Services:						
Other Objects	11-000-223-800	73,384	6,095	79,479	55,727	23,752
Total Undist. Expend. - Instructional Staff Training Services		73,384	6,095	79,479	55,727	23,752
Undist. Expend. - Support Services - General Administration:						
Salaries	11-000-230-100	256,030	-	256,030	232,533	23,497
Legal Services	11-000-230-331	125,000	73,120	198,120	172,840	25,280
Audit Fees	11-000-230-332	32,900	-	32,900	30,925	1,975
Other Purchased Professional Services	11-000-230-339	47,000	19,109	66,109	29,261	36,848
Communications/Telephone	11-000-230-530	115,904	687	116,591	85,725	30,866
Miscellaneous Expenditures	11-000-230-890	117,970	-	117,970	85,848	32,122
BOE Membership Dues and Fees	11-000-230-895	11,850	-	11,850	3,813	8,037
Total Undist. Expend. - Support Services - General Admin.		706,654	92,916	799,570	640,945	158,625

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

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
Undist. Expend. - Support Services - School Admin.:					
Salaries of Principals/Assistant Principals/Prog Dir	1,020,274	4,927	1,025,201	1,025,200	1
Salaries of Secretarial and Clerical Assistants	435,402	(4,927)	430,475	419,024	11,451
Purchased Professional and Technical Services	-	31,775	31,775	29,820	1,955
Supplies and Materials	20,481	4,186	24,667	23,863	804
Other Objects	13,880	(890)	12,990	10,808	2,182
Total Undist. Expend. - Support Services - School Admin.	1,490,037	35,071	1,525,108	1,508,715	16,393
Undist. Expend. - Support Services - Central Services:					
Salaries	803,760	-	803,760	784,464	19,296
Interest on Current Loans	41,310	-	41,310	41,294	16
Miscellaneous Expenditures	10,000	-	10,000	2,093	7,907
Total Undist. Expend. - Support Services - Central Services	855,070	-	855,070	827,851	27,219
Undist. Expend. - Admin. Info. Technology:					
Salaries	55,729	169	55,898	55,898	-
Other Objects	2,750	-	2,750	1,103	1,647
Total Undist. Expend. - Admin. Info. Technology	58,479	169	58,648	57,001	1,647
Undist. Expend. - Required Maintenance for School Facilities:					
Salaries	578,082	-	578,082	532,576	45,506
Cleaning, Repair and Maintenance Services	640,526	70,999	711,525	543,136	168,389
General Supplies	392,872	645	393,517	246,134	147,383
Total Undist. Expend. - Required Maintenance for School Facilities	1,611,480	71,644	1,683,124	1,321,846	361,278

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

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Positive/ (Negative) Final To <u>Actual</u>
Undist. Expend. - Custodial Services					
Salaries	1,729,739	70,619	1,800,358	1,796,660	3,698
Salaries of Non-Instructional Aides	312,911	29,715	342,626	342,626	-
Purchased Professional and Technical Services	15,050	-	15,050	3,759	11,291
Cleaning, Repair and Maintenance Services	84,000	9,800	93,800	74,465	19,335
Other Purchased Property Services	207,250	-	207,250	192,959	14,291
Insurance	453,524	-	453,524	448,618	4,906
General Supplies	228,605	-	228,605	206,313	22,292
Energy (Natural Gas)	295,000	-	295,000	273,652	21,348
Energy (Electricity)	610,881	-	610,881	575,377	35,504
Other Objects	36,565	-	36,565	17,871	18,694
Total Undist. Expend. - Custodial Services	3,973,525	110,134	4,083,659	3,932,300	151,359
Undist. Expend. - Care & Upkeep of Grounds:					
Salaries	351,358	(5,603)	345,755	322,294	23,461
Total Undist. Expend. - Care & Upkeep of Grounds	351,358	(5,603)	345,755	322,294	23,461
Undist. Expend. - Security:					
Salaries	213,158	5,603	218,761	218,761	-
Purchased Prof. & Tech. Svc	-	20,500	20,500	17,602	2,898
Total Undist. Expend. - Security:	213,158	26,103	239,261	236,363	2,898
Total Undist. Expend. - Oper. & Maint. of Plant	6,149,521	202,278	6,351,799	5,812,803	538,996

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

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Positive/ (Negative) Final To <u>Actual</u>
Undist. Expend. - Student Transportation Services:					
Salaries of Non-Instructional Aides	92,670	-	92,670	82,785	9,885
Other Purchased Professional and Technical Services	455	-	455	305	150
Contracted Services (Bet. Home & School) - Vendors	1,392,843	(30,717)	1,362,126	1,356,353	5,773
Contracted Services (Other Than Bet. Home & School) - Vendors	159,260	14,270	173,530	169,180	4,350
Contracted Services (Special Ed. Students) - Vendors	336,077	16,617	352,694	340,101	12,593
Contracted Services (Special Ed. Students) - Joint Agreements	474,319	23,424	497,743	497,742	1
Contracted Services - Aid in Lieu of Payments - NonPublic Sch	63,718	14,100	77,818	72,404	5,414
Miscellaneous Purchased Services - Transportation	7,058	-	7,058	6,289	769
General Supplies	2,000	-	2,000	632	1,368
Transportation Supplies	3,000	-	3,000	2,170	830
Other Objects	1,199	-	1,199	1,099	100
Total Undist. Expend. - Student Transportation Services	2,532,599	37,694	2,570,293	2,529,060	41,233
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	729,565	35,499	765,064	763,968	1,096
Other Retirement Contributions - PERS	885,111	(65,070)	820,041	784,431	35,610
Unemployment Compensation	50,000	-	50,000	-	50,000
Workmen's Compensation	334,593	-	334,593	299,100	35,493
Health Benefits	8,108,557	(533,119)	7,575,438	7,264,156	311,282
Tuition Reimbursement	104,000	-	104,000	97,433	6,567
Other Employee Benefits	163,000	91,249	254,249	149,811	104,438
Total Unallocated Benefits - Employee Benefits	10,374,826	(471,441)	9,903,385	9,358,899	544,486
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	2,023,681	(2,023,681)
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	1,274,760	(1,274,760)
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	1,801,036	(1,801,036)
Total On-Behalf Contributions	-	-	-	5,099,477	(5,099,477)
Total Personal Services - Employee Benefits	10,374,826	(471,441)	9,903,385	14,458,376	(4,554,991)

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

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
Total Undistributed Expenditures	31,043,907	(287,828)	30,756,079	34,295,356	(3,539,277)
Total Expenditures - Current Expense	53,135,491	230,089	53,365,580	56,681,144	(3,315,564)
CAPITAL OUTLAY					
Equipment:					
Undist. Expend. - Instruction	-	43,979	43,979	43,979	-
Undist. Expend. - Required Maintenance for School Facilities	25,600	-	25,600	19,157	6,443
Total Equipment	25,600	43,979	69,579	63,136	6,443
Facilities Acquisition and Construction Services:					
Lease Purchase Agreements - Principal	399,000	-	399,000	399,000	-
Assessment for Debt Service on SDA Funding	69,515	-	69,515	69,515	-
Total Facilities Acquisition and Construction Services	468,515	-	468,515	468,515	-
Total Capital Outlay	494,115	43,979	538,094	531,651	6,443
Total Expenditures	53,629,606	274,068	53,903,674	57,212,795	(3,309,121)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,597,212)	(274,068)	(1,871,280)	636,572	2,507,852
Other Financing Sources/(Uses):					
Transfer To Capital Projects	(474,000)	-	(474,000)	(158,548)	315,452
Transfer From Capital Projects	-	-	-	1	1
Total Other Financing Sources/(Uses)	(474,000)	-	(474,000)	(158,547)	315,453

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

	Original Budget	Budget Transfers	Final Budget	Actual	Positive/ (Negative) Final To Actual
Excess/(Deficiency) of Revenues and Expenditures and Other Financing Uses Fund Balances, July 1	(2,071,212) 4,771,527	(274,068) -	(2,345,280) 4,771,527	478,025 4,771,527	2,823,305 -
Fund Balances, June 30	\$ 2,700,315	\$ (274,068)	\$ 2,426,247	\$ 5,249,552	\$ 2,823,305

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	\$ 274,068
	\$ 274,068

RECAPITULATION OF FUND BALANCE

Restricted:	
Maintenance Reserve	\$ 904,979
Assigned:	
Encumbrances	268,075
Designated for Subsequent Year's Expenditures	2,961,000
Unassigned Fund Balance	1,115,498
	5,249,552
Reconciliation To Governmental Funds Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	(169,419)
Fund Balance per Governmental Funds (GAAP)	\$ 5,080,133

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

	June 30, 2015				Positive (Negative)
	Original Budget	Budget Transfers	Final Budget	Actual	Final To Actual
Revenues:					
Local Sources	\$ -	\$ 43,756	\$ 43,756	\$ 39,488	\$ 4,268
State Sources	570,686	35,713	606,399	598,260	8,139
Federal Sources	783,831	104,546	888,377	888,141	236
Total Revenues	1,354,517	184,015	1,538,532	1,525,889	12,643
Expenditures:					
Instruction:					
Salaries of Teachers	25,384	62	25,446	25,446	-
Purchased Services	540,106	16,085	556,191	548,111	8,080
Other Purchased Services	551,093	31,336	582,429	582,429	-
General Supplies	-	16,666	16,666	12,894	3,772
Other Objects	-	9,950	9,950	9,450	500
Total Instruction	1,116,583	74,099	1,190,682	1,178,330	12,352
Support Services:					
Personal Services - Employee Benefits	2,103	4	2,107	2,107	-
Purchased Professional - Educational Services	205,153	56,102	261,255	261,032	223
Other Purchased Services	24,802	8,297	33,099	38,711	(5,612)
Supplies and Materials	5,876	45,513	51,389	45,709	5,680
Total Support Services	237,934	109,916	347,850	347,559	291
Total Expenditures	1,354,517	184,015	1,538,532	1,525,889	12,643
Total Outflows	1,354,517	184,015	1,538,532	1,525,889	12,643
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -

This page intentionally left blank.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank

**HOLMDEL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION**

FOR FISCAL YEAR ENDED JUNE 30, 2015

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

	<u>General</u> <u>Fund</u>	<u>Special Revenue</u> <u>Fund</u>
SOURCES/INFLOWS OF RESOURCES		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 57,849,367	\$ 1,525,889
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Less: Current Year Encumbrances	-	6,322
Add: Prior Year Encumbrances	-	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	163,755	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(169,419)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 57,843,703</u>	<u>\$ 1,532,211</u>
USES/OUTFLOWS OF RESOURCES		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 57,212,795	\$ 1,525,889
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Less: Current Year Encumbrances	-	6,322
Add: Prior Year Encumbrances	-	-
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 57,212,795</u>	<u>\$ 1,532,211</u>

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

This page intentionally left blank

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

This page intentionally left blank

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.09533%	0.09362%	N/A							
District's proportionate share of the net pension liability (asset)	\$ 17,847,912	\$ 17,893,541	N/A							
District's covered-employee payroll	\$ 7,535,615	\$ 7,072,860	**N/A							
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	236.85%	252.99%	N/A							
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%	N/A							

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 828,279	\$ 785,866	**N/A							
Contributions in relation to the contractually required contribution	828,279	785,866	**N/A							
Contribution deficiency (excess)	\$ -	\$ -	**N/A							
District's covered-employee payroll	\$ 7,535,615	\$ 7,072,860	**N/A							
Contributions as a percentage of covered-employee payroll	10.99%	11.11%	**N/A							

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.24053%	0.24319%	N/A							
State's proportionate share of the net pension liability (asset) associated with the District	\$ 128,555,940	\$ 122,905,106	N/A							
District's covered-employee payroll	\$ 25,571,866	\$ 24,910,320	**N/A							
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%	**N/A							

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

This page intentionally left blank.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

This page intentionally left blank

**HOLMDEL BOARD OF EDUCATION
ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68) –
CHANGE OF BENEFIT TERMS AND ASSUMPTIONS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

Teachers' Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

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

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

This page intentionally left blank.

OTHER SUPPLEMENTARY INFORMATION

This page intentionally left blank

D. School Based Budget Schedules

Not Applicable

This page intentionally left blank

E. Special Revenue Fund

This page intentionally left blank

**HOLMDEL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**
For the fiscal year ending June 30, 2015

N.J. Nonpublic

Revenues	Textbooks Aid	Nursing Aid	Technology Aid	Compensatory Education	Transportation	Home Instruction	Exam. and Classification	Corrective Speech	Supplementary Instruction	Local Programs
Local Sources	\$ 92,401	\$ 146,229	\$ 50,149	\$ 112,248	\$ 12,600	\$ 5,563	\$ 91,364	\$ 19,437	\$ 68,269	\$ 39,488
State Sources	-	-	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 92,401	\$ 146,229	\$ 50,149	\$ 112,248	\$ 12,600	\$ 5,563	\$ 91,364	\$ 19,437	\$ 68,269	\$ 39,488
Expenditures										
Instruction:										
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Services	92,401	146,229	-	112,248	12,600	5,563	91,364	19,437	68,269	-
Other Purchased Services	-	-	-	-	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-	-	-	-	12,894
Other Objects	-	-	-	-	-	-	-	-	-	9,450
Total Instruction	92,401	146,229	-	112,248	12,600	5,563	91,364	19,437	68,269	22,344
Support Services:										
Personal Services - Employee Benefits	-	-	-	-	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	50,149	-	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-	-	-	-	-
Supplies and Materials	-	-	-	-	-	-	-	-	-	17,144
Total Support Services	-	-	50,149	-	-	-	-	-	-	17,144
Total Expenditures	\$ 92,401	\$ 146,229	\$ 50,149	\$ 112,248	\$ 12,600	\$ 5,563	\$ 91,364	\$ 19,437	\$ 68,269	\$ 39,488

**HOLMDEL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**
For the fiscal year ending June 30, 2015

	I.D.E.A. Part B		No Child Left Behind				
	Basic 2014/15	Basic 2013/14	Preschool 2014/15	Title II Part A 2013/14	Title II Part A 2012/13	Title II Part A 2011/12	Total
<u>Revenues</u>							
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,488
State Sources	-	-	-	-	-	-	598,260
Federal Sources	760,202	21,002	27,553	48,455	27,922	599	888,141
Total Revenues	\$ 760,202	\$ 21,002	\$ 27,553	\$ 48,455	\$ 27,922	\$ 2,408	\$ 1,525,889
<u>Expenditures</u>							
Instruction:							
Salaries of Teachers	\$ -	\$ -	\$ 25,446	\$ -	\$ -	\$ -	\$ 25,446
Purchased Services	-	-	-	-	-	-	548,111
Other Purchased Services	582,429	-	-	-	-	-	582,429
General Supplies	-	-	-	-	-	-	12,894
Other Objects	-	-	-	-	-	-	9,450
Total Instruction	582,429	-	25,446	-	-	-	1,178,330
Support Services:							
Personal Services - Employee Benefits	-	-	2,107	-	-	-	2,107
Purchased Professional - Educational Services	172,773	21,002	-	15,938	1,170	-	261,032
Other Purchased Services	-	-	-	20,382	16,226	1,562	38,711
Supplies and Materials	5,000	-	-	12,135	10,526	846	45,709
Total Support Services	177,773	21,002	2,107	48,455	27,922	2,408	347,559
Total Expenditures	\$ 760,202	\$ 21,002	\$ 27,553	\$ 48,455	\$ 27,922	\$ 2,408	\$ 1,525,889

F. Capital Projects Fund

This page intentionally left blank

**HOLMDEL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2015**

<u>Project Title/Issue</u>	<u>Date</u>	<u>Original</u> <u>Appropriations</u>	<u>Expenditures</u>		<u>Transfers To</u> <u>General Fund</u>	<u>Unexpended</u> <u>Balance</u>
			<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>		
Renovations and Additions, Various Capital Projects and Purchase of Furniture and Equipment	10/31/01	\$ 26,882,379	\$ 26,835,666	\$ -	\$ -	\$ 46,713
MCIA Capital Equipment Lease - 2007	2007	801,450	801,449	-	1	-
MCIA Capital Equipment Lease - 2013	2013	783,188	704,371	78,817	-	-
High School Roof	2015	264,246	-	264,246	-	-
		<u>\$ 28,731,263</u>	<u>\$ 28,341,486</u>	<u>\$ 343,063</u>	<u>\$ 1</u>	<u>\$ 46,713</u>
Bonds Unissued						<u>\$ (242)</u>
Balance per B-2						<u>\$ 46,471</u>

**HOLMDEL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

Revenues and Other Financing Sources:	
State Sources - SDA Grant	\$ 105,698
Transfer from General Fund	158,548
	<hr/>
Total Revenues	264,246
	<hr/>
Expenditures and Other Financing Sources:	
Purchased Professional and Technical Services	20,596
Construction Services	243,650
Equipment Purchases	78,817
Transfer to General Fund	1
	<hr/>
Total Expenditures	343,064
	<hr/>
Excess/(Deficiency) of Revenues	
Over/(Under) Expenditures	(78,818)
Fund Balance - July 1	125,289
	<hr/>
Fund Balance - June 30	\$ 46,471
	<hr/> <hr/>

**HOLMDEL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS OF AND ADDITIONS TO SCHOOLS,
VARIOUS CAPITAL PROJECTS AND PURCHASE OF FURNITURE AND EQUIPMENT
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	\$ 8,006,137	\$ -	\$ 8,006,137	\$ 8,006,137
Bond Proceeds	18,876,000	-	18,876,000	18,876,242
Total Revenues	26,882,137	-	26,882,137	26,882,379
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	2,721,206	-	2,721,206	2,722,781
Construction Services	23,926,327	-	23,926,327	23,969,908
Equipment Purchases	188,133	-	188,133	189,690
Total Expenditures	26,835,666	-	26,835,666	26,882,379
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 46,471	\$ -	\$ 46,471	-

Additional Project Information:

Project Date	10/31/01
Grant Date	10/31/01
Bond Authorization Date	12/11/01
Bonds Authorized	18,876,242.00
Bonds Issued	18,876,000.00
Original Authorization Cost	27,010,520.00
Additional Authorization Cost	(128,141.00)
Revised Authorization Cost	26,882,379.00

Percentage Increase over Original

Authorized Cost	0.00%
Percentage Completion	99.88%
Original Target Completion Date	Sept. 2005
Revised Target Completion Date	Sept. 2006

HOLMDEL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
MCIA CAPITAL EQUIPMENT LEASE - 2007
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

Table with 4 columns: Description, Prior Periods, Current Year, Totals, Revised Authorized Cost. Rows include Revenues and Other Financing Sources (Bond Proceeds and Transfers), Total Revenues, Expenditures and Other Financing Uses (Equipment Purchases, Transfer to General Fund), Total Expenditures, and Excess/(Deficiency) of Revenues Over/(Under) Expenditures.

Table with 2 columns: Description, Value. Rows include Additional Project Information (Project Date, Grant Date, Bond Authorization Date, Bonds Authorized, Bonds Issued, Original Authorization Cost, Additional Authorization Cost, Revised Authorization Cost) and Percentage Increase over Original Authorized Cost, Percentage Completion, Original Target Completion Date, Revised Target Completion Date.

