

Comprehensive Annual Financial Report

of the

Township of Little Egg Harbor Board of Education

Little Egg Harbor, New Jersey

For the Fiscal Year Ended June 30, 2015

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INTRODUCTORY SECTION

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT

Administrative Offices
307 Frog Pond Road • Little Egg Harbor, NJ 08087

December 4, 2015

Honorable President and
Members of the Board of Education
Little Egg Harbor Township School District
Ocean County, New Jersey

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations," and the state Treasury Circular Letter 98-07 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." 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, is included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES: Little Egg Harbor Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report.

The District provides a full range of educational services appropriate to grade levels Pre-School through 6. These include regular, as well as special education for handicapped youngsters. The District completed the 2014/2015 fiscal year with an enrollment of 1,622 students, which is 49 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last fifteen years.

REPORTING ENTITY AND ITS SERVICES: (continued)

Fiscal Year Ended June 30,	<u>Average Daily Enrollment</u>		%Change in Average Daily Enrollment	<u>Attendance %</u>
	Average Daily Enrollment	Average Daily Attendance		
2000	1552.3	1457.5	2.32	93.9
2001	1761.6	1647.0	13.0	93.5
2002	1744.1	1619.9	1.0	92.9
2003	1729.8	1619.9	(1.0)	93.6
2004	1742.8	1628.5	.75	93.4
2005	1683.8	1567.8	(3.39)	93.1
2007	1693.1	1578.5	.005	93.2
2008	1671.1	1573.1	(.99)	94.1
2009	1799.0	1678.0	1.06	93.3
2010	1829.2	1702.9	1.016	93.1
2011	1859.4	1725.5	1.02	92.8
2012	1792.5	1663.1	(3.64)	92.8
2013	1750.8	1619.7	(2.7)	92.5
2014	1668.9	1571.4	(4.67)	93.8
2015	1613.9	1514.1	(3.63)	93.8

ECONOMIC CONDITION AND OUTLOOK: The Township of Little Egg Harbor encompasses 49.5 square miles and is continuing to experience moderate growth.

Three schools serve the district. The George J. Mitchell School, located on County Road 539, houses children in grades K through 6. The Frog Pond Elementary School, located on Frog Pond Road, houses children in grades K through 6. The Robert C. Wood, Sr. Early Childhood Center, also located on County Road 539, houses Pre-School students.

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

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

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

BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special

revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

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

RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automotive liability and comprehensive/collision, equipment maintenance, hazard and theft insurance on property and contents, and fidelity bonds.

OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by an independent certified public accountant or a registered municipal accountant. The accounting firm of Ford, Scott, & Associates, L.L.C. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and State Treasury Circular Letter 98-07 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Little Egg Harbor Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Melissa Ann McCooley
Melissa Ann McCooley
Superintendent of Schools

Jann L. Cohen
Jann Cohen
Business Administrator/
Board Secretary

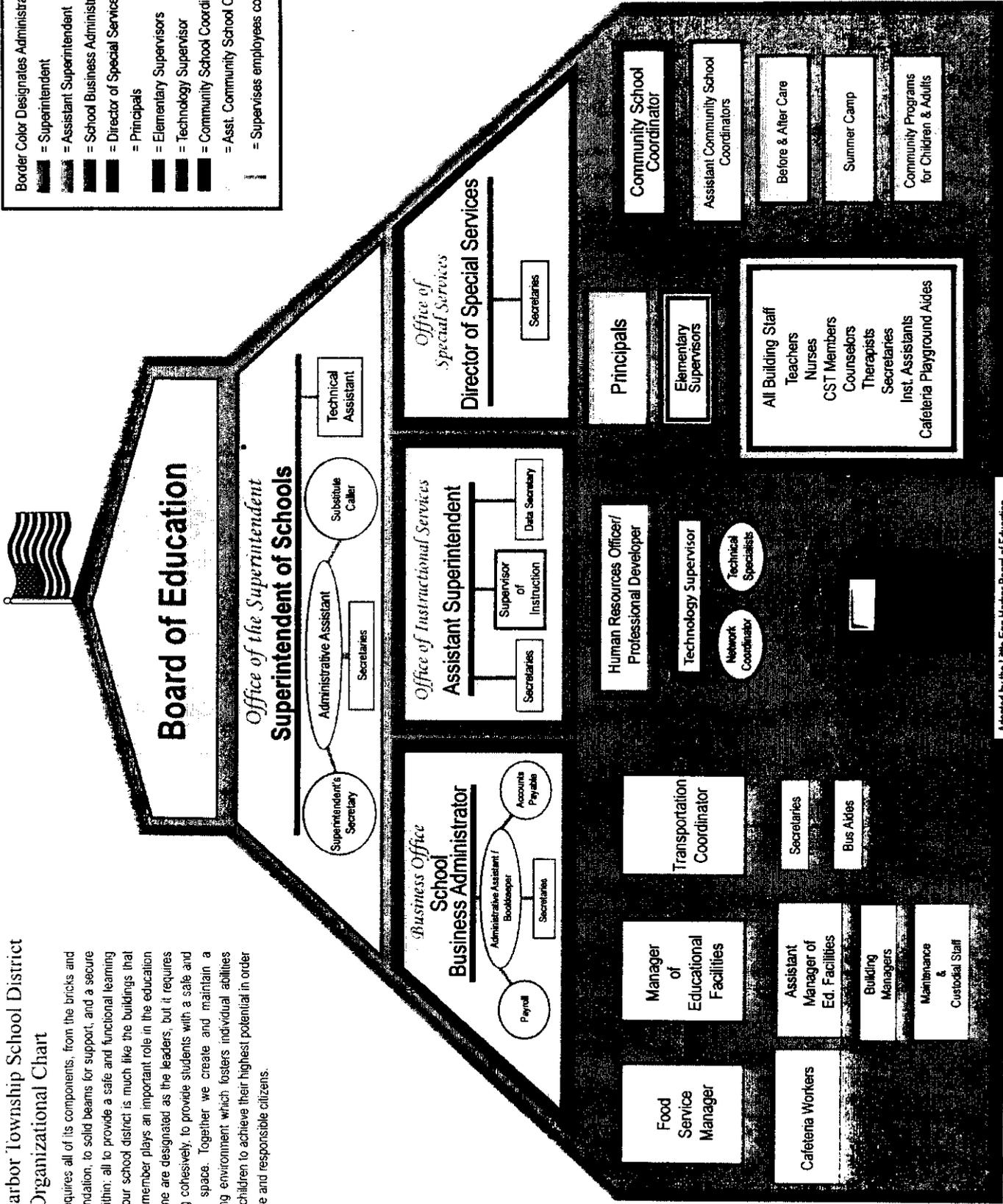
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Little Egg Harbor Township School District Organizational Chart

A school building requires all of its components, from the bricks and mortar of a firm foundation, to solid beams for support, and a secure roof to protect all within; all to provide a safe and functional learning place. The staff of our school district is much like the buildings that house them. Every member plays an important role in the education of our children. Some are designated as the leaders, but it requires all the staff, working cohesively, to provide students with a safe and functional learning space. Together we create and maintain a collaborative learning environment which fosters individual abilities and encourages all children to achieve their highest potential in order to prepare productive and responsible citizens.

Border Color Designates Administrator Responsible:

- = Superintendent
- = Assistant Superintendent
- = School Business Administrator
- = Director of Special Services
- = Principals
- = Elementary Supervisors
- = Technology Supervisor
- = Community School Coordinator
- = Asst. Community School Coordinator
- = Supervises employees connected by line



Adopted by the Little Egg Harbor Board of Education
February 25, 2009, revised January 15, 2010

**LITTLE EGG HARBOR TOWNSHIP BOARD OF EDUCATION
COUNTY OF OCEAN, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
John Bellone– President	2016
August Daleo – Vice President	2016
Carmine J. Cimino	2015
Lorraine Perrino	2015
Gina M. Frasca	2017
Matthew Maleski	2015
Martha “June” Palan	2016

Other Officials

Dr. Maryann Banks, Interim Superintendent of Schools through June 30, 2015

Melissa McCooley, Superintendant – Effective July 1, 2015 - Current

Dean Allison, Interim Business Administrator/Board Secretary through October 30, 2014

Jann Cohen, Business Administrator/Board Secretary Effective October 31, 2014 - Current

Patricia Christopher, CPA, Treasurer

**TOWNSHIP OF LITTLE EGG HARBOR BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

ARCHITECT

Garrison Architects
406 Lippincott Drive, Suite M
Marlton, NJ 08053

INDEPENDENT AUDITOR

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
P.O. Box 538
Ocean City, New Jersey 08226-0538

ATTORNEY

Amy L. Houck
Cooper, Levenson, P.A.
1125 Atlantic Avenue
Atlantic City, New Jersey 08401

OFFICIAL DEPOSITORY

Ocean First
425 Route 9 South
Little Egg Harbor, NJ 08087

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FINANCIAL SECTION



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
PHONE 609.399.6333 • FAX 609.399.3710
www.ford-scott.com

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Little Egg Harbor Township School District
County of Ocean, New Jersey

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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. 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 Little Egg Harbor Township School District, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information identified 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 Little Egg Harbor Township School District's basic financial statements. The introductory section, combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB 04-04, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB 04-04, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB 04-04 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2015 on our consideration of the Little Egg Harbor Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Little Egg Harbor Township School District's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

December 4, 2015

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REQUIRED SUPPLEMENTARY INFORMATION – PART I

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

The discussion and analysis of Little Egg Harbor Township 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 basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- In total, net position decreased by \$537,800.33, which represents a 10 percent decrease from 2014.
- General revenues accounted for \$22,437,916.59 in revenue or 64 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$12,455,317.99 or 36 percent of total revenues of \$34,893,234.58.
- Total assets of governmental activities decreased by \$1,708,852.44, as cash and cash equivalents decreased by \$439,661.32, receivables decreased by \$38,327.77 and capital assets (net) decreased by \$1,219,018.97.
- The School District had \$35,431,034.91 in expenses; only \$12,455,317.99 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$22,437,916.59 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$23,755,068.87 in revenues and \$23,764,751.11 in expenditures. The General Fund's fund balance decreased \$189,647.65 over 2014.

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 Little Egg Harbor Township 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. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of Little Egg Harbor Township District, the General Fund is by far the most significant fund.

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

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 ask the question, "How did we do financially during 2015?" The Statement of Net Position and the Statement of Activities 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 businesses. 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 position of the School District have improved or diminished. The cause 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 instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activity - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and the Community School enterprise funds are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transaction. The School District's 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 the reader 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.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Enterprise Fund

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net position for 2015 and 2014.

**Table 1
Net Position**

	2015	2014
Assets		
Current and Other Assets	\$ 1,641,761.09	\$ 2,031,516.22
Capital Assets	38,067,403.80	39,291,726.23
Total Assets	39,709,164.89	41,323,242.45
Deferred Outflows of Resources		
Loss on Refunding of Long Term Debt	1,204,185.60	
Deferred Outflows Related to Pensions	840,048.00	
	2,044,233.60	-
Liabilities		
Long-Term Liabilities	27,114,982.71	26,943,756.11
Other Liabilities	9,392,701.29	1,214,428.52
Total Liabilities	36,507,684.00	28,158,184.63
Net Position		
Invested in Capital Assets, Net of Debt	14,229,704.17	14,319,213.26
Restricted	995,066.09	1,026,714.22
Unrestricted	(10,472,538.77)	(2,180,869.66)
Total Net Position	\$ 4,752,231.49	\$ 13,165,057.82

The District's combined net position was \$4,752,231.49 on June 30, 2015. This was a decrease of 64 percent from the prior year.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Table 2 shows changes in net position for fiscal year 2015 and 2014.

**Table 2
Changes in Net Position**

	2015	2014
Revenues		
Program Revenues:		
Charges for Services	\$ 918,197.03	\$ 659,478.78
Operating Grants and Contributions	11,537,120.96	6,347,357.33
Capital Grants	-	16,470.52
General Revenues:		
Property Taxes	12,234,233.00	11,772,562.00
Grants and Entitlements	10,032,008.34	12,405,343.08
Other	171,675.25	166,056.64
Total Revenues	34,893,234.58	31,367,268.35
Program Expenses		
Instruction	19,074,285.11	16,621,541.98
Support Services:		
Pupils and Instructional Staff	7,785,039.56	6,792,203.26
General Administration and School Administration	2,467,534.20	2,718,123.31
Plant Operations and Maintenance of Facilities	2,079,673.34	2,135,662.65
Pupil Transportation	1,376,090.33	1,302,295.04
Interest on Debt	1,161,340.08	1,049,216.17
Food Service	862,820.35	875,440.45
Community School	363,051.42	274,139.90
Regional Professional Development Academy	261,200.52	76,386.68
Total Expenses	35,431,034.91	31,845,009.44
Increase (Decrease) in Net Position	\$ (537,800.33)	\$ (477,741.09)

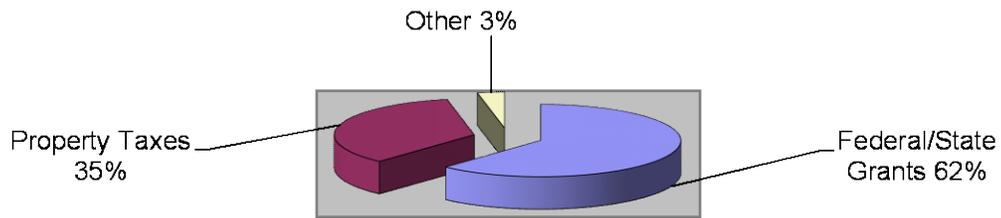
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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Governmental Activities

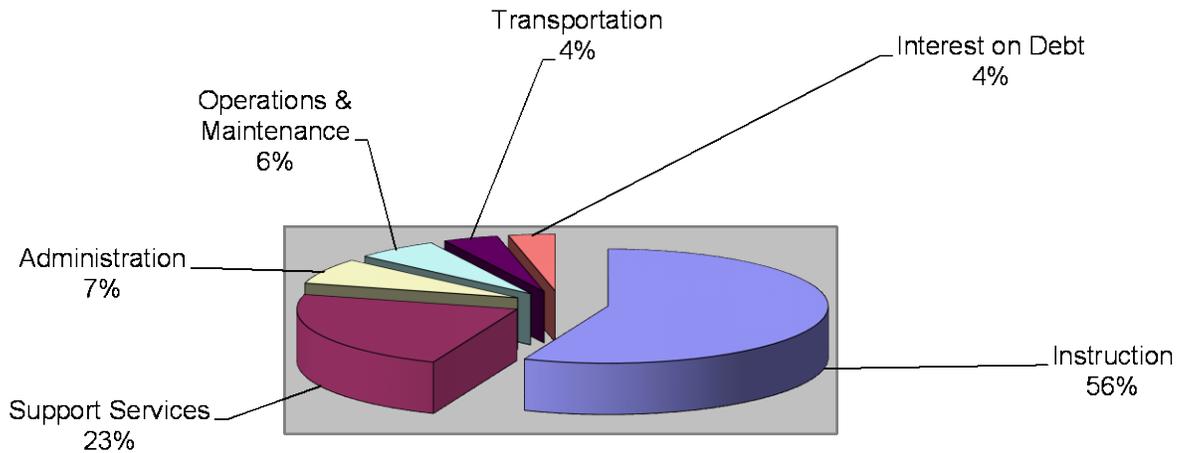
The District's total governmental revenues were \$34,893,234.58 for the year ended June 30, 2015. Property taxes made up 35 percent of revenues for governmental activities for the Little Egg Harbor Township District for fiscal year 2015. Federal, state, and local grants accounted for another 62 percent of revenue. Local Revenue and charges make up 3 percent of the revenue.

Sources of Revenue for Fiscal Year 2015



The total cost of all governmental programs and services was \$33,943,962.62. Instruction comprises 56 percent of District expenses.

Expenses for Fiscal Year 2015



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Business-Type Activities

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

- Food service revenue exceed expenses by \$7,818.60, Regional Professional Development Academy revenue exceeded expenses by \$17,216.48 and the Community School program expenses exceeded revenues by \$57,451.07.
- Charges for services represent \$334,179.68 of revenue. This represents amounts paid by patrons for daily food service. Charges for Regional Professional Development Academy represent \$278,417.00 of revenue. This represents amounts paid by patrons for the Academy. Charges for community school program represent \$305,600.35 of revenue. This represents amounts paid by patrons for community school.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$536,459.27.

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.

Table 3

	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2015</u>	<u>Total Cost of Services 2014</u>	<u>Net Cost of Services 2014</u>
Instruction	\$ 19,074,285.11	\$ 13,101,147.12	\$ 16,621,541.98	\$ 14,274,441.31
Support Services:				
Pupils and Instructional Staff	7,785,039.56	3,429,719.86	6,792,203.26	3,986,166.46
General Administration and School Administration	2,467,534.20	2,467,534.20	2,718,123.31	2,718,123.31
Operation and Maintenance of Facilities	2,079,673.34	2,079,673.34	2,135,662.65	2,135,662.65
Pupil Transportation	1,376,090.33	1,376,090.33	1,302,295.04	1,302,295.04
Interest and Fiscal Charges	1,161,340.08	489,136.08	1,049,216.17	375,195.17
Other				
Total Expenses	<u>\$ 33,943,962.62</u>	<u>\$ 22,943,300.93</u>	<u>\$ 30,619,042.41</u>	<u>\$ 24,791,883.94</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.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

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

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

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

"Other" includes special schools and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$30,755,858.24 and expenditures were \$31,057,417.59. The change in fund balance for the year was a decrease of \$301,559.35.

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

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2014</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 12,423,279.18	40.39%	\$ 470,244.43	3.93%
State Sources	17,567,697.78	57.12%	575,784.35	3.39%
Federal Sources	764,881.28	2.49%	(460,948.10)	-37.60%
Total	<u>\$ 30,755,858.24</u>	100.00%	<u>\$ 585,080.68</u>	1.94%

The increase in local revenues of \$470,244.43 is predominately due to an increase in taxes. State revenues increased by \$575,784.35, predominately due to the increase in TPAF on-behalf contributions. There was a decrease of \$460,948.10 in Federal revenues due to a decrease in funds for IDEA and Project Serve grants in 2015.

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2015 and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2014	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 9,522,236.87	30.66%	\$ 251,916.24	2.72%
Undistributed expenditures	14,152,933.43	45.57%	557,635.75	4.10%
Capital Outlay	226,337.96	0.73%	(198,215.21)	-46.69%
Special Revenues	5,273,021.83	16.98%	(61,645.12)	-1.16%
Debt Service:				
Principal	855,000.00	2.75%	25,000.00	3.01%
Interest	1,027,887.50	3.31%	(35,420.00)	-3.33%
Total	<u>\$ 31,057,417.59</u>	100.00%	<u>\$ 539,271.66</u>	1.77%

Changes in expenditures were the results of varying factors. Instruction increased due to an increase in expenses related to other purchased services. Undistributed expenditures increased due to an increase in employee benefits. Capital outlay decreased due to construction projects that are currently taking place being nearly complete.

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 cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

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

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Capital Assets

At the end of the fiscal year 2015, the School District had \$38,067,403.80 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2015 balances compared to 2014.

**Table 4
Capital Assets (Net of Depreciation) at June 30,**

	2015	2014
Land	\$ 7,076,100.00	\$ 7,076,100.00
Construction in Progress	3,618,294.72	4,191,895.62
Sites, Buildings and Building Improvements	25,858,418.25	27,140,846.20
Machinery and Equipment	1,514,590.83	882,884.41
Total	\$ 38,067,403.80	\$ 39,291,726.23

Overall, capital assets decreased \$1,224,322.43 from fiscal year 2014 to fiscal year 2015. Most of this decrease is attributable to older assets becoming fully depreciated during this audit year.

