

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE  
COUNTY OF MIDDLESEX, NEW JERSEY**

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

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE  
COUNTY OF MIDDLESEX, NEW JERSEY**

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

**Prepared by**

**Michael C. Gorski, CPA, Board Secretary/School Business Administrator  
and**

**The School Business Administrator's Staff  
Of the Monroe Township Board of Education**

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## **INTRODUCTORY SECTION**

# MONROE TOWNSHIP BOARD OF EDUCATION

423 Buckelew Avenue  
Monroe Township, NJ 08831  
732-521-1500

DR. MICHAEL G. KOZAK  
Superintendent  
of Schools

MICHAEL C. GORSKI, CPA  
Board Secretary/  
School Business Administrator

November 30, 2015

Honorable President and Members  
of the Board of Education  
Monroe Township School District  
County of Middlesex, New Jersey

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Monroe Township School District (District) for the fiscal year ended June 30, 2015. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement (GASB) 34. The District is required to adopt this financial reporting model which we believe will provide all users of this document with useful financial and statistical information. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education ("The Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Monroe Township School District with comprehensive financial data in a format enabling them to gain an understanding of the School District's financial affairs.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District.
- The Financial Section begins with the Independent Auditors' Report and includes the Managements Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Tables (Section) includes selected data on Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic Information and Operating Information of the School District, generally presented on a multi-year basis.

- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1986, as amended, the U.S. Office of Management and Budget Circular A-133, “Audits of States, Local Governments and Non-Profit Organizations”, and the State Treasury Circular Letter 04-04 OMB, “Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid” information related to this single audit, including the independent auditors report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

1) SCHOOL DISTRICT ORGANIZATION: Located in Middlesex County, the Monroe Township School District receives children from Monroe Township grades Pre K through 12 and Jamesburg Borough for grades 9 through 12. The district provides education to 6,334 students. Regarding Monroe Township, the municipality contains a land area of approximately 41.94 square miles.

An elected 10 member Board of Education including the Jamesburg representative member (The “Board”) serves as the policy maker for the School District. The Board adopts an annual budget and directly approves all expenditures which serve as the basis for control over and authorization for all expenditures of School District tax money.

The Superintendent is the Chief Executive Officer of the School District, responsible to the Board for total educational and support operations. The Board Secretary is the Chief Financial Officer of the School District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the School District, acting as custodian of all School District funds, and investing idle funds as permitted by New Jersey law.

2) REPORTING ENTITY: Monroe Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement 14. All funds of the District are included in this report. The Monroe Township Board of Education and all its schools constitute the District’s reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational and special education. The District completed the 2014-2015 fiscal year with an average daily enrollment of 6,334 students which is 197 students above the previous year’s average daily enrollment. The following details the changes in the average daily enrollment of the District over the last ten (10) years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2014 - 15	6,334	3.21%
2013 - 14	6,137	1.74%
2012 - 13	6,032	2.81%
2011 - 12	5,867	3.64%
2010 - 11	5,661	2.83%
2009 - 10	5,505	2.30%
2008 - 09	5,381	4.74%
2007 - 08	5,137	4.05%
2006 - 07	4,937	5.69%
2005 - 06	4,671	7.68%

3) MAJOR INITIATIVES: The Monroe Township Board of Education commits itself to all children by preparing them to reach their full potential and to function in a global society through a preeminent education. The Monroe Public Schools in collaboration with the members of the community shall ensure that all children receive an exemplary education by well-trained committed staff in a safe and orderly environment. Our belief is that all decision are made on the premise that children come first.

The district continues to evolve from a rural to suburban school district, and thus with the onset of the Common Core standards our programs and opportunities for students and staff are growing. All classrooms use curriculum that is aligned to the Common Core standards to prepare students for statewide assessment as well as prepare students for college and career. Additional offerings include but are not limited to an evolving definition of balanced literacy, a developing formative assessment system, and the continuation of a 1:1 iPad learning device environment at our high school. Technology is available and utilized throughout the K-12 classrooms and teachers follow the technology standards to ensure that all students are introduced and have adequate time to practice skills. The Gifted and Talented program for grades K-8 will continue in 2015-2016 which includes after school programs for eligible students as well as the expansion of the cluster grouping program to grades three and five. The district revised and wrote 41 curricula for courses to align to the new standards. This year we are expanding our reading workshop model and balanced literacy model in all elementary grades. This approach to balanced literacy program will lead to enhanced levels of comprehension and critical thinking skills for all of our students over the next several years. Additionally, the use of formative assessments such as *DRA2* and our district benchmark assessments will allow our teachers to prepare their instruction appropriately to meet the needs of each individual learner. Additionally, we have implemented a combined approach to teaching world language at the elementary level utilizing world language teachers in conjunction with Rosetta Stone as a means to second language acquisition at our elementary level. The addition of the world language teacher offers an expansion for students to learn more about culture through project-based learning.

The Monroe Township School District hires new teachers each year primarily due to growing enrollment. During the 2014-2015 school year the district revised out training program for all new staff. The mentoring/induction program provides five tiers of support: 1) All new novice teachers attend a structured four-day New Teacher Orientation and receive instruction in planning, preparation, classroom management, instructional strategies, and district policies; 2) All new novice teachers receive an experienced mentor and all mentors receive formal training on adult learning theory and mentoring techniques; 3) New teachers attend the district-wide New Teacher Roundtables once a month; 4) The district staff developers conduct informal classroom observations and feedback sessions for every new teacher; 5) All new novice teachers participate in a five-day structured professional development program throughout the year that addresses specific concerns related to the first year of teaching; All Alternate Route teachers attend a 5-day Alternate Route Academy. All teachers stay together as a professional learning community cohort for their first three years in the district. We have also incorporated training for all non-certified staff including substitute teachers, paraprofessionals and bus drivers.

The district is continuing a major initiative in the form of AVID which stands for Advancement Via Individual Determination. Each word is an integral part of guiding our students towards being ready for a rich college experience if they choose this path in their lives. The program focuses heavily on literacy skills that will enable students to become stronger learners. There are several specific strategies that can be used by all teachers with our students that will be in place throughout the school year. These include the use of Cornell Note-Taking, WICOR (Writing, Inquiry, Collaboration, Organizational, and Reading) strategies, and Costa's levels of questioning (comparable to Bloom's taxonomy of how people learn). The success of the

program is based on 11 essentials that need to be implemented for AVID to be successful in a school district. They are as follows:

- i. Students are selected from the middle and would benefit from AVID support to improve their academic records and begin college preparation.
- ii. Student and teacher participation is voluntary.
- iii. The school is committed to full implementation: AVID is scheduled as an academic elective.
- iv. AVID students are enrolled in a rigorous curriculum.
- v. A strong, relevant writing and reading curriculum is a basis for learning in the AVID elective class.
- vi. Inquiry is used as a basis for instruction in the AVID classroom.
- vii. Collaboration is used as a basis for instruction in the AVID classroom.
- viii. Trained tutors regularly facilitate student access to rigorous curriculum using AVID methodologies.
- ix. Program implementation and student progress are monitored through the AVID Data System and results are analyzed to ensure success.
- x. The school or district identifies resources for program costs, supports the Essentials, participates in certification, and commits to AVID staff development.
- xi. Active, interdisciplinary site teams collaborate on issues of access to and success in rigorous college preparatory classes.

We have currently become certified at both of our sites as we begin to look at school wide implementation over the next several years at the elementary, middle and high school levels.

The district is moving forward with its STEAM initiative. Our supervisor of fine and technical arts, in collaboration with the high school teachers, is reviewing ways that our district can obtain certification with Project Lead the Way (PLTW), the nation's leading provider of science, technology, engineering, and math (STEM) programs. Through world-class K-12 curriculum, high-quality teacher professional development, and outstanding partnerships, PLTW is helping students develop the skills needed to succeed in the global economy. We are looking to coordinate our curriculum to include STEAM projects throughout the disciplines.

During the 2014-2015 school year, the Monroe Township School District continued its' professional development program for all staff. The program is differentiated to meet the needs of teachers at different career stages. The program included 17 year-long structured courses for our teachers and a strong induction program for our first and second year teachers. Teaching staff with four or more years experience are allowed to develop classroom-based, instructionally focused projects. Project structures include Peer-Coaching, Lesson Study, Action Research, and self-created projects. They complete a summary form at the end of the year to describe what they learned, how it impacted their students, and any changes they plan for the coming school year. Coaching and ongoing professional development for our administrative team is critical towards the successful implementation of the above-mentioned initiatives.

4) **FINANCIAL INFORMATION:** *Internal Accounting and Budgetary Control:* Management of the District is responsible for establishing and maintaining an internal control system 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 accounting principles generally accepted in the United States of America (GAAP). The internal control system 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 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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control system 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 system, including that portion related to major federal and state awards, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

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 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at fiscal year end.

5) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statutes as detailed in "Notes to Basic Financial Statements", Note 3. 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.

6) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds. A schedule of insurance coverage is found in J-20.

7) INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants. Gerard Stankiewicz CPA, PSA of the firm of Samuel Klein and Company 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 1996, as amended, and related U.S. Office of Management and Budget Circular, "Audits of State, Local Governments and Non-Profit Organizations" A-133 and the State Treasury Circular Letter 04-04 OMB "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". The auditor's reports related specifically to the single audit are included in the single audit section of this report.

8) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Monroe 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. Additionally, the preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



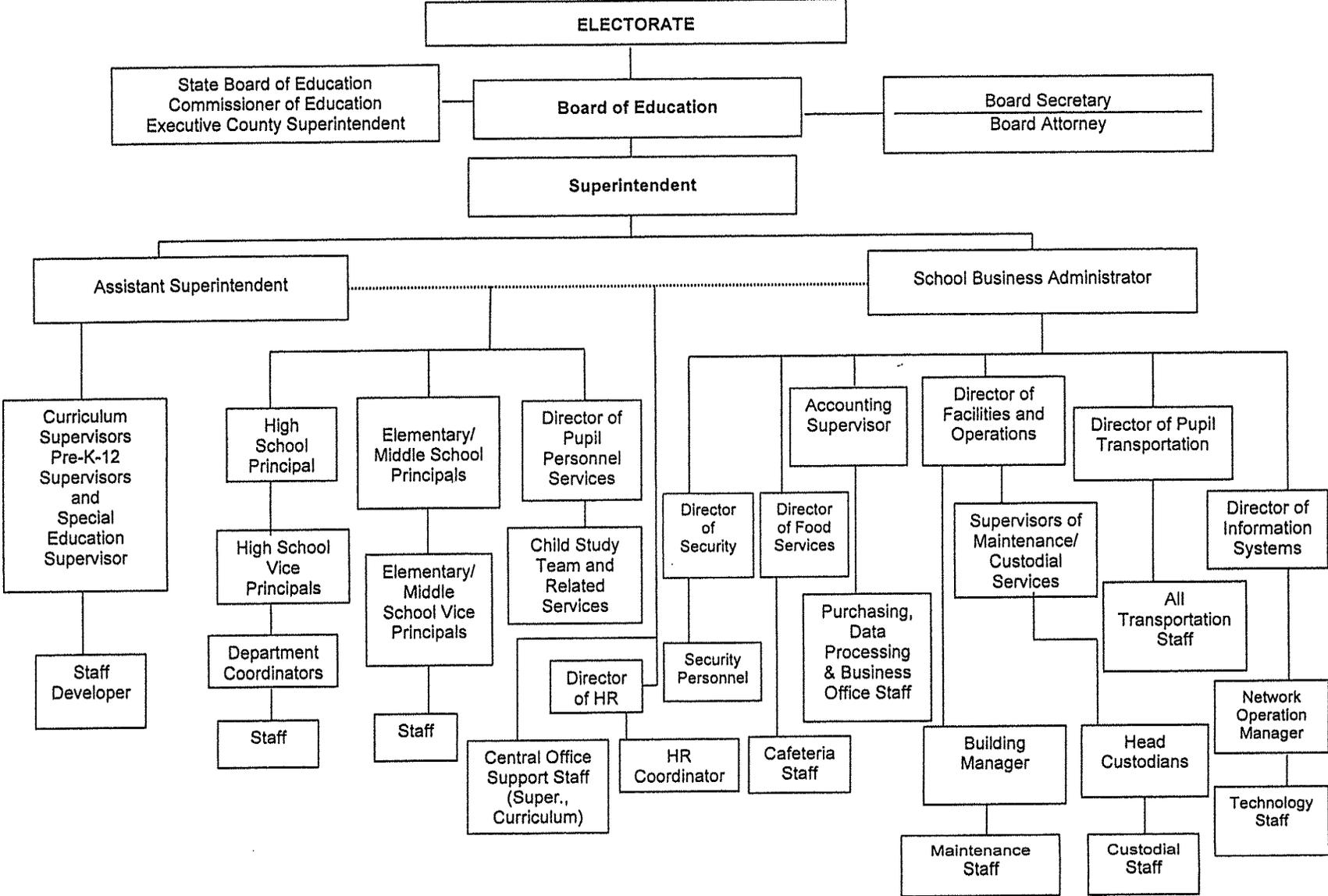
Dr. Michael G. Kozak  
Superintendent of Schools  
[Effective July 1, 2015]



Michael C. Gorski, CPA  
Board Secretary/School Business Administrator

**MONROE TOWNSHIP SCHOOL DISTRICT  
Administrative Organizational Chart**

**POLICY  
1110 Organizational Chart**



**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE**  
**COUNTY OF MIDDLESEX, NEW JERSEY**  
**ROSTER OF OFFICIALS**

**JUNE 30, 2015**

**Members of the Board of Education**

**Term Expires**

Mr. Doug Poye, President	2015
Mr. Thomas Nothstein, Vice President	2016
Ms. Michele Arminio	2016
Mr. Marvin I. Braverman	2015
Ms. Jill DeMaio	2017
Mr. Lew Kaufman	2016
Ms. Kathy Kolupanowich	2017
Mr. Anthony Prezioso	2015
Mr. Steven Riback	2017
Mr. Robert Czarneski (Borough of Jamesburg Representative)	2015

**Other Officials**

Dennis Ventrello, Interim Superintendent of Schools [*through June 30, 2015*]

Mr. Michael C. Gorski, CPA, Business Administrator/Board Secretary

Dr. Dori L. Alvich, Assistant Superintendent of Schools

Ms. LuAnn McGraw-Russell, Treasurer of School Monies

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE**  
**COUNTY OF MIDDLESEX, NEW JERSEY**  
**JUNE 30, 2015**

**CONSULTANTS AND ADVISORS**

**Architects**

Design Ideas Group  
15 Bethany Street  
New Brunswick, NJ 08901

**Attorney**

Mary Smith, In-house Counsel  
423 Buckelew Ave  
Monroe Township, NJ 08831

**Health Benefits**

Gallagher Benefit Service, Inc.  
100 Matson Ford Road  
4 Radnor Corporate Ctr., Suite 510  
Radnor, PA 19087

**Independent Auditor**

Gerard Stankiewicz, CPA, RMA, PSA  
of the Firm  
Samuel Klein and Company  
36 West Main Street, Suite 303  
Freehold, NJ 07728-2291

**Official Depositories**

Provident Bank  
P.O. Box 1001  
Iselin, NJ 08830-1001

**NJARM**

821 Alexander Road, Suite 110  
Princeton, NJ 08540

**Property Consultant**

Gallagher Bollinger  
101 JFK Parkway  
Short Hills, NJ 07078-5000

**Special Counsel**

McCarter and English  
Four Gateway Center  
100 Mulberry Street  
Newark, NJ 07101-0652

**FINANCIAL SECTION**

# SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR  
NEWARK, N.J. 07102-9969  
PHONE (973) 624-6100  
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303  
FREEHOLD, N.J. 07728-2291  
PHONE (732) 780-2600  
FAX (732) 780-1030

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Monroe Township Board of Education  
County of Middlesex, New Jersey

### Report on the Financial Statement

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 Board of Education of the Monroe Township School District, County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2015 and the related Notes to 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

**INDEPENDENT AUDITOR'S REPORT**  
**(CONTINUED)**

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

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

**Opinions**

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

**Other Matters**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information 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.

**Supplementary and Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Monroe Township School District's basic financial statements. The accompanying supplementary information, which consists of the combining and individual fund financial statements, noncurrent (long-term) debt schedules and schedules of expenditures of federal awards and state financial assistance, as required by the US. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

**INDEPENDENT AUDITOR'S REPORT**  
**(CONTINUED)**

The supplementary information identified above 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information identified above has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015, on our consideration of the Board of Education of the Monroe Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 Monroe Township School District internal control over financial reporting compliance.



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey  
November 30, 2015

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

# MONROE TOWNSHIP BOARD OF EDUCATION

423 Buckelew Avenue  
Monroe Township, NJ 08831  
732-521-1500

DR. MICHAEL G. KOZAK  
Superintendent  
of Schools

MICHAEL C. GORSKI, CPA  
Board Secretary/  
School Business Administrator

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

### UNAUDITED

#### Management's Discussion and Analysis

The discussion and analysis of Monroe 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.

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34- Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in MD&A. The District has elected to prepare comparative data which includes prior year's financial statements.

#### Financial Highlights

Key financial highlights for 2014-2015 are as follows:

- The District was awarded \$2,755,488 in General Fund State Aid revenue which was unchanged from the 2012-2013 and 2013-2014 awards with the exception of an additional award for PARCC Readiness and Per Pupil Growth Aid totaling \$117,960.
- \$2,500,000 of bond surplus was applied against the debt service tax levy, leading to a reduction of taxes in 2014-2015. This was an installment application of the approximate \$8,000,000 combined High School referenda projects surpluses which was a direct result of the managerial efficiencies recognized in the construction of the Monroe Township High School.
- For the first time in seventeen years, the 2014-2015 school budget produced a school tax decrease of \$114 on an average assessed home valued at \$300,709 when compared with the preceding fiscal year.

# MONROE TOWNSHIP BOARD OF EDUCATION

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

### UNAUDITED – (CONTINUED)

- The District continues to experience consistent significant student enrollment growth which necessitated the formation of an Ad Hoc Committee for Growth and Facilities. The committee recommended and the Board adopted a District elementary school redistricting of students effective beginning in September of 2015, in order to efficiently balance the number of students in each attendance zone. This is a temporary solution and planning for a bond referendum, which was the second recommendation of the Ad Hoc Committee for Growth and Facilities, is at its infancy stage due to the projected number of unhoused students.
- The Monroe Township Board of Education has achieved mutually favorable settlements in its negotiations of collective negotiations agreements with three employee negotiations units ("Associations") during the 2014-2015 school year. The net impact to the Board's budget and the fairness to the members of these Associations are the hallmarks of the settlements. The details of the three settlements are as follows:
  1. The Monroe Township Education Association: The term of the agreement is for the period from July 1, 2014 to June 30, 2017. The agreement will result in a 2% average net budget impact over the three years of the agreement, while ensuring Association members a fair and equitable average salary increase of 2.75% across the three years of the agreement.
  2. The Monroe Township Board of Education Support Staff Association: The term of the agreement is for the period from July 1, 2015 to June 30, 2018. The agreement will result in a 2% average net budget impact over the three years of the agreement, while ensuring Association members a fair and equitable average salary increase of 2.75% across the three years of the agreement.
  3. Local No. 11, affiliated with International Brotherhood of Teamsters: The term of the agreement is for the period from July 1, 2015 through June 30, 2019. The agreement will result in a 1.66% average net budget impact over the four years of the agreement, while ensuring Teamsters' members a fair and equitable average salary increase of 2.56% across the four years of the agreement.

These favorable outcomes for the Monroe Township school community and all citizens of Monroe Township is the result of the willingness of the Board and these three Associations to work together toward the common goal of achieving settlements that will support the continued provision of a high quality education for the students of the Monroe Township School District, competitive salaries for members of the Associations and a limited impact on the tax paying citizens of Monroe. The Associations made significant concessions including, but not limited to, the continuation of Chapter 78 contributions by Association members throughout the term of the new agreements and the immediate closing of enrollment in, and the subsequent elimination of, the most expensive health insurance plan in the District. The Associations' willingness to make these concessions, appropriate to the well-being of its members, allowed the Board to offer salary increases for the life of each agreement that will inure to the benefit of the entire community.