HOLMDEL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
MCIA CAPITAL EQUIPMENT LEASE - 2013
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds and Transfers	\$ 726,000	\$ -	\$ 726,000	\$ 726,000
Other	57,188.00	-	57,188	57,188
	<hr/>			
Total Revenues	783,188	-	783,188	783,188
	<hr/>			
Expenditures and Other Financing Uses:				
Equipment Purchases	704,371	78,817	783,188	783,188
	<hr/>			
Total Expenditures	704,371	78,817	783,188	783,188
	<hr/>			
Excess/(Deficiency) of Revenues				
Over/(Under) Expenditures	\$ 78,817	\$ (78,817)	\$ -	\$ -
	<hr/> <hr/>			
Additional Project Information:				
Project Date	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	N/A			
Additional Authorization Cost	N/A			
Revised Authorization Cost	N/A			
Percentage Increase over Original				
Authorized Cost	N/A			
Percentage Completion	N/A			
Original Target Completion Date	N/A			
Revised Target Completion Date	N/A			

HOLMDEL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL ROOF
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ -	\$ 105,698	\$ 105,698	\$ 105,698
Transfer from General Fund	-	158,548	158,548	158,548
	<hr/>			
Total Revenues	-	264,246	264,246	264,246
	<hr/>			
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	-	20,596	20,596	20,596
Construction Services	-	243,650	243,650	243,650
	<hr/>			
Total Expenditures	-	264,246	264,246	264,246
	<hr/>			
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -
	<hr/> <hr/>			
Additional Project Information:				
Project Number	2230-020-14-1001			
Project Date	11/4/2015			
Grant Date	11/4/2015			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	264,246			
Additional Authorization Cost	-			
Revised Authorization Cost	264,246			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	100%			
Original Target Completion Date	N/A			
Revised Target Completion Date	N/A			

G. Proprietary Funds

This page intentionally left blank

Enterprise Funds

This page intentionally left blank

HOLMDEL SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
AS OF JUNE 30, 2015

	Business-Type Activities Enterprise Funds				Total
	Food Service	Prime Time	Summer Enrichment	Early Childhood	
Assets:					
Current Assets:					
Cash and Cash Equivalents	\$ 982,366	\$ 146,171	\$ 68,272	\$ 145,904	\$ 1,342,713
Accounts Receivables	766	-	-	-	766
Inventories	17,589	-	-	-	17,589
Total - Current Assets	1,000,721	146,171	68,272	145,904	1,361,068
Noncurrent Assets:					
Furniture, Machinery and Equipment	433,840	25,840	-	-	459,680
Less:					
Accumulated Depreciation	(428,826)	(25,840)	-	-	(454,666)
Total - Noncurrent Assets	5,014	-	-	-	5,014
Total Assets	1,005,735	146,171	68,272	145,904	1,366,082
Liabilities and Net Position:					
Liabilities:					
Current Liabilities:					
Unearned Revenue	40,778	-	15,615	70,500	126,893
Total Liabilities	40,778	-	15,615	70,500	126,893
Net Position:					
Net Investment in Capital Assets	5,014	-	-	-	5,014
Unrestricted	959,943	146,171	52,657	75,404	1,234,175
Total Net Position	\$ 964,957	\$ 146,171	\$ 52,657	\$ 75,404	\$ 1,239,189

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

	Business-Type Activities				Total
	Enterprise Funds				
	Food Service	Prime Time	Summer Enrichment	Early Childhood	
Operating Revenues:					
Charges for Services:					
Daily Sales - Non-Reimbursable Programs	\$ 1,325,674	\$ -	\$ -	\$ -	\$ 1,325,674
Tuition	-	181,479	23,282	347,961	552,722
Miscellaneous Revenue	45,687	-	-	-	45,687
Total Operating Revenues	1,371,361	181,479	23,282	347,961	1,924,083
Operating Expenses:					
Salaries	-	112,337	25,790	174,237	312,364
Support Services - Employee Benefits	-	15,191	3,858	43,808	62,857
Purchased Professional/Technical Services	1,309,515	-	-	-	1,309,515
Other Purchase Services	33,372	-	-	-	33,372
Repairs and Maintenance	14,764	-	-	-	14,764
Supplies and Materials	11,322	2,183	975	24,370	38,850
Depreciation	3,269	-	-	-	3,269
Utilities Expense	-	11,711	1,079	10,000	22,790
Miscellaneous Expenditures	-	-	75	-	75
Total Operating Expenses	1,372,242	141,422	31,777	252,415	1,797,856
Operating Income	(881)	40,057	(8,495)	95,546	126,227
Change in Net Position	(881)	40,057	(8,495)	95,546	126,227
Total Net Position - Beginning	965,838	106,114	61,152	(20,142)	1,112,962
Total Net Position - Ending	\$ 964,957	\$ 146,171	\$ 52,657	\$ 75,404	\$ 1,239,189

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

	Business-Type Activities				Total
	Enterprise Funds				
	Food Service	Prime Time	Summer Enrichment	Early Childhood	
Cash Flows From Operating Activities:					
Receipts From Customers	\$ 1,376,216	181,479	\$ 11,392	\$ 367,461	\$ 1,936,548
Payments To Employees	-	(127,528)	(29,648)	(218,045)	(375,221)
Payments To Suppliers	(1,380,124)	(26,565)	(2,179)	(34,370)	(1,443,238)
Net Cash Provided By/(Used For)					
Operating Activities	(3,908)	27,386	(20,435)	115,046	118,089
Net Increase/(Decrease) in Cash and Cash Equivalents	(3,908)	27,386	(20,435)	115,046	118,089
Balance - Beginning of Year	986,274	118,785	88,707	30,858	1,224,624
Balance - End of Year	982,366	146,171	68,272	145,904	1,342,713
Reconciliation of Operating Loss To Net Cash Used for Operating Activities:					
Operating Income/(Loss) Used for Operating Activities:	(881)	40,057	(8,495)	95,546	126,227
(Decrease)/Increase in Accounts Payable	(5,490)	(12,671)	(50)	-	(18,211)
(Increase)/Decrease in Inventories	(5,661)	-	-	-	(5,661)
Decrease/(Increase) in Accounts Recievable	(295)	-	-	-	(295)
(Decrease)/Increase in Depreciation	3,269	-	-	-	3,269
Increase/(Decrease) in Unearned Revenue	5,150	-	(11,890)	19,500	12,760
Net Cash Provided By/(Used For)					
Operating Activities	\$ (3,908)	\$ 27,386	\$ (20,435)	\$ 115,046	\$ 118,089

This page intentionally left blank.

Internal Service Fund

Not Applicable

This page intentionally left blank

H. Fiduciary Fund

This page intentionally left blank

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

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Funds</u>	Agency <u>Funds</u>	<u>Total</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 2,148	\$ 7,234	\$ 1,333,303	\$ 1,342,685
Interfund Receivable	154,493	-	-	154,493
Total Assets	156,641	7,234	1,333,303	1,497,178
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Interfund Payable	-	-	1,104,313	1,104,313
Due To State	15,730	-	-	15,730
Payroll Deductions and Withholdings	-	-	24,230	24,230
Payable To Student Groups	-	-	204,760	204,760
Total Liabilities	15,730	-	1,333,303	1,349,033
Net Position:				
Held in Trust for Unemployment Claims and Other Purposes	140,911	-	-	140,911
Reserved for Scholarships	-	7,234	-	7,234
Total Net Position	\$ 140,911	\$ 7,234	\$ -	\$ 148,145

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

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Funds</u>	<u>Total</u>
Additions:			
Contributions:			
Plan Member	\$ 89,724	\$ -	\$ 89,724
Board Contribution	-	11,750	11,750
	<hr/>		
Total Additions	89,724	11,750	101,474
	<hr/>		
Deductions:			
Quarterly Contribution Reports	162,124	-	162,124
Scholarships Awarded	-	6,800	6,800
	<hr/>		
Total Deductions	162,124	6,800	168,924
	<hr/>		
Change in Net Position	(72,400)	4,950	(67,450)
Net Position - Beginning of Year	213,311	2,284	215,595
	<hr/>		
Net Position - End of Year	\$ 140,911	\$ 7,234	\$ 148,145
	<hr/>		

**HOLMDEL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	Balance July 1, <u>2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance June 30, <u>2015</u>
Elementary and Middle Schools:				
Village	\$ 13,724	\$ 23,507	\$ 23,712	\$ 13,519
Indian Hill	64,727	47,941	52,325	60,343
William R. Satz	33,969	195,429	185,885	43,513
William R. Satz Athletic Fund	3,905	12,000	15,873	32
	<hr/>	<hr/>	<hr/>	<hr/>
Total Elementary and Middle Schools	116,325	278,877	277,795	117,407
	<hr/>	<hr/>	<hr/>	<hr/>
Senior High School:				
Holmdel	98,114	291,747	302,936	86,925
Holmdel Athletic Fund	498	97,347	97,417	428
	<hr/>	<hr/>	<hr/>	<hr/>
Total Senior High School	98,612	389,094	400,353	87,353
	<hr/>	<hr/>	<hr/>	<hr/>
Total All Schools	\$ 214,937	\$ 667,971	\$ 678,148	\$ 204,760
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**HOLMDEL SCHOOL DISTRICT
PAYROLL AGENCY FUND
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	Balance July 1, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2015</u>
<u>Assets</u>				
Cash Payroll	\$ 21,185	\$ 22,828,716	\$ 22,830,899	\$ 19,002
Cash Payroll Agency	808,253	25,737,696	25,436,408	1,109,541
	<hr/>			
Total Assets	829,438	48,566,412	48,267,307	1,128,543
	<hr/>			
<u>Liabilities</u>				
Payroll Deductions and Withholdings Due To General Fund	78,179	25,737,696	25,810,647	5,228
Due To Unemployment Compensation Trust Fund	505,829	443,991	-	949,820
	224,245	-	69,752	154,493
	<hr/>			
Total Payroll Agency	808,253	26,181,687	25,880,399	1,109,541
	<hr/>			
Net Payroll	21,185	22,384,725	22,386,908	19,002
	<hr/>			
Total Liabilities	\$ 829,438	\$ 48,566,412	\$ 48,267,307	\$ 1,128,543
	<hr/>			