Debt Administration

At June 30, 2015, the School District had \$27,101,450.73 of outstanding debt. Of this amount, \$1,837,946.24 is for compensated absences; \$602,001.49 for various capital leases; \$1,426,503.00 is for the balance on the premium from the Bond Sale, and \$23,235,000.00 of serial bonds for school construction.

**Table 5
Outstanding Bonded Debt at June 30,**

	2015	2014
2009 General Obligation Bonds	\$ 6,720,000.00	\$ 6,975,000.00
2007 General Obligation Bonds	1,270,000.00	16,950,000.00
1999 General Obligation Bonds	-	215,000.00
2015 Refunding Bonds	15,245,000.00	-
Total	\$ 23,235,000.00	\$ 24,140,000.00

At June 30, 2015, the School District's was within its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements.

For the Future

The Little Egg Harbor Township School District is in good financial condition presently. The School District is proud of its community support of the public schools.

The Little Egg Harbor Township School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Contacting the School District's 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 Mrs. Jann Cohen, Business Administrator/Board Secretary at (609) 296-1719, extension 1013 or Melissa Ann McCooley, Superintendent of Schools at (609) 296-1710, extension 1010.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

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

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 857,251.16	\$ 122,195.31	\$ 979,446.47
Receivables, Net	479,398.64	158,851.40	638,250.04
Internal Balances	(12,165.92)	12,165.92	(0.00)
Due from Fiduciary Funds			-
Inventory		24,064.58	24,064.58
Capital Assets, Net			
Land	7,076,100.00		7,076,100.00
Capital Assets being Depreciated, net	30,922,431.38	68,872.42	30,991,303.80
Total Assets	<u>39,323,015.26</u>	<u>386,149.63</u>	<u>39,709,164.89</u>
Deferred Outflow of Resources			
Loss on Refunding of Long-Term Debt	1,204,185.60		1,204,185.60
Deferred Outflows Related to Pensions	840,048.00		840,048.00
Total Deferred Outflow of Resources	<u>2,044,233.60</u>	<u>-</u>	<u>2,044,233.60</u>
LIABILITIES			
Accounts Payable	81,409.45	126,632.68	208,042.13
Unearned Revenue	412,458.38	66,329.93	478,788.31
Accrued Interest	425,207.85		425,207.85
Noncurrent Liabilities			
Due Within One Year	1,539,990.65		1,539,990.65
Due Beyond One Year	25,561,460.08	13,531.98	25,574,992.06
Net Pension Liability	8,280,663.00		8,280,663.00
Total Liabilities	<u>36,301,189.41</u>	<u>206,494.59</u>	<u>36,507,684.00</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	<u>493,483.00</u>		<u>493,483.00</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	14,160,831.75	68,872.42	14,229,704.17
Restricted for:			
Other Purposes	995,066.09		995,066.09
Unrestricted	(10,583,321.39)	110,782.62	(10,472,538.77)
Total Net Position	<u>\$ 4,572,576.45</u>	<u>\$ 179,655.04</u>	<u>\$ 4,752,231.49</u>

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

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2015

Function/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Direct Expenses	Allocated Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 9,994,088.17	\$ 3,001,621.90		\$ 2,413,875.50		\$ (10,581,834.57)		\$ (10,581,834.57)
Special Education	3,534,196.64	1,185,693.89		3,069,684.38		(1,650,206.15)		(1,650,206.15)
Other Instruction	821,947.08	536,737.43		489,578.11		(869,106.40)		(869,106.40)
Support Services:								
Tuition	13,398.78					(13,398.78)		(13,398.78)
Student & Instruction Related Serv.	6,078,643.29	1,692,997.49		4,355,319.70		(3,416,321.08)		(3,416,321.08)
School Administrative Services	678,499.28	141,628.86				(820,128.14)		(820,128.14)
General and Business Admin Services	1,362,913.64	284,492.42				(1,647,406.06)		(1,647,406.06)
Plant Operation and Maintenance	1,720,532.19	359,141.15				(2,079,673.34)		(2,079,673.34)
Pupil Transportation	1,376,090.33					(1,376,090.33)		(1,376,090.33)
Unallocated Benefits	7,202,313.14	(7,202,313.14)		672,204.00		(489,136.08)		(489,136.08)
Interest on Long-Term Debt	1,161,340.08			11,000,661.69		(22,943,300.93)		(22,943,300.93)
Total Governmental Activities	33,943,962.62	-	-	11,000,661.69	-	(22,943,300.93)	-	(22,943,300.93)
Business-Type Activities:								
Food Service	862,820.35		334,179.68	536,459.27			7,818.60	7,818.60
Regional Professional Development Academy	261,200.52		278,417.00				17,216.48	17,216.48
Community School	363,051.42		305,600.35				(57,451.07)	(57,451.07)
Total Business-Type Activities	1,487,072.29	-	918,197.03	536,459.27	-	-	(32,415.99)	(32,415.99)
Total Primary Government	\$ 35,431,034.91	\$ -	\$ 918,197.03	\$ 11,537,120.96	\$ -	\$ (22,943,300.93)	\$ (32,415.99)	\$ (22,975,716.92)

General Revenues:

Taxes:								
Property Taxes, Levied for General Purposes, Net						\$ 11,023,550.00	\$ -	\$ 11,023,550.00
Taxes Levied for Debt Service						1,210,683.00		1,210,683.00
Federal and State Aid not Restricted						10,032,008.34	275.04	10,032,008.34
Miscellaneous Income						171,400.21		171,675.25
Total General Revenues, Special Items, Extraordinary Items and Transfers						22,437,641.55	275.04	22,437,916.59
Change in Net Position						(505,659.38)	(32,140.95)	(537,800.33)
Net Assets - Beginning, as restated						5,078,235.83	211,795.99	5,290,031.82
Net Position - Ending						\$ 4,572,576.45	\$ 179,655.04	\$ 4,752,231.49

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

FUND FINANCIAL STATEMENTS

The individual fund financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 114,579.96	\$ 325,994.31	\$ 392,138.35	\$ 24,538.54	\$ 857,251.16
Receivables from Other Governments	348,978.71	113,695.27			462,673.98
Due from Other Funds	155,650.17	2,394.09		308.91	158,353.17
Other Receivables	16,724.66				16,724.66
Total Assets	\$ 635,933.50	\$ 442,083.67	\$ 392,138.35	\$ 24,847.45	\$ 1,495,002.97
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 51,784.16	\$ 29,625.29	\$ -	\$ -	\$ 81,409.45
Interfund Payable			170,519.09		170,519.09
Unearned Revenue		412,458.38			412,458.38
Total Liabilities	51,784.16	442,083.67	170,519.09	-	664,386.92
Fund Balances:					
Restricted Fund Balance:					
Excess Surplus:					
Current Year	401,347.18				401,347.18
Designated for Subsequent Year's Expenditures	481,733.48				481,733.48
Capital Projects			195,384.76		195,384.76
Committed Fund Balance:					
Debt Service				24,847.45	24,847.45
Capital Reserve	8,092.43				8,092.43
Emergency Reserve	38,293.00				38,293.00
Maintenance Reserve	65,600.00				65,600.00
Other Purposes			26,234.50		26,234.50
Assigned Fund Balance:					
Other Purposes	123,839.04				123,839.04
Designated for Subsequent Year's Expenditures	-				-
Unassigned Fund Balance (Deficit)	(534,755.79)	-			(534,755.79)
Total Fund Balances	584,149.34	-	221,619.26	24,847.45	830,616.05
Total Liabilities and Fund Balances	\$ 635,933.50	\$ 442,083.67	\$ 392,138.35	\$ 24,847.45	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$53,794,257.36 and the accumulated depreciation is \$15,795,725.98.	37,998,531.38
Deferred amount on refunding and premiums on bonds are reported in the governmental fund as expenditures in the year the bonds are issued but are amortized over the life on the bonds on the statement of activities.	(1,426,503.00)
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(425,207.85)
Pension Liabilities Net of Deferred Outflows & Inflows	(7,934,098.00)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(24,470,762.13)
Net Position of governmental activities	\$ 4,572,576.45

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

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 11,023,550.00			\$ 1,210,683.00	\$ 12,234,233.00
Miscellaneous	170,801.67	17,645.97	598.54	-	189,046.18
Total Local Sources	11,194,351.67	17,645.97	598.54	1,210,683.00	12,423,279.18
State Sources	12,510,916.86	4,384,576.92		672,204.00	17,567,697.78
Federal Sources	49,800.34	715,080.94			764,881.28
Total Revenues	23,755,068.87	5,117,303.83	598.54	1,882,887.00	30,755,858.24
EXPENDITURES					
Current:					
Regular Instruction	6,012,060.25	2,242,483.47			8,254,543.72
Special Education Instruction	2,847,852.42				2,847,852.42
Other Special Instruction	662,324.20				662,324.20
Support Services:					
Tuition	13,398.78				13,398.78
Student & Instruction Related Serv.	2,140,835.56	3,030,538.36			5,171,373.92
School Administrative Services	616,879.84				616,879.84
General and Business Admin Services	1,239,137.58				1,239,137.58
Plant Operation and Maintenance	1,564,278.20				1,564,278.20
Pupil Transportation	1,376,090.33				1,376,090.33
Employee Benefits	7,202,313.14				7,202,313.14
Debt Service:					
Principal				855,000.00	855,000.00
Interest and Other Charges				1,027,887.50	1,027,887.50
Capital Outlay	89,580.81	-	136,757.15		226,337.96
Total Expenditures	23,764,751.11	5,273,021.83	136,757.15	1,882,887.50	31,057,417.59
Excess (Deficiency) of Revenues Over Expenditures	(9,682.24)	(155,718.00)	(136,158.61)	(0.50)	(301,559.35)
OTHER FINANCING SOURCES (USES)					
Transfer in	598.54	155,718.00		24,845.95	181,162.49
Transfer out	(180,563.95)		(598.54)		(181,162.49)
Total Other Financing Sources and Uses	(179,965.41)	155,718.00	(598.54)	24,845.95	-
Net Changes in Fund Balance	(189,647.65)	-	(136,757.15)	24,845.45	(301,559.35)
Fund Balance - July 1	773,796.99	-	358,376.41	2.00	1,132,175.40
Fund Balance - June 30	\$ 584,149.34	\$ -	\$ 221,619.26	\$ 24,847.45	\$ 830,616.05

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

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015

Total Net Change in Fund Balance - Governmental Funds (from B-2)		\$ (301,559.35)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.		
Depreciation Expense	\$ (1,445,356.93)	
Capital Outlay	<u>226,337.96</u>	(1,219,018.97)
However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
District pension contributions - PERS	364,608.00	
Cost of benefits earned net of employee contributions	<u>(423,680.00)</u>	(59,072.00)
Proceeds from debt issues are a financing source in the governmental funds. They are not a revenue in the statement of activities; issuing debt increases long - term liabilities in the statement of Net Position.		
Lease Purchase Proceeds		(29,619.60)
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.		
Serial Bonds	855,000.00	
Capital Lease Payments	<u>618,507.49</u>	1,473,507.49
In the statement of activities, the cost of issuance on the refunding of bonds is reported as an expense. The amount does not affect the fund financial statements.		
		(172,317.40)
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.		
		(236,444.37)
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 accrued interest is a deduction in the reconciliation.		
		38,864.82
Change in Net Position of Governmental Activities		<u><u>\$ (505,659.38)</u></u>

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

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2015

	Business-Type Activities - Enterprise Fund			Totals
	Food Service	Community School	Regional Professional Development Academy	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 37,651.76	\$ 69,238.55	\$ 15,305.00	\$ 122,195.31
Accounts Receivable	47,184.60	11,811.80	99,855.00	158,851.40
Interfunds	5,104.75	8,066.48		13,171.23
Inventory	24,064.58			24,064.58
Total Current Assets	<u>114,005.69</u>	<u>89,116.83</u>	<u>115,160.00</u>	<u>318,282.52</u>
Noncurrent Assets:				
Furniture, Machinery & Equipment	284,534.31	-		284,534.31
Less: Accumulated Depreciation	(215,661.89)	-		(215,661.89)
Total Noncurrent Assets	<u>68,872.42</u>	<u>-</u>	<u>-</u>	<u>68,872.42</u>
Total Assets	<u>\$ 182,878.11</u>	<u>\$ 89,116.83</u>	<u>\$ 115,160.00</u>	<u>\$ 387,154.94</u>
LIABILITIES				
Current Liabilities:				
Interfund Accounts Payable	\$ -	\$ -	\$ 1,005.31	\$ 1,005.31
Accounts Payable	37,735.26	419.38	88,478.04	126,632.68
Unearned Revenue	5,873.49	60,456.44		66,329.93
Total Current Liabilities	<u>43,608.75</u>	<u>60,875.82</u>	<u>89,483.35</u>	<u>193,967.92</u>
Noncurrent Liabilities:				
Compensated Absences	13,531.98			13,531.98
Total Noncurrent Liabilities	<u>13,531.98</u>	<u>-</u>	<u>-</u>	<u>13,531.98</u>
Net Position				
Invested in Capital Assets Net of Related Debt	68,872.42	-	-	68,872.42
Unrestricted	56,864.96	28,241.01	25,676.65	110,782.62
Total Net Position	<u>\$ 125,737.38</u>	<u>\$ 28,241.01</u>	<u>\$ 25,676.65</u>	<u>\$ 179,655.04</u>

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

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

	Business-Type Activities - Enterprise Fund			Totals Enterprise
	Food Service	Community School	Regional Professional Development Academy	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 161,850.24			\$ 161,850.24
Daily Sales - Other	172,329.44			172,329.44
Workshop Fees			278,417.00	278,417.00
Fees		305,600.35		305,600.35
Total Operating Revenue	<u>334,179.68</u>	<u>305,600.35</u>	<u>278,417.00</u>	<u>918,197.03</u>
Operating Expenses:				
Cost of Sales	439,898.32			439,898.32
Salaries	279,565.61	270,280.48	18,015.00	567,861.09
Employee Benefits	68,093.54	49,778.07	11,367.79	129,239.40
Management Fee	47,893.21			47,893.21
Purchased Services		25,955.59	206,927.80	232,883.39
Rentals			5,255.00	5,255.00
Supplies	1,763.54	12,776.88	19,211.41	33,751.83
Miscellaneous	20,302.67	4,260.40	423.52	24,986.59
Depreciation	5,303.46			5,303.46
Total Operating Expenses	<u>862,820.35</u>	<u>363,051.42</u>	<u>261,200.52</u>	<u>1,487,072.29</u>
Operating (Loss)	<u>(528,640.67)</u>	<u>(57,451.07)</u>	<u>17,216.48</u>	<u>(568,875.26)</u>
Nonoperating Revenues (Expenses):				
State Sources:				
State School Breakfast Program				-
State School Lunch Program	9,322.69			9,322.69
Federal Sources:				
National School Breakfast Program	128,216.25			128,216.25
National School Lunch Program	344,584.00			344,584.00
Food Distribution Program	54,336.33			54,336.33
Contributed Capital				-
Interest and Investment Income	89.36	133.13	52.55	275.04
Total Nonoperating Revenues (Expenses)	<u>536,548.63</u>	<u>133.13</u>	<u>52.55</u>	<u>536,734.31</u>
(Loss) before Contributions & Transfers	7,907.96	(57,317.94)	17,269.03	(32,140.95)
Fixed Asset Adjustment				
Transfer from General Fund				-
Changes in Net Position	<u>7,907.96</u>	<u>(57,317.94)</u>	<u>17,269.03</u>	<u>(32,140.95)</u>
Total Net Position - Beginning	<u>117,829.42</u>	<u>85,558.95</u>	<u>8,407.62</u>	<u>211,795.99</u>
Total Net Position - Ending	<u>\$ 125,737.38</u>	<u>\$ 28,241.01</u>	<u>\$ 25,676.65</u>	<u>\$ 179,655.04</u>

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

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Fund			Totals Enterprise
	Food Service	Community School	Regional Professional Development Academy	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 327,155.48	\$ 308,708.31	\$ 178,562.00	\$ 814,425.79
Payments to Employees	(277,398.49)	(270,280.48)	(18,015.00)	(565,693.97)
Payments for Employee Benefits	(81,667.57)	(49,279.10)	(11,142.92)	(142,089.59)
Payments to Suppliers	(481,942.32)	(42,858.30)	(142,334.38)	(667,135.00)
Net Cash Provided by (Used for) Operating Activities	<u>(513,852.90)</u>	<u>(53,709.57)</u>	<u>7,069.70</u>	<u>(560,492.77)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	9,775.11			9,775.11
Federal Sources	535,726.53			535,726.53
Operating Subsidies and Transfers to Other Funds				-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>545,501.64</u>	<u>-</u>	<u>-</u>	<u>545,501.64</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Interest and Dividends	89.36	133.13	52.55	275.04
Net Cash Provided by (Used for) Investing Activities	<u>89.36</u>	<u>133.13</u>	<u>52.55</u>	<u>275.04</u>
Net Increase (Decrease) in Cash and Cash Equivalents	31,738.10	(53,576.44)	7,122.25	(14,716.09)
Balance - Beginning of Year	5,913.66	122,814.99	8,182.75	136,911.40
Balance - End of Year	<u>\$ 37,651.76</u>	<u>\$ 69,238.55</u>	<u>\$ 15,305.00</u>	<u>\$ 122,195.31</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating (Loss)	\$ (528,640.67)	\$ (57,451.07)	\$ 17,216.48	\$ (568,875.26)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	5,303.46			5,303.46
Increase (Decrease) in Unearned Revenue	(6,153.79)	10,785.87		4,632.08
(Increase) Decrease in Accounts Receivable	(870.41)	(7,677.91)	(99,855.00)	(108,403.32)
Increase (Decrease) in Accounts Payable	31,504.02	134.57	88,478.04	120,116.63
Increase (Decrease) in Interfunds Payable	(13,574.03)	498.97	1,230.18	(11,844.88)
(Increase) Decrease in Inventories	(3,588.60)			(3,588.60)
Increase (Decrease) in Accrued Salaries Benefits	2,167.12			2,167.12
Total Adjustments	<u>14,787.77</u>	<u>3,741.50</u>	<u>(10,146.78)</u>	<u>8,382.49</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (513,852.90)</u>	<u>\$ (53,709.57)</u>	<u>\$ 7,069.70</u>	<u>\$ (560,492.77)</u>

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

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Position
June 30, 2015

	Unemployment Compensation	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 131,064.07	\$ 324,947.11
Prepaid Unemployment	3,565.72	
Total Assets	134,629.79	324,947.11
LIABILITIES		
Summer Savings		114,632.00
Payable to Student Groups		51,879.04
Payroll Deductions and Withholdings		158,436.07
Total Liabilities	-	324,947.11
Net Position		
Held in Trust for Unemployment Claims and Other Purposes	\$ 134,629.79	

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

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2015

	Unemployment Compensation
ADDITIONS	
Contributions:	
Plan Member	\$ 29,584.08
Prior Year's Claims Disallowed	3,565.72
Total Contributions	33,149.80
Investment Earnings:	
Interest	153.60
Total Additions	33,303.40
DEDUCTIONS	
Unemployment Claims	2,055.74
Total Deductions	2,055.74
Changes in Net Position	31,247.66
Net Position - Beginning of the Year	103,382.13
Net Position - End of the Year	\$ 134,629.79

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the district is to educate students in grades Pre-K-6. The District operates an elementary and intermediate school located in Little Egg Harbor Township.

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;

Based on the aforementioned criteria, the District has no component units.

B. Basis of Presentation, Measurement Focus and Basis of Accounting

Basis of Presentation

The School District's basic financial statements consist of District-wide statements (i.e. statement of net position and a statement of activities) and fund financial statements, which provide a more detailed level of financial information.