# MONROE TOWNSHIP BOARD OF EDUCATION

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

### UNAUDITED – (CONTINUED)

- The District took advantage of a very favorable public sector municipal interest rate environment by aggressively refunding a total of \$65,275,000 in Series 2006 and Series 2008 bonds which will save approximately 3.9 million dollars in interest cost over the next twenty years.
- The District arrived at a mutually beneficial settlement of litigation between the Board and Jamesburg School District Board of Education regarding Jamesburg's accrued tuition arrearages. The agreement is based on a recent trend, which demonstrates a sharply decreasing annual per pupil tuition rate at Monroe Township High School. It is expected that the high school tuition rate will continue to decrease in future school years, because the high school costs are anticipated to increase slightly and enrollment is anticipated to steadily increase, thus driving the per pupil tuition rate down. The anticipated steady decline in the per pupil tuition rate will provide Jamesburg with the opportunity to dedicate money in its budget toward the arrearages. Additionally, the agreement provides that Jamesburg will not be responsible for any further debt services associated with the construction of a new high school, or additions or renovations to the existing high school, because any such construction will only be required as a result of Monroe's student enrollment growth. The Boards expect that Jamesburg will be able to fully satisfy the aforementioned accrued tuition arrearages in five to seven years.
- Although the constrictive tax levy cap has prevented many school districts in the State from budgeting for capital outlay projects within the budget, the District effectively managed to include three capital outlay projects in the Budget with a total net budget cost of \$1,282,020. The first, and most substantial, was a capital outlay project replacing a 46,000 square foot section of the Monroe Township Middle School Instructional Wing Roof at a total project cost of \$1,272,620. The District applied for, and was granted, a ROD Grant from the State of NJ which will reimburse the District 40% of the eligible costs totaling \$509,048. Second, additional site work was required as part of the roof replacement project which was not approved for a ROD grant so the full District cost was an additional \$268,448 to ensure proper drainage. Finally, interior classroom renovations, also in the MTMS, were budgeted to convert former locker rooms into instructional space. This project was also denied for a ROD grant and the District cost was \$250,000.
- The District has saved \$3,382,981 in health insurance costs by negotiating out of a direct claims based coverage plan and into a prospective based coverage plan and by aggressively negotiating premiums with carrier.
- The District eliminated all portable classroom trailers from use by the conclusion of the 2014-2015 school year. At the peak, eighty-nine portable classroom units were rented and deployed through the District and their elimination saves 1.5 million dollars per year in rental payments.
- Employee Health Insurance is one of the largest line items in most school districts budgets. Through very aggressive negotiations with insurance carriers, The District was successful in reducing the original proposal from Horizon from an 11.1% premium increase down to a 7.8% premium increase saving \$970,678 in costs and additionally, employee contributions toward health insurance exceeded \$2,700,000 dollars.

# MONROE TOWNSHIP BOARD OF EDUCATION

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

### UNAUDITED – (CONTINUED)

- The District has recognized savings exceeding \$1,500,000 since entering into a cooperative purchasing management program in May of 2011.
- On June 30, 2015, the Board ended operations and closed the Monroe Employee Child Care Academy (MECA) proprietary fund which provided child care services to employees. The Board took this action for reasons of economy, budgetary considerations, restructuring of program components in the District and for other good cause.
- The Board resolved not to renew the facilities lease agreement with The BASC Network Inc. and instead directed administration to create an in-house before and after school program, named Falcon Care, which is set to open in September of 2015. It is projected that this in-house proprietary fund initiative will generate a profit in excess of the \$100,000 lease revenue previously paid by The BASC Network Inc. and will also offer educational enrichment services to students.
- The District is in compliance with S1701 in regards to designated and undesignated reserves.

### **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 the Monroe 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 the Monroe School District, the General Fund is by far the most significant.

### **Reporting the School District as a Whole**

#### **Comparative Statement of Net Position and Comparative Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?". The Comparative Statement of Net Position and the Comparative 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.

# MONROE TOWNSHIP BOARD OF EDUCATION

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

### UNAUDITED – (CONTINUED)

These two statements report the School District's net position and change to those position. 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 has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Comparative Statement of Net Position and the Comparative Statement of Activities, the School District is divided into two 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 Activities** — This service is provided on a charge for goods or services basis to recover all the expenses of the goods and services provided. The Food Service and Childcare Initiative enterprise funds are reported as business activities.

### **Reporting the School District's Most Significant Funds**

#### **Fund Financial Statement**

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 transactions. 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. 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.

#### **Enterprise Fund**

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

# **MONROE TOWNSHIP BOARD OF EDUCATION**

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

### **UNAUDITED – (CONTINUED)**

#### **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 notes to the financial statements can be found on pages 36 to 74 of this report.

#### **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 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.

The Statement of Net Position provides the financial perspective of the District as a whole.

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

# MONROE TOWNSHIP BOARD OF EDUCATION

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

UNAUDITED – (CONTINUED)

**Table 1 – Comparative Summary of Net Position**

	2015	2014 *
<b>Assets</b>		
Current and Other Assets	\$ 13,392,303	\$ 15,346,343
Capital Assets, Net	176,185,310	179,633,332
Total Assets	\$ 189,577,613	\$ 194,979,675
<b>Deferred Outflow of Resources</b>		
Loss on Defeasance of Bonds	\$ 10,121,640	\$ 5,184,271
Pension	3,625,408	
Total Deferred Outflow of Resources	\$ 13,747,048	\$ 5,184,271
<b>Liabilities</b>		
Other Liabilities	\$ 4,246,117	\$ 8,604,684
Noncurrent Liabilities	186,933,297	143,640,955
Total Liabilities	\$ 191,179,414	\$ 152,245,639
<b>Deferred Outflow of Resources</b>		
Pension	\$ 1,791,643	
<b>Net Position</b>		
Invested in Capital Assets	\$ 29,574,645	\$ 41,943,592
Restricted	1,262,848	5,364,491
Unrestricted (Deficit)	(20,483,889)	610,224
Total Net Position	\$ 10,353,604	\$ 47,918,307

The District's combined net position is \$10,353,604 on June 30, 2015. This is a decrease of \$1,525,883, or 12.84% of the net position of \$11,879,487 from the prior year as adjusted for the pension liabilities, data of which was not available until late fall of 2015 and premium on the sale of general obligation bonds.

\* Due to required (GASB 68 *Accounting and Financial Reporting for Pension Liabilities*) adjustments to revenues and expenses for certain pension related obligations, the presentation for 2014-2015 is not comparable 2013-2014.

# MONROE TOWNSHIP BOARD OF EDUCATION

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

### UNAUDITED – (CONTINUED)

Table 2 shows the comparative change in net position from fiscal year 2015 and 2014.

**Table 2 – Comparative Change in Net Position**

	2015	2014	Change	
			Amount	Percent
<b>Revenues:</b>				
<b>Program Revenues:</b>				
Charges for Services	\$ 2,638,634	\$ 2,686,828	\$ (48,194)	-1.79%
Operating Grants and Contributions	2,504,728	2,336,471	168,257	7.20%
<b>General Revenues:</b>				
Property Taxes	95,998,689	91,693,265	4,305,424	4.70%
<b>Grants and Entitlements:</b>				
Operating	20,473,957	10,267,544	10,206,413	99.40%
Tuition	3,815,697	4,070,009	(254,312)	-6.25%
Other	555,204	618,781	(63,577)	-10.27%
<b>Total Revenues</b>	<b>\$ 125,986,909</b>	<b>\$ 111,672,898</b>	<b>\$ 14,314,011</b>	<b>12.82%</b>
<b>Program Expenses:</b>				
Instruction	\$ 64,960,709	\$ 58,259,104	\$ 6,701,605	11.50%
<b>Support Services:</b>				
Tuition	2,328,953	2,225,082	103,871	4.67%
Pupils and Instructional Staff	14,944,019	12,933,932	2,010,087	15.54%
School Administration	5,475,315	5,357,956	117,359	2.19%
General Administration	4,805,920	5,879,698	(1,073,778)	-18.26%
Operations and maintenance of Facilities	13,316,975	12,437,512	879,463	7.07%
Pupil Transportation	11,531,756	10,315,515	1,216,241	11.79%
Interest on Debt	7,156,193	6,962,815	193,378	2.78%
Special Schools	80,717	91,874	(11,157)	-12.14%
Food Service	2,557,892	2,398,194	159,698	6.66%
Child Care	415,014	316,940	98,074	30.94%
<b>Total Expense</b>	<b>\$ 127,573,463</b>	<b>\$ 117,178,622</b>	<b>\$ 10,394,841</b>	<b>8.87%</b>
<b>Excess of Expenses over Revenues</b>	<b>(1,586,554)</b>	<b>(5,505,724)</b>	<b>3,919,170</b>	<b>-71.18%</b>
<b>Other - Special and Extraordinary</b>	<b>60,671</b>	<b>(111,781)</b>	<b>172,452</b>	<b>-154.28%</b>
<b>(Decrease)/Increase in Net Position</b>	<b>\$ (1,525,883)</b>	<b>\$ (5,617,505)</b>	<b>\$ 4,091,622</b>	<b>-72.84%</b>
<b>Beginning Net Position</b>	<b>47,918,307</b>	<b>53,535,812</b>	<b>(5,617,505)</b>	<b>-10.49%</b>
<b>Prior Year Adjustment:</b>				
Pension Liability and Bond Premium	(36,038,820)			
<b>Beginning Net Posted as Adjusted</b>	<b>11,879,487</b>	<b>53,535,812</b>	<b>(5,617,505)</b>	
<b>Ending Net Position</b>	<b>\$ 10,353,604</b>	<b>\$ 47,918,307</b>	<b>\$ (1,525,883)</b>	<b>-78.39%</b>

Note: Due to required (GASB 68 Accounting and Financial Reporting for Pension Liabilities) adjustments to revenues and expenses for certain pension related obligations, the presentation for 2014-2015 is not comparable to 2013-2014.

# MONROE TOWNSHIP BOARD OF EDUCATION

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

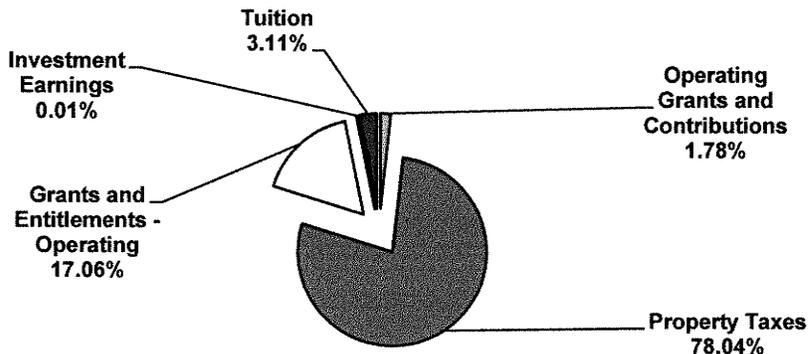
UNAUDITED – (CONTINUED)

### Governmental Activities

#### Revenues for Fiscal Year 2015

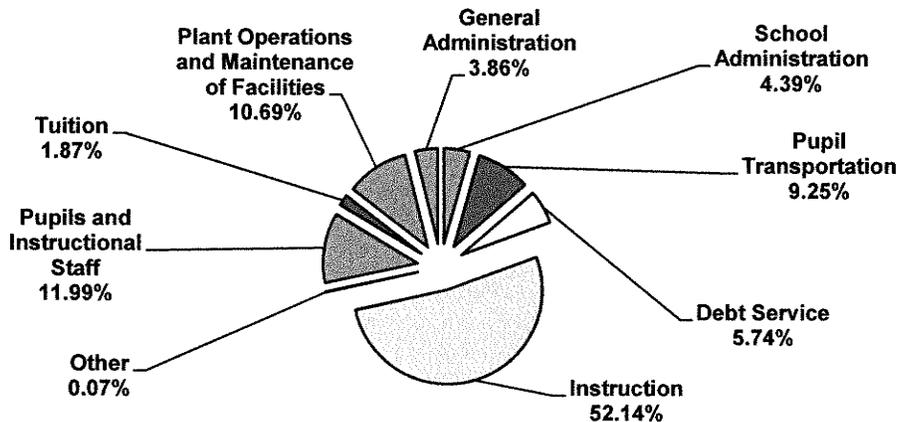
The unique nature of property taxes in New Jersey creates the legal requirement to annually seek voter approval for the School District operations. Property taxes of \$95,998,689 made up 78.04% of revenue for governmental activities for the Monroe School District for fiscal year 2015. Federal, state and local grants for operating purposes accounted for another \$20,473,957 or 16.64% of revenue.