I. Long-Term Debt

This page intentionally left blank

**HOLMDEL 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>					
Partial Refunding of March 15, 2002 Bonds Various Capital Projects and Purchase of Furniture and Equipment	07/01/05	\$ 13,415,000	03/15/16	\$ 1,085,000	4.500%	\$ 10,295,000	\$ -	\$ 1,040,000	\$ 9,255,000
			03/15/17	1,080,000	4.500%				
			03/15/18	1,080,000	4.000%				
			03/15/19	1,195,000	4.000%				
			03/15/20	1,185,000	4.000%				
			03/15/21	1,175,000	4.100%				
			03/15/22	1,165,000	4.100%				
			03/15/23	1,290,000	4.200%				
Refunding of 2003 Bonds	07/25/13	5,415,000	10/01/15	1,215,000	3.750%	5,365,000	-	1,245,000	4,120,000
			10/01/16	1,195,000	4.500%				
			10/01/17	1,165,000	4.000%				
			10/01/18	545,000	4.000%				
						<u>\$ 15,660,000</u>	<u>\$ -</u>	<u>\$ 2,285,000</u>	<u>\$ 13,375,000</u>

**HOLMDEL SCHOOL DISTRICT
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2015**

<u>Description</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2014</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2015</u>
2009/10 MCIA Equipment	\$ 779,000	\$ 169,000	-	\$ 169,000	\$ -
2011/12 MCIA Equipment	480,000	300,000	-	96,000	204,000
2013/14 MCIA Equipment	726,000	726,000	-	134,000	592,000
		<u>\$ 1,195,000</u>	<u>\$ -</u>	<u>\$ 399,000</u>	<u>\$ 796,000</u>

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

	JUNE 30, 2015			Variance Positive/(Negative) Final To Actual
	Original Budget	Budget Transfers	Final Budget	
<u>Revenues</u>				
Local Sources:				
Local Tax Levy	\$ 2,800,957	\$ -	\$ 2,800,957	\$ 2,800,957
Total Revenues	2,800,957	-	2,800,957	2,800,957
<u>Expenditures</u>				
Regular Debt Service:				
Interest & Charges	578,427	-	578,427	578,426
Redemption of Principal	2,285,000	-	2,285,000	2,285,000
Total Regular Debt Service	2,863,427	-	2,863,427	2,863,426
Total Expenditures	2,863,427	-	2,863,427	2,863,426
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	(62,470)	-	(62,470)	(62,469)
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses) Fund Balance, July 1	(62,470) 62,470	- -	(62,470) 62,470	(62,469) 62,470
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 1

This page intentionally left blank.

STATISTICAL SECTION (Unaudited)

This page intentionally left blank

Financial Trends Information

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

This page intentionally left blank

**HOLMDEL SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Government Activities:										
Net Investment in Capital Assets	\$ 22,838,438	\$ 23,974,186	\$ 24,868,775	\$ 26,451,697	\$ 27,893,766	\$ 29,461,141	\$ 30,706,272	\$ 32,468,038	\$ 32,022,178	\$ 36,136,561
Restricted	1,428,622	1,623,459	1,146,595	1,563,373	3,529,843	3,741,642	3,861,568	3,178,902	3,229,987	4,024,427
Unrestricted	(303,481)	(220,402)	54,521	449,004	(253,792)	193,857	110,832	536,516	2,231,548	(18,185,134)
Total Government Activities Net Position	\$ 23,963,580	\$ 25,377,243	\$ 26,069,891	\$ 28,464,074	\$ 31,169,817	\$ 33,396,640	\$ 34,678,672	\$ 36,183,456	\$ 37,483,713	\$ 21,975,854
Business-Type Activities:										
Invested in Capital Assets -										
Net of Related Debt	\$ 87,104	\$ 193,658	\$ 152,275	\$ 91,149	\$ 50,771	\$ 25,096	\$ 18,272	\$ 12,816	\$ 8,283	\$ 5,014
Restricted										
Unrestricted	86,193	126,128	229,876	422,775	597,878	842,809	926,343	1,005,613	1,104,679	1,234,175
Total Business-Type Activities Net Position	\$ 173,297	\$ 319,786	\$ 382,152	\$ 513,924	\$ 648,648	\$ 867,905	\$ 944,615	\$ 1,018,429	\$ 1,112,962	\$ 1,239,189
District-wide:										
Net Investment in Capital Assets	\$ 22,925,543	\$ 24,167,844	\$ 25,021,050	\$ 26,542,847	\$ 27,944,537	\$ 29,486,237	\$ 30,724,544	\$ 32,480,854	\$ 32,030,461	\$ 36,141,575
Restricted	1,547,486	1,623,459	1,146,595	1,563,373	3,529,843	3,741,642	3,861,568	3,178,902	3,229,987	4,024,427
Unrestricted	(336,152)	(94,273)	284,398	871,779	344,085	1,036,666	1,037,175	1,542,129	3,336,227	(16,950,959)
Total District Net Position	\$ 24,136,877	\$ 25,697,029	\$ 26,452,042	\$ 28,977,999	\$ 31,818,465	\$ 34,264,545	\$ 35,623,287	\$ 37,201,885	\$ 38,596,675	\$ 23,215,043

HOLMDEL SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCURAL BASIS OF ACCOUNTING)
(UNAUDITED)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses:										
Governmental Activities:										
Instructional:										
Regular	\$ (21,876,691)	\$ (23,271,751)	\$ (24,493,798)	\$ (23,724,088)	\$ (22,900,778)	\$ (22,167,083)	\$ (22,978,721)	\$ (17,241,917)	\$ (17,205,888)	\$ (17,264,938)
Special Education	(4,199,900)	(4,981,773)	(5,778,129)	(5,847,358)	(5,882,719)	(5,998,446)	(6,259,510)	(4,505,111)	(4,619,880)	(4,931,631)
Other Special Education	(467,879)	(500,246)	(526,961)	(573,950)	(587,808)	(595,565)	(573,908)	(621,996)	(698,285)	(626,652)
Other Instruction	(894,137)	(919,068)	(965,455)	(949,231)	(913,484)	(937,030)	(915,604)	(700,115)	(698,964)	(740,897)
Support Services:										
Tuition	(1,237,610)	(1,352,173)	(1,190,793)	(1,177,369)	(1,064,117)	(1,112,963)	(976,976)	(944,986)	(1,086,353)	(1,091,888)
Student and Instruction Related Services	(5,890,345)	(6,496,283)	(6,707,994)	(6,896,948)	(8,637,241)	(8,862,150)	(9,162,159)	(7,897,495)	(7,602,496)	(7,722,598)
School Administrative Services	(1,499,904)	(1,614,784)	(1,651,140)	(1,726,388)	(1,821,855)	(1,781,416)	(1,825,571)	(1,424,352)	(1,462,340)	(1,508,715)
General Administration	(842,389)	(803,245)	(750,681)	(754,004)	(868,622)	(886,157)	(826,526)	(567,061)	(595,703)	(640,945)
Central Services	(993,203)	(978,809)	(1,030,224)	(1,101,165)	(1,175,857)	(1,120,560)	(1,086,021)	(1,159,659)	(761,297)	(827,851)
Administrative Information Technology	-	-	-	(38,603)	(51,265)	(51,265)	(54,285)	(53,921)	(55,400)	(57,001)
Plant Operations and Maintenance	(6,351,325)	(6,511,905)	(8,570,140)	(7,481,291)	(8,227,159)	(7,574,763)	(9,243,614)	(6,629,954)	(6,466,333)	(5,812,803)
Pupil Transportation	(3,759,518)	(3,423,908)	(3,526,055)	(3,341,650)	(3,240,832)	(3,008,797)	(2,293,063)	(2,234,729)	(2,473,004)	(2,529,060)
Employee Benefits	-	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	(1,533,490)	(1,307,470)	(1,226,732)	(1,122,426)	(1,047,959)	(860,350)	(873,936)	(753,989)	(785,967)	(596,009)
Unallocated Depreciation and Amortization	(1,633,449)	(1,278,405)	(925,504)	(917,138)	(885,402)	(782,664)	(778,845)	(948,409)	(1,333,877)	(881,860)
Total Governmental Activities Expenses	(51,179,841)	(53,439,818)	(57,343,606)	(55,613,004)	(57,292,437)	(55,639,208)	(57,822,739)	(59,857,231)	(59,690,852)	(65,539,644)
Business-Type Activities:										
Food Service	(1,443,062)	(1,473,658)	(1,546,172)	(1,296,087)	(1,211,316)	(1,244,817)	(1,303,735)	(1,295,986)	(1,297,381)	(1,372,242)
Latchkey Program	-	-	-	(201,313)	(181,612)	(181,113)	(172,133)	(156,389)	(150,383)	(141,422)
Summer Enrichment	-	-	-	(70,289)	(97,732)	(26,664)	(36,386)	(33,724)	(30,283)	(31,777)
Early Childhood	-	-	-	-	-	-	(5,736)	-	(14,405)	(252,415)
Total Business-Type Activities Expenses	(1,443,062)	(1,473,658)	(1,546,172)	(1,567,689)	(1,490,660)	(1,452,594)	(1,517,990)	(1,486,099)	(1,492,452)	(1,797,856)
Total District Expenses	(52,622,903)	(54,913,477)	(58,889,777)	(57,180,693)	(58,783,097)	(57,091,802)	(59,340,729)	(61,343,330)	(61,183,304)	(67,337,500)
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 11,699	\$ 60,887	\$ 105,810	\$ 84,784	\$ 217,385	\$ 238,270	\$ 368,221	\$ -	\$ -	\$ -
Support Services - Tuition	-	-	-	-	-	-	-	436,062	389,993	407,835
Operating Grants and Contributions	870,575	888,920	887,898	1,075,903	1,247,408	14,743	26,309	1,495,762	1,316,644	12,274,445
Capital Grants and Contributions	6,094	-	-	11,552	-	-	-	-	-	-
Total Governmental Activities Program Revenues	888,368	949,807	993,708	1,172,240	1,464,794	253,013	394,530	1,931,824	1,706,637	12,682,280
Business-Type Activities:										
Charges for Services:										
Food Service	1,287,702	1,454,208	1,602,555	1,415,147	1,336,189	1,450,535	1,393,294	1,360,620	1,305,863	1,325,674
Latchkey Program	-	-	-	212,315	184,373	194,343	153,029	163,524	187,334	181,479
Summer Enrichment	-	-	-	70,316	104,307	26,945	48,376	35,772	43,288	23,282
Early Childhood	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	17,937	-	-	-	-	-	-	-	-	347,961
Capital Grants and Contributions	-	158,400	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	1,305,640	1,612,608	1,602,555	1,697,778	1,625,068	1,671,823	1,594,699	1,559,916	1,536,485	1,878,396
Total District Program Revenues	2,194,008	2,562,415	2,596,263	2,870,018	3,089,862	1,924,836	1,989,229	3,491,740	3,243,122	14,560,676