District-Wide Financial Statements: The statement of net position and the statement of activities display information about the district as a whole. These statements report the financial activities of the overall District, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by property taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external parties.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

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

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

Governmental Funds

The District reports the following governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

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.

Proprietary Funds

The District reports the following proprietary fund:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations – where the intent of the District is that the costs of providing goods or services be financed or recovered primarily through user charges.

The District's Enterprise Funds are comprised of the Food Service Fund, which accounts for all revenues and expenses pertaining to the District's cafeteria operations, the Community School Fund, which accounts for all revenues and expenses pertaining to the District's community school program operations and the Regional Professional Development Academy Fund.

Fiduciary Funds

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.), and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

All fund internal activity is eliminated when carried to the Government-wide statements.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance Trust.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Measurement Focus and Basis of Accounting

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

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the 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. Net position (total assets less total liabilities) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The 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 fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as unearned revenues until earned. 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.

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 for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for special revenue funds. 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(g). All budget amendments/transfer must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year.

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Significant transfers approved by the Board of Education during the fiscal year were as follows:

Regular Program - Instruction	
Grades 1 - 5 - Salaries of Teachers	(25,147.32)
Grades 6 - 8 - Salaries of Teachers	56,390.80
General Supplies	(41,468.44)
Other Purchased Services	76,551.42
Special Education - Instruction	
Autism - Other Salaries for Instruction	(29,548.56)
Undistributed Expenditures	
Salaries of Supervisors of Instruction	35,413.62
General Admin - Salaries	(36,679.34)
General Admin - Legal Services	64,855.40
General Admin - Other Purchased Professional Services	(29,273.46)
General Admin - Other Purchased Services	38,883.80
Support Services - School Admin - Salaries of Principals/Asst.	(68,587.04)
Required Maintenance School Facilities - Salaries	103,269.36
Care & Upkeep of Grounds - Salaries	(111,556.87)
Student Transportation Services - Contr. Serv. - (Bet. Home & School) Jc	(42,600.00)
Unallocated Benefits	
Social Security Contribution	62,782.28
Health Benefits	(176,484.57)
Capital Outlay - Facilities Acquisition and Construction Services	
Construction Services	97,600.00

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the 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.

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

D. Encumbrance Accounting

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

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

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

E. Assets, Liabilities and Equity

Cash, Cash Equivalents and Investments

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

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A: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 a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with 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.

Inter-fund Transactions

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the Enterprise Fund. Repayments from funds responsible for particular expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Inventories

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as unearned revenue until consumed.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". 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.

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

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

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as unearned revenue.

Accrued Liabilities and Long-Term Obligations

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

Net Position

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

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

- Non-spendable – The nonspendable fund balance 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. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.
- Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- Committed – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, 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) it employed to previously commit those amounts.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

- Assigned – The assigned fund balance classification includes amounts that are constrained by the School District’s intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Revenues – Exchange and Nonexchange Transactions

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

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

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

Operating Revenues and Expenses

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

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items

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

Management Estimates

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

E. Accounting Changes

Change in Accounting Principles – No restatement of balances was required as the result of implementing Governmental Accounting Standards Board (GASB) Statement Nos. 63 and 65, however the implementation of GASB No. 63 also resulted in a terminology change, which was retroactively applied, renaming all “Net Assets” to “Net Position”. Further, as a result of implementing GASB No. 65, the terminology of Deferred Revenue was replaced with Unearned Revenue. The terminology changes had no impact on the financial status or results of operations in the District.

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

G. Recent Accounting Pronouncements Not Yet Effective

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, "Fair Value Measurement and Application". This statement is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". This statement is effective for fiscal periods beginning after June 30, 2016, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This statement is effective for fiscal periods beginning after June 30, 2016, establishes new accounting and financial reporting requirements for OPEB plans. It is anticipated that this statement will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement is effective for fiscal periods beginning after June 30, 2017. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement is effective for fiscal periods beginning after June 30, 2015, will not have any effect on the District's financial reporting.

NOTE 2 – CONTINGENT LIABILITIES

Federal and State Grants

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

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Of the School District's bank balance of \$1,730,657.44 as of June 30, 2015, \$630,103.96 was uninsured and uncollateralized.

Investments

Pursuant to state statutes, the District may invest in the following:

- Direct obligations of, or obligations as to which the principal and interest is guaranteed by, the United States of America
- Government money market mutual funds
- Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress
- Bonds or obligations of the local unit or other obligations of school districts within the local unit
- Local government investment pools
- State of New Jersey Cash Management Fund
- Agreements for the repurchase of fully collateralized securities

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

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a policy for custodial credit risk.

Credit Risk – The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District does not have a policy to limit interest rate risk. All of the District's investments have a maturity of less than one year.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 4 – RECEIVABLES

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

	<u>Governmental Fund Financial Statements</u>	<u>Government Wide Financial Statements</u>
State and Federal Aid	\$ 462,673.98	\$ 462,673.98
Other	16,724.66	16,724.66
Interfunds	<u>158,353.17</u>	<u>158,851.40</u>
Gross Receivables	637,751.81	638,250.04
Less: Allowance for Uncollectibles		
Total Receivables, Net	<u><u>\$ 637,751.81</u></u>	<u><u>\$ 638,250.04</u></u>

NOTE 5 – INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund; (2) repay expenses paid by another fund; and (3) make a Board contribution to the Unemployment Compensation Trust Fund.

The following interfund balances remained on the fund financial statements at June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 155,650.17	\$ -
Special Revenue Fund	2,394.09	-
Capital Projects Fund	-	170,519.09
Debt Service Fund	308.91	-
Proprietary Fund	<u>13,171.23</u>	<u>1,005.31</u>
Total	<u><u>\$ 171,524.40</u></u>	<u><u>\$ 171,524.40</u></u>

The general fund receivable is comprised of mainly one inter-fund which is due from the Capital Projects Fund for \$370,519.09. There is also an inter-fund payable in the amount of \$200,000.00 due from the General fund to the Capital Projects Fund. These receivables are for expenses paid by each fund during the fiscal year.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 6 – INVENTORY

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

Food	\$ 18,905.27
Supplies	<u>5,159.31</u>
	<u><u>\$ 24,064.58</u></u>

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2015 is \$3,521.08.

NOTE 7 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,076,100.00	\$ -	\$ -	\$ 7,076,100.00
Construction in Progress	<u>4,191,895.62</u>	<u>-</u>	<u>573,600.90</u>	<u>3,618,294.72</u>
Total capital assets not being depreciated	<u>11,267,995.62</u>	<u>-</u>	<u>573,600.90</u>	<u>10,694,394.72</u>
Capital assets being depreciated:				
Buildings and Building improvements	39,873,558.79	-	-	39,873,558.79
Machinery & Equipment	2,426,364.99	799,938.86	-	3,226,303.85
Total capital assets being depreciated at historical cost	<u>42,299,923.78</u>	<u>799,938.86</u>	<u>-</u>	<u>43,099,862.64</u>
Less accumulated depreciation for:				
Buildings and improvements	(12,732,712.59)	(1,282,427.95)	-	(14,015,140.54)
Equipment	<u>(1,617,656.46)</u>	<u>(162,928.98)</u>	<u>-</u>	<u>(1,780,585.44)</u>
Subtotal accumulated depreciation	(14,350,369.05)	(1,445,356.93)	-	(15,795,725.98)
Total capital assets being depreciated, net of accumulated depreciation	<u>27,949,554.73</u>	<u>(645,418.07)</u>	<u>-</u>	<u>27,304,136.66</u>
Governmental activity capital assets, net	<u><u>\$ 39,217,550.35</u></u>	<u><u>\$ (645,418.07)</u></u>	<u><u>\$ 573,600.90</u></u>	<u><u>\$ 37,998,531.38</u></u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 303,293.86	\$ -	\$ 18,759.55	\$ 284,534.31
Less accumulated depreciation	<u>(229,117.98)</u>	<u>(5,303.46)</u>	<u>(18,759.55)</u>	<u>(215,661.89)</u>
Enterprise Fund capital assets, net	<u><u>\$ 74,175.88</u></u>	<u><u>\$ (5,303.46)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 68,872.42</u></u>

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

* Depreciation expense was charged to governmental functions as follows:

	Depreciation Allocated
Instruction:	
Regular	\$ 586,094.20
Special Education	202,204.97
Other Instruction	47,026.75
Support Services:	
Student and Instruction Related Services	367,181.08
School Administrative Services	43,800.08
General and Administrative Services	87,982.01
Plant Operations and Maintenance	111,067.84
Total	\$ 1,445,356.93

NOTE 8 – LONG-TERM OBLIGATIONS

Changes in long-term liabilities for the year ended June 30, 2015 are as follows:

	Balance July 1, 2014	Issues or Additions	Payments or Expenditures	Balance June 30, 2015	Amounts Due Within One Year
Compensated Absences	\$ 1,601,501.87	\$ 254,348.61	\$ 17,904.24	\$ 1,837,946.24	\$ -
Capital Leases	1,190,889.38	29,619.60	618,507.49	602,001.49	446,276.28
Premium on Bond Sale	-	1,426,503.00	-	1,426,503.00	18,714.37
Bonds Payable	24,140,000.00	15,245,000.00	16,150,000.00	23,235,000.00	1,075,000.00
	\$ 26,932,391.25	\$ 16,955,471.21	\$ 16,786,411.73	\$ 27,101,450.73	\$ 1,539,990.65

Compensated absences and capital leases will be liquidated in the General Fund.

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. 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 issues:

\$17,764,000 School Bonds dated May 1, 2007, due in annual installments through January 15, 2017, bearing interest at a rate of 4.00% per annum. The balance remaining as of June 30, 2015 is \$1,270,000.00.

\$7,995,000 School Bonds dated August 1, 2009, due in annual installments through August 1, 2033, bearing interest at varying rates of 4.00% to 4.55% per annum. The balance remaining as of June 30, 2015 is \$6,720,000.00.

\$15,245,000 Refunding School Bonds dated March 31, 2015, due in annual installments through January 15, 2033, bearing interest at rates varying from 2.00% to 5.00%. The balance remaining as of June 30, 2015 is \$15,245,000.00.

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

Bonds Payable

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	1,075,000.00	996,805.00	2,071,805.00
2017	905,000.00	961,805.00	1,866,805.00
2018	925,000.00	925,605.00	1,850,605.00
2019	955,000.00	886,405.00	1,841,405.00
2020	995,000.00	845,630.00	1,840,630.00
2021-2025	5,670,000.00	4,395,935.00	10,065,935.00
2026-2030	7,165,000.00	2,815,100.00	9,980,100.00
2031-2034	5,545,000.00	830,842.50	6,375,842.50
	<u>\$ 23,235,000.00</u>	<u>\$ 12,658,127.50</u>	<u>\$ 35,893,127.50</u>

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Capital Leases

The District is leasing computer and technology equipment totaling \$284,984.88, Curriculum Equipment totaling \$400,000.00, and the Early Childhood Center in the amount of \$1,800,000.00 under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2015:

Fiscal Year Ending June 30,	Total
2016	464,908.20
2017	78,197.54
2018	78,197.54
2019	5,923.92
Total minimum lease payments	627,227.20
Less amount representing interest	25,225.71
Present value of lease payments	\$ 602,001.49

NOTE 9 – PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Teachers' Pension and Annuity Fund (TPAF)

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Public Employees' Retirement System (PERS)

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

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has 36 employees enrolled in the Defined Contribution Retirement Program (DCRP) during fiscal year ended June 30, 2015.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 10.76% and the PERS rate is 2.41% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2015, 2014 and 2013 are listed below, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2015, 2014 and 2013 are also listed below, equal to the required contributions for each year.

Three Year Trend Information for PERS					
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation		
6/30/2015	\$ 364,608.00	100%	\$	-	
6/30/2014	\$ 323,211.00	100%	\$	-	
6/30/2013	330,949.00	100%		-	

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$1,630,445.00 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$898,263.86 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB Statement No. 24.

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2015	\$ 1,630,445.00	100%	-
6/30/2014	\$ 1,286,201.00	100%	-
6/30/2013	1,615,307.00	100%	-

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teacher's Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage.
- The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement systems.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 10 – Public Employees Retirement System

At June 30, 2015, the District reported a liability of \$8,280,663.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District's proportion was 0.0442278480%, which was an increase of 3.11% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$423,680.00. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience		
Changes of assumptions	\$ 260,388.00	
Net difference between projected and actual earnings on pension plan investments		493,483.00
Changes in proportion and differences between District contributions and proportionate share of contributions	215,052.00	
District contributions subsequent to the measurement date	364,608.00	
Total	\$ 840,048.00	493,483.00

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

\$364,608.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (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 June 30,		
2016	\$	(81,225.11)
2017		(81,225.11)
2018		(81,225.11)
2019		(81,225.11)
2020		63,753.77
Thereafter		28,051.66
Total	\$	<u>(233,095.00)</u>

Actuarial Assumptions

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

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

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

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

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:

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

Discount Rate

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

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 of 5.39%, 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:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the net pension liability	\$ 10,417,355.74	8,280,663.00	6,486,384.48

Pension plan fiduciary net position.

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

NOTE 11 – Teachers Pensions and Annuity Fund (TPAF)

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		61,561,147.00
Total	\$	61,561,147.00

The net pension liability was measured as of June 30, 2014 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the District's proportion was 0.00%, which was a decrease of 0.00% from its proportion measured as of June 30, 2013.

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

For the year ended June 30, 2015, the District recognized pension expense of \$3,312,168.00 and revenue of \$3,312,568.00 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expensed and actual experience		25,132.00
Changes of assumptions	2,638,735.00	
Net difference between projected and actual earnings on pension plan investments		1,991,942.00
Changes in proportion and differences between District contributions and proportionate share of contributions		1,178,506.00
District contributions subsequent to the measurement date	630,123.00	
Total	\$ 3,268,858.00	3,195,580.00

\$630,123.00 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (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 June 30,		
2016	\$	(133,917.54)
2017		(133,917.54)
2018		(133,917.54)
2019		(133,917.54)
2020		312,147.19
Thereafter		780,367.96
Total	\$	556,845.00

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Actuarial assumptions. The total pension liability in the June 30, 2014 actuarial valuation was determined using the following assumptions, applied to all period included in the measurement:

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

Mortality rates 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 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.

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
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%

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

return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

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 of 4.68% 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 (3.68%) or 1-percentage point higher (5.68%) than the current rate:

	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
District's proportionate share of the net pension liability	\$ -	-	-

Pension plan fiduciary net position.

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

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 12 – POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey State Health Benefits Program (“the SHBP”), a cost sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP provides medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program is found in the New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The Division of Pension and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

P.L. 1987, Chapter 384 and P.L. 1990 Chapter 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 funding and payment of post-retirement medical benefits for retired State employees and educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, 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.

Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides 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. The State also makes on-behalf payment for Teachers Pension and Annuity program retirees for health benefits. The on-behalf amount paid by the State of New Jersey in fiscal year 2014 was \$1,000,322.00.

NOTE 13 – 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.

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

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, there was a \$13,531.98 liability for compensated absences in the Food Service Enterprise Fund.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 14 – DEFERRED COMPENSATION

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

VALIC
Siracusa Benefits
Lincoln Investment Planning, Inc.
Equitable Life

NOTE 15 – CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Little Egg Harbor Township Board of Education by the inclusion of \$120,000 in the original 1999-2000 annual capital outlay budget, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are committed to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A.19:60-2. Pursuant to N.J.A.C.6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

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

Beginning Balance, July 1, 2014	\$	56,692.43
March 18, 2015 Board Resolution		(48,800.00)
Interest Earnings		200.00
Ending Balance, June 30, 2015	\$	<u>8,092.43</u>

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 16 – MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Little Egg Harbor Township Board of Education for the accumulation of funds for use as required maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning balance, July 1, 2014	\$ 65,300.00
Deposits:	
Interest	300.00
	<hr/>
Ending balance, June 30, 2015	\$ <u>65,600.00</u>

NOTE 17 – EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the Little Egg Harbor Township Board of Education for the accumulation of funds for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning balance, July 1, 2014	\$ 38,093.00
Increase:	
Interest	200.00
	<hr/>
Ending balance, June 30, 2015	\$ <u>38,293.00</u>

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 18 – 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 surety bonds.

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

<u>Fiscal Year</u>	<u>Interest on Investments</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ 153.60	\$ 33,149.80	\$ 2,055.74	\$ 134,629.79
2013-2014	150.68	30,832.69	21,062.06	103,382.13
2012-2013	71.01	27,975.70	74,285.53	93,460.82

Federal and State Grants

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

NOTE 19 – DEFICIT UNRESTRICTED NET POSITION

The School District had a deficit in unrestricted net position of (\$10,583,321.39) as of June 30, 2015. This deficit was attributable to the Net Pension Liability, the liability for compensated absences as well as the June State Aid Payment as noted above.

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 20 – FUND BALANCES

Restricted - As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund –

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$401,347.18. Additionally, \$481,733.48 of excess fund balance generated during 2013-2014 has been restricted and designated for utilization in the 2015-2016 budget.

Committed Fund Balance

As stated in note 1, Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, 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) it employed to previously commit those amounts.

General Fund –

For Capital Reserve Account - As of June 30, 2015, the balance in the capital reserve account is \$8,092.43. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2015, the balance in the maintenance reserve account is \$65,600.00. These funds are restricted for future maintenance expenditures for the districts buildings and grounds.

Emergency Reserve Account – As of June 30, 2015, the balance in the emergency reserve was \$38,293.00. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

General Fund -

Unassigned - As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2015, the general fund balance unassigned classification contained a deficit in the amount of \$534,755.79. As discussed in Note 1, this is a direct result of the delay in the June payments of state aid until the following fiscal year, is not considered a violation of New Jersey statute and regulation nor in need of corrective action.

NOTE 21 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount of budgeted fund balance in their subsequent years' budget. The excess fund balance generated for the year ended June 30, 2015 is \$401,347.18.

NOTE 22 – DEFICIT FUND BALANCES

The District does not have a deficit fund balance in any of its Funds. However, they did have a deficit relating to the two final state aid payment in the amount of \$534,755.79 in the General Fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). P.L. 2003, c. 97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last payment as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e. if one government recognizes an asset; the other government recognizes a liability.

NOTE 23 – RESTATEMENT OF PRIOR YEAR BALANCES

Net position has been restated as required by the implementation of GASB 68, as discussed in notes 11 and 12 above.