The District's total revenues were \$123,011,521 for the year ended June 30, 2015.



#### Expenses for Fiscal Year 2015

The District's total cost of all programs and services was \$124,600,557 for the year ended June 30, 2015.



# MONROE TOWNSHIP BOARD OF EDUCATION

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

### UNAUDITED – (CONTINUED)

#### **Business-Type Activities**

##### Food Service

Revenues for the District's food service program were comprised of charges for services and federal and state reimbursements.

Food service revenues exceeded expenses by \$635.

Charges for services were \$2,027,559, or 79.78% of revenue. This represents amounts paid by Patrons for daily food service, as well as special functions.

Federal and state reimbursement for meals, including payments for free and reduced priced lunches was \$356,394 and donated commodities was \$157,474.

##### Child Care Initiative (MECA and ECE)

Revenues for the MECA and ECE were comprised of charges for services paid by employees.

MECA and ECE revenues exceeded expenses by \$1,845.

Charges for services represent \$416,142 or 99.83% of revenue. This represents amounts paid by employees for daily child care.

##### Falcon Care

Falcon Care was created by the Board as a successor program to the MECA and had no operations for the 2014-2015 school year.

# MONROE TOWNSHIP BOARD OF EDUCATION

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

UNAUDITED – (CONTINUED)

### Governmental Activities

The Comparative 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 - Comparative Statement of Activities**

	Total Cost of Services *			Net Cost of Services *		
	2014-2015	2013-2014	% Change	2014-2015	2013-2014	% Change
Instruction	\$ 64,960,709	\$ 58,259,105	11.50%	\$ 63,741,649	\$ 58,138,263	9.64%
Support Services:						
Tuition	2,328,953	2,225,082	4.67%	2,328,953	2,225,082	4.67%
Pupils and Instructional Staff	14,944,019	12,933,932	15.54%	14,944,019	12,933,932	15.54%
General Administration	4,805,920	5,879,698	-18.26%	4,716,755	4,839,410	-2.53%
School Administration	5,475,315	5,357,956	2.19%	5,475,315	5,357,956	2.19%
Operation and Maintenance of Facilities	13,316,975	12,437,512	7.07%	13,316,975	12,437,512	7.07%
Pupil Transportation	11,531,756	10,315,515	11.79%	11,336,824	9,974,920	13.65%
Interest and Fiscal Charges	7,156,193	6,962,815	2.78%	6,473,558	6,278,205	3.11%
Other	80,717	91,874	-12.14%	80,717	91,874	-12.14%
<b>Total Expenses</b>	<b>\$ 124,600,557</b>	<b>\$ 114,463,489</b>	<b>8.86%</b>	<b>\$ 122,414,765</b>	<b>\$ 112,277,154</b>	<b>9.03%</b>

\* Not intended to be comparable due to pension expense not reflected in prior years.

Tuition relates to expenses related to placing special needs student in out of district private schools.

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 operations include expenses associated with administrative and financial supervision of the District.

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 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.

# MONROE TOWNSHIP BOARD OF EDUCATION

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

### UNAUDITED – (CONTINUED)

#### The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects 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 \$114,119,127 and expenditures exclusive of capital projects were \$116,727,390.

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 comparative summary of the revenues of the general fund, special revenue fund and debt service fund for the fiscal years ended June 30, 2015 and June 30, 2014, and the amount of increase and decreases in relation to prior year revenues.

#### Comparative Summary of Revenues

<u>Revenue</u>	2014-2015		2013-2014		Increase/(Decrease) from 2013-2014 to 2014-2015
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	
Local Sources	\$ 100,546,704	88.11%	\$ 96,722,382	88.87%	\$ 3,824,322
State Sources	12,213,339	10.70%	10,895,462	10.01%	1,317,877
Federal Sources	1,359,084	1.19%	1,217,822	1.12%	141,262
	\$ 114,119,127	100.00%	\$ 108,835,666	100.00%	\$ 5,283,461

Local revenues increased due to a tax levy increase, an increase in tuition and an increase in miscellaneous revenue.

Federal revenues decreased due to reduction in special education students and other small grant reduced expenditures.

State revenue from all sources increased compared with 2014 due to a significant decrease in the level in on-behalf post retirement payments.

# MONROE TOWNSHIP BOARD OF EDUCATION

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

### UNAUDITED – (CONTINUED)

The following schedule presents a comparative summary of general fund, special revenue fund and debt service fund expenditures for the fiscal years ended June 30, 2015 and June 30, 2014, and the increases and decreases in relation to prior year amounts.

#### Comparative Summary of Expenditures

<u>Expenditures</u>	<u>2014-2015</u>		<u>2013-2014</u>		Increase/ (Decrease) from 2013-2014 to 2014-2015
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	
Current Expense:					
Instruction	\$ 41,011,219	35.14%	\$ 40,098,577	35.17%	\$ 912,642
Undistributed					
Expenditures	61,419,210	52.62%	60,578,111	53.13%	841,099
Capital Outlay	2,459,838	2.11%	1,876,993	1.65%	582,845
Special Schools	51,785	0.04%	62,870	0.06%	(11,085)
Special Revenues	1,308,225	1.12%	1,172,330	1.03%	135,895
Debt Service:					
Principal	4,160,000	3.56%	3,770,926	3.31%	389,074
Interest	6,317,113	5.41%	6,462,507	5.67%	(145,394)
	<u>\$ 116,727,390</u>	<u>100.00%</u>	<u>\$ 114,022,314</u>	<u>100.00%</u>	<u>\$ 2,705,076</u>

Changes in expenditures were the results of varying factors. Current expense increased due to additional staffing, students, and increased health benefits and utility costs. Capital outlay increased due to a higher level of planned improvements to physical plant.

#### General Fund Budgeting Highlights

The School District's budget is prepared in accordance with New Jersey Law, and is based on accounting for certain transactions on a cash basis of receipts, disbursements and encumbrances. The most significant 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. These significant revisions include the special education, personnel services and transportation accounts due to increased student classifications, benefits cost increases, volatile petroleum prices and increased fleet.

# MONROE TOWNSHIP BOARD OF EDUCATION

## 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 \$222,337,143 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2015 balances compared to 2014.

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

	<u>2015</u>	<u>2014</u>
Land	\$ 368,806	\$ 368,806
Site Improvements	9,634,812	9,951,071
Buildings and Improvements	158,341,503	161,141,302
Machinery and Equipment	<u>7,036,590</u>	<u>7,274,140</u>
Totals	<u>\$ 175,381,711</u>	<u>\$ 178,735,319</u>

Overall capital assets (net) decreased by \$3,353,608 from fiscal year 2014 to fiscal year 2015. The decrease in capital assets is due to a significant decrease in depreciation expense and adjustments in excess of improvements.

### Debt Administration

At June 30, 2015, the School District had \$186,710,009 of outstanding debt. Of this amount \$3,409,319 is for compensated absences; \$2,406,645 is for various capital leases and \$136,915,000 is for serial bonds for school construction and \$30,063,870 is for the net pension (PERS) liability.

### For the Future

The Monroe Township School District is presently in good financial condition. The District is very proud and grateful of the community's support for its operations. A major District concern is the continued enrollment growth, which has prompted the creation of an Ad Hoc Committee designed to study relevant data and make a recommendation to the Board of Education to help properly plan for the effect of the growth on the District's facilities. Another significant concern is the insufficient and inequitable State Aid funding which has put a burden on local taxpayers. The District continues to explore every opportunity to operate efficiently without compromising the vast student centered programs and services which are paying great dividends.

# MONROE TOWNSHIP BOARD OF EDUCATION

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

UNAUDITED – (CONTINUED)

### Contacting The School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. Questions regarding this report or if additional information is needed, kindly contact Mr. Michael C. Gorski, CPA, School Business Administrator/Board Secretary, at the Monroe Township School District, 423 Buckelew Avenue, Monroe Township, NJ 08831.