HOLMDEL SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCURAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue:										
Governmental Activities	\$ (50,291,472)	\$ (52,490,011)	\$ (56,349,898)	\$ (54,440,765)	\$ (55,827,644)	\$ (55,386,195)	\$ (57,428,209)	\$ (57,925,407)	\$ (57,984,215)	\$ (52,857,364)
Business-Type Activities	(137,423)	138,950	56,383	130,090	134,409	219,229	76,709	73,817	44,033	80,540
Total District-wide Net (Expense)/Revenue	\$ (50,428,895)	\$ (52,351,062)	\$ (56,293,514)	\$ (54,310,675)	\$ (55,693,235)	\$ (55,166,966)	\$ (57,351,500)	\$ (57,851,590)	\$ (57,940,182)	\$ (52,776,824)
General Revenues and Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 40,622,028	\$ 42,607,166	\$ 44,387,036	\$ 45,845,732	\$ 46,564,487	\$ 47,180,371	\$ 47,180,371	\$ 47,770,126	\$ 48,450,529	\$ 49,414,695
Taxes Levied for Debt Service	3,442,455	3,243,641	3,280,732	3,119,351	3,221,163	3,160,520	3,113,858	3,051,483	2,971,232	2,800,957
Unrestricted Grants and Contributions	5,910,235	7,491,363	7,958,950	7,367,049	7,729,658	6,965,580	7,874,329	8,353,200	7,563,872	2,714,555
Restricted Grants and Contributions										
Investment Earnings	265,432	317,893	219,460	60,228	7,867	4,973	-	-	-	105,698
Miscellaneous Income	677,053	243,612	1,196,368	442,388	1,010,211	301,574	541,681	255,383	430,375	207,141
Total Governmental Activities	50,917,204	53,903,675	57,042,546	56,834,948	58,533,386	57,613,018	58,710,239	59,430,192	59,416,008	55,243,046
Business-Type Activities:										
Investment Earnings	5,225	7,539	5,982	1,683	15	28	-	-	-	-
Miscellaneous Income	20,000	-	-	-	-	-	-	-	50,499	45,687
Total Business-Type Activities	25,225	7,539	5,982	1,683	15	28	-	-	50,499	45,687
Total District-wide	\$ 50,942,429	\$ 53,911,214	\$ 57,048,528	\$ 56,836,631	\$ 58,533,401	\$ 57,613,046	\$ 58,710,239	\$ 59,430,192	\$ 59,466,507	\$ 55,288,733
Changes in Net Position:										
Governmental Activities	\$ 625,732	\$ 1,413,663	\$ 692,648	\$ 2,394,183	\$ 2,705,742	\$ 2,226,823	\$ 1,282,030	\$ 1,504,785	\$ 1,431,793	\$ 2,385,682
Business-Type Activities	(112,198)	146,489	62,365	131,773	134,424	219,257	76,709	73,817	94,532	126,227
Total District	\$ 513,535	\$ 1,560,152	\$ 755,013	\$ 2,525,956	\$ 2,840,167	\$ 2,446,080	\$ 1,358,739	\$ 1,578,602	\$ 1,526,325	\$ 2,511,909

Source: District CAFR, Schedule A-2

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	\$ 950,583	\$ 751,445	\$ 537,163	\$ 1,516,901	\$ 3,476,132	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	928,921	1,465,741	1,447,899	1,422,161	704,578	-	-	-	-	-
Restricted	-	-	-	-	-	776,081	904,979	904,979	904,979	904,979
Assigned	-	-	-	-	-	2,929,088	2,979,809	2,270,023	2,345,280	3,229,075
Unassigned	-	-	-	-	-	1,005,147	879,854	1,308,202	1,875,406	946,079
Total General Fund	\$ 1,879,504	\$ 2,217,186	\$ 1,985,062	\$ 2,939,062	\$ 4,180,710	\$ 4,710,316	\$ 4,764,642	\$ 4,483,204	\$ 5,125,665	\$ 5,080,133
All Other Governmental Funds:										
Reserved	\$ 122,835	\$ 92,257	\$ 89,718	\$ 15,206	\$ 15,206	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported In:										
Capital Projects Fund	18,669	30,424	19,713	31,266	3,817	-	-	-	-	-
Debt Service Fund	74,728	-	1	1	-	-	-	-	-	-
Restricted:										
Capital Projects Fund	-	-	-	-	-	31,266	48,114	31,266	125,289	46,471
Debt Service Fund	-	-	-	-	-	-	1	1	-	-
Committed:										
Capital Projects Fund	-	-	-	-	-	15,206	18,122	15,206	-	-
Assigned:										
Debt Service Fund	-	-	-	-	-	-	-	-	62,470	1
Total All Other Governmental Funds	\$ 216,232	\$ 122,681	\$ 109,432	\$ 46,473	\$ 19,023	\$ 46,472	\$ 66,237	\$ 46,473	\$ 187,759	\$ 46,472

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Tax Levy	\$ 44,064,483	\$ 45,850,807	\$ 47,667,768	\$ 48,965,083	\$ 49,785,650	\$ 50,340,891	\$ 50,294,229	\$ 50,821,609	\$ 51,421,761	\$ 52,215,652
Tuition Charges	11,699	60,887	105,810	84,784	217,385	238,270	368,221	436,062	389,993	407,835
Interest Earnings	265,432	317,893	219,460	60,228	4,973	-	-	-	-	-
Miscellaneous	677,053	243,612	394,918	442,588	220,078	301,574	541,681	295,592	451,751	246,629
State Sources	6,085,318	7,571,786	7,976,150	7,671,850	7,549,327	5,696,654	6,801,622	8,832,495	8,045,997	8,475,459
Federal Sources	695,493	808,497	870,698	782,654	1,427,739	1,283,573	1,099,016	976,258	806,917	936,994
Total Revenues	51,799,478	54,853,482	57,234,804	58,007,187	59,200,179	57,865,935	59,104,769	61,362,016	61,116,419	62,282,569
Expenditures:										
Instruction:										
Regular	16,441,784	16,323,492	16,962,299	17,437,743	15,969,314	15,728,483	15,893,613	17,241,917	17,205,888	17,264,938
Special	2,930,467	3,183,604	3,851,136	4,029,268	4,119,680	4,185,660	4,198,398	4,505,111	4,619,880	4,931,631
Other	467,879	500,246	526,961	573,950	587,808	495,565	547,908	621,996	698,285	626,652
School-Sponsored/Other Instructional	755,293	728,353	761,077	765,709	742,163	753,124	689,942	700,115	698,964	740,897
Undistributed:										
Tuition	1,237,610	1,352,173	1,190,793	1,177,369	1,064,117	1,112,963	976,976	944,986	1,086,353	1,091,888
Student and Instruction Related Services	-	-	-	-	-	-	-	-	-	-
Health Services	426,816	552,922	559,897	587,452	598,549	635,324	642,581	7,897,495	7,602,496	7,722,598
Support Services - Students	3,027,046	3,278,920	3,419,363	3,499,542	5,145,944	5,071,430	5,361,581	-	-	-
Support Services - Instructional Staff	1,453,551	1,373,008	1,396,482	1,492,044	851,824	873,116	887,646	-	-	-
General Administration	539,449	507,212	481,976	492,536	511,329	492,514	440,816	567,061	595,703	640,945
School Administration	1,264,115	1,341,667	1,363,286	1,438,478	1,476,994	1,442,768	1,455,006	1,424,352	1,462,340	1,508,715
Central Services	993,203	978,809	1,030,224	1,101,165	1,175,857	1,126,613	1,086,021	1,159,659	761,297	827,851
Admin. Information Technology	-	-	-	-	21,463	51,265	54,285	53,921	55,400	57,001
Plant Operations and Maintenance	5,589,866	5,643,015	6,451,240	6,523,869	5,884,296	5,974,533	7,220,703	6,550,875	6,466,333	5,812,803
Pupil Transportation	2,422,150	2,641,055	2,725,778	2,594,409	2,696,853	2,452,411	2,204,895	2,234,729	2,473,004	2,529,060
Employee Benefits	8,619,740	10,705,052	11,441,592	10,073,759	14,367,404	11,470,208	12,333,765	14,186,141	13,858,310	14,458,376
Capital Outlay	959,027	720,299	413,585	535,546	827,929	494,228	857,430	523,377	1,083,549	874,714
Special Revenue	1,410,672	1,442,331	1,610,507	1,599,446	2,015,118	1,825,701	1,555,252	-	-	-
Debt Service:										
Principal	2,155,000	2,000,000	2,054,000	1,975,000	2,155,000	2,170,000	2,200,000	2,230,000	2,300,000	2,285,000
Interest and Other Charges	1,387,629	1,318,369	1,226,732	1,144,351	1,066,164	990,520	913,858	821,483	682,530	578,426
Total Expenditures	52,081,297	54,590,527	57,466,928	57,041,636	61,277,806	57,346,426	59,520,676	61,663,218	61,650,332	61,951,495
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(281,819)	262,955	(232,124)	965,551	(2,077,627)	519,509	(415,907)	(301,202)	(533,913)	331,074
Other Financing Sources/(Uses):										
Proceeds From Refunding	13,415,000	-	-	-	-	-	-	-	-	-
Payments To Escrow Agent	(13,599,405)	-	-	-	-	-	-	-	5,699,361	-
Transfers In	-	-	-	-	-	-	-	-	(5,625,594)	-
Transfers Out	-	-	-	-	-	-	-	-	-	158,549
Proceeds From MCIA Bonds	-	-	-	-	-	-	500,000	-	726,000	(158,549)
Total Other Financing Sources/(Uses)	(184,405)	-	-	-	-	-	500,000	-	799,767	-
Net Change in Fund Balances	\$ (466,224)	\$ 262,955	\$ (232,124)	\$ 965,551	\$ (2,077,627)	\$ 519,509	\$ 84,093	\$ (301,202)	\$ 265,854	\$ 331,074
Debt Service as a Percentage of Noncapital Expenditures	6.93%	6.16%	5.75%	5.52%	5.33%	5.56%	5.31%	4.99%	4.92%	4.69%
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.
 * Special Revenue allocation not available
 ** Debt Service breakdown not available
 *** Other Financing Sources/(Uses) not available