Beginning net position as previously reported at June 30, 2014	\$ 12,953,261.83
Prior period adjustment - Implementation GASB 68	
Net pension liability (measurement date)	(8,198,237.00)
Deferred outflows - District's contributions made during fiscal year 2014	<u>323,211.00</u>
Total prior period adjustment	<u>(7,875,026.00)</u>
Net position as restated, July 1, 2014	<u><u>\$ 5,078,235.83</u></u>

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 24 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2015 through December 4, 2015, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 11,023,550.00		\$ 11,023,550.00	\$ 11,023,550.00	\$ -
Interest Earned on Emergency Reserve	200.00		200.00	200.00	-
Interest Earned on Maintenance Reserve	300.00		300.00	300.00	-
Interest Earned on Capital Reserve	200.00		200.00	200.00	-
Insurance Proceeds		48,800.00	48,800.00	48,800.00	-
Miscellaneous	72,700.00	-	72,700.00	121,301.67	48,601.67
Total Local Sources	11,096,950.00	48,800.00	11,145,750.00	11,194,351.67	48,601.67
State Sources:					
Extraordinary Aid	369,256.00	(68,926.00)	300,330.00	300,330.00	-
Categorical Special Education Aid	844,602.00		844,602.00	844,602.00	-
Equalization Aid	5,995,899.00		5,995,899.00	5,995,899.00	-
Categorical Security Aid	337,297.00		337,297.00	337,297.00	-
Adjustment Aid	1,427,520.00		1,427,520.00	1,427,520.00	-
Categorical Transportation Aid	1,038,502.00		1,038,502.00	1,038,502.00	-
PARCC Readiness Aid	13,560.00		13,560.00	13,560.00	-
Per Pupil Growth Aid	13,560.00		13,560.00	13,560.00	-
Under Adequacy Aid	6,727.00		6,727.00	6,727.00	-
Additional Non Public Transportation Aid			-	4,211.00	4,211.00
TPAF Pension (On-Behalf - Non-Budgeted)			-	1,630,445.00	1,630,445.00
TPAF Social Security (Reimbursed- Non-Budgeted)			-	898,263.86	898,263.86
Total State Sources	10,046,923.00	(68,926.00)	9,977,997.00	12,510,916.86	2,532,919.86
Federal Sources:					
Medicaid Reimbursement	33,805.00		33,805.00	54,179.34	20,374.34
FEMA CDBG	-		-	-	-
Total Federal Sources	33,805.00	-	33,805.00	54,179.34	20,374.34
Total Revenues	21,177,678.00	(20,126.00)	21,157,552.00	23,759,447.87	2,601,895.87
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Kindergarten - Salaries of					
Teachers	821,165.00	2,772.40	823,937.40	823,937.40	-
Grades 1 - 5 Salaries of Teachers	4,073,992.00	(25,147.32)	4,048,844.68	4,047,347.14	1,497.54
Grades 6 - 8 Salaries of Teachers	740,066.00	56,390.80	796,456.80	796,456.40	0.40
Regular Programs - Home Instruction					
Salaries of Teachers	5,664.00	(1,618.00)	4,046.00	3,187.75	858.25
Other Purchased Services (400-500 series)	1,000.00		1,000.00		1,000.00
Regular Programs - Undistributed Instruction					
Salaries	116.00		116.00		116.00
Purchased Professional - Educational Services	29,120.00	(27,822.00)	1,298.00	1,283.40	14.60
Other Purchased Services (400-500 series)	139,875.00	76,551.42	216,426.42	216,049.72	376.70
General Supplies	190,033.56	(41,468.44)	148,565.12	123,001.65	25,563.47
Textbooks	3,400.00		3,400.00	7.28	3,392.72
Other Objects	4,447.00	(2,902.05)	1,544.95	789.51	755.44
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,008,878.56	36,756.81	6,045,635.37	6,012,060.25	33,575.12
Learning and/or Language Disabilities-Instruction:					
Salaries of Teachers	219,322.00		219,322.00	215,048.00	4,274.00
Other Salaries for Instruction	49,314.00	(10,667.92)	38,646.08	37,580.86	1,065.22
General Supplies	13,722.85	(4,000.00)	9,722.85	8,803.46	919.39
Textbooks	34.00		34.00	34.00	-
Total Learning and/or Language Disabilities	282,392.85	(14,667.92)	267,724.93	261,466.32	6,258.61
Behavioral Disabilities					
Salaries of Teachers	\$ 314,250.00	(4,592.53)	\$ 309,657.47	308,599.41	\$ 1,058.06
Other Salaries for Instruction	64,470.00	(4,800.83)	59,669.17	59,669.11	0.06
General Supplies	3,205.00	(1,523.35)	1,681.65	1,606.65	75.00
Textbooks	34.00		34.00	34.00	-
Total Behavioral Disabilities	381,959.00	(10,916.71)	371,042.29	369,909.17	1,133.12
Multiple Disabilities					
Salaries of Teachers	126,725.00	8,763.25	135,488.25	134,808.81	679.44
Other Salaries for Instruction	55,444.00	627.38	56,071.38	53,983.37	2,088.01
General Supplies	5,205.00	(5,000.00)	205.00	205.00	-
Textbooks	34.00		34.00	34.00	-
Other Objects	3,000.00	(1,000.00)	2,000.00	2,000.00	-
Total Multiple Disabilities	190,408.00	3,390.63	193,798.63	191,031.18	2,767.45

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Resource Room/Resource Center					
Salaries of Teachers	1,440,397.00	41,608.51	1,482,005.51	1,481,742.50	263.01
Other Salaries for Instruction	47,400.00	(10,963.79)	36,436.21	36,387.56	48.65
General Supplies	14,050.00	949.91	14,999.91	13,157.20	1,842.71
Textbooks	340.00		340.00	340.00	-
Total Resource Room/Resource Center	1,502,187.00	31,594.63	1,533,781.63	1,531,627.26	2,154.37
Autism					
Salaries of Teachers	243,129.00	4,284.84	247,413.84	247,412.23	1.61
Other Salaries for Instruction	158,652.00	(29,548.56)	129,103.44	128,978.25	125.19
Purchased Professional - Educational Services	15,000.00	(1,500.00)	13,500.00	11,238.07	2,261.93
General Supplies	8,000.00	(2,028.91)	5,971.09	5,785.60	185.49
Other Objects	3,000.00	(1,000.00)	2,000.00	2,000.00	-
Total Autism	427,781.00	(29,792.63)	397,988.37	395,414.15	2,574.22
Preschool Disabilities -Full-Time					
Salaries of Teachers	75,765.00	819.00	76,584.00	76,584.00	-
Other Salaries for Instruction	19,729.00	4,714.00	24,443.00	21,797.19	2,645.81
General Supplies	1,000.00	2,000.00	3,000.00	23.15	2,976.85
Total Preschool Disabilities - Full-Time	96,494.00	7,533.00	104,027.00	98,404.34	5,622.66
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,881,221.85	(12,859.00)	2,868,362.85	2,847,852.42	20,510.43
Home Instruction					
Purchased Professional - Educational Services		5,900.00	5,900.00	3,100.00	2,800.00
Total Home Instruction	-	5,900.00	5,900.00	3,100.00	2,800.00
Basic Skills - Instruction					
Salaries of Teachers	514,892.00	(6,000.00)	508,892.00	492,913.20	15,978.80
Purchased Professional - Educational Services		3,200.00	3,200.00	3,200.00	-
General Supplies	1,230.00		1,230.00	1,230.00	-
Textbooks	204.00		204.00	204.00	-
Total Basic Skills - Instruction	516,326.00	(2,800.00)	513,526.00	497,547.20	15,978.80
Bilingual Education - Instruction					
Salaries of Teachers	76,595.00		76,595.00	75,659.00	936.00
General Supplies	205.00		205.00	205.00	-
Textbooks	58.00		58.00	58.00	-
Total Bilingual Education - Instruction	76,858.00	-	76,858.00	75,922.00	936.00
School-Spon. Cocurricular Activities - Instruction					
Salaries	8,000.00		8,000.00	8,000.00	-
General Supplies			-	-	-
Total School-Spon. Cocurricular Activities - Inst.	8,000.00	-	8,000.00	8,000.00	-
Other Supplemental / At Risk Programs					
Salaries of Reading Specialists	90,603.00		90,603.00	77,755.00	12,848.00
Total Other Supplemental / At Risk Programs	90,603.00	-	90,603.00	77,755.00	12,848.00
TOTAL INSTRUCTION	9,581,887.41	26,997.81	9,608,885.22	9,522,236.87	86,648.35
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEA's within the State					
Regular	\$ -	\$ 14,081.40	\$ 14,081.40	\$ 8,605.30	\$ 5,476.10
Special Education		77.30	77.30	77.30	-
Tuition to Private Schools for the Disabled - Within State	98,000.00	(14,158.70)	83,841.30	4,716.18	79,125.12
Total Undistributed Expenditures - Instruction	98,000.00	-	98,000.00	13,398.78	84,601.22
Undistributed Expend. - Attend. & Social Worker					
Salaries	11,016.00		11,016.00	11,016.00	-
Supplies & Materials	700.00	96.50	796.50	651.74	144.76
Total Undist. Expend. - Attend. & Social Worker	11,716.00	96.50	11,812.50	11,667.74	144.76
Undistributed Expend. - Health Services					
Salaries	198,274.00	(5,171.99)	193,102.01	192,183.90	918.11
Purchased Professional and Technical Services	1,300.00	2,415.19	3,715.19	2,723.04	992.15
Supplies & Materials	3,413.26	2,538.73	5,951.99	5,117.99	834.00
Total Undistributed Expend. - Health Services	202,987.26	(218.07)	202,769.19	200,024.93	2,744.26

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	458,521.00	244.50	458,765.50	457,438.28	1,327.22
Purchased Professional - Education Services	85,198.38	(5,900.00)	79,298.38	57,510.03	21,788.35
Supplies & Materials	1,500.00	390.89	1,890.89	1,806.79	84.10
Other Objects	17,500.00	(2,757.78)	14,742.22	14,742.22	-
Total Undist. Expend. - Other Support Services					
Student - Related Services	<u>562,719.38</u>	<u>(8,022.39)</u>	<u>554,696.99</u>	<u>531,497.32</u>	<u>23,199.67</u>
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	176,132.00	(8,322.12)	167,809.88	152,133.03	15,676.85
Purchased Professional - Educational Services	4,000.00		4,000.00	3,217.50	782.50
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	<u>180,132.00</u>	<u>(8,322.12)</u>	<u>171,809.88</u>	<u>155,350.53</u>	<u>16,459.35</u>
Undist. Expend. - Guidance					
Other Purchased Professional and Tech. Services	4,000.00		4,000.00	3,797.46	202.54
Supplies & Materials	22,800.00	1,439.40	24,239.40	23,843.28	396.12
Total Undist. Expend. - Guidance	<u>26,800.00</u>	<u>1,439.40</u>	<u>28,239.40</u>	<u>27,640.74</u>	<u>598.66</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	493,282.00	(2,120.13)	491,161.87	490,888.33	273.54
Purchased Professional Educational Services	6,486.00	(6,486.00)	-	-	-
Other Purchased Professional and Tech. Services	18,464.00	(1,224.37)	17,239.63	13,173.50	4,066.13
Other Purchased Services (400-500 series)	11,000.00	(2,543.59)	8,456.41	6,696.67	1,759.74
Supplies & Materials	22,195.00	(899.29)	21,295.71	21,146.69	149.02
Other Objects	1,540.00		1,540.00	1,365.00	175.00
Total Undist. Expend. - Child Study Teams	<u>552,967.00</u>	<u>(13,273.38)</u>	<u>539,693.62</u>	<u>533,270.19</u>	<u>6,423.43</u>
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisors of Instruction	413,716.00	35,413.62	449,129.62	448,943.60	186.02
Salaries of Other Professional Staff	101,781.00	6,100.00	107,881.00	101,198.06	6,682.94
Salaries of Secretarial and Clerical Assistants	39,207.00		39,207.00	39,206.40	0.60
Purchased Professional Educational Services	-	-	-	-	-
Other Purchased Services (400-500 series)	4,000.00	2,285.35	6,285.35	6,285.35	-
Supplies & Materials	6,000.00	(711.73)	5,288.27	5,288.27	-
Other Objects	850.00		850.00	820.00	30.00
Total Undist. Expend. - Improvement of Inst. Serv.	<u>565,554.00</u>	<u>43,087.24</u>	<u>608,641.24</u>	<u>601,741.68</u>	<u>6,899.56</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 38,638.00	2,100.00	\$ 40,738.00	35,729.46	\$ 5,008.54
Salaries of Technology Coordinators	-	-	-	-	-
Purchased Professional and Technical Services	12,235.00	(855.72)	11,379.28	11,379.28	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies & Materials	2,100.00	(1,090.84)	1,009.16	1,009.16	-
Other Objects	-	-	-	-	-
Total Undistributed Expenditures - Educational Media Services - School Library	<u>52,973.00</u>	<u>153.44</u>	<u>53,126.44</u>	<u>48,117.90</u>	<u>5,008.54</u>
Undist. Expend. - Instructional Staff Training Serv.					
Salaries		400.00	400.00	192.00	208.00
Purchased Professional - Education Services	31,062.50	658.00	31,720.50	26,352.74	5,367.76
Other Purchased Services (400-500 series)	14,716.00	(10,055.24)	4,660.76	3,793.43	867.33
Supplies & Materials	6,400.00	(5,000.00)	1,400.00	1,186.36	213.64
Total Undistributed Expenditures - Instructional Staff Training Services	<u>52,178.50</u>	<u>(13,997.24)</u>	<u>38,181.26</u>	<u>31,524.53</u>	<u>6,656.73</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	286,589.00	(36,679.34)	249,909.66	241,817.41	8,092.25
Legal Services	45,000.00	64,855.40	109,855.40	102,004.90	7,850.50
Audit Fees	27,000.00	1,000.00	28,000.00	28,000.00	-
Architect / Engineering Fees	4,000.00	3,890.00	7,890.00	3,450.00	4,440.00
Other Purchased Professional Services	53,087.00	(29,273.46)	23,813.54	23,813.54	-
Communications/Telephone	100,692.00	(18,228.00)	82,464.00	76,092.48	6,371.52
BOE Other Purchased Services	1,500.00		1,500.00	1,429.09	70.91
Other Purchased Services (400-500 series)	104,505.00	38,883.80	143,388.80	142,071.87	1,316.93
Travel	3,364.00	200.00	3,564.00	2,313.39	1,250.61
BOE In-House Training/Meeting Supplies	879.00	1,205.00	2,084.00	2,083.64	0.36
Judgements Against the District		5,000.00	5,000.00	5,000.00	-
Miscellaneous Expenditures	16,150.00	(2,950.00)	13,200.00	12,285.89	914.11
General Supplies	9,263.48	7,208.60	16,472.08	13,681.35	2,790.73
Total Undistributed Expenditures - Support Services - General Administration	<u>652,029.48</u>	<u>35,112.00</u>	<u>687,141.48</u>	<u>654,043.56</u>	<u>33,097.92</u>

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	298,173.00	(68,587.04)	229,585.96	227,419.43	2,166.53
Salaries of Other Professional Staff	119,915.00	0.04	119,915.04	119,915.04	-
Salaries of Secretarial and Clerical Assistants	218,839.00	(400.00)	218,439.00	216,473.50	1,965.50
Other Salaries	18,924.00		18,924.00	18,923.28	0.72
Purchased Professional and Technical Services	20,305.00	(30.00)	20,275.00	17,958.00	2,317.00
Other Purchased Services (400-500 series)	4,095.00	(1,462.61)	2,632.39	1,514.96	1,117.43
Supplies & Materials	8,682.00	885.90	9,567.90	9,461.63	106.27
Other Objects	5,610.00	305.00	5,915.00	5,214.00	701.00
Total Undistributed Expenditures - Support Services - School Administration	<u>694,543.00</u>	<u>(69,288.71)</u>	<u>625,254.29</u>	<u>616,879.84</u>	<u>8,374.45</u>
Undist. Expend. - Central Services					
Salaries	309,315.00	(2,062.68)	307,252.32	292,512.25	14,740.07
Purchased Professional Services	36,555.00	(220.00)	36,335.00	31,723.88	4,611.12
Misc. Purchased Services (400-500 series)	1,500.00		1,500.00	1,309.02	190.98
Supplies and Materials	2,795.00	7,059.00	9,854.00	9,057.75	796.25
Miscellaneous Expenditures	2,190.00	(380.00)	1,810.00	1,710.00	100.00
Total Undistributed Expenditures - Central Services	<u>352,355.00</u>	<u>4,396.32</u>	<u>356,751.32</u>	<u>336,312.90</u>	<u>20,438.42</u>
Undist. Expend. - Admin. Info. Tech.					
Salaries	220,982.00	6,875.00	227,857.00	224,950.78	2,906.22
Purchased Professional and Technical Services	24,056.00	8,183.12	32,239.12	22,756.34	9,482.78
Other Purchased Services (400-500 series)	6,000.00	(5,499.00)	501.00	400.00	101.00
Supplies and Materials	3,000.00	(2,326.00)	674.00	674.00	-
Other Objects	900.00	(900.00)	-	-	-
Total Undistributed Expenditures - Admin. Info Technology	<u>254,938.00</u>	<u>6,333.12</u>	<u>261,271.12</u>	<u>248,781.12</u>	<u>12,490.00</u>
Undist. Expend. - Required Maint. School Fac.					
Salaries		103,269.36	\$ 103,269.36	101,276.96	\$ 1,992.40
Cleaning, Repair and Maintenance Service	64,569.50	22,388.77	86,958.27	82,571.77	4,386.50
General Supplies	14,016.10	16,731.48	30,747.58	29,000.65	1,746.93
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>78,585.60</u>	<u>142,389.61</u>	<u>220,975.21</u>	<u>212,849.38</u>	<u>8,125.83</u>
Undist. Expend. - Custodial Services					
Salaries	612,087.00	16,905.32	628,992.32	625,582.92	3,409.40
Purchased Professional and Technical Services	72,625.00	(1,045.93)	71,579.07	70,806.00	773.07
Cleaning, Repair and Maintenance Service	12,640.00	(7,289.00)	5,351.00	3,096.37	2,254.63
Other Purchased Property Services	19,000.00	(1,000.00)	18,000.00	17,776.00	224.00
Insurance	56,283.00		56,283.00	55,627.00	656.00
Miscellaneous Purchased Services	2,000.00	(1,000.00)	1,000.00	577.22	422.78
General Supplies	71,015.00	(1,850.08)	69,164.92	68,892.72	272.20
Energy (Electricity)	308,754.00	5,294.70	314,048.70	312,964.03	1,084.67
Other Objects	1,308.00	(493.00)	815.00	809.00	6.00
Energy (Natural Gas)	58,646.00	1,441.51	60,087.51	56,645.36	3,442.15
Energy (Oil)	3,000.00	(1,459.48)	1,540.52	1,540.52	-
Total Undistributed Expenditures - Other Operations and Maintenance of Plant	<u>1,217,358.00</u>	<u>9,504.04</u>	<u>1,226,862.04</u>	<u>1,214,317.14</u>	<u>12,544.90</u>
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	133,752.00	(111,556.87)	22,195.13	22,195.13	-
Cleaning, Repair and Maintenance Service		7,750.00	7,750.00	7,750.00	-
General Supplies		5,457.11	5,457.11	5,456.39	0.72
Total Undist. Expend. - Care & Upkeep of Grounds	<u>133,752.00</u>	<u>(98,349.76)</u>	<u>35,402.24</u>	<u>35,401.52</u>	<u>0.72</u>
Undist. Expend. - Security					
Purchased Professional and Technical Services	99,905.00	(400.00)	99,505.00	99,505.00	-
Cleaning, Repair and Maintenance Service		3,129.70	3,129.70	2,129.70	1,000.00
General Supplies		75.46	75.46	75.46	-
Total Undist. Expend. - Security	<u>99,905.00</u>	<u>2,805.16</u>	<u>102,710.16</u>	<u>101,710.16</u>	<u>1,000.00</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>1,529,600.60</u>	<u>56,349.05</u>	<u>1,585,949.65</u>	<u>1,564,278.20</u>	<u>21,671.45</u>