Respectfully submitted,



Dr. Michael G. Kozak  
Superintendent of Schools  
[Effective July 1, 2015]



Michael C. Gorski, CPA  
Board Secretary/School Business Administrator

November 30, 2015

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 10,054,032.00	\$ 727,023.88	\$ 10,781,055.88
Receivables - Net	1,052,778.46	45,475.96	1,098,254.42
Interfund Receivable	214,029.11		214,029.11
Inventory		31,557.67	31,557.67
Prepaid Expenses		4,557.49	4,557.49
Restricted Assets:			
Cash and Cash Equivalents	1,262,848.18		1,262,848.18
Capital Assets, Net	<u>175,381,711.72</u>	<u>803,598.45</u>	<u>176,185,310.17</u>
Total Assets	<u>\$ 187,965,399.47</u>	<u>\$ 1,612,213.45</u>	<u>\$ 189,577,612.92</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred Loss on Defeasance of Debt	\$ 10,121,639.71		\$ 10,121,639.71
Pension	<u>3,625,408.00</u>		<u>3,625,408.00</u>
	<u>\$ 13,747,047.71</u>		<u>\$ 13,747,047.71</u>
<b><u>LIABILITIES</u></b>			
Accrued Interest on Noncurrent Debt	\$ 1,972,497.86		\$ 1,972,497.86
Accounts Payable	2,021,398.72	\$ 209.00	2,021,607.72
Interfund Payable		214,029.11	214,029.11
Unearned Revenue	13,509.06	24,473.43	37,982.49
Noncurrent Liabilities:			
Due Within One Year	7,137,266.29		7,137,266.29
Due Beyond One Year	<u>179,796,030.03</u>		<u>179,796,030.03</u>
Total Liabilities	<u>\$ 190,940,701.96</u>	<u>\$ 238,711.54</u>	<u>\$ 191,179,413.50</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension	\$ 1,791,643.00		\$ 1,791,643.00
	<u>\$ 1,791,643.00</u>		<u>\$ 1,791,643.00</u>
Invested in Capital Assets	\$ 28,908,264.23	\$ 666,380.75	\$ 29,574,644.98
Restricted for:			
Other Purposes	1,262,848.18		1,262,848.18
Unrestricted/(Deficit)	<u>(21,191,010.19)</u>	<u>707,121.16</u>	<u>(20,483,889.03)</u>
Total Net Position	<u>\$ 8,980,102.22</u>	<u>\$ 1,373,501.91</u>	<u>\$ 10,353,604.13</u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 45,821,192.77		\$ 1,219,060.02	\$ (44,602,132.75)		\$ (44,602,132.75)
Special Education	15,169,574.44			(15,169,574.44)		(15,169,574.44)
Other Special Education	1,571,559.16			(1,571,559.16)		(1,571,559.16)
Other Instruction	2,398,383.36			(2,398,383.36)		(2,398,383.36)
<b>Support Services:</b>						
Tuition	2,328,952.65			(2,328,952.65)		(2,328,952.65)
Student and Instruction Related Services	14,944,019.43			(14,944,019.43)		(14,944,019.43)
Other Administrative Services	4,805,920.45		89,164.98	(4,716,755.47)		(4,716,755.47)
School Administrative Services	5,475,314.76			(5,475,314.76)		(5,475,314.76)
Plant Operations and Maintenance	13,316,975.09			(13,316,975.09)		(13,316,975.09)
Pupil Transportation	11,531,755.72	\$ 194,932.40		(11,336,823.32)		(11,336,823.32)
Special Schools	80,717.00			(80,717.00)		(80,717.00)
Interest on Noncurrent Debt	7,156,192.92		682,635.00	(6,473,557.92)		(6,473,557.92)
<b>Total Governmental Activities</b>	<b>\$ 124,600,557.75</b>	<b>\$ 194,932.40</b>	<b>\$ 1,990,860.00</b>	<b>\$ (122,414,765.35)</b>		<b>\$ (122,414,765.35)</b>
<b>Business-Type Activities:</b>						
Food Service	\$ 2,557,891.90	\$ 2,027,559.17	\$ 513,867.92		\$ (16,464.81)	\$ (16,464.81)
Child Care-MECA	415,013.52	416,142.19			1,128.67	1,128.67
<b>Total Business -Type Activities</b>	<b>\$ 2,972,905.42</b>	<b>\$ 2,443,701.36</b>	<b>\$ 513,867.92</b>		<b>\$ (15,336.14)</b>	<b>\$ (15,336.14)</b>
<b>Total Primary Government</b>	<b>\$ 127,573,463.17</b>	<b>\$ 2,638,633.76</b>	<b>\$ 2,504,727.92</b>	<b>\$ (122,414,765.35)</b>	<b>\$ (15,336.14)</b>	<b>\$ (122,430,101.49)</b>

**General Revenues**

<b>Property Taxes Levied for:</b>		
General Purposes	\$ 88,859,549.00	\$ 88,859,549.00
Debt Service	7,139,140.00	7,139,140.00
Tuition Received	3,815,697.00	3,815,697.00
Federal and State Aid Not Restricted	20,473,957.49	20,473,957.49
Investment Earnings	10,507.39	\$ 718.19
Miscellaneous Income	526,878.43	17,100.00
<b>Total General Revenues</b>	<b>120,825,729.31</b>	<b>17,818.19</b>
Excess/(Deficit)	(1,589,036.04)	2,482.05
Special and Extraordinary Items, Net	60,671.44	
<b>Change in Net Position</b>	<b>\$ (1,528,364.60)</b>	<b>\$ 2,482.05</b>
<b>Net Position - Beginning (as Adjusted)</b>	<b>10,508,466.82</b>	<b>1,371,019.86</b>
<b>Net Position - Ending</b>	<b>\$ 8,980,102.22</b>	<b>\$ 1,373,501.91</b>

See accompanying notes to financial statements.

**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 10,061,622.79	\$ 274,339.12	\$ 5,918.27	\$ 10,341,880.18
Intergovernmental Accounts Receivable	589,003.17			589,003.17
Other Receivables	463,775.29			463,775.29
Interfunds Receivable	214,029.11		1,302.26	215,331.37
Restricted Cash and Cash Equivalents	<u>975,000.00</u>			<u>975,000.00</u>
Total Assets	<u>\$ 12,303,430.36</u>	<u>\$ 274,339.12</u>	<u>\$ 7,220.53</u>	<u>\$ 12,584,990.01</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Accounts Payable	\$ 613,810.72			\$ 613,810.72
Interfunds Payable		\$ 1,302.26		1,302.26
Unearned Revenue	<u>13,509.06</u>			<u>13,509.06</u>
Total Liabilities	<u>627,319.78</u>	<u>1,302.26</u>		<u>628,622.04</u>
Fund Balances				
Committed for Year-end Encumbrances:	141,499.38			141,499.38
Restricted:				
Capital Reserve Account	975,000.00			975,000.00
Assigned Excess Surplus -				
Designated for Subsequent Year's Expenditures	3,852,470.72			3,852,470.72
Unassigned - Reserved for Excess Surplus	5,010,411.03			5,010,411.03
Assigned - ARRA/SEMI Designated for				
Subsequent Year's Expenditures	7,653.91			7,653.91
Assigned - Designated for Subsequent Year's Expenditures			\$ 5,915.00	5,915.00
Unassigned; Reported in:				
General Fund	1,689,075.54			1,689,075.54
Debt Service Fund			1,305.53	1,305.53
Capital Project Fund		<u>273,036.86</u>		<u>273,036.86</u>
Total Fund Balance	<u>\$ 11,676,110.58</u>	<u>\$ 273,036.86</u>	<u>\$ 7,220.53</u>	<u>\$ 11,956,367.97</u>
Total Liabilities and Fund Balance	<u>\$ 12,303,430.36</u>	<u>\$ 274,339.12</u>	<u>\$ 7,220.53</u>	<u>\$ 12,584,990.01</u>

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2015**

	<u>Total Governmental Funds</u>
Total Fund Balances above	\$ 11,956,367.97
Amounts reported for <i>governmental activities</i> 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 capital assets is \$222,337,143.00 and the accumulated depreciation is \$46,955,431.28. (see Note 5)	175,381,711.72
Deferred loss on defeasance of debt, unamortized (See Note 7D)	10,121,639.71
Noncurrent liabilities, including bonds, loans, leases payable and compensated absence are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 8)	
Amount Outstanding	(186,933,296.32)
Certain liabilities are not due and payable in the current period, and therefore are not reported in the funds:	
Accrued Interest Payable	
(Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability reduces the restricted for debt service net position balance.)	(1,972,497.86)
Accrued Pension Liability	
(Accrued pension is a current liability that will be paid from the general fund, attributed to the fiscal year ended June 30th, 2015, however will be raised in the budget for the fiscal year ending June 30th, 2016)	<u>426,177.00</u>
Net position of governmental activities (A-1)	<u>\$ 8,980,102.22</u>

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Government</u> <u>Funds</u>
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 88,859,549.00			\$ 7,139,140.00	\$ 95,998,689.00
Tuition	3,815,697.00				3,815,697.00
Transportation Fees	194,932.40				194,932.40
Interest earned			\$ 1,302.26		1,302.26
Miscellaneous	<u>536,083.56</u>				<u>536,083.56</u>
Total - Local Sources	93,406,261.96		1,302.26	7,139,140.00	100,546,704.22
State Sources	11,530,703.41			682,635.00	12,213,338.41
Federal Sources	<u>50,859.08</u>	<u>\$ 1,308,225.00</u>			<u>1,359,084.08</u>
Total Revenues	<u>\$ 104,987,824.45</u>	<u>\$ 1,308,225.00</u>	<u>\$ 1,302.26</u>	<u>\$ 7,821,775.00</u>	<u>\$ 114,119,126.71</u>
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	\$ 28,731,929.32	\$ 1,219,060.02			\$ 29,950,989.34
Special Education Instruction	9,732,303.62				9,732,303.62
Other Special Instruction	1,008,261.04				1,008,261.04
Other Instruction	1,538,724.45				1,538,724.45
Support Services and Undistributed Costs:					
Tuition	2,328,952.65				2,328,952.65
Student and Instruction Related Services	9,587,594.89				9,587,594.89
Other Administrative Services	3,015,252.77	89,164.98			3,104,417.75
School Administrative Services	3,512,783.16				3,512,783.16
Plant Operations and Maintenance	8,543,736.37				8,543,736.37
Pupil Transportation	7,447,417.64				7,447,417.64
Debt Service:					
Principal				\$ 4,160,000.00	4,160,000.00
Interest				6,317,112.50	6,317,112.50
Capital Outlay	2,459,838.32		\$ 17,390.48		2,477,228.80
Special Schools	51,785.39				51,785.39
Employee Benefits	<u>26,983,472.84</u>				<u>26,983,472.84</u>
Total Expenditures	<u>\$ 104,942,052.46</u>	<u>\$ 1,308,225.00</u>	<u>\$ 17,390.48</u>	<u>\$ 10,477,112.50</u>	<u>\$ 116,744,780.44</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 45,771.99</u>		<u>\$ (16,088.22)</u>	<u>\$ (2,655,337.50)</u>	<u>\$ (2,625,653.73)</u>
Other Financing Sources/(Uses):					
Transfer In/(Out)			(2,501,302.26)	2,501,302.26	
Capital Leases (non-budgeted)	<u>1,092,886.27</u>				<u>\$ 1,092,886.27</u>
Total Other Financing Sources (Uses)	<u>\$ 1,092,886.27</u>		<u>\$ (2,501,302.26)</u>	<u>\$ 2,501,302.26</u>	<u>\$ 1,092,886.27</u>
Net Change in Fund Balance	1,138,658.26		(2,517,390.48)	(154,035.24)	(1,532,767.46)
Fund Balance - July 1	<u>10,537,452.32</u>		<u>2,790,427.34</u>	<u>161,255.77</u>	<u>13,489,135.43</u>
Fund Balance - June 30	<u>\$ 11,676,110.58</u>		<u>\$ 273,036.86</u>	<u>\$ 7,220.53</u>	<u>\$ 11,956,367.97</u>

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGE 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) \$ (1,532,767.46)

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 depreciated expense. This is the amount by which capital outlays exceeded depreciation in the period.