HOLMDEL SCHOOL DISTRICT

GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

Fiscal Year Ending June 30,	Tuition from Individuals	Tuition from Other LEA's	Miscellaneous	Interest on Investments	Prior Years' Refunds	Rental Income	Donations	Net Bond Premium	Annual Totals
2006	\$ 11,699	\$ 11,699	\$ 62,605	\$ 265,432	\$ 3,868	\$ 73,271	\$ -	\$ -	\$ 428,574
2007	14,438	46,449	51,954	317,893	19,270	61,323	-	-	511,327
2008	20,751	85,059	145,571	219,460	9,217	59,070	-	-	539,128
2009	4,500	80,284	91,270	60,228	12,189	74,048	-	-	322,519
2010	66,535	150,851	47,072	7,867	11,492	91,439	-	-	375,256
2011	86,720	151,550	126,665	4,973	19,226	104,092	-	-	493,226
2012	98,065	270,156	378,216	-	-	126,622	-	-	873,059
2013	115,163	320,899	17,812	-	59,857	177,714	-	-	691,445
2014	107,414	282,579	22,987	713	210,339	132,922	-	-	756,954
2015	333,209	74,626	14,774	785	105,390	86,192	-	-	614,976

Source: District records

Revenue Capacity Information

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

This page intentionally left blank

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

Fiscal Year Ending June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment
2006	\$ 19,400,900	\$ 1,705,212,614	\$ 9,333,000	\$ 826,215	\$ 176,496,355	\$ 111,598,000	\$ 3,747,600
2007	R 66,876,000	3,994,163,600	21,106,100	1,145,700	415,843,400	104,124,500	8,819,200
2008	60,436,400	4,002,513,000	19,650,400	1,056,800	388,531,700	89,671,500	8,819,200
2009	55,722,300	3,999,727,100	22,044,800	1,196,100	383,292,500	75,171,300	8,819,200
2010	39,934,900	3,348,716,600	17,413,800	1,161,500	360,379,100	56,906,900	8,955,700
2011	39,307,000	3,357,071,100	16,884,500	1,153,900	351,317,300	56,906,900	8,955,700
2012	37,997,200	3,364,124,999	17,876,500	1,121,700	349,171,600	54,984,000	7,715,300
2013	40,447,700	3,358,515,299	18,887,700	1,039,200	340,138,200	62,643,700	7,715,300
2014	42,676,700	3,352,543,699	18,544,000	1,008,100	339,528,100	62,643,700	7,715,300
2015	67,212,400	3,575,479,300	17,828,300	988,100	357,433,400	48,932,400	8,450,000

Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
\$ 2,026,614,684	\$ 131,230,250	\$ 4,616,335	\$ 4,616,694,835	\$ 4,021,046,277	2.258
R 4,612,078,500	361,722,800	8,965,069	4,579,644,069	4,509,985,451	1.032
4,570,679,000	389,719,600	8,972,507	4,554,945,807	4,567,319,744	1.069
4,545,973,300	391,840,000	9,060,389	3,842,528,889	4,618,304,460	1.093
3,833,468,500	387,393,500	8,963,595	3,840,559,995	4,500,916,124	1.310
3,831,596,400	387,393,500	7,757,167	3,840,748,466	4,311,735,038	1.310
3,832,991,299	388,531,100	6,793,745	3,839,785,044	4,182,518,989	1.325
3,829,387,099	388,449,600	6,481,288	3,442,691,287	4,110,037,916	1.341
3,824,659,599	389,407,700	6,481,288	3,441,733,187	4,046,245,103	1.363
4,076,323,900	-	6,690,727	4,083,014,627	4,115,972,566	1.309

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment (R) occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

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

Fiscal Year Ending June 30,	Holmdel School District Direct Rate				Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	School Tax Rate	(From J-6) Total Direct	Holmdel Township	Monmouth County		
2006	N/A	N/A	2.258		0.476	0.566	3.300	
2007	0.922	0.070	1.032		0.223	0.263	1.518	
2008	N/A	N/A	1.069		0.232	0.255	1.556	
2009	N/A	N/A	1.093		0.254	0.262	1.609	
2010	N/A	N/A	1.310		0.321	0.315	1.946	
2011	N/A	N/A	1.310		0.336	0.315	1.961	
2012	N/A	N/A	1.325		0.368	0.324	2.017	
2013	N/A	N/A	1.341		0.385	0.333	2.059	
2014	N/A	N/A	1.363		0.395	0.332	2.090	
2015	N/A	N/A	1.309		0.377	0.313	1.999	

Source: Municipal Tax Collector

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

^a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.

^b Rates for debt service are based on each year's requirements.

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

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

	2015			2006		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1	\$ 55,564,500	1	1.45%	\$ 93,500,000	1	4.60%
Taxpayer 2	51,911,100	2	1.36%	28,531,100	2	1.40%
Taxpayer 3	41,586,900	3	1.09%	25,871,435	3	1.27%
Taxpayer 4	26,651,500	4	0.70%	20,807,500	4	1.02%
Taxpayer 5	23,854,800	5	0.62%	12,180,000	5	0.60%
Taxpayer 6	20,588,100	6	0.54%	10,150,000	6	0.50%
Taxpayer 7	19,295,400	7	0.50%	8,627,500	7	0.42%
Taxpayer 8	11,701,200	8	0.31%	6,605,700	8	0.33%
Taxpayer 9	10,000,000	9	0.26%	6,523,700	9	0.32%
Taxpayer 10	7,757,167	10	0.20%	5,209,100	10	0.26%
Total	\$ 268,910,667		7.02%	\$ 218,006,035		10.72%

Source: Municipal Tax Assessor

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

Fiscal Year Ended <u>June 30,</u>	Taxes Levied for <u>the Fiscal Year</u>	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent <u>Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2005	\$ 41,696,078	\$ 41,696,078	100.00%	-
2006	44,064,483	44,064,483	100.00%	-
2007	45,850,807	45,850,807	100.00%	-
2008	47,667,768	47,667,768	100.00%	-
2009	48,965,083	48,965,083	100.00%	-
2010	49,785,650	49,785,650	100.00%	-
2011	50,340,891	50,340,891	100.00%	-
2012	50,294,229	50,294,229	100.00%	-
2013	50,821,609	50,821,609	100.00%	-
2014	51,421,761	51,421,761	100.00%	-
2015	52,215,652	52,215,652	100.00%	-

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

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

DEBT CAPACITY INFORMATION

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

This page intentionally left blank

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

Fiscal Year Ending June 30,	Governmental Activities						Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANS)					
2006	\$ 32,839,000	\$ -	\$ 1,244,230	\$ -	\$ -	34,083,230	N/A	N/A	
2007	30,839,000	-	794,159	-	-	31,633,159	N/A	N/A	
2008	28,785,000	-	790,800	-	-	29,575,800	N/A	N/A	
2009	26,810,000	-	859,500	-	-	27,669,500	N/A	N/A	
2010	24,655,000	-	1,383,800	-	-	26,038,800	N/A	N/A	
2011	22,485,000	-	981,900	-	-	23,466,900	N/A	N/A	
2012	20,285,000	-	1,140,800	-	-	21,425,800	N/A	N/A	
2013	18,055,000	-	723,000	-	-	18,778,000	N/A	N/A	
2014	15,660,000	-	1,195,000	-	-	16,855,000	N/A	N/A	
2015	13,375,000	-	796,000	-	-	14,171,000	N/A	N/A	

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

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

b Includes Early Retirement Incentive Plan ("ERIP") refunding

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

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

Fiscal Year <u>Ending June 30,</u>	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of <u>Property</u>	Per <u>Capita</u> ^b
	General Obligation <u>Bonds</u>	<u>Deductions</u>	Net General Bonded Debt <u>Outstanding</u>		
2006	\$ 32,839,000	\$ -	\$ 32,839,000	1.62%	1,904
2007	30,839,000	-	30,839,000	0.67%	N/A
2008	28,785,000	-	28,785,000	0.63%	N/A
2009	26,810,000	-	26,810,000	0.59%	N/A
2010	24,655,000	-	24,655,000	0.64%	N/A
2011	22,485,000	-	22,485,000	0.59%	N/A
2012	20,285,000	-	20,285,000	0.53%	N/A
2013	18,055,000	-	18,055,000	0.47%	N/A
2014	15,660,000	-	15,660,000	0.46%	N/A
2015	13,375,000	-	13,375,000	0.33%	N/A

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

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

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

**HOLMDEL SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
(UNAUDITED)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Holmdel Township	\$ 15,847,427	100.000%	\$ 15,847,427
Monmouth County General Obligation Debt	428,759,490	3.804%	163,100
Subtotal, Overlapping Debt			16,010,527
Holmdel District Direct Debt			13,375,000
Total Direct and Overlapping Debt			\$ 29,385,527

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized Valuation Basis:			
	2014	\$	4,077,462,259	
	2013		4,021,666,526	
	2012		4,101,618,128	
	(A)	\$	<u>12,200,746,913</u>	
Average Equalized Valuation of Taxable Property	(A/3)		4,066,915,638	
Debt Limit (4% of Average Equalization Value)	(B)	\$	162,676,626	
Total Net Debt Applicable To Limit	(C)		<u>13,375,000</u>	
Legal Debt Margin	(B-C)	\$	<u>149,301,626</u>	

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$ 160,841,731	\$ 163,245,582	\$ 174,030,193	\$ 182,544,846	\$ 182,793,750
Total Net Debt Applicable To Limit	32,389,000	30,839,000	28,785,000	26,810,000	24,655,000
Legal Debt Margin	<u>\$ 128,452,731</u>	<u>\$ 132,406,582</u>	<u>\$ 145,245,193</u>	<u>\$ 155,734,846</u>	<u>\$ 158,138,750</u>

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.14%	18.89%	16.54%	14.69%	13.49%
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$ 178,548,846	\$ 172,423,442	\$ 168,559,253	\$ 163,973,953	\$ 162,676,626
Total Net Debt Applicable To Limit	22,485,000	20,285,000	18,055,000	15,660,000	13,375,000
Legal Debt Margin	<u>\$ 156,063,846</u>	<u>\$ 152,138,442</u>	<u>\$ 150,504,253</u>	<u>\$ 148,313,953</u>	<u>\$ 149,301,626</u>

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.59%	11.76%	10.71%	9.55%	8.22%
--	--------	--------	--------	-------	-------

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

a Limit set by N.J.S.A. 18A:24-19 for a K through 12 District; other percentage limits would be applicable for other District types.