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Student Transportation Serv.					
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	65,737.00		65,737.00	63,881.42	1,855.58
Purchased Technical Services	8,100.00	(6,667.20)	1,432.80		1,432.80
Cleaning, Repair, & Maint. Services	1,457.00		1,457.00	642.00	815.00
Contracted Services - (Other than Home & Sch)	35,263.00	(10,586.00)	24,677.00	10,012.88	14,664.12
Contr. Serv. - (Bet. Home & School) Joint Agrm.	964,256.00	(42,600.00)	921,656.00	915,882.40	5,773.60
Contr. Serv. - (Special Ed. Students) - Vendors	170,562.00		170,562.00	109,033.78	61,528.22
Contr. Serv. - (Spc Ed. Students) - Joint Agrmt	244,754.00	22,600.00	267,354.00	259,347.36	8,006.64
Contr. Serv. - Aid in Lieu Payments	22,984.00		22,984.00	13,260.00	9,724.00
Travel	332.00		332.00	328.00	4.00
Misc. Purchased Service - Transportation	2,958.00		2,958.00	2,929.76	28.24
Supplies & Materials	4,463.00		4,463.00	472.73	3,990.27
Other Objects	561.00		561.00	300.00	261.00
Total Undistributed Expenditures - Student Transportation Services	<u>1,521,427.00</u>	<u>(37,253.20)</u>	<u>1,484,173.80</u>	<u>1,376,090.33</u>	<u>108,083.47</u>
Unallocated Benefits					
Group Insurance	56,190.00	(2,845.83)	53,344.17	47,428.58	5,915.59
Social Security Contribution	206,897.00	62,782.28	269,679.28	269,679.28	-
Other Retirement Contributions - PERS	336,543.00	(19,180.13)	317,362.87	316,928.49	434.38
Other Retirement Contributions - DCRP	-	-	-	-	-
Unemployment	-	-	-	-	-
Workmen's Compensation	189,733.00	(7,055.00)	182,678.00	182,654.00	24.00
Health Benefits	3,675,671.00	(176,484.57)	3,499,186.43	3,497,947.73	1,238.70
Tuition Reimbursement	75,000.00		75,000.00	65,838.48	9,161.52
Other Employee Benefits	188,466.00	104,706.15	293,172.15	293,127.72	44.43
Total Unallocated Benefits	<u>4,728,500.00</u>	<u>(38,077.10)</u>	<u>4,690,422.90</u>	<u>4,673,604.28</u>	<u>16,818.62</u>
On-Behalf Contributions					
On-Behalf TPAF Pension Contribution (non-bud)	\$ -	\$ -	\$ -	\$ 1,630,445.00	\$ (1,630,445.00)
Reimbursed TPAF Social Security Cont.(non-bud)	-	-	-	898,263.86	(898,263.86)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,528,708.86</u>	<u>(2,528,708.86)</u>
Total Personal Services - Employee Benefits	<u>4,728,500.00</u>	<u>(38,077.10)</u>	<u>4,690,422.90</u>	<u>7,202,313.14</u>	<u>(2,511,890.24)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>12,039,420.22</u>	<u>(41,485.14)</u>	<u>11,997,935.08</u>	<u>14,152,933.43</u>	<u>(2,154,998.35)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>21,621,307.63</u>	<u>(14,487.33)</u>	<u>21,606,820.30</u>	<u>23,675,170.30</u>	<u>(2,068,350.00)</u>
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	200.00		200.00		200.00
Interest Deposit to Maintenance Reserve	300.00		300.00		300.00
Interest Deposit to Emergency Reserve	200.00		200.00		200.00
Total Deposit to Capital Reserve	<u>700.00</u>	<u>-</u>	<u>700.00</u>	<u>-</u>	<u>700.00</u>
Equipment					
Non Instructional					
Undistributed - General Administrative		3,704.00	3,704.00	3,704.00	-
Undistributed - School Administrative Administrative	2,614.00		2,614.00	2,614.00	-
Technology	12,370.48	1,903.88	14,274.36	14,274.36	-
Required Maintenance for School Facilities		3,309.45	3,309.45	3,309.45	-
Security	53,087.00		53,087.00	53,087.00	-
Total Equipment	<u>68,071.48</u>	<u>8,917.33</u>	<u>76,988.81</u>	<u>76,988.81</u>	<u>-</u>
Facilities Acquisition and Construction Services					
Construction Services		97,600.00	97,600.00	6,593.00	91,007.00
Construction Services - Buildings			-	-	-
Site Improvements		5,570.00	5,570.00	5,570.00	-
SDA Debt Service Assessment	429.00		429.00	429.00	-
Total Facilities Acquisition and Construction Services	<u>429.00</u>	<u>103,170.00</u>	<u>103,599.00</u>	<u>12,592.00</u>	<u>91,007.00</u>
TOTAL CAPITAL OUTLAY	<u>69,200.48</u>	<u>112,087.33</u>	<u>181,287.81</u>	<u>89,580.81</u>	<u>91,707.00</u>
Transfer to Charter Schools	-	-	-	-	-
TOTAL EXPENDITURES	<u>21,690,508.11</u>	<u>97,600.00</u>	<u>21,788,108.11</u>	<u>23,764,751.11</u>	<u>(1,976,643.00)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(512,830.11)</u>	<u>(117,726.00)</u>	<u>(630,556.11)</u>	<u>(5,303.24)</u>	<u>625,252.87</u>

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Other Financing Sources:					
Operating Transfers In:					
Interest Earned on Capital Project Fund			-	598.54	598.54
Operating Transfers Out:					
Debt Service Fund Interest			-	(24,845.95)	(24,845.95)
Local Contribution - Transfer to Special Revenue	(155,718.00)		(155,718.00)	(155,718.00)	-
Local Share of Capital Project			-	-	-
Total Other Financing Sources:	<u>(155,718.00)</u>	<u>-</u>	<u>(155,718.00)</u>	<u>(179,965.41)</u>	<u>(24,247.41)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(668,548.11)	(117,726.00)	(786,274.11)	(185,268.65)	601,005.46
Fund Balance July 1	1,736,219.99		1,736,219.99	1,736,219.99	-
Fund Balance June 30	<u>\$ 1,067,671.88</u>	<u>\$ (117,726.00)</u>	<u>\$ 949,945.88</u>	<u>\$ 1,550,951.34</u>	<u>\$ 601,005.46</u>
Recapitulation:					
Reserve for Encumbrances	(253,950.11)	-	\$ (253,950.11)	\$ (253,950.11)	\$ -
Emergency Reserve			-	-	-
Maintenance Reserve			-	-	-
Capital Reserve		(48,800.00)	(48,800.00)	(48,800.00)	-
Budgeted Fund Balance	<u>(414,598.00)</u>	<u>(68,926.00)</u>	<u>(483,524.00)</u>	<u>117,790.37</u>	<u>601,314.37</u>
	<u>\$ (668,548.11)</u>	<u>\$ (117,726.00)</u>	<u>\$ (786,274.11)</u>	<u>\$ (184,959.74)</u>	<u>\$ 601,314.37</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus:					
Current Year				\$ 401,347.18	
Designated for Subsequent Year's Expenditures				481,733.48	
Committed Fund Balance:					
Capital Reserve				8,092.43	
Emergency Reserve				38,293.00	
Maintenance Reserve				65,600.00	
Reserve for Encumbrances					
Assigned Fund Balance:					
Reserve for Encumbrances				123,839.04	
Designated for Subsequent Year's Expenditures				-	
Unassigned Fund Balance				432,046.21	
				<u>1,550,951.34</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				966,802.00	
				<u>\$ 584,149.34</u>	

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ -	\$ 22,773.79	\$ 22,773.79	\$ 17,457.30	\$ (5,316.49)
State Sources	5,139,643.00	47,989.78	5,187,632.78	4,382,872.87	(804,759.91)
Federal Sources	607,994.00	138,502.00	746,496.00	696,988.00	(49,508.00)
Total Revenues	5,747,637.00	209,265.57	5,956,902.57	5,097,318.17	(859,584.40)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,556,042.00	52,362.40	1,608,404.40	1,549,223.14	59,181.26
Other Salaries for Instruction	630,902.00	13,001.41	643,903.41	609,941.74	33,961.67
Other Purchased Services	5,100.00	-	5,100.00	500.00	4,600.00
General Supplies	143,503.00	52,808.66	196,311.66	82,818.59	113,493.07
Other Objects	8,999.00	-	8,999.00	-	8,999.00
Total Instruction	2,344,546.00	118,172.47	2,462,718.47	2,242,483.47	220,235.00
Support Services:					
Salaries of Supervisors of Instruction	2,500.00	-	2,500.00	2,499.84	0.16
Salaries of Program Directors	121,613.00	54,820.79	176,433.79	160,657.60	15,776.19
Salaries of Other Professional Staff	407,108.00	(4,600.00)	402,508.00	401,249.83	1,258.17
Salaries of Sec. and Clerical Assistants	120,754.00	56,200.25	176,954.25	162,099.43	14,854.82
Other Salaries	142,134.00	(12,883.13)	129,250.87	129,250.87	-
Salaries of Community Parent Involvement Specialists	57,899.00	-	57,899.00	57,899.00	-
Salaries of Master Teachers	122,838.00	-	122,838.00	122,838.00	-
Personal Services - Employee Benefits	1,298,173.00	(51,842.97)	1,246,330.03	1,223,526.56	22,803.47
Purchased Professional & Technical Services	24,165.00	(5,415.00)	18,750.00	16,800.00	1,950.00
Other Objects	152,080.00	-	152,080.00	80,934.45	71,145.55
Leases and Rentals	773,422.00	-	773,422.00	386,468.38	386,953.62

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Contr. Transportation Service (Betw. Home & Sch.) Travel	\$ 156,935.00	\$ 38,548.16	\$ 195,483.16	\$ 195,483.16	\$ -
	5,000.00		5,000.00	3,917.11	1,082.89
Contr. Transportation Service (Field Trip)	5,100.00		5,100.00	3,064.32	2,035.68
Purchased Professional - Educational Services	45,600.00	(600.00)	45,000.00	3,507.50	41,492.50
Purchased Other Professional Services	13,200.00	22,849.00	36,049.00	29,428.26	6,620.74
Cleaning, Repairs & Maintenance	3,400.00		3,400.00	-	3,400.00
Other Purchased Services	21,250.00	3,750.00	25,000.00	11,787.95	13,212.05
Supplies & Materials	85,638.00	(9,734.00)	75,904.00	19,140.44	56,763.56
Total Support Services	<u>3,558,809.00</u>	<u>91,093.10</u>	<u>3,649,902.10</u>	<u>3,010,552.70</u>	<u>639,349.40</u>
Total Outflows	<u>5,903,355.00</u>	<u>209,265.57</u>	<u>6,112,620.57</u>	<u>5,253,036.17</u>	<u>859,584.40</u>
Other Financing Sources (Uses)					
Local Contribution - Transfer to Special Revenue	155,718.00		155,718.00	155,718.00	-
	155,718.00	-	155,718.00	155,718.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 0.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to RSI
For the Year Ended June 30, 2015

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

	General Fund	Special Revenue Fund
Sources / inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 23,759,447.87	[C-2] \$ 5,097,318.17
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		19,985.66
Final Two State Aid payments were delayed until July 2014	962,423.00	426,972.00
Final Two State Aid payments were delayed until July 2015	(966,802.00)	(420,784.00)
Unexpended Preschool Education Aid		(6,188.00)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] <u>\$ 23,755,068.87</u>	[B-2] <u>\$ 5,117,303.83</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 23,764,751.11	[C-2] \$ 5,253,036.17
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.		19,985.66
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] <u>\$ 23,764,751.11</u>	[B-2] <u>\$ 5,273,021.83</u>

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Required Supplementary Information – Part III

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Two Fiscal Years

	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.0442278480%	0.0428957879%
District's proportionate of the net pension liability (asset)	\$ 8,280,663	\$ 8,198,237
District's covered payroll	\$ 3,004,166	\$ 2,883,875
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	275.64%	284.28%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of District Contributions
Public Employee Retirement System
Last Two Fiscal Years

	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 364,608	\$ 323,211
Contributions in relation to the contractually required contribution	<u>364,608</u>	<u>323,211</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 3,004,166	\$ 2,883,875
Contributions as a percentage of covered-employee payroll	12.14%	11.21%

Source: GASB 68 report on Public Employees' Retirement System; District records

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Two Fiscal Years

	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>61,561,147</u>	<u>59,294,706</u>
Total	<u>\$ 61,561,147</u>	<u>\$ 59,294,706</u>
District's covered payroll	\$ 14,268,060	\$ 11,546,216
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of District Contributions
Teachers' Pension and Annuity Fund
Last Two Fiscal Years

	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 630,123	\$ 489,281
Contributions in relation to the contractually required contribution	<u>630,123</u>	<u>489,281</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 14,268,060	\$ 11,546,216
Contributions as a percentage of covered-employee payroll	4.42%	4.24%

Source: GASB 68 report on Teachers' Pension and Annuity Fund; District records

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

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

	Title I	IDEA Part B	IDEA Preschool	Title II	Title III	Summer Rocking Recorders
REVENUES:						
Local Sources						
State Sources	\$ 249,167.00	\$ 345,799.37	\$ 26,919.58	\$ 57,960.05	\$ 17,142.00	\$ 1,318.68
Federal Sources	249,167.00	345,799.37	26,919.58	57,960.05	17,142.00	1,318.68
Total Revenues	178,983.00	186,012.94	25,000.00	33,500.00		
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Other Salaries for Instruction	16,993.13	2,336.52	6.99	17,142.00	1,318.68	
Other Purchased Services	195,976.13	188,349.46	25,006.99	33,500.00	17,142.00	1,318.68
General Supplies						
Total Instruction						
Support Services:						
Salaries of Supervisors of Instruction				16,000.00		
Salaries of Program Directors						
Salaries of Other Professional Staff						
Salaries of Sec. and Clerical Assistants		114,698.18				
Other Salaries						
Salaries of Community Parent Involvement Specialists						
Salaries of Master Teachers						
Personal Services - Employee Benefits	36,390.87	23,307.56	1,912.59	8,460.05		
Purchased Professional & Technical Services	16,800.00					
Other Purchased Services		11,787.95				
Purchased Professional - Educational Services						
Purchased Other Professional Services						
Rentals						
Travel						
Other Objects						
Contr. Transportation Service (Betw. Home & Sch.)						
Contr. Transportation Service (Field Trips)						
Supplies & Materials		7,656.22				
Total Support Services	53,190.87	157,449.91	1,912.59	24,460.05		
Facilities Acquisitions and Construction Services:						
Noninstructional Equipment						
Total Facilities Acquisitions and Const. Services:						
Total Outflows	249,167.00	345,799.37	26,919.58	57,960.05	17,142.00	1,318.68
Other Financing Sources (Uses)						
Local Contribution - Transfer to Special Revenue						
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ 0.00	\$ -	\$ -

See Accompanying Auditor's Report

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

	Reading Program	NJ Achievement Coaches Competitive Grant	PTA Art Grant	Preschool Education Aid	Totals 2015
REVENUES:					
Local Sources	\$ 5,063.86	\$	998.76	\$ 10,076.00	\$ 17,457.30
State Sources		11,250.90		4,371,621.97	4,382,872.87
Federal Sources					696,988.00
Total Revenues	5,063.86	11,250.90	998.76	4,381,697.97	5,097,318.17
EXPENDITURES:					
Instruction:					
Salaries of Teachers	4,704.00	10,468.00		1,321,568.14	1,549,223.14
Other Salaries for Instruction				398,928.80	609,941.74
Other Purchased Services			998.76	500.00	500.00
General Supplies				44,022.51	82,818.59
Total Instruction	4,704.00	10,468.00	998.76	1,765,019.45	2,242,483.47
Support Services:					
Salaries of Supervisors of Instruction				2,499.84	2,499.84
Salaries of Program Directors				144,657.60	160,657.60
Salaries of Other Professional Staff				401,249.83	401,249.83
Salaries of Sec. and Clerical Assistants				47,401.25	162,099.43
Other Salaries				129,250.87	129,250.87
Salaries of Community Parent Involvement Specialists				57,899.00	57,899.00
Salaries of Master Teachers				122,838.00	122,838.00
Personal Services - Employee Benefits	359.86	782.90		1,152,312.73	1,223,526.56
Purchased Professional & Technical Services					16,800.00
Other Purchased Services					11,787.95
Purchased Professional - Educational Services				3,507.50	3,507.50
Purchased Other Professional Services				29,428.26	29,428.26
Rentals				386,468.38	386,468.38
Travel				3,917.11	3,917.11
Other Objects				80,934.45	80,934.45
Contr. Transportation Service (Betw. Home & Sch.)				195,483.16	195,483.16
Contr. Transportation Service (Field Trips)				3,064.32	3,064.32
Supplies & Materials				11,484.22	19,140.44
Total Support Services	359.86	782.90	-	2,772,396.52	3,010,552.70
Facilities Acquisitions and Construction Services:					
0 None				-	-
Total Facilities Acquisitions and Const. Services:				-	-
Total Outflows	5,063.86	11,250.90	998.76	4,537,415.97	5,253,036.17
Other Financing Sources (Uses)					
Local Contribution - Transfer to Special Revenue				155,718.00	155,718.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ 0.00	\$ (0.00)	\$ -

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Year Ended June 30, 2015

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 1,365,542.00	\$ 1,321,568.14	\$ 43,973.86
Other Salaries for Instruction	426,403.41	398,928.80	27,474.61
Other Purchased Services (400-500 Series)	5,100.00	500.00	4,600.00
General Supplies	144,877.00	44,022.51	100,854.49
Other Objects	8,999.00		8,999.00
Total Instruction	<u>1,950,921.41</u>	<u>1,765,019.45</u>	<u>185,901.96</u>
Support Services:			
Salaries of Supervisors of Instruction	2,500.00	2,499.84	0.16
Salaries of Program Directors	153,683.79	144,657.60	9,026.19
Salaries of Other Professional Staff	402,508.00	401,249.83	1,258.17
Salaries of Secr. & Clerical Assistants	47,401.25	47,401.25	-
Other Salaries	129,250.87	129,250.87	-
Salaries of Community Parent Involvement Specialists	57,899.00	57,899.00	-
Salaries of Master Teachers	122,838.00	122,838.00	-
Personal Services - Employee Benefits	1,170,670.30	1,152,312.73	18,357.57
Purchased Professional - Educational Services	45,000.00	3,507.50	41,492.50
Purchased Other Professional Services	36,049.00	29,428.26	6,620.74
Cleaning, Repairs & Maintenance	3,400.00		3,400.00
Rentals	773,422.00	386,468.38	386,953.62
Contr. Transportation Service (Between Home & School)	195,483.16	195,483.16	-
Contr. Transportation Service (Field Trips)	5,100.00	3,064.32	2,035.68
Travel	5,000.00	3,917.11	1,082.89
Other Objects	152,080.00	80,934.45	71,145.55
Supplies and Materials	65,220.00	11,484.22	53,735.78
Total Support Services	<u>3,367,505.37</u>	<u>2,772,396.52</u>	<u>595,108.85</u>
Facilities acquisition and Const. Services			
Noninstructional Equipment	-	-	-
Total facilities acquisition and Const. Services	<u>-</u>	<u>-</u>	<u>-</u>
Contribution to charter schools			
Total Expenditures	<u>\$ 5,318,426.78</u>	<u>\$ 4,537,415.97</u>	<u>\$ 781,010.81</u>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2014-15 Preschool Education Aid Allocation	\$ 4,207,840.00
Add: Actual Carryover (June 30, 2014)	981,592.00
Add: Budgeted Transfer from the General Fund 2014-15	155,718.00
Add: Tuition Received from Individuals 2014-15	10,076.00
Total Preschool Education Aid Funds Available	<u>5,355,226.00</u>
Less: 2014-15 Budgeted Preschool Education Aid (Prior year budget carryover)	<u>(5,318,426.78)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015	<u>36,799.22</u>
Add: June 30, 2015 Unexpended Preschool Education Aid	781,010.81
2014-15 Carryover - Preschool Education Aid/Preschool	<u>\$ 817,810.03</u>
2014-15 Preschool Education Aid Carryover Budgeted for Preschool Programs 2015-16	<u>\$ 981,592.00</u>

See Accompanying Auditor's Report

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CAPITAL PROJECTS FUND DETAIL STATEMENT

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2014

	Totals
Revenues and Other Financing Sources:	
State Sources - SCC Grant	\$ -
Bond Proceeds and Transfers	(50,000.00)
Transfer from Capital Reserve	-
Total Revenues	(50,000.00)
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	1,357.15
Construction Services	103,780.50
Miscellaneous	-
Total Expenditures	105,137.65
Excess (Deficiency) of Revenues Over (Under) Expenditures	(155,137.65)
Fund Balance - Beginning	300,522.41
Fund Balance - Ending	\$ 145,384.76

See Accompanying Auditor's Report

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis
2008 Improvements and Renovations to Intermediate School and George J. Mitchell School
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$	\$	\$ -	\$
Bond Proceeds	7,995,000.00	(50,000.00)	7,945,000.00	7,995,000.00
Transfer From Capital Reserve	470.00		470.00	470.00
Total Revenues	7,995,470.00	(50,000.00)	7,945,470.00	7,995,470.00
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	638,376.44	1,234.94	639,611.38	649,482.38
Construction Services	6,864,998.01	103,780.50	6,968,778.51	7,135,685.89
Miscellaneous	210,301.73	-	210,301.73	210,301.73
Total Expenditures	7,713,676.18	105,015.44	7,818,691.62	7,995,470.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 281,793.82	\$ (155,015.44)	\$ 126,778.38	\$ -
Additional Project Information:				
Project Number	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	4/15/2008			
Bonds Authorized	7,995,000.00			
Bonds Issued	7,995,000.00			
Original Authorized Costs	7,995,470.00			
Revised Authorized Cost	7,995,470.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	2010			
Revised Target Completion Date	2014			

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis
Improvements and Renovations to Intermediate School and George J. Mitchell School
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond Proceeds	17,764,000.00		17,764,000.00	17,764,000.00
Transfer From Capital Reserve	750.00		750.00	750.00
Total Revenues	17,764,750.00	-	17,764,750.00	17,764,750.00
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	670,239.26	122.21	670,361.47	670,561.75
Construction Services	16,682,891.95	-	16,682,891.95	16,701,298.05
Miscellaneous	392,890.20		392,890.20	392,890.20
Total Expenditures	17,746,021.41	122.21	17,746,143.62	17,764,750.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 18,728.59	\$ (122.21)	\$ 18,606.38	\$ -
Additional Project Information:				
Project Number	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	12/12/2006			
Bonds Authorized	\$ 17,764,000			
Bonds Issued	17,764,000			
Original Authorized Costs	17,764,375			
Revised Authorized Cost	17,764,750			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	2009			
Revised Target Completion Date	2014			

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FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

Scholarship Fund – This is an expendable trust fund and does not limit expenses to the amount earned on the trust principal.