Capital outlay	\$ 2,477,228.80	
Contributed Capital	60,671.44	
Depreciation expense	<u>(5,890,307.33)</u>	(3,352,407.09)

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases noncurrent liabilities in the statement of net position.

Proceeds of Refunding Bonds	\$ 62,600,000.00	
Premium of Refunding Bonds	8,355,301.50	
Bonds Refunded	(65,275,000.00)	
Loss on Defeasance	(5,680,301.50)	
Capital leases, current year	<u>(1,092,886.27)</u>	(1,092,886.27)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the statement of net position and is not reported in the statement of activities.

4,160,000.00

Repayment of lease principal is an expenditure in the governmental funds, but the payment reduces noncurrent debt in the statement of net position and is not reported in the statement of activities.

470,575.27

Bond issuance costs are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.

Amortization of Defeasance	\$ (742,932.77)	
Amortization of Premium	<u>1,073,109.87</u>	330,177.10

In the statement of activities, interest on noncurrent debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The increase in accrued interest is an addition in the reconciliation.

(68,667.13)

Miscellaneous charges which relate to various adjustments in order to reconcile the governmental fund with the statement of activities.

(8,313.49)

Net pension obligation related to PERS which is attributable to June 30, 2015 not reported in governmental funds; however, it is reported in the statement of activities

(455,143.00)

In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) 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 reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

21,067.47

Change in Net Position of Governmental Activities (A-2)

\$ (1,528,364.60)

**PROPRIETARY FUNDS**

**BOARD OF EDUCATION  
MONROE TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
PROPRIETARY FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

<u>ASSETS</u>	Business-Type Activities Enterprise Fund			
	<u>Food Service</u>	<u>Childcare Initiative</u>	<u>Falcon Care</u>	<u>Total Enterprise</u>
Current Assets:				
Cash and Cash Equivalents	\$ 694,123.60	\$ 11,035.17	\$ 21,865.11	\$ 727,023.88
Prepaid Expenses			4,557.49	4,557.49
Interfund Receivable - Falcon Care		4,557.49		4,557.49
Accounts Receivable:				
State Sources	1,469.03			1,469.03
Federal Sources	22,584.22			22,584.22
Other	21,422.71			21,422.71
Inventories	28,947.67		2,610.00	31,557.67
Total Current Assets	\$ 768,547.23	\$ 15,592.66	\$ 29,032.60	\$ 813,172.49
Noncurrent Assets:				
Furniture, Machinery and Equipment	\$ 1,624,945.58	\$ 80,716.38		\$ 1,705,661.96
Less: Accumulated Depreciation	881,884.30	20,179.21		902,063.51
Total Noncurrent Assets	\$ 743,061.28	60,537.17		\$ 803,598.45
Total Assets	\$ 1,511,608.51	\$ 76,129.83	\$ 29,032.60	\$ 1,616,770.94
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 209.00			\$ 209.00
Unearned Revenue			\$ 24,473.43	24,473.43
Interfund Payable-General Fund		\$ 214,029.11		214,029.11
Interfund Payable-Childcare Initiative			4,557.49	4,557.49
Total Current Liabilities	209.00	214,029.11	\$ 29,030.92	\$ 243,269.03
<u>NET POSITION (DEFICIT)</u>				
Invested in Capital Assets	\$ 743,061.28	\$ (76,680.53)		\$ 666,380.75
Unrestricted (Deficit)	768,338.23	(61,218.75)	1.68	707,121.16
Total Net Position	\$ 1,511,399.51	(137,899.28)	\$ 1.68	\$ 1,373,501.91

**BOARD OF EDUCATION**  
**MONROE TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**PROPRIETARY FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Business-Type Activities Enterprise Fund			Total Enterprise
	Food Service	Childcare Initiative	Falcon Care	
<b><u>OPERATING REVENUES</u></b>				
Local Sources:				
Service Fees		\$ 416,142.19		\$ 416,142.19
Daily sales - reimbursable programs:				
School lunch and milk program	\$ 1,956,605.36			1,956,605.36
Special functions	70,953.81			70,953.81
Total operating revenues	\$ 2,027,559.17	\$ 416,142.19		\$ 2,443,701.36
<b><u>OPERATING EXPENSES</u></b>				
Cost of Sales	\$ 1,017,482.50			\$ 1,017,482.50
Salaries	898,218.02	\$ 287,594.30		1,185,812.32
Employee benefits	258,396.77	46,176.18		304,572.95
Insurance	11,456.05			11,456.05
General Supplies	196,442.66	68,722.25		265,164.91
Management fee	20,200.00			20,200.00
Administrative Fee	20,200.00			20,200.00
Depreciation	103,443.53	8,071.68		111,515.21
Repair and Maintenance Services	28,192.37			28,192.37
Purchased Professional Education Services	3,860.00			3,860.00
Other Objects		4,449.11		4,449.11
Total operating expenses	\$ 2,557,891.90	\$ 415,013.52		\$ 2,972,905.42
Operating income/(loss)	\$ (530,332.73)	\$ 1,128.67		\$ (529,204.06)
<b><u>NONOPERATING REVENUES</u></b>				
Interest Earnings		\$ 716.51	\$ 1.68	\$ 718.19
State sources:				
State school lunch program	\$ 22,694.01			22,694.01
Federal sources:				
National school lunch program	332,569.94			332,569.94
Special milk program	1,129.84			1,129.84
Food Distribution Program	157,474.13			157,474.13
Total nonoperating revenues	\$ 513,867.92	\$ 716.51	\$ 1.68	\$ 514,586.11
Income/(loss) before contributions and transfers	\$ (16,464.81)	\$ 1,845.18	\$ 1.68	\$ (14,617.95)
Capital Asset - adjustment	17,100.00			17,100.00
Change in net position	\$ 635.19	\$ 1,845.18	\$ 1.68	\$ 2,482.05
Total net position - beginning	1,510,764.32	(139,744.46)		1,371,019.86
Total net position - ending	\$ 1,511,399.51	\$ (137,899.28)	\$ 1.68	\$ 1,373,501.91

**BOARD OF EDUCATION  
MONROE TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	Business-Type Activities			Total Enterprise
	Enterprise Fund			
	<u>Food Service</u>	<u>Childcare Initiative</u>	<u>Falcon Care</u>	
<u>Cash Flows from Operating Activities</u>				
Receipts from Customers	\$ 2,029,654.81	\$ 407,392.19	\$ 24,473.43	\$ 2,461,520.43
Payments to Employees	(898,218.02)	(287,594.30)	(4,557.49)	(1,190,369.81)
Payments for Employee Benefits	(258,396.77)	(46,176.18)		(304,572.95)
Payments to Suppliers	(1,110,341.05)	(75,483.72)	(2,610.00)	(1,188,434.77)
Payments for Management Fee & Administrative Fee	<u>(40,400.00)</u>			<u>(40,400.00)</u>
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (277,701.03)</u>	<u>\$ (1,862.01)</u>	<u>\$ 17,305.94</u>	<u>\$ (262,257.10)</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
State Sources	\$ 22,808.55			\$ 22,808.55
Federal Sources	334,655.78			334,655.78
Operating Transfers to Other Funds - Interfunds		<u>\$ (64,557.49)</u>	<u>\$ 4,557.49</u>	<u>(60,000.00)</u>
Net Cash Provided by/(Used for) Noncapital Financing Activities	<u>\$ 357,464.33</u>	<u>\$ (64,557.49)</u>	<u>\$ 4,557.49</u>	<u>\$ 297,464.33</u>
<u>Cash Flows from Investing Activities:</u>				
Interest Income		<u>\$ 716.51</u>	<u>\$ 1.68</u>	<u>\$ 718.19</u>
Net Cash Provided by/(Used for) Investing Activities		<u>\$ 716.51</u>	<u>\$ 1.68</u>	<u>\$ 718.19</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ 79,763.30	\$ (65,702.99)	\$ 21,865.11	\$ 35,925.42
Balances - Beginning of Year	<u>614,360.30</u>	<u>76,738.16</u>		<u>691,098.46</u>
Balances - End of Year	<u>\$ 694,123.60</u>	<u>\$ 11,035.17</u>	<u>\$ 21,865.11</u>	<u>\$ 727,023.88</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities				
Operating Gain/(Loss)	<u>\$ (530,332.73)</u>	<u>\$ 1,128.67</u>		<u>\$ (529,204.06)</u>
Adjustments to Reconcile Operating Loss to Cash Provided/(Used) by Operating Activities:				
Depreciation	\$ 103,443.53	\$ 8,071.68		\$ 111,515.21
Federal Commodities	157,474.13			157,474.13
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	791.80			791.80
(Increase)/Decrease in Inventories	(9,286.76)		\$ (2,610.00)	(11,896.76)
(Increase)/Decrease in Prepaid Expenses			(4,557.49)	(4,557.49)
Increase/(Decrease) in Unearned Revenue		(8,750.00)	24,473.43	15,723.43
Increase/(Decrease) in Accounts Payable	<u>209.00</u>	<u>(2,312.36)</u>		<u>(2,103.36)</u>
Total Adjustments	<u>\$ 252,631.70</u>	<u>\$ (2,990.68)</u>	<u>\$ 17,305.94</u>	<u>\$ 266,946.96</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (277,701.03)</u>	<u>\$ (1,862.01)</u>	<u>\$ 17,305.94</u>	<u>\$ (262,257.10)</u>

**FIDUCIARY FUNDS**

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2015**

	Trust				
	Family Leave Insurance	Unemployment Compensation	Private Purpose	IPAD Insurance Fund	Agency Fund
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 22,517.12	\$ 120,313.67	\$ 15,399.06	\$ 951.16	\$ 4,477.13
Total Assets	\$ 22,517.12	\$ 120,313.67	\$ 15,399.06	\$ 951.16	\$ 4,477.13
<u>LIABILITIES</u>					
Accounts Payable		\$ 8,432.31	\$ 15,399.06	\$ 850.00	\$ 447.13
Total Liabilities		\$ 8,432.31	\$ 15,399.06	\$ 850.00	\$ 447.13
<u>NET POSITION</u>					
Reserved	\$ 22,517.12	\$ 111,881.36		\$ 101.16	
Total Net Position	\$ 22,517.12	\$ 111,881.36		\$ 101.16	