Demographic and Economic Information

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

This page intentionally left blank

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

<u>Year</u>	<u>Population^a</u>	<u>Personal Income^b</u>	<u>Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
2006	17,244	N/A	N/A	4.80%
2007	17,271	N/A	N/A	2.29%
2008	17,425	N/A	N/A	2.29%
2009	17,468	N/A	N/A	2.96%
2010	17,483	N/A	N/A	2.96%
2011	16,773	1,138,165,461	67,857	8.57%
2012	16,790	1,256,261,380	74,822	9.39%
2013	16,688	1,248,629,536	74,822	8.63%
2014	16,715	1,038,335,800	62,120	6.76%
2015	16,694	1,047,665,358	62,757	4.80%

Source:

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

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

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

^d Unemployment data provided by the zipdata maps.

Operating Information

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

This page intentionally left blank

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction:										
Regular	219.00	217.00	217.00	210.70	205.00	195.00	196.10	197.20	196.50	197.70
Special Education	64.00	66.00	66.00	74.30	72.00	69.00	68.50	68.10	70.00	79.30
Support Services:										
Tuition										
Student and Instruction Related Services	56.00	56.00	56.00	59.20	90.00	93.50	92.90	99.30	105.00	109.00
General Administrative Services	5.00	5.00	5.00	5.00	6.00	6.00	6.00	7.00	7.00	5.00
School Administrative Services	15.00	15.00	15.00	15.00	17.00	17.00	17.00	16.50	17.00	17.00
Business Administrative Services	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00
Information Technology	2.00	2.00	2.00	2.00	2.00	2.50	5.50	5.50	5.50	5.50
Plant Operations and Maintenance	47.00	47.00	47.00	47.00	81.00	81.50	74.00	74.00	73.50	79.50
Pupil Transportation	32.00	32.00	32.00	32.00	25.00	23.50	1.40	1.50	1.50	1.50
Total	446.00	446.00	446.00	451.20	504.00	494.00	467.40	475.10	482.00	501.50

**HOLMDEL 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) ^c	Average Daily Attendance (ADA) ^d	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	Senior High School				
2006	3,493	\$ 47,465,675	13,589	9.14%	283	-	-	-	3,490	3,401	-2.35%	97.44%
2007	3,390	50,528,934	14,905	9.69%	283	-	-	-	3,388	3,320	-2.92%	97.99%
2008	3,346	53,646,626	16,033	7.57%	283	-	-	-	3,345	3,281	-4.15%	98.08%
2009	3,293	53,224,079	16,163	0.81%	285	-	-	-	3,290	3,004	-2.89%	91.30%
2010	3,215	53,884,683	16,760	3.70%	277	-	-	-	3,213	3,110	-2.34%	96.80%
2011	3,154	53,691,582	17,023	1.57%	264	-	-	-	3,151	3,068	-1.93%	97.38%
2012	3,089	55,601,183	18,000	5.74%	265	-	-	-	3,089	3,013	-1.97%	97.54%
2013	3,093	58,088,356	18,781	4.34%	265	-	-	-	3,091	3,011	0.06%	97.41%
2014	3,019	57,584,253	19,074	1.56%	267	-	-	-	3,019	2,944	-2.33%	97.52%
2015	3,021	58,213,355	19,270	1.03%	277	-	-	-	3,027	2,883	0.26%	95.24%

Source: District records

Note: Enrollment based on annual October District count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>District Building</u>										
<u>Elementary</u>										
Village School (1952)	122,104	122,104	122,104	122,104	122,104	122,104	122,104	122,104	122,104	122,104
Square Feet	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032
Capacity (students)	958	899	900	910	841	835	831	835	821	821
Enrollment										
Indian Hill (1961)	120,733	120,733	120,733	120,733	120,733	120,733	120,733	120,733	120,733	120,733
Square Feet	940	940	940	940	940	940	940	940	940	940
Capacity (students)	790	818	797	773	767	731	733	712	705	707
Enrollment										
<u>Junior High School</u>										
WR Satz Jr. High (1962)	86,537	86,537	86,537	86,537	86,537	86,537	86,537	86,537	86,537	86,537
Square Feet	669	669	669	669	669	669	669	669	669	669
Capacity (students)	601	568	553	545	557	541	504	538	531	531
Enrollment										
<u>High School</u>										
Holmdel High School (1958)	193,021	193,021	193,021	193,021	193,021	193,021	193,021	193,021	193,021	193,021
Square Feet	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173
Capacity (students)	1,146	1,105	1,096	1,065	1,050	1,047	1,021	1,008	962	962
Enrollment										

Other

Number of Schools at June 30, 2015:

- Elementary = 2
- Junior High School = 1
- High School = 1

**HOLMDEL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

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

*School Facilities

	<u>Project # (s)</u>	<u>Holmdel High School</u>	<u>William R. Satz</u>	<u>Indian Hill</u>	<u>Village</u>	<u>Total</u>
2006	N/A	\$ 544,346	\$ 248,344	\$ 300,319	\$ 308,377	\$ 1,401,386
2007	N/A	488,520	232,576	289,322	309,514	1,319,932
2008	N/A	611,685	298,230	338,741	368,853	1,617,509
2009	N/A	630,926	311,201	363,144	386,878	1,692,149
2010	N/A	541,167	236,012	291,823	282,502	1,351,504
2011	N/A	519,738	277,401	288,567	504,798	1,590,504
2012	N/A	998,342	328,709	333,673	1,182,474	2,843,198
2013	N/A	1,241,906	278,900	375,391	356,326	2,252,523
2014	N/A	762,754	287,704	610,089	349,147	2,009,694
2015	N/A	505,306	224,668	277,516	314,356	1,321,846
Total School Facilities		\$ 6,844,690	\$ 2,723,745	\$ 3,468,585	\$ 4,363,225	\$ 17,400,245

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

Source: District records

**HOLMDEL SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2015
(UNAUDITED)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1):		
Building and Contents (All Locations)	\$ 139,373,439	\$ 10,000
Comprehensive General Liability	31,000,000	
Comprehensive Automobile Liability	31,000,000	
Comprehensive Crime Coverage:		
Money and Securities	25,000	500
Comprehensive Crime Coverage:		
Forgery and Alteration	250,000	1,000
EDP	1,189,900	1,000
Valuable Papers and Records	10,000,000	10,000
Boiler and Machinery - Property Damage	100,000,000	10,000
School Leaders Errors and Admissions	31,000,000	10,000
Public Employees' Faithful Performance		
Blanket Position Bond	250,000	1,000
Public Officials:		
Board Secretary/Business Administrator	100,000	
Treasurer	300,000	
Flood Insurance	75,000,000	(Pool Agg)
Earthquake Insurance	50,000,000	(Pool Agg) 10,000
Athletic Accident	1,000,000	80% Co-Ins.

Source: District records

This page intentionally left blank.

SINGLE AUDIT SECTION

This page intentionally left blank



HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333

618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612

912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800

795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090

926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090

www.hfacpas.com

EXHIBIT K-1

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

Honorable President and Members
of the Holmdel Board of Education
County of Monmouth
Holmdel, New Jersey 07733

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Holmdel Board of Education, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise Holmdel Board of Education's basic financial statements, and have issued our report thereon dated December 11, 2015

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Holmdel Board of Education'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 Holmdel Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of Holmdel Board of Education's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Freehold, New Jersey
December 11, 2015



EXHIBIT K-2

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

Honorable President and Members
of the Holmdel Board of Education
County of Monmouth
Holmdel, New Jersey 07733

Report on Compliance for Each Major Federal and State Program

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

Management’s Responsibility

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

Auditor’s Responsibility

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

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Freehold, New Jersey
December 11, 2015

This page intentionally left blank.