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2015

	Unemployment Compensation Trust	Agency Funds	Totals
ASSETS			
Cash and Cash Equivalents	\$ 131,064.07	\$ 324,947.11	\$ 456,011.18
Prepaid Unemployment	3,565.72		3,565.72
Total Assets	134,629.79	324,947.11	459,576.90
LIABILITIES			
Summer Savings		114,632.00	114,632.00
Payable to Student Groups		51,879.04	51,879.04
Accounts Payable	-		-
Payroll Deductions & Withholdings		158,436.07	158,436.07
Total Liabilities	-	324,947.11	324,947.11
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	\$ 134,629.79		134,629.79
Total Net Assets			134,629.79
Total Liabilities and Net Assets			\$ 459,576.90

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2014

	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
ADDITIONS		
Contributions:		
Plan Member	\$ 29,584.08	\$ 29,584.08
Prior Year's Claims Disallowed	3,565.72	3,565.72
Total Contributions	<u>33,149.80</u>	<u>33,149.80</u>
Investments Earnings:		
Interest	153.60	153.60
Net Investment Earnings	<u>153.60</u>	<u>153.60</u>
Total Additions	<u>33,303.40</u>	<u>33,303.40</u>
Deductions		
Unemployment Claims	2,055.74	2,055.74
Total Deductions	<u>2,055.74</u>	<u>2,055.74</u>
Change in Net Assets	31,247.66	31,247.66
Net Assets - Beginning of the Year	<u>103,382.13</u>	<u>103,382.13</u>
Net Assets - End of the Year	<u>\$ 134,629.79</u>	<u>\$ 134,629.79</u>

See Accompanying Auditor's Report

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Intermediate School and George J. Mitchell Elementary	\$ 62,189.02	\$ 70,496.90	\$ 80,806.88	\$ 51,879.04
Total Assets	<u>\$ 62,189.02</u>	<u>\$ 70,496.90</u>	<u>\$ 80,806.88</u>	<u>\$ 51,879.04</u>

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS:				
Cash and Cash Equivalents	\$ 274,043.05	\$ 19,407,374.63	\$ 19,408,349.61	\$ 273,068.07
Total Assets	<u>\$ 274,043.05</u>	<u>\$ 19,407,374.63</u>	<u>\$ 19,408,349.61</u>	<u>\$ 273,068.07</u>
	-			
LIABILITIES:				
Summer Savings	\$ 114,400.32	\$ 114,632.00	\$ 114,400.32	\$ 114,632.00
Payroll Deductions & Withholding	159,642.73	7,902,159.32	7,903,365.98	158,436.07
Net Pay	-	11,390,583.31	11,390,583.31	-
Total Liabilities	<u>\$ 274,043.05</u>	<u>\$ 19,407,374.63</u>	<u>\$ 19,408,349.61</u>	<u>\$ 273,068.07</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2015

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2015		Interest Rate	Balance June 30, 2014	Refunded	Decreased	Balance June 30, 2015
			Date	Amount					
Construction, Renovation and Equipment Addition to the George J. Mitchell School	10/1/1999	\$ 3,095,000				\$ 215,000.00		\$ 215,000.00	\$ -
Alterations and Renovations to the George J. Mitchell School and the Intermediate School	5/1/2007	17,764,000	1/15/2016	620,000	4.000%	16,950,000.00	(15,295,000.00)	385,000.00	1,270,000.00
			1/15/2017	650,000	4.000%				
Alterations and Renovations to the George J. Mitchell School and the Intermediate School	8/1/2008	\$ 7,995,000	8/1/2015	255,000	4.000%			255,000.00	6,720,000.00
			8/1/2016	255,000	4.000%				
			8/1/2017	255,000	4.000%				
			8/1/2018	260,000	4.000%				
			8/1/2019	270,000	4.000%				
			8/1/2020	285,000	4.000%				
			8/1/2021	300,000	4.000%				
			8/1/2022	310,000	4.000%				
			8/1/2023	325,000	4.100%				
			8/1/2024	340,000	4.100%				
			8/1/2025	355,000	4.150%				
8/1/2026	375,000	4.200%							
8/1/2027	390,000	4.250%							
8/1/2028	410,000	4.300%							
8/1/2029	425,000	4.350%							
8/1/2030	445,000	4.400%							
8/1/2031	465,000	4.450%							
8/1/2032	490,000	4.500%							
8/1/2033	510,000	4.550%							

See Accompanying Auditor's Report

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2015

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2015				Balance June 30, 2014	Increased	Decreased	Balance June 30, 2015
			Date	Amount	Interest Rate	Balance June 30, 2014				
Refunding School Bonds	3/31/2015	\$ 15,245,000	1/15/2016	200,000	2.000%	\$	\$ 15,245,000.00	\$	\$ 15,245,000.00	
			1/15/2018	670,000	4.000%					
			1/15/2019	695,000	4.000%					
			1/15/2020	725,000	4.000%					
			1/15/2021	750,000	4.000%					
			1/15/2022	785,000	4.000%					
			1/15/2023	815,000	5.000%					
			1/15/2024	860,000	5.000%					
			1/15/2025	900,000	5.000%					
			1/15/2026	950,000	5.000%					
			1/15/2027	1,000,000	5.000%					
			1/15/2028	1,055,000	3.000%					
			1/15/2029	1,080,000	4.000%					
			1/15/2030	1,125,000	4.000%					
			1/15/2031	1,170,000	4.000%					
			1/15/2032	1,215,000	3.250%					
			1/15/2033	1,250,000	3.375%					
							\$ 24,140,000.00	\$ 855,000.00	\$ 23,285,000.00	
							(50,000.00)		\$ 23,235,000.00	

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of Obligations Under Capital Lease
As of June 30, 2015

Description	Amount of Original Issue	Balance June 30, 2014	Issued Current Year	Retired Current Year	Balance June 30, 2015
Early Childhood Center	\$ 1,800,000.00	\$ 737,287.00	\$ -	\$ 362,748.83	\$ 374,538.17
Technology Equipment	210,000.00	44,181.73		44,181.73	-
Computer Equipment	45,365.28	9,420.65		9,420.65	-
Curriculum Equipment	400,000.00	400,000.00		196,232.36	203,767.64
Copy Machine	14,809.80		14,809.80	2,961.96	11,847.84
Copy Machine	14,809.80		14,809.80	2,961.96	11,847.84
	\$ -	<u>\$ 1,190,889.38</u>	<u>\$ 29,619.60</u>	<u>\$ 618,507.49</u>	<u>\$ 602,001.49</u>

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,210,683.00	\$ -	\$ 1,210,683.00	\$ 1,210,683.00	\$ -
Total - Local Sources	1,210,683.00	-	1,210,683.00	1,210,683.00	-
State Sources:					
Debt Service Aid Type II	672,204.00	-	672,204.00	672,204.00	-
Total - State Sources	672,204.00	-	672,204.00	672,204.00	-
Total Revenues	1,882,887.00	-	1,882,887.00	1,882,887.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	1,027,888.00	-	1,027,888.00	1,027,887.50	0.50
Redemption of Principal	855,000.00	-	855,000.00	855,000.00	-
Total Regular Debt Service	1,882,888.00	-	1,882,888.00	1,882,887.50	0.50
Total Expenditures	1,882,888.00	-	1,882,888.00	1,882,887.50	0.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1.00)	-	(1.00)	(0.50)	0.50
Other Financing Sources (Uses):					
Operating Transfers In:					
Capital Project:					
Balance Canceled	-	-	-	24,845.95	24,845.95
	-	-	-	24,845.95	24,845.95
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1.00)	-	(1.00)	24,845.45	24,846.45
Fund Balance, July 1	2.00		2.00	2.00	-
Fund Balance, June 30	\$ 1.00	\$ -	\$ 1.00	\$ 24,847.45	\$ 24,846.45
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ (1.00)	\$ -	\$ (1.00)	\$ 24,845.45	\$ 24,846.45

STATISTICAL SECTION

Little Egg Harbor Township School District
Net Assets by Component
For the Fiscal Year Ended June 30, 2015
(accrual basis of accounting)

Exhibit J-1

	2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015
Governmental activities										
Invested in capital assets, net of related debt	\$ 14,663,716.64	\$ (1,853,650.21)	\$ 2,245,048.51	\$ 11,637,370.85	\$ 12,724,219.95	\$ 12,651,709.94	\$ 13,018,506.51	\$ 14,722,116.95	\$ 14,245,037.38	\$ 14,160,831.75
Restricted	302,370.91	16,716,689.58	13,133,649.88	3,105,406.30	1,702,004.89	1,522,202.46	800,009.47	1,050,015.35	1,026,714.22	1,118,905.13
Unrestricted	1,694,069.55	1,578,681.78	1,216,850.14	107,327.73	(1,464,341.17)	(1,495,523.83)	(154,465.77)	(2,370,605.62)	(10,193,515.77)	(10,707,160.43)
Total governmental activities net assets	\$ 16,660,157.10	\$ 16,441,721.15	\$ 16,595,448.53	\$ 14,850,104.88	\$ 12,961,883.67	\$ 12,678,388.57	\$ 13,664,050.21	\$ 13,401,526.68	\$ 5,078,235.83	\$ 4,572,576.45
Business-type activities										
Invested in capital assets, net of related debt	\$ 4,047.42	\$ 20,304.19	\$ 15,925.46	\$ 11,546.73	\$ 55,443.48	\$ 61,088.62	\$ 69,097.62	\$ 76,341.34	\$ 74,175.88	\$ 68,872.42
Unrestricted	23,745.41	22,054.50	24,552.14	6,791.21	(15,606.43)	41,644.26	185,326.85	164,930.89	137,620.11	110,782.62
Total business-type activities net assets	\$ 27,792.83	\$ 42,358.69	\$ 40,477.60	\$ 18,337.94	\$ 39,837.05	\$ 102,742.88	\$ 254,424.47	\$ 241,272.23	\$ 211,795.99	\$ 179,655.04
District-wide										
Invested in capital assets, net of related debt	\$ 14,667,764.06	\$ (1,833,346.02)	\$ 2,260,973.97	\$ 11,648,917.58	\$ 12,779,663.43	\$ 12,712,808.56	\$ 13,087,604.13	\$ 14,798,458.29	\$ 14,319,213.26	\$ 14,229,704.17
Restricted	302,370.91	16,716,689.58	13,133,649.88	3,105,406.30	1,702,004.89	1,522,202.46	800,009.47	1,050,015.35	1,026,714.22	1,118,905.13
Unrestricted	1,717,814.96	1,600,736.28	1,241,402.28	114,118.94	(1,479,947.60)	(1,453,879.57)	30,861.08	(2,205,674.73)	(10,055,895.66)	(10,596,377.81)
Total district net assets	\$ 16,687,949.93	\$ 16,484,079.84	\$ 16,635,926.13	\$ 14,868,442.82	\$ 13,001,720.72	\$ 12,781,131.45	\$ 13,918,474.68	\$ 13,642,798.91	\$ 5,290,031.82	\$ 4,752,231.49

* - Restated Unrestricted in 2014 for the effects of GASB 68

Source: CAFR Schedule A-1

See Accompanying Auditor's Report

**Little Egg Harbor Township School District
Changes in Net Assets
For the Fiscal Year Ended June 30, 2015**
(actual basis of accounting)

Exhibit J-2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
Instruction:										
Regular	\$ 8,008,031.84	\$ 166,547.02	\$ 9,181,338.44	\$ 10,110,801.06	\$ 11,434,291.28	\$ 11,179,521.49	\$ 11,188,279.41	\$ 11,523,957.47	\$ 11,728,063.50	\$ 12,985,710.07
Special education	3,449,669.05	3,667,647.76	3,720,182.03	3,507,716.18	3,407,840.62	3,223,862.93	3,338,852.22	3,580,539.94	3,978,989.01	4,719,890.53
Other instruction	380,366.34	326,351.39	455,973.56	612,349.40	554,340.89	627,537.96	673,780.02	726,434.97	914,489.47	1,358,684.51
Support Services:										
Tuition	20,101.94	109,148.52	123,069.81	186,536.99	70,722.26	105,716.01	145,163.25	225,877.37	174,188.97	13,998.78
Student & instruction related services	3,776,951.12	4,042,512.71	4,169,529.24	5,211,340.10	6,364,280.88	6,836,084.15	5,900,250.00	6,736,634.20	6,618,014.29	7,771,640.78
School administrative services	1,092,836.13	881,628.17	813,296.15	1,124,335.71	985,656.23	855,860.27	877,291.47	931,595.33	933,425.57	820,128.14
General & Business administrative services	1,416,868.73	1,498,867.28	1,550,124.93	1,566,866.48	1,718,592.45	1,572,893.15	1,728,957.32	1,737,887.50	1,784,697.74	1,647,406.06
Plant operations and maintenance	1,877,339.05	2,106,623.51	2,108,983.38	2,114,166.45	2,321,473.16	2,291,944.09	2,238,750.33	2,136,146.38	2,135,662.65	2,079,673.34
Pupil transportation	1,391,008.20	1,519,726.88	1,584,396.24	1,681,854.93	1,429,502.27	1,333,941.16	1,378,758.44	1,468,996.57	1,302,295.04	1,376,090.33
Charter Schools	230,178.75	335,685.00	392,000.00	1,592,897.97	1,363,927.63	1,165,764.13	1,150,781.13	1,077,120.50	1,049,216.17	1,161,340.08
Interest on long-term debt										
Unallocated depreciation		4,044.62	4,044.63	4,044.63						
Unallocated Amortization of Debt Issue Costs										
Total governmental activities expenses	<u>21,643,451.15</u>	<u>14,676,736.24</u>	<u>24,102,938.41</u>	<u>27,712,909.90</u>	<u>29,650,627.67</u>	<u>29,293,125.34</u>	<u>28,630,863.59</u>	<u>30,144,590.23</u>	<u>30,619,042.41</u>	<u>33,943,962.62</u>
Business-type activities:										
Food service	525,294.36	548,192.71	584,422.84	657,528.04	671,772.85	649,803.90	713,091.81	902,435.60	875,440.45	862,820.35
Other		219,024.48	267,914.48	194,906.20	285,026.65	369,734.48	305,927.50	385,242.83	350,526.58	624,251.94
Total business-type activities expenses	<u>525,294.36</u>	<u>767,217.19</u>	<u>852,337.32</u>	<u>852,434.24</u>	<u>956,799.50</u>	<u>1,019,538.38</u>	<u>1,019,019.31</u>	<u>1,287,678.43</u>	<u>1,225,967.03</u>	<u>1,487,072.29</u>
Total district expenses	<u>\$ 22,168,745.51</u>	<u>\$ 15,443,953.43</u>	<u>\$ 24,955,275.73</u>	<u>\$ 28,565,344.14</u>	<u>\$ 30,607,427.17</u>	<u>\$ 30,312,663.72</u>	<u>\$ 29,649,882.90</u>	<u>\$ 31,432,268.66</u>	<u>\$ 31,845,009.44</u>	<u>\$ 35,431,034.91</u>
Program Revenues										
Governmental activities:										
Charges for services	\$ 2,740,729.72	\$ 2,613,251.61	\$ 2,605,541.43	\$ 6,964,407.11	\$ 5,044,494.84	\$ 5,696,681.17	\$ 5,947,296.97	\$ 5,517,315.21	\$ 5,810,687.95	\$ 11,000,661.69
Operating grants and contributions										
Capital grants and contributions										
Total governmental activities program revenues	<u>2,740,729.72</u>	<u>2,613,251.61</u>	<u>2,605,541.43</u>	<u>6,964,407.11</u>	<u>5,044,494.84</u>	<u>5,696,681.17</u>	<u>5,981,650.90</u>	<u>5,624,048.99</u>	<u>5,827,158.47</u>	<u>11,000,661.69</u>
Business-type activities:										
Charges for services:										
Food service	240,616.68	262,066.55	255,343.18	260,676.57	262,226.49	282,673.93	291,663.79	311,712.43	324,801.38	334,179.68
Other		192,053.25	313,513.41	218,134.04	245,191.36	350,420.54	386,846.04	394,210.23	334,677.40	584,017.35
Operating grants and contributions	253,550.84	270,611.82	279,006.74	350,498.33	420,908.03	448,373.88	492,171.07	568,438.68	536,669.38	536,459.27
Capital grants and contributions										
Total business-type activities program revenue	<u>494,169.52</u>	<u>744,731.62</u>	<u>847,863.33</u>	<u>829,310.94</u>	<u>928,325.88</u>	<u>1,081,468.35</u>	<u>1,170,700.90</u>	<u>1,274,361.34</u>	<u>1,196,148.16</u>	<u>1,454,656.30</u>
Total district program revenue	<u>\$ 3,234,899.24</u>	<u>\$ 3,357,983.23</u>	<u>\$ 3,453,404.76</u>	<u>\$ 7,793,718.05</u>	<u>\$ 5,972,820.72</u>	<u>\$ 6,778,149.52</u>	<u>\$ 7,152,351.80</u>	<u>\$ 6,898,410.33</u>	<u>\$ 7,023,306.63</u>	<u>\$ 12,455,317.99</u>
Net (Expense)/Revenue										
Governmental activities	\$ (18,902,721.43)	\$ (12,063,486.63)	\$ (21,497,396.98)	\$ (20,748,502.79)	\$ (24,606,132.63)	\$ (23,596,444.17)	\$ (22,649,212.69)	\$ (24,520,541.24)	\$ (24,791,883.94)	\$ (22,943,300.93)
Business-type activities	(31,124.84)	(22,468.57)	(4,473.99)	(23,123.30)	(28,473.62)	61,929.97	151,681.59	(13,317.09)	(29,818.87)	(32,415.99)
Total district-wide net expense	<u>\$ (18,953,846.27)</u>	<u>\$ (12,085,955.20)</u>	<u>\$ (21,501,870.97)</u>	<u>\$ (20,771,626.09)</u>	<u>\$ (24,634,606.45)</u>	<u>\$ (23,534,514.20)</u>	<u>\$ (22,497,531.10)</u>	<u>\$ (24,533,858.33)</u>	<u>\$ (24,821,702.81)</u>	<u>\$ (22,975,716.92)</u>