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**COMBINING STATEMENT OF CHANGE IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Trust			
	<u>Family Leave Insurance</u>	<u>Unemployment Compensation</u>	<u>Private Purpose</u>	<u>IPAD Insurance Fund</u>
<b><u>ADDITIONS</u></b>				
Contributions:				
Plan Members	\$ 28,467.23	\$ 138,296.44		
Other			\$ 8,024.61	\$ 126,958.00
Total Contributions	<u>28,467.23</u>	<u>138,296.44</u>	<u>8,024.61</u>	<u>126,958.00</u>
Total Additions	<u>\$ 28,467.23</u>	<u>\$ 138,296.44</u>	<u>\$ 8,024.61</u>	<u>\$ 126,958.00</u>
<b><u>DEDUCTIONS</u></b>				
Quarterly Contribution Reports Expenditures	\$ 19,342.90	\$ 132,869.84	8,024.61	176,738.08
Total Deductions	<u>\$ 19,342.90</u>	<u>\$ 132,869.84</u>	<u>\$ 8,024.61</u>	<u>\$ 176,738.08</u>
Change in Net Position	\$ 9,124.33	\$ 5,426.60		\$ (49,780.08)
Net Position - Beginning of the Year	<u>13,392.79</u>	<u>106,454.76</u>		<u>49,881.24</u>
Net Position - End of the Year	<u><u>\$ 22,517.12</u></u>	<u><u>\$ 111,881.36</u></u>		<u><u>\$ 101.16</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

**1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Monroe Township School District (the "District") is a Type II district located in the County of Middlesex, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). The Board is comprised of ten (10) members, nine (9) from the Township of Monroe are elected to three (3) year staggered terms and one (1) is appointed to an annual term from the Borough of Jamesburg (sending district). The purpose of the District is to educate students in grades K-12. The District had an approximate enrollment at June 30, 2015 of 6310 students.

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, childcare initiative and student related activities of the District.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. Basis of Presentation**

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

**1. Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Basis of Presentation (Continued)**

**1. Government-Wide Financial Statements (Continued)**

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, 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 are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**2. Fund Financial Statements**

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

**B. Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

**1. Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

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

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Fund Accounting (Continued)**

**1. Governmental Funds (Continued)**

**General Fund (Continued)**

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America (GAAP) 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 from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

**Permanent Fund** - The Permanent Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

**2. Proprietary Fund Type**

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the District:

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Fund Accounting (Continued)**

**2. Proprietary Fund Type (Continued)**

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

**Food Service** – This fund provides for the cafeteria operation in all schools within the school district.

**Childcare Initiative (MECA and ECE)** – This fund provides childcare during work hours for district employees MECA as well as an Early Childhood Enrichment (ECE) program.

**Falcon Care** – This fund was created as a successor to the MECA and ECE with minor modification in scope.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their statement of net position. Their reported fund equity (net total position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of the equipment used in the operations of the Enterprise Funds are approximately 10 years.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Fund Accounting (Continued)**

**3. 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.

**Private Purpose Scholarship Funds**

**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. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund, Family Leave Insurance Fund, Scholarship Funds and IPad Insurance Fund.

**Nonexpendable Trust Fund** - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

**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.

**C. Measurement Focus**

**1. Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement of Net Position.

**2. Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and change in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus**

**2. Fund Financial Statements (Continued)**

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Fund equity (i.e., net total position) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Fiduciary funds are reported using the economic resources measurement focus.

**D. Basis of Accounting**

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general noncurrent debt which are recorded when due.

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

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the winter of each year for the general, special revenue, and debt service funds. The budgets are approved by the District, submitted to the County office for review and approval and if determined to be within the allowable tax levy cap and within the allowable appropriation cap, become effective upon the holding of a public hearing and final adoption by the District. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C 6A:23A-2.3 (et seq.).

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 accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The following presents a reconciliation of the General Fund revenue and Special Revenue Fund revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Change in Fund Balance - All Governmental Fund Types.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Budgets/Budgetary Control (Continued)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources:		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	\$ 104,996,026.45	\$ 1,308,225.00
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.	None	None
State aid payment recognized per GAAP standards in the current year previously recognized for budgetary purposes.	212,966.00	None
The last State aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	<u>(221,168.00)</u>	<u>None</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 104,987,824.45</u>	<u>\$ 1,308,225.00</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 104,942,057.46	\$ 1,308,225.00
Differences - 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 supplies are received for financial reporting purposes.	<u>N/A</u>	<u>N/A</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 104,942,057.46</u>	<u>\$ 1,308,225.00</u>

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Encumbrances**

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

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

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

**G. Assets, Liabilities and Equity**

**1. Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost. 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.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

2. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

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

3. Allowance for Uncollectible Accounts

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

4. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

5. Tuition Payable

Tuition charges for the fiscal years 2013-2014 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

6. Short-Term Interfund Receivables/Payables

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

7. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000.00. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

**7. Capital Assets (Continued)**

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method under the half year convention over the following useful lives:

<u>Asset Class</u>	<u>Estimated Lives</u>
School Buildings	50 years
Building Improvements	20 years
Electrical/Plumbing	30 years
Vehicles	6-8 years
Office and Computer Equipment	5-20 years
Instructional Equipment	5-15 years
Grounds Equipment	5-15 years
Food Service Equipment	7-20 years

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

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

**9. Compensated Absences**

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

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

10. Accrued Liabilities and Noncurrent Obligations

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

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

11. Accrued Liabilities and Noncurrent Obligations

All payables, accrued liabilities and noncurrent obligations are reported in the government-wide financial statements.

In general, 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 governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

12. Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. The amortization expense for the year ended June 30, 2015 amounted to \$742,932.76. As of June 30, 2015, the District has an unamortized balance of \$10,121,639.71 recorded as a deferred outflow of resources.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

13. Net Position

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net position to what is now referred to as the statement of net position and the term "net assets" is changed to "net position" throughout the financial statements. Net Position represents the difference between assets, deferred outflows, deferred inflows and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any noncurrent debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

14. Unearned Revenue

Unearned revenue in all funds represent program revenues that have been received but not yet earned.

15. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

**16. Fund Balances**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five (5) categories, as defined below:

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, noncurrent receivables and corpus of any permanent funds.
- b. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.
- c. Committed – includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- d. Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- e. Unassigned – includes all spendable amounts not contained in the other classifications in 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. The general fund is the only fund that reports a position unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

17. Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund, (the Food Service) are charges to customers for sales of food service and for the childcare initiative (MECA and ECE) employees service fees. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

18. Rebatable Arbitrage

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the capital projects fund. The liability, if any, is recorded as an accrued arbitrage rebate.

19. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the district and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

20. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement medical pension contributions for the certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

21. Allocation of 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. Employee benefits, including the employer's share of social security, workers compensation, pension and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified and allocated 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 reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

**22. Accounting and Financial Reporting for Pensions**

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

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

22. Accounting and Financial Reporting for Pensions (Continued)

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

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

23. 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 the control of management and are either unusual in nature or infrequent in occurrence.

**H. Subsequent Events**

Management has reviewed and evaluated all events and transactions from June 30, 2015 through November 30, 2015, the date that the financial statements are 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.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and Cash Equivalents includes petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturities of three (3) months or less meet this definition.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit that have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

**A. Deposits**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

As of June 30, 2015, cash and cash equivalents (Deposits) of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
New Jersey Cash Management Fund - NJCMF	\$ <u>16,454,726.85</u>
	\$ <u>16,454,726.85</u>
Reconciliation by Fund:	
Governmental	\$ 14,785,727.23
Proprietary	727,023.88
Fiduciary	<u>941,975.74</u>
	\$ <u>16,454,726.85</u>

Of the total amount deposits of \$975,000.00 has been earmarked towards the Capital Reserve Account (see Note 16).

**New Jersey Cash Management Fund** – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment’s existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the “Other-than-State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2015, the District had \$16,454,726.85 on deposit with the New Jersey Cash Management Fund.

**Allocation of Cash and Cash Equivalents**

Unrestricted	\$ 14,243,983.11
Restricted	1,268,768.00
Fiduciary	<u>941,975.74</u>
	\$ <u>16,454,726.85</u>

Risk Analysis – The market value of the NJ ARM accounts approximate the carrying value. The NJ ARM accounts are invested in U.S. government securities (both U.S. Treasury and Federal Agency) and other permitted money market instruments and not exposed to custodial credit risk. The checking accounts were on deposit in a bank which had the Government Unit Deposit Protection Act coverage (“GUDPA”) as of June 30, 2015 which minimizes credit risk.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**B. Investments**

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

There were no securities held by the District that could be categorized as an investment as defined by GASB No. 3 as amended by GASB No. 40.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**4. RECEIVABLES**

Receivables at June 30, 2015 consisted of federal source, state source, transportation, tuition and other revenue. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Business Type Activities
General Fund:		
Intergovernmental:		
State Aid:		
Extraordinary Aid	\$ 391,396.00	
Non-Public Transportation - Cost Reimbursement	55,032.00	
TPAF FICA Reimbursement (on-behalf)	142,575.17	
	\$ 589,003.17	
Other Receivables:		
Tuition - Borough of Jamesburg	\$ 443,091.00	
Tuition from Individuals	150.00	
Transportation - Borough of Jamesburg	7,246.85	
Adult Education	90.00	
Use of Building - Various	13,197.44	
	\$ 463,775.29	
Proprietary Fund:		
Enterprise Fund - Food Service		
State Source		\$ 1,469.03
Federal Source		
Lunch		\$ 22,498.32
Special Milk		85.90
		\$ 22,584.22