HOLMDEL 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 or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2015	
				From	To					(Accounts Receivable)	Unearned Revenue
U.S. Department of Agriculture: Passed-Through Department of Education: General Fund:											
Medical Assistance Program (SEMI)	93-778	N/A	\$ 31,662	07/01/14	06/30/15	\$ -	\$ 26,515	\$ (31,662)	\$ -	\$ (5,147)	\$ -
Medical Assistance Program (SEMIARRA)	93-778	N/A	10,869	07/01/14	06/30/15	-	10,869	(10,869)	-	-	-
Total U.S. Department of Agriculture						-	37,384	(42,531)	-	(5,147)	-
U.S. Department of Education: Passed-Through State Department of Education: Special Revenue Fund:											
I.D.E.A. Part B - Basic Flow-Through	84.027	IDEA223015	760,202	07/01/14	06/30/15	-	634,476	(760,202)	-	(125,726)	-
I.D.E.A. Part B - Basic Flow-Through	84.027	IDEA223014	710,855	07/01/13	08/31/14	(144,707)	165,708	(21,002)	-	(1)	-
I.D.E.A. Part B - Basic Flow-Through	84.027	IDEA223011	776,852	09/01/10	08/31/11	(641)	641	-	-	-	-
I.D.E.A. Part B, Preschool	84.173	IDEA223015	27,553	07/01/14	06/30/15	-	-	(27,553)	-	(27,553)	-
I.D.E.A. Part B, Preschool	84.173	IDEA223014	27,487	09/01/13	08/31/14	(27,487)	27,487	-	-	-	-
Title II - Part A	84.367A	NCLB223015	61,049	07/01/14	06/30/15	-	23,100	(48,455)	-	(25,355)	-
Title II - Part A	84.367A	NCLB223014	60,632	07/01/13	06/30/14	(5,309)	10,468	(27,922)	-	(22,763)	-
Title II - Part A	84.367A	NCLB223013	60,650	09/01/12	08/31/13	(5,326)	846	(2,407)	-	(6,887)	-
Title II - Part A	84.367A	NCLB223012	67,577	09/01/11	08/31/12	(14,044)	14,301	(599)	-	(342)	-
Title III - English Language Acquisition	84.367A	NCLB223010	9,268	09/01/09	08/31/10	17	-	-	-	-	17
Title IV	84.186A	NCLB223011	6,970	09/01/09	08/31/10	103	-	-	-	-	103
Title IV	84.186A	NCLB223009	7,360	09/01/08	08/31/09	117	-	-	-	-	117
Total Special Revenue Fund						(197,277)	877,027	(888,140)	-	(208,627)	237
Total Federal Financial Awards						\$ (197,277)	\$ 914,411	\$ (930,671)	\$ -	\$ (213,774)	\$ 237

HOLMDEL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 For the fiscal year ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Deferred Revenue/ (Accounts Receivable)	Due To Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balance	Balance at June 30, 2015		Memo
			From	To							(Accounts Receivable)	Due To Grantor	
State Department of Education													
General Fund:													
Reimbursed Non-Public Transportation Aid	103190	\$ 28,951	07/01/14	06/30/15	\$ -	\$ -	\$ -	\$ (28,951)	\$ -	\$ -	\$ -	\$ -	\$ 28,951
Reimbursed Non-Public Transportation Aid	103190	30,307	07/01/13	06/30/14	(30,307)	-	30,307	-	-	-	-	-	275,873
Transportation Categorical Aid	495-034-5120-014	275,873	07/01/14	06/30/14	(25,422)	-	275,873	(275,873)	-	-	-	(25,460)	275,873
Transportation Categorical Aid	495-034-5120-014	1,365,120	07/01/13	06/30/15	(125,795)	-	1,365,120	(1,365,120)	-	-	-	(125,985)	1,365,120
Special Education Categorical Aid	495-034-5120-089	1,365,120	07/01/13	06/30/14	(136,063)	-	1,365,120	(136,063)	-	-	-	(12,557)	136,063
Special Education Categorical Aid	495-034-5120-089	136,063	07/01/14	06/30/15	(12,538)	-	136,063	(12,538)	-	-	-	(2,708)	29,345
Security Categorical Aid	495-034-5120-084	29,345	07/01/14	06/30/15	-	-	29,345	(29,345)	-	-	-	(2,708)	29,345
PARCC Readiness Aid	495-034-5120-098	29,345	07/01/14	06/30/15	-	-	29,345	(29,345)	-	-	-	(2,708)	29,345
Per Pupil Growth Aid	495-034-5120-097	812,991	07/01/14	06/30/15	(1,303,637)	-	1,303,637	(812,991)	-	-	-	-	812,991
Extraordinary Special Education Aid	495-034-5120-044	1,303,637	07/01/13	06/30/14	-	-	-	-	-	-	-	-	-
On-Behalf TPAF Pension System Contribution	495-034-5095-006	1,274,760	07/01/14	06/30/15	-	-	1,274,760	(1,274,760)	-	-	-	-	1,274,760
On-Behalf TPAF Pension System Contribution - Post Retirement	495-034-5095-001	2,023,681	07/01/14	06/30/15	-	-	2,023,681	(2,023,681)	-	-	-	-	2,023,681
Reimbursed TPAF Social Security Contributions	495-034-5095-002	1,801,036	07/01/14	06/30/15	-	-	1,800,998	(1,801,036)	-	-	(38)	-	1,801,036
Reimbursed TPAF Social Security Contributions	495-034-5095-002	1,757,135	07/01/13	06/30/14	(90,056)	-	90,036	-	-	-	-	-	90,036
Total General Fund					(1,587,735)		8,522,920	(7,777,165)				(841,980)	7,867,201
Special Revenue Fund:													
N.J. Non Public Auxiliary Services Aid (Ch. 192):													
Compensatory Education	100-034-5120-067	113,139	07/01/14	06/30/15	-	-	113,139	(112,248)	-	-	891	-	112,248
Compensatory Education	100-034-5120-067	130,965	07/01/13	06/30/14	-	58,206	-	-	(58,206)	-	-	-	-
Transportation	100-034-5120-067	12,600	07/01/14	06/30/15	-	-	12,600	(12,600)	-	-	-	-	12,600
Home Instruction	100-034-5120-067	5,563	07/01/14	06/30/15	-	-	-	(5,563)	-	-	-	-	5,563
Home Instruction	100-034-5120-067	10,104	07/01/13	06/30/14	(10,104)	-	10,104	-	-	-	-	-	-
N.J. Non Public Handicapped Services (Ch. 193):													
Examination and Classification	100-034-5120-066	93,884	07/01/14	06/30/15	-	-	93,884	(91,364)	-	-	2,520	-	91,364
Examination and Classification	100-034-5120-066	114,374	07/01/13	06/30/14	-	17,824	-	-	(17,824)	-	-	-	-
Corrective Speech	100-034-5120-066	27,389	07/01/14	06/30/15	-	-	27,389	(19,437)	-	-	7,952	-	19,437
Corrective Speech	100-034-5120-066	32,810	07/01/13	06/30/14	-	14,843	-	-	(14,843)	-	-	-	-
Supplementary Instruction	100-034-5120-066	68,269	07/01/14	06/30/15	-	-	68,269	(68,269)	-	-	-	-	68,269
Supplementary Instruction	100-034-5120-066	147,966	07/01/14	06/30/15	-	-	147,966	(146,229)	-	-	1,737	-	146,229
N.J. Non Public Nursing Services Aid	100-034-5120-070	18,039	07/01/13	06/30/14	-	112	-	-	(112)	-	-	-	-
N.J. Non Public Nursing Services Aid	100-034-5120-070	92,944	07/01/14	06/30/15	-	-	92,944	(92,401)	-	-	543	-	92,401
N.J. Non Public Textbooks Aid	100-034-5120-064	83,865	07/01/13	06/30/14	-	1,339	-	-	(1,339)	-	-	-	-
N.J. Non Public Textbooks Aid	100-034-5120-064	50,208	07/01/14	06/30/15	-	-	50,208	(50,149)	-	-	59	-	50,149
N.J. Non Public Technology Aid	100-034-5120-373	30,580	07/01/13	06/30/14	-	28	-	-	(28)	-	-	-	-
N.J. Non Public Technology Aid	100-034-5120-373												
Total Special Revenue Fund					(10,104)		616,503	(598,260)		(92,352)		(5,563)	598,260
Capital Projects Fund:													
SDA ROD Grant	G2AZ	105,698	07/01/14	06/30/15	-	-	-	(105,698)	-	-	-	-	105,698
Total Capital Projects Fund								(105,698)					105,698
Total State Financial Assistance													
		\$ (1,597,839)			\$ 92,352	\$ -	\$ 9,139,423	\$ (8,481,123)	\$ (92,352)	\$ (953,241)	\$ 13,702	\$ (169,418)	\$ 8,571,159
Less: Grants Not Subject to New Jersey OMB Circular 04-04 and/or 15-08:													
On-Behalf TPAF Pension System Contribution	495-034-5095-006	1,274,760	07/01/14	06/30/15	-	-	-	1,274,760	-	-	-	-	-
On-Behalf TPAF Pension System Contribution - Post Retirement	495-034-5095-001	2,023,681	07/01/14	06/30/15	-	-	-	2,023,681	-	-	-	-	-
Total State Financial Assistance subject to New Jersey OMB Circular 04-04 and/or 15-08								\$ (5,182,682)					

HOLMDEL BOARD OF EDUCATION

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

June 30, 2015

Note 1. General

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

Note 2. Basis of Accounting

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

Note 3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$5,664) for the general fund and \$6,322 for the special revenue fund. See Exhibit C-3, notes to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the board's basic financial statements on a GAAP basis as presented on the following page:

HOLMDEL BOARD OF EDUCATION

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

June 30, 2015

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

	State	Federal	Total
General Fund	\$ 7,771,501	\$ 42,531	\$ 7,814,032
Special Revenue Fund	598,260	894,463	1,492,723
Capital Projects Fund	<u>105,698</u>	<u>-</u>	<u>105,698</u>
 Total Awards and Financial Assistance	 <u>\$ 8,475,459</u>	 <u>\$ 936,994</u>	 <u>\$ 9,412,453</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Holmdel Board of Education had the no loan balances outstanding at June 30, 2015:

Note 6. Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

**HOLMDEL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section I - Summary of Auditor's Results (continued)

State Awards

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

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-089</u>	<u>State Aid - Public:</u>
<u>495-034-5120-084</u>	<u>Special Education Categorical Aid</u>
<u>495-034-5120-098</u>	<u>Security Categorical Aid</u>
<u>495-034-5120-097</u>	<u>PARCC Readiness Aid</u>
	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-044</u>	<u>Extraordinary Aid</u>

**HOLMDEL BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section II – Financial Statement Findings

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

None Reported

Section III – Federal Awards and State Financial Assistance Findings & Questioned Costs

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

None Reported

This page intentionally left blank.

**HOLMDEL BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

No Prior Year Findings