Little Egg Harbor Township School District
Changes in Net Assets
For the Fiscal Year Ended June 30, 2015
(actual basis of accounting)

Exhibit J-2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 8,954,171.00	\$ 9,296,508.00	\$ 9,596,284.00	\$ 9,741,177.00	\$ 10,080,824.00	\$ 10,184,057.00	10,387,738.00	10,595,493.00	10,553,274.00	11,023,550.00
Taxes levied for debt service	363,244.00	391,217.00	334,494.00	731,417.00	1,116,991.00	1,349,781.00	1,324,548.00	1,223,879.00	1,219,288.00	1,210,683.00
Unrestricted grants and contributions	9,703,676.14	10,027,532.17	11,006,416.99	11,255,748.97	11,378,942.02	11,412,025.16	11,817,912.32	12,430,828.34	12,405,343.08	10,032,008.34
Investment earnings	182,564.80	344,674.20	668,974.23	61,720.00	3,106.01					
Miscellaneous income	76,611.06	542,469.97	44,955.14	163,965.90	138,048.89	367,085.91	104,676.01	92,919.45	166,056.64	171,675.25
Transfers and Adjustments	(1,219,893.66)	(32,840.00)	-	49,130.27						
Total governmental activities	18,060,373.34	20,571,591.34	21,651,124.36	22,003,159.14	22,717,911.62	23,312,949.07	23,634,874.33	24,343,119.79	24,343,961.72	22,437,916.59
Business-type activities:										
Investment earnings	1,671.29	4,211.43	2,592.90	983.64	459.42					
Transfers	29,764.23	32,840.00	49,513.31	983.64	49,972.73	975.86				
Total business-type activities	31,435.52	37,051.43	2,592.90	983.64	49,972.73	975.86				
Total district-wide	\$ 18,091,808.86	\$ 20,608,642.77	\$ 21,653,717.26	\$ 22,004,142.78	\$ 22,767,884.35	\$ 23,313,924.93	\$ 23,634,874.33	\$ 24,343,119.79	\$ 24,343,961.72	\$ 22,437,916.59
Changes in Net Assets										
Governmental activities	\$ (842,348.09)	\$ 8,508,104.71	\$ 153,727.38	\$ 1,254,656.35	\$ (1,888,221.21)	\$ (283,465.10)	\$ 985,661.64	\$ (177,421.45)	\$ (447,922.22)	\$ (505,384.34)
Business-type activities	310.68	14,565.66	(1,881.09)	(22,139.69)	21,499.11	62,905.83	151,681.59	(13,317.09)	(29,818.87)	(32,415.99)
Total district	\$ (842,037.41)	\$ 8,522,670.37	\$ 151,846.29	\$ 1,232,516.69	\$ (1,866,722.10)	\$ (220,559.27)	\$ 1,137,343.23	\$ (190,738.54)	\$ (477,741.09)	\$ (537,800.33)

Source: CAFR Schedule A-2

See Accompanying Auditor's Report

Little Egg Harbor Township School District
 Fund Balances, Governmental Funds,
 For the Fiscal Year Ended June 30, 2015
 (modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Restricted										
Committed										
Assigned										
Unassigned										
Reserved										
Unreserved										
Total general fund	\$ 1,380,743.33	\$ 2,734,097.10	\$ 2,630,731.69	\$ 1,636,628.70	\$ 813,718.72	\$ 272,218.86	\$ 799,553.47	\$ 1,050,015.35	\$ 866,628.79	\$ 883,080.66
	1,513,757.41	234,678.21	232,215.08	(203,283.33)	(565,023.80)	-	193,985.43	194,385.43	160,085.43	111,985.43
	\$ 2,894,500.74	\$ 2,968,775.31	\$ 2,862,946.77	\$ 1,433,345.37	\$ 248,694.92	\$ 363,245.01	\$ 2,672,656.16	\$ 764,488.35	\$ 773,796.99	\$ 584,149.34
All Other Governmental Funds										
Restricted										
Committed										
Assigned										
Unassigned										
Reserved										
Unreserved, reported in:										
Special revenue fund	(69,359.60)	(69,359.60)	(69,359.60)	(263,246.10)	(340,400.00)	\$ 1,590,294.10	\$ 928,263.22	\$ 686,679.92	\$ 300,522.41	\$ 195,384.76
Capital projects fund	48,829.95	16,736,105.55	2,278,203.53	2,930,411.04	2,442,695.91	153,135.50	333,119.00	28,375.50	57,856.00	51,081.95
Debt service fund	3,260.63	53,489.47	327,590.00	25,607.87	861.55	254.00				
Total all other governmental funds	\$ (17,269.02)	\$ 16,720,985.42	\$ 13,150,424.45	\$ 3,543,320.87	\$ 2,124,019.46	\$ 1,743,683.60	\$ 1,261,382.22	\$ 715,055.42	\$ 358,378.41	\$ 246,466.71

* - FY 2011 was the first year of reporting under GASB 54 - Fund Balance Classifications

Source: CAFR Schedule B-1

See Accompanying Auditor's Report

Little Egg Harbor Township School District
 Changes in Fund Balances, Governmental Funds,
 For the Fiscal Year Ended June 30, 2015

Exhibit J-4

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	\$ 9,317,415	\$ 9,689,725	\$ 9,930,778	\$ 10,472,594	\$ 11,197,815	\$ 11,533,838	\$ 11,712,286	\$ 11,819,372	\$ 11,772,562	\$ 12,234,233
Tuition Charges				61,720	61,630	59,035	34,354	23,783	125	32,488
Bond / Lease Proceeds		17,764,000		7,995,000			1,800,000			
Interest earnings	182,565	344,674	668,974	163,966	3,106	312,943	113,595	100,233	180,348	4,857
Miscellaneous	81,466	577,141	56,226	55,008	2,556,988,329	16,063,980	16,483,316	17,213,269	16,991,913	151,701
State sources	11,428,541	11,740,931	12,794,955	14,444,324	14,098,276	16,063,980	16,483,316	17,213,269	16,991,913	17,567,698
Federal sources	1,011,917	865,212	805,732	769,954	2,319,599	1,039,834	1,272,973	810,346	1,225,829	764,881
Total revenue	22,020,997	40,981,683	24,256,666	33,962,566	2,584,668,755	29,009,630	31,416,525	29,967,004	30,170,778	30,755,858
Expenditures										
Instruction:										
Regular instruction	6,128,100	6,562,517	6,773,979	7,549,175	8,088,263	7,874,453	7,869,019	8,086,579	8,124,014	8,254,544
Special education instruction	2,013,548	1,972,143	2,054,222	2,019,950	2,410,601	2,270,773	2,355,080	2,512,533	2,840,563	2,847,852
Other special education instruction	284,619	211,810	314,527	423,382	392,124	442,015	475,255	509,753	652,844	662,324
Support Services:										
Tuition	20,102	109,149	123,070	186,537	70,722	105,716	145,163	218,049	174,189	13,399
Student & instruction related services	2,858,624	2,919,975	2,996,326	3,914,730	4,490,621	4,885,528	4,311,983	4,965,999	4,975,337	5,171,374
General & Business administrative services	1,112,248	1,172,496	1,161,107	736,815	1,212,635	1,107,889	1,219,531	1,219,509	1,274,076	1,239,138
School administrative services	766,427	539,958	561,242	1,227,746	695,477	602,837	618,803	653,718	666,362	616,880
Plant operations and maintenance	1,433,220	1,704,563	1,673,493	1,659,237	1,932,490	1,652,925	1,579,116	1,534,229	1,572,583	1,564,278
Pupil transportation	1,371,765	1,489,651	1,555,400	1,653,308	1,429,502	1,333,941	1,378,758	1,468,397	1,302,295	1,376,090
Unallocated employee benefits	4,591,105	5,516,077	5,995,368	5,894,858	6,261,297	6,630,601	6,450,623	6,799,726	6,618,023	7,202,313
Charter Schools								7,828		
Capital outlay	377,172	1,215,770	4,015,557	17,732,146	1,397,604	315,430	1,154,301	2,547,395	424,553	226,338
Debt service:										
Principal	490,000	510,000	525,000	540,000	604,000	870,000	890,000	800,000	830,000	855,000
Interest and other charges	239,445	212,205	183,765	1,461,388	1,381,023	1,183,308	1,141,783	1,097,783	1,063,308	1,027,888
Total Expenditures	21,686,374	24,136,314	27,933,055	44,999,271	30,366,358	29,275,416	29,589,415	32,421,499	30,518,146	31,057,418
Excess (Deficiency) of revenues over (under) expenditures	334,623	16,845,369	(3,676,390)	(11,036,705)	2,554,302,397	(265,786)	1,827,110	(2,454,495)	(347,368)	(301,559)
Other Financing Sources (Uses)										
Transfers	(50,000)									
Capital Lease Revenue		(32,840)								
Total other financing sources (uses)	(50,000)	(32,840)								
Net change in fund balances	\$ 284,623	\$ 16,812,529	\$ (3,676,390)	\$ (11,036,705)	\$ 2,554,302,397	(265,786)	1,827,110	(2,454,495)	(347,368)	(301,559)
Debt service as a percentage of noncapital expenditures	3.42%	3.15%	2.96%	7.34%	6.85%	7.09%	7.15% #	6.35%	6.29%	6.11%

Source: CAFR Schedule B-2

See Accompanying Auditor's Report

Little Egg Harbor Township School District
General Fund Other Local Revenue by Source,
For the Fiscal Year Ended June 30, 2015
 Unaudited

Exhibit J-5

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition Revenue</u>	<u>Miscellaneous</u>	<u>Totals</u>
2006	180,494.87	25,387.08	51,223.98	166,547.02
2007	202,341.00	17,154.30	525,345.67	744,840.97
2008	104,328.13	31,552.98	13,402.16	149,283.27
2009	20,642.13	61,720.00	49,130.27	131,492.40
2010	20,487.47	61,630.26	55,930.86	138,048.59
2011	17,095.94	59,035.46	295,847.54	371,978.94
2012	40.04	34,353.93	104,088.55	138,482.52
2013	2,642.08	23,783.46	89,936.82	116,362.36
2014	4,059.65	125.00	161,408.86	165,593.51
2015	4,258.71	32,487.85	134,055.11	170,801.67

Source: District Records

See Accompanying Auditor's Report

Little Egg Harbor Township School District
 Assessed Value and Actual Value of Taxable Property,
 For the Fiscal Year Ended June 30, 2015

Year	Vacant Land	Residential	Farm Regular	Q. Farm	Commercial	Industrial	Apartment	Total Assessed Value	Utilities a	Net Valuation Taxable	Total District School Tax Rate b	Estimated County Equalized Value
2006-R	179,042,600	2,703,572,989	2,220,700	68,671	145,661,400	566,100	3,060,000	3,034,192,460	5,988,464	3,040,180,924	0.318	2,331,506,329
2007	160,884,400	2,804,394,189	2,220,700	73,427	145,989,800	566,100	3,060,000	3,117,188,616	6,158,472	3,123,347,088	0.317	2,872,595,997
2008	158,794,300	2,837,818,989	2,638,500	70,366	163,633,500	566,100	3,060,000	3,166,581,755	6,439,970	3,173,021,725	0.330	3,094,582,895
2009	147,903,300	2,805,870,789	2,637,500	79,732	168,048,700	566,100	3,060,000	3,128,166,121	6,570,969	3,134,737,090	0.357	3,066,000,647
2010	136,785,500	2,655,632,189	2,558,600	79,939	162,071,049	566,100	3,060,000	2,960,753,377	6,779,754	2,967,533,131	0.389	2,856,003,259
2011	124,822,000	2,666,799,789	2,843,400	80,631	151,777,049	566,100	3,060,000	2,949,888,969	5,955,862	2,955,844,831	0.396	2,866,592,618
2012	116,303,400	2,636,568,189	2,819,400	78,896	149,605,749	566,100	3,060,000	2,909,001,734	5,851,082	2,914,852,816	0.406	2,718,812,880
2013	111,911,000	2,531,443,939	2,819,400	78,896	144,064,463	566,100	3,060,000	2,793,943,798	5,251,712	2,799,195,510	0.430	2,446,432,508
2014	152,049,100	2,425,444,439	1,953,200	79,058	159,319,263	566,100	3,060,000	2,742,471,160	4,242,303	2,746,713,463	0.446	2,342,388,469
2015-r	112,347,900	1,941,283,983	1,705,400	35,392	147,741,815	558,100	2,883,700	2,206,556,290	-	2,206,556,290	0.578	2,267,936,874

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.

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

R = Revaluation

Source: County Abstract of Rates & Municipal Tax Assessor

**Little Egg Harbor Township School District
Direct and Overlapping Property Tax Rates,
For the Fiscal Year Ended June 30, 2015**
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Little Egg Harbor Township School District			Overlapping Rates					Total Direct and Overlapping Tax Rate	
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	County General	County Library	County Health	County Open Space	Pinelands Regional School		Municipal Local Purpose [*]
2006 - R	0.306	0.012	0.318	0.217	0.024	0.010	0.009	0.354	0.386	1.318
2007	0.304	0.013	0.317	0.236	0.028	0.012	0.012	0.362	0.414	1.381
2008	0.319	0.011	0.330	0.247	0.029	0.012	0.012	0.374	0.443	1.447
2009	0.334	0.023	0.357	0.249	0.029	0.012	0.012	0.397	0.461	1.517
2010	0.351	0.038	0.389	0.259	0.030	0.012	0.011	0.450	0.490	1.641
2011	0.351	0.046	0.396	0.272	0.032	0.012	0.012	0.439	0.517	1.680
2012	0.361	0.045	0.406	0.273	0.031	0.012	0.011	0.473	0.532	1.738
2013	0.376	0.044	0.420	0.280	0.033	0.012	0.011	0.500	0.548	1.804
2014	0.402	0.044	0.446	0.286	0.031	0.012	0.011	0.516	0.560	1.862
2015-r	0.523	0.055	0.578	0.354	0.039	0.014	0.013	0.656	0.695	2.349

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.

r = Reassessment
R = Revaluation

* = This Rate includes the Municipal Open Space Tax for years 2002 forward.

Source: District Records and Municipal Tax Collector

Little Egg Harbor Township School District
 Principal Property Tax Payers,
 For the Fiscal Year Ended June 30, 2015

Exhibit J-8

Taxpayer	2015				2006			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
TBH LLC.	\$ 11,869,100	1	0.54%					
Mystic Partners	10,080,000	2	0.46%	\$ 7,123,100	4	0.23%		
AT & T	10,000,000	3	0.45%	8,294,000	2	0.27%		
Healthtech Properties	7,200,000	4	0.33%					
Armstrong Tuckerton, LLC	7,100,000	5	0.32%	3,280,800	6	0.11%		
Sea Oaks Golf Club	6,625,000	6	0.30%	9,514,600	1	0.31%		
Andwin Realty Investors, LLC	4,150,000	7	0.19%	1,793,200	9	0.06%		
Mystic Investor Association	3,694,400	8	0.17%	2,727,500	7	0.09%		
Walmart (Vacant Land)	3,137,800	9	0.14%					
WAWA, Inc.	3,137,200	10	0.14%					
Pyramid Nursing Home, C/O DP Service				7,296,500	3	0.24%		
Verizon				4,022,581	5	0.13%		
Winding Run Estates by Kara, LLC				2,434,700	8	0.08%		
Totals	\$ 66,993,500		3.04%	\$ 46,486,981		1.53%		
				District Assessed Value			\$ 3,040,180,924	

Source: District CAFR & Municipal Tax Assessor
 District Total Taxable Value

See Accompanying Auditor's Report

**Little Egg Harbor Township School District
Property Tax Levies and Collections,
For the Fiscal Year Ended June 30, 2015**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	9,317,415.00	9,317,415.00	100%	-
2007	9,689,725.00	9,689,725.00	100%	-
2008	9,930,778.00	9,930,778.00	100%	-
2009	10,472,594.00	10,472,594.00	100%	-
2010	11,197,815.00	11,197,815.00	100%	-
2011	11,533,838.00	11,533,838.00	100%	-
2012	11,712,286.00	11,712,286.00	100%	-
2013	11,819,372.00	11,819,372.00	100%	-
2014	11,772,562.00	11,772,562.00	100%	-
2015	12,234,233.00	12,234,233.00	100%	-

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

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

**Little Egg Harbor Township School District
 Ratios of Outstanding Debt by Type,
 For the Fiscal Year Ended June 30, 2015**

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	^a Per Capita
	General Obligation Bonds	Capital Leases			
2006	3,950,000	171,140	4,121,140	0.92%	38,029
2007	21,204,000	120,995	21,324,995	0.19%	40,302
2008	20,679,000	222,349	20,901,349	0.20%	41,275
2009	28,134,000	138,272	28,272,272	0.19%	40,510
2010	27,530,000	57,742	27,587,742	0.14%	40,611
2011	26,660,000	6,441	26,666,441	0.15%	41,986
2012	25,770,000	1,584,626	27,354,626	0.16%	43,200
2013	24,970,000	1,194,114	26,164,114	0.16%	43,200
2014	24,140,000	1,190,889	25,330,889	0.17%	43,200
2015	23,235,000	602,002	23,837,002	0.17%	43,214

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 per population for the prior calendar year.

* = This data is only available for the entire County of Ocean.

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

**Little Egg Harbor Township School District
 Ratios of Net General Bonded Debt Outstanding,
 For the Fiscal Year Ended June 30, 2015**

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Actual Taxable Value of Property	* Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	3,950,000	-	3,950,000	0.13%	38,029
2007	21,204,000	-	21,204,000	0.68%	40,302
2008	20,679,000	-	20,679,000	0.65%	41,275
2009	28,134,000	-	28,134,000	0.90%	40,510
2010	27,530,000	-	27,530,000	0.93%	40,611
2011	26,660,000	-	26,660,000	0.90%	41,986
2012	25,770,000	-	25,770,000	0.88%	43,200
2013	24,970,000	-	24,970,000	0.89%	43,200
2014	24,140,000	-	24,140,000	0.88%	43,200
2015	23,235,000	-	23,235,000	1.05%	43,214

- Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements:
- a See Exhibit NJ J-7 for property tax data.
 - b Population data can be found in Exhibit NJ J-14.

* = This data is only available for the entire County of Ocean.

**Little Egg Harbor Township School District
 Direct and Overlapping Governmental Activities Debt,
 For the Fiscal Year Ended June 30, 2015**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Local Municipality	\$ 20,542,864.01	100.00%	\$ 20,542,864.01
Other Debt			
Pinelands Regional School District	9,273,000.00	74.05%	6,866,533.35
County of Ocean	462,467,710.54	2.60%	<u>12,017,968.63</u>
Subtotal, Overlapping Debt			\$ 39,427,366.00
School District Direct Debt	23,235,000.00	100.00%	<u>23,235,000.00</u>
Total Direct and Overlapping Debt			<u><u>\$ 62,662,366.00</u></u>

Sources: Township of Little Egg Harbor Finance Officer and Ocean County Finance Office

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 the Township of Hamilton. 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.

Little Egg Harbor Township School District
 Legal Debt Margin Information,
 For the Fiscal Year Ended June 30, 2015
 As of June 30

Exhibit J-13

Equalized valuation basis	
2014	\$ 2,360,739,571
2013	2,380,863,910
2012	2,540,391,000
	<u>\$ 7,281,994,481</u>

Average equalized valuation of taxable property \$ 2,427,331,494

Debt limit (2.50% of average)	60,683,287
Net bonded school debt	23,235,000
Legal debt margin	<u>\$ 37,448,287</u>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 56,272,362	\$ 48,572,943	\$ 48,572,943	\$ 74,367,841	\$ 76,200,676	74,782,409	71,901,761	67,999,020	63,824,708	60,683,287
Total net debt applicable to limit	3,950,000	21,204,000	20,679,000	28,134,000	27,530,000	26,660,000	25,770,000	24,970,000	24,140,000	23,235,000
Legal debt margin	\$ 52,322,362	\$ 27,368,943	\$ 27,893,943	\$ 46,233,841	\$ 48,670,676	\$ 48,122,409	46,131,761	43,029,020	39,784,708	37,448,287

Total net debt applicable to the limit as a percentage of debt limit

7.02%	43.65%	42.57%	37.83%	36.13%	35.65%	35.84%	36.72%	37.76%	38.29%
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Source: Abstract of Ratables and District Records CAFR Schedule J-11

See Accompanying Auditor's Report

**Little Egg Harbor Township School District
Demographic and Economic Statistics,
For the Fiscal Year Ended June 30, 2015**

Exhibit J-14

Fiscal Year Ended June 30,	a Population	Personal Income (thousands of dollars) b	Per Capita Personal Income	Unemployment Rate c
2006	20,215	768,756	38,029	5.7%
2007	20,479	825,345	40,302	5.0%
2008	20,677	853,443	41,275	7.7%
2009	20,824	843,580	40,510	10.2%
2010	20,102	816,362	40,611	10.3%
2011	20,162	846,522	41,986	10.0%
2012	20,065	866,808	43,200	10.4%
2013	20,065	866,808	43,200	7.3%
2014	20,065	866,808	43,200	6.1%
2015	20,396	881,393	43,214	8.6%

Source:

- a** This data is only available for the entire County of Ocean
- b** Personal income is calculated by multiplying per capita income by the population
- c** Unemployment data provided by the NJ Dept of Labor and Workforce Development

* = This data is only available for the entire County of Ocean.

Little Egg Harbor Township School District
 Principal Employers,
 For the Fiscal Year Ended June 30, 2015

Exhibit J-15

Employer	2015			2006		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Totals	-		0.00%	-		0.00%

This Information is not available.

Little Egg Harbor Township School District
 Full-time Equivalent District Employees by Function/Program,
 For the Fiscal Year Ended June 30, 2015

Exhibit J-16

	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Function/Program</u>									
Instruction:									
Regular instruction	109.00	107.00	127.00	132.00	129.00	127.00	127.00	126.00	125.00
Special education instruction	26.00	26.50	23.50	25.00	27.00	26.00	27.77	28.00	28.50
Support Services:									
Student & instruction related services	74.00	82.50	87.50	96.00	96.00	97.00	98.93	107.13	108.00
General administrative services	4.00	4.00	4.00	5.00	4.00	5.00	5.00	5.00	5.00
School administrative services	19.00	13.00	12.00	14.00	12.00	10.00	8.50	9.00	9.00
Business administrative services	6.00	6.00	10.00	9.00	9.00	10.00	9.85	9.50	9.50
Plant operations and maintenance	20.00	20.00	41.00	37.00	18.00	19.00	25.15	22.62	23.52
Pupil transportation	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50
Food Service	7.00	7.00	5.00	11.00			21.00	20.68	19.51
Total	267.00	267.00	311.00	330.00	296.00	295.00	324.20	329.43	329.53

Source: District Personnel Records

**This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Little Egg Harbor Township School District
 Operating Statistics,
 For the Fiscal Year Ended June 30, 2015

Fiscal Year Ended June 30,	Enrollment	a Operating Expenditures	Cost per Pupil	% Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADE)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2007	1,694	22,198,339	13,104	11.58%	177	1:20	1:22	N/A	1,693	1,578	1.94%	93%
2008	1,664	23,208,733	13,948	6.44%	177	1:18	1:19	N/A	1,671	1,573	-0.31%	94%
2009	1,675	25,265,737	15,084	8.15%	189	1:18	1:19	N/A	1,799	1,678	6.67%	93%
2010	1,827	26,983,731	14,769	-2.09%	199	1:19	1:21	N/A	1,829	1,702	1.43%	93%
2011	1,858	26,906,679	14,482	-1.95%	191	1:18	1:21	N/A	1,859	1,726	1.41%	93%
2012	1,774	26,403,332	14,884	2.78%	183	1:18	1:18	N/A	1,793	1,663	-3.65%	93%
2013	1,751	27,976,321	15,977	7.35%	177	1:19	1:19	N/A	1,751	1,620	-2.59%	93%
2014	1,671	28,200,285	16,876	5.63%	177	1:16	1:19	N/A	1,669	1,571	-3.02%	94%
2015	1,622	28,948,192	17,847	5.75%	181	1:14	1:14	N/A	1,614	1,514	-3.63%	94%

Note : Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
 b Teaching staff includes only full-time equivalents of certificated staff.

Source: District records

**This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2007.

Little Egg Harbor Township School District
 School Building Information,
 For the Fiscal Year Ended June 30, 2015

Exhibit J-18

	2007	2008	2009	2010	2011	2012	2013	2014	2015
District Buildings									
Elementary									
George J. Mitchell Elementary									
Square Feet	93,230	93,230	97,030	114,428	114,428	114,428	114,428	114,428	114,428
Capacity (students)	668	668	728	835	835	835	835	835	835
Enrollment	861	813	808	1,003	979	975	740	908	891
Elementary									
Frog Pond Elementary School									
Square Feet	101,800	101,800	101,800	101,800	101,800	101,800	101,800	101,800	101,800
Capacity (students)	767	705	705	705	705	705	705	705	705
Enrollment	832	851	980	824	849	780	801	760	731
Other									
Administration									
Square Feet	4,193	4,193	4,193	4,193	4,193	4,193	4,193	4,193	4,193
Transportation*									
Square Feet	*	*	*	*	*	*	*	*	*
Number of Schools at June 30, 2012									
Elementary - 2									
Other - 1									

Source: District Records, ASSA

* indicates the Transportation Office
 is included inside the Frog Pond Elementary School
 and the TCUs are included in the Mitchell Elementary School
 # excludes 30 Headstart Preschool students being taught at OCEAN, Inc., a private provider
 **This schedule does not contain
 ten years of information as GASB #44
 was implemented during the fiscal
 year ending June 30, 2007.

Little Egg Harbor Township School District
 General Fund
 For the Fiscal Year Ended June 30, 2015
 Last Ten Fiscal Years
 (Unaudited)

Exhibit J-19

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Frog Pond Elementary	N/A	\$ 100,066	\$ 166,547	\$ 102,552	\$ 50,308	\$ 116,975	\$ 170,450	\$ 73,740	\$ 59,710	\$ 74,849	105,738
George Mitchell Elementary School	N/A	139,835	85,171	95,863	43,221	150,947	78,228	\$ 53,148	\$ 65,728	\$ 45,917	96,772
Robert C. Wood Early Childhood Center	N/A								1,080	3,983	4,653
Total School Facilities		<u>239,901</u>	<u>251,718</u>	<u>198,415</u>	<u>93,529</u>	<u>267,922</u>	<u>248,678</u>	<u>126,888</u>	<u>126,518</u>	<u>124,748</u>	<u>207,163</u>
Other Facilities - Admin Building		5,826	15,599	4,963	3,013	6,157	8,971	6,759	33,025	4,399	5,687
Grand Total		<u>\$ 245,727</u>	<u>\$ 267,317</u>	<u>\$ 203,378</u>	<u>\$ 96,542</u>	<u>\$ 274,079</u>	<u>\$ 257,649</u>	<u>\$ 133,647</u>	<u>\$ 159,543</u>	<u>\$ 129,147</u>	<u>\$ 212,849</u>

Source: District Records

See Accompanying Auditor's Report

Little Egg Harbor Township School District
Insurance Schedule
For the Fiscal Year Ended June 30, 2015
(Unaudited)

Exhibit J-20

Company	Type of Coverage	Amount of Coverage	Deductible
School Alliance Insurance Fund			
	School Package Policy		
	Property, Special, Multi-Peril & Contents	\$ 250,000,000	1,000
	Comprehensive Automobile Liability	15,000,000	
	Umbrella Liability :		
	Umbrella Policy	5,000,000	
	School Board Legal Liability	2,500,000	5,000
	Fidelity Bonds:		
	Position Bond - Board Secretary	250,000	
	Workers' Compensation:		
	Each Accident	5,000,000	

Source: District Records

See Accompanying Auditor's Report

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SINGLE AUDIT SECTION



FORD - SCOTT

& ASSOCIATES, L.L.C.

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Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Little Egg Harbor Township School District
County of Ocean, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Little Egg Harbor Township School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Little Egg Harbor Township School District's basic financial statements, and have issued our report thereon dated December 4, 2015.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 Little Egg Harbor Township School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

December 4, 2015



FORD - SCOTT

& ASSOCIATES, L.L.C.

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Independent Auditor's Report

Honorable President and
Members of the Board of Education
Little Egg Harbor Township School District
County of Ocean, New Jersey

Report on Compliance for Each Major Federal & State Program

We have audited the Little Egg Harbor Township School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (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 Little Egg Harbor Township School District's major federal and state programs for the year ended June 30, 2015. The Little Egg Harbor Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Little Egg Harbor Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs as identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned costs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Little Egg Harbor Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Little Egg Harbor Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Little Egg Harbor Township School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 NJ OMB 04-04. Accordingly, this report is not suitable for any other purpose.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

December 4, 2015

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period From To	Program or Award Amount	Balance June 30, 2014	Carryover (Walkover) Amount	Cash Award Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	June 30, 2015	
											(Accounts Receivable)	Unearned Revenue
U.S. Department of Education												
Medical Assistance Program (SEMI)	93.778	N/A	9/1/2014 8/31/2015	\$ 54,179	\$ -	\$ -	\$ 54,179.34	\$ (54,179.34)	\$ -	\$ -	\$ -	\$ -
Total General Fund				54,179	-	-	54,179.34	(54,179.34)	-	-	-	-
U.S. Department of Education												
Passed-Through State												
Department of Education												
Special Revenue Fund:												
Title I, Basic Allocation	84.010	NCLB2014	9/1/2013 8/31/2014	252,924	(29,095.00)	-	29,095.00	-	-	-	-	-
Title I, Basic Allocation	84.010	NCLB2015	9/1/2014 8/31/2015	249,167	-	-	179,598.00	(249,167.00)	-	(69,569.00)	-	-
Title II, Part A	84.367A	NCLB2015	9/1/2014 8/31/2015	59,789	(5,742.00)	-	46,129.00	(57,960.05)	-	(13,660.00)	-	1,828.95
Title II, Part A	84.367A	NCLB2014	9/1/2013 8/31/2014	64,073	-	-	5,742.00	-	-	-	-	-
Title III	84.031	NCLB2015	9/1/2014 8/31/2015	17,142	(154,440.00)	-	16,938.00	(17,142.00)	-	(204.00)	-	-
I.D.E.A. Part B, Basic Regular	84.027	FT14	9/1/2013 8/31/2014	460,200	-	-	154,440.00	-	-	-	-	-
I.D.E.A. Part B, Basic Regular	84.027	FT15	9/1/2013 8/31/2014	392,969	(6,852.00)	-	327,751.00	(345,799.37)	-	(66,218.00)	-	47,168.63
I.D.E.A. Part B, Preschool	84.173	FT14	9/1/2013 8/31/2014	38,472	-	-	6,852.00	-	-	(3,301.00)	-	509.42
I.D.E.A. Part B, Preschool	84.173	FT15	9/1/2013 8/31/2014	27,429	-	-	24,128.00	-	-	(0.37)	-	-
Project Serve	84.184S	N/A	9/1/2013 8/31/2014	51,554	(8,406.37)	-	8,406.00	-	-	-	-	-
Total Special Revenue Fund				204,535.37	(204,535.37)	-	799,079.00	(696,968.00)	-	(151,952.37)	-	49,506.00
U.S. Department of Agriculture												
Passed-Through State												
Department of Education												
Enterprise Fund:												
Food Distribution Program	10.550	N/A	9/1/2014 8/31/2015	54,336	-	-	54,336.33	(54,336.33)	-	-	-	-
National School Breakfast Program	10.553	N/A	9/1/2013 8/31/2014	127,022	(13,058.91)	-	13,058.91	-	-	-	-	-
National School Breakfast Program	10.553	N/A	9/1/2014 8/31/2015	128,216	-	-	117,610.07	(128,216.25)	-	(10,606.18)	-	-
National School Lunch Program	10.555	N/A	9/1/2014 8/31/2015	344,584	-	-	315,100.30	(344,584.00)	-	(29,483.70)	-	-
National School Lunch Program	10.555	N/A	9/1/2013 8/31/2014	340,543	(35,620.92)	-	35,620.92	-	-	-	-	-
Total Enterprise Fund				1,388,984.87	(48,679.83)	-	535,726.53	(527,136.56)	-	(40,089.88)	-	-
Total Federal Financial Awards				\$ 253,215.20	\$ (1,278,303.92)	\$ -	\$ 1,388,984.87	\$ (1,278,303.92)	\$ -	\$ (192,042.25)	\$ -	\$ 49,506.00

The accompanying Notes to the Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule

LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Award Amount	Unearned Revenue (Accis. Rec.)	Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment/ Prior Years' Balances	June 30, 2015			Cumulative Total Expenditures
										(Accounts Receivable)	Unearned Revenue	Due to Grantor	
State Department of Education													
General Fund:													
Equalization Aid	15-495-034-5120-078	7/1/2014	5,995,899	\$	\$	\$	5,397,273.80	(5,995,899.00)	\$	\$	\$	(588,625.20)	5,995,899.00
Special Education Aid	15-495-034-5120-089	6/30/2015	844,602				760,141.80	(844,602.00)				(84,460.20)	844,602.00
Transportation Aid	15-495-034-5120-014	7/1/2014	1,038,932				934,651.80	(1,038,932.00)				(103,860.20)	1,038,932.00
Security Aid	15-495-034-5120-084	6/30/2015	337,297				303,587.30	(337,297.00)				(33,729.70)	337,297.00
Adjustment Aid	15-495-034-5120-085	7/1/2014	1,427,520				1,284,768.00	(1,427,520.00)				(142,752.00)	1,427,520.00
Under Adequacy Aid	15-495-034-5120-083	6/30/2015	6,727				6,054.30	(6,727.00)				(672.70)	6,727.00
Per Pupil Growth Aid	15-495-034-5120-087	7/1/2014	13,960				12,204.00	(13,960.00)				(1,756.00)	13,960.00
PARCC Readiness Aid	15-495-034-5120-088	6/30/2015	30,330				252,037.00	(300,330.00)				(300,330.00)	300,330.00
Extraordinary Aid	14-100-034-5120-473	7/1/2014	262,037	(252,037.00)			7,437.00	(4,211.00)				(4,211.00)	252,037.00
Additional Non-Public Transportation Aid	14-100-034-5120-473	6/30/2015	300,330	(7,437.00)			7,437.00	(4,211.00)				(4,211.00)	300,330.00
Reimbursed TPAF Social Security Contributions	15-100-034-5120-088	7/1/2014	4,211										4,211.00
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	7/1/2013	908,004		(43,716.54)		43,716.54						908,004.11
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/2014	898,264				853,826.15	(898,263.86)				(44,437.71)	898,263.86
Total General Fund				(303,190.54)			9,867,881.69	(10,880,471.86)				(1,315,780.71)	12,047,949.97
Special Revenue Fund:													
Preschool Aid	14-495-034-5120-086	7/1/2013	4,269,720	861,592.00		(861,592.00)	3,787,056.00	(4,537,415.97)	165,794.00			(430,784.00)	4,269,720.00
Preschool Aid	15-495-034-5120-086	7/1/2014	4,207,640			361,592.00		(11,250.90)				(35,900.00)	4,331,515.90
NU Achievement Coaches Grant	495-034-5120-092	6/30/2015	108,900	40.78			304.27						108,959.22
Early Childhood Program Aid	495-034-5120-025	7/1/2007	861,768	304.27									861,463.73
Total Special Revenue Fund				861,937.05			3,787,056.00	(4,548,666.87)	165,794.00			(455,784.00)	8,927,246.09
Debt Service Fund:													
Debt Service Aid Type II	15-495-034-5120-725	7/1/2014	672,204				672,204.00	(672,204.00)					672,204.00
Total State Department of Education													
Enterprise Fund:													
National School Lunch Program (State Share)	15-100-010-3390-023	7/1/2014	9,323	(1,504.61)			8,270.50	(9,322.69)	(1,052.19)			(1,052.19)	9,322.69
National School Lunch Program (State Share)	15-100-010-3390-023	7/1/2013	9,740	(1,504.61)			1,504.61						9,740.11
Total Enterprise Fund				(1,504.61)			9,775.11	(9,322.69)				(1,052.19)	19,062.80
Total State Financial Assistance				\$ 677,241.90		\$	14,336,916.80	(16,110,665.42)	165,794.00			(1,772,616.90)	21,666,462.86

The accompanying Notes to the Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015**

NOTE 1 GENERAL

The accompanying schedules of expenditures federal awards and state financial assistance include federal and state award activity of the Board of Education, Little Egg Harbor Township School District. The Board of Education is defined in Note 1 (A) 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 federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's basic financial statements. The information included 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 last two state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two 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 last two state aid payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$4,379.00), for the general fund and \$19,985.66 for the special revenue fund. See the Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Local	TPAF Pension	Total
General Fund	\$ 49,800.34	\$ 12,510,916.86		\$ (1,630,445.00)	\$ 10,930,272.20
Special Revenue Fund	715,080.94	4,384,576.92	\$ 165,794.00		5,265,451.86
Debt Service Fund	-	672,204.00			672,204.00
Food Service Fund	527,136.58	9,322.69			536,459.27
	<u>\$ 1,292,017.86</u>	<u>\$ 17,577,020.47</u>	<u>\$ 165,794.00</u>	<u>\$ (1,630,445.00)</u>	<u>\$ 17,404,387.33</u>

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015
(CONTINUED)**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER

Revenues and expenditures reported under the Food Distribution Program 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.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2015**

I. SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified Opinion
Internal control over financial reporting:	
1) Material weakness identified?	No
2) Significant deficiencies identified?	None reported
Noncompliance material to the Basic Financial Statements noted?	No

Federal Awards

Internal control over major programs:	
1) Material weakness identified?	No
2) Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified Opinion
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?	No

Identification of major programs:

10.553	<u>Child Nutrition Cluster of Programs</u>
10.555	School Breakfast Program
	National School Lunch Program

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDING JUNE 30, 2015
 (CONTINUED)**

I. SUMMARY OF AUDITORS RESULTS - CONTINUED

State Awards

Dollar threshold used to distinguish between type A and Type B Programs:	\$483,320
Auditee qualified as low-risk auditee?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified Opinion
Internal Control over major programs:	
1) Material weakness identified?	No
2) Significant deficiencies identified?	None reported
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?	No

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
495-034-5120-086	Preschool Aid
495-034-5120-075	Debt Service Aid

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2015
(CONTINUED)**

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

III. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

Federal:

Our audit disclosed no material Findings or Questioned Costs.

State:

Our audit disclosed no material Findings or Questioned Costs.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.

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