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**5. CAPITAL ASSETS, NET**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers (Retirements)</u>	<u>Ending Balance</u>
<b><u>Governmental Activities:</u></b>				
Capital assets not being depreciated:				
Land	\$ 368,806.00			\$ 368,806.00
Total capital assets not being depreciated	\$ 368,806.00			\$ 368,806.00
Capital assets being depreciated:				
Site and Site Improvements	\$ 13,441,751.98	\$ 312,364.00		\$ 13,754,115.98
Building and Building Improvements	189,378,439.69	1,076,483.76		190,454,923.45
Machinery and Equipment	<u>16,610,845.09</u>	<u>1,149,052.48</u>	\$ (600.00)	<u>17,759,297.57</u>
Total at historical cost	\$ 219,431,036.76	\$ 2,537,900.24	\$ (600.00)	\$ 221,968,337.00
Less accumulated depreciation for:				
Site and Site Improvements	\$ (3,490,680.68)	\$ (628,623.20)		\$ (4,119,303.88)
Building and Building Improvements	(28,237,136.72)	(3,876,283.66)		(32,113,420.38)
Machinery and Equipment	<u>(9,336,706.55)</u>	<u>(1,385,400.47)</u>	\$ (600.00)	<u>(10,722,707.02)</u>
Total accumulated depreciation	\$ (41,064,523.95)	\$ (5,890,307.33)	\$ (600.00)	\$ (46,955,431.28)
Total capital assets being depreciated, net of accumulated depreciation	\$ 178,366,512.81	\$ (3,352,407.09)	\$ (1,200.00)	\$ 175,012,905.72
Governmental activities capital assets, net	<u>\$ 178,735,318.81</u>	<u>\$ (3,352,407.09)</u>	<u>\$ (1,200.00)</u>	<u>\$ 175,381,711.72</u>
<b><u>Business-Type Activities:</u></b>				
Furniture, machinery and equipment	\$ 1,688,561.96	\$ 17,100.00		\$ 1,705,661.96
Totals at historical cost	\$ 1,688,561.96	\$ 17,100.00		\$ 1,705,661.96
Less accumulated depreciation for:				
Furniture, machinery and equipment	\$ (790,548.30)	\$ (111,515.21)		\$ (902,063.51)
Total accumulated depreciation	\$ (790,548.30)	\$ (111,515.21)		\$ (902,063.51)
Business type activities capital assets, net	<u>\$ 898,013.66</u>	<u>\$ (94,415.21)</u>		<u>\$ 803,598.45</u>
<b><u>Governmental Activities:</u></b>				
Detail of Additions and (Retirement)/Transfers:				
Capital Projects Fund		\$ 17,390.48		
General Fund		2,459,838.32		
Donated Assets		<u>60,671.44</u>		
		<u>\$ 2,537,900.24</u>		

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**5. CAPITAL ASSETS, NET (CONTINUED)**

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 2,368,759.90
Special Education Instruction	769,707.15
Other Special Instruction	79,741.22
Other Instruction	121,694.44
Support Services and Undistributed Cost:	
Student and Instruction Related Services	758,262.44
School Administrative Services	245,521.78
Other Administrative Services	277,818.53
Plant Operations and Maintenance	675,705.90
Pupil Transportation	589,000.37
Special Schools	<u>4,095.60</u>
Total	<u>\$ 5,890,307.33</u>

**6. INVENTORY**

The value of Federal donated commodities as reflected on Schedule A of \$157,474.13 (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of the purchase and has been included as an item of nonoperating revenue in the financial statements. For the year ended June 30, 2015, the federal donated commodities food inventory of \$8,747.10 was included in the year end food and supplies amount of \$28,947.67.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**7. NONCURRENT (LONG-TERM) DEBT**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Noncurrent Portion</u>
<u>Governmental Activities:</u>						
Bonds Payable -						
General						
Obligation Debt	\$ 143,750,000.00	\$ 62,600,000.00	\$ (69,435,000.00)	\$ 136,915,000.00	\$ 4,795,000.00	\$ 132,120,000.00
Compensated						
Absences Payable	\$ 3,430,386.40		\$ (21,067.47)	\$ 3,409,318.93	\$ 681,863.79	\$ 2,727,455.14
Capital Leases	1,777,220.94	\$ 1,100,000.00	(470,575.47)	2,406,645.47	587,292.63	1,819,352.84
Net Pension Liability	<u>29,182,550.00</u>	<u>881,320.00</u>		<u>30,063,870.00</u>		<u>30,063,870.00</u>
	<u>\$ 34,390,157.34</u>	<u>\$ 1,981,320.00</u>	<u>\$ (491,642.94)</u>	<u>\$ 35,879,834.40</u>	<u>\$ 1,269,156.42</u>	<u>\$ 34,610,677.98</u>
	<u>\$ 178,140,157.34</u>	<u>\$ 64,581,320.00</u>	<u>\$ (69,926,642.94)</u>	<u>\$ 172,794,834.40</u>	<u>\$ 6,064,156.42</u>	<u>\$ 166,730,677.98</u>

Reconciliation to Statement of Net Assets (Exhibit A-1):

Long Term Debt:

2011, 2012 and 2015 Series Refunding Bonds:

Add - Premium		<u>14,138,461.92</u>	<u>1,073,109.87</u>	<u>13,065,352.05</u>
		<u>\$ 186,933,296.32</u>	<u>\$ 7,137,266.29</u>	<u>\$ 179,796,030.03</u>

Detail of Bond Retirements:

Budgeted Paydown	\$ 4,160,000.00
Refunded with Bond Proceeds	<u>65,275,000.00</u>
	<u>\$ 69,435,000.00</u>

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)**

**A. Bonds and loans payable currently outstanding are summarized as follows:**

**School District Bonds, Series 2006**

Acquisition of Land and Construction of a New Elementary School authorized and issued \$26,800,000.00 dated April 1, 2006. The bonds maturing on April 1, 2017 through 2036 in the amount of \$25,750,000.00 were refunded in conjunction with other series bonds by the issuance of School District Refunding Bonds, Series 2015. Remaining final maturity of \$200,000.00 due on April 1, 2016 with interest rate of 4.5%.

\$ 200,000.00

Redemption: The bonds are not subject to redemption prior to maturity.

**School District Bonds, Series 2008**

Acquisition of Land and Construction of a New High School (supplemental appropriation to the Series 2004 Bonds) authorized and issued in the amount of \$41,900,000.00 dated March 4, 2008. The Bonds maturing on March 1, 2019 through 2038 in the amount of \$39,525,000.00 were refunded in conjunction with other series bonds by the issuance of School District Refunding Bonds, Series 2015. Annual remaining maturities range from \$400,000.00 to \$700,000.00 with final maturity due on March 1, 2038 and interest rates on remaining maturities of 4.75%.

\$ 1,650,000.00

Redemption: The bonds are not subject to redemption prior to maturity.

**School District Refunding Bonds, Series 2011**

The purpose of the Bonds was to currently refund all of the outstanding callable principal amount of the originally issued \$28,740,000.00 School District Bonds, Series 2002 of the Board dated September 1, 2002 and maturing on September 15 in the years 2012 through and including 2019, inclusive, in the total principal amount of \$19,645,000.00 on September 15, 2011 at par plus any unpaid accrued interest to the redemption date and pay the costs of issuance with respect to the authorized and issued bonds in the amount of \$18,535,000.00. Annual remaining maturities range from \$1,415,000.00 to \$2,720,000.00 with final maturity on September 15, 2019 and interest rates on remaining maturities ranging from 4.0% to 5.0%.

\$ 10,865,000.00

Redemption: The bonds are not subject to redemption prior to maturity.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)**

**A. Bonds and loans payable currently outstanding are summarized as follows: (Continued)**

**School District Refunding Bonds, Series 2012**

The purpose of the Bonds is to advance refund all of the outstanding callable principal amount of the originally issued \$67,699,000.00 School District Bonds, Series 2004 of the Board dated February 15, 2004 and maturing on August 1 in the years 2015 through 2028, both inclusive, in the total principal amount of \$62,849,000.00 on August 1, 2014 at par plus any unpaid accrued interest to the redemption date and pay the cost of issuance with respect to the authorized and issued bonds in the amount of \$62,175,000.00. Annual maturities range from \$1,450,000.00 to \$6,175,000.00 with final maturity on August 1, 2028 and interest rates on the remaining maturities ranging from 3.00% to 5.00%.

\$ 61,600,000.00

Redemption: The Bonds maturing prior to August 1, 2023 are not subject to optional redemption prior to their stated maturities. The Bonds maturing on or after August 1, 2023 are redeemable at the option of the Board in whole or in part at any time, and if in part, in such order of maturity as directed by the Board and by lot within a maturity if less than all of the Bonds of such maturity are to be redeemed, on August 1, 2022 or on any date thereafter, upon notice as described in "Notice of Redemption" herein. The Bonds subject to redemption shall be redeemed at 100% of the principal amount thereof (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)**

**A. Bonds and loans payable currently outstanding are summarized as follows: (Continued)**

**School District Refunding Bonds, Series 2015**

The purpose of the Bonds is to advance refund all of the outstanding callable principal originally issued \$26,800,000.00 School District Bonds, Series 2006 of the Board dated April 1, 2006 and maturing on April 1 in the years 2017 through 2036, both inclusive in the total principal amount of \$25,750,000.00, on April 1, 2016 at par plus any unpaid accrued interest to the 2006 redemption date, advance refund all of the outstanding callable principal amount of the originally issued \$41,900,000.00 School District Bonds, Series 2008 of the Board dated March 4, 2008 and maturing on March 1 in the years 2019 through 2038, both inclusive in the total principal amount of \$39,525,000.00 on March 1, 2018 at par plus any unpaid accrued interest to the 2008 redemption date; and pay the costs of issuance with respect to the Bonds. Annual maturities range from \$120,000.00 commencing on March 1, 2016 to \$5,205,000.00 with final maturity on March 1, 2038 and interest rates ranging from 2% to 5%.

**Redemption:**

*Optional Redemption* - the Bonds maturing prior to March 1, 2026 are not subject to optional redemption prior to their stated maturities. The Bonds maturing on or after March 1, 2026 are redeemable at the option of the Board in whole or in part at any time, and if in part, in such order of maturity as directed by the Board and by lot within a maturity if less than all of the Bonds of such maturity are to be redeemed, on March 1, 2025 or on any date thereafter, upon notice as described in "Notice of Redemption". The Bonds subject to redemption shall be redeemed at 100% of the principal amount thereof plus accrued interest to the date fixed for redemption.

\$ 62,600,000.00

*Mandatory Sinking Fund Redemption* - The Bonds maturing on March 1, 2038 are subject to mandatory sinking fund redemption prior to maturity on March 1 in the years and in the amounts shown below, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption:

<u>Year</u>	<u>Principal Amount</u>
2036	\$5,205,000.00
2037	\$2,940,000.00
2038	\$3,075,000.00

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**\$ 136,915,000.00**

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)**

**A. Bonds and loans payable currently outstanding are summarized as follows: (Continued)**

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. The requirement effective for the fiscal year ended June 30, 2014 has been complied with.

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 Board are general obligation bonds.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)**

**B. Debt Service Requirements**

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 4,795,000.00	\$ 5,772,640.98	\$ 10,567,640.98
2017	5,065,000.00	5,767,172.50	10,832,172.50
2018	5,630,000.00	5,528,362.50	11,158,362.50
2019	6,120,000.00	5,277,212.50	11,397,212.50
2020	6,590,000.00	5,018,075.00	11,608,075.00
	<u>28,200,000.00</u>	<u>27,363,463.48</u>	<u>55,563,463.48</u>
2021	5,940,000.00	4,766,737.50	10,706,737.50
2022	6,255,000.00	4,515,587.50	10,770,587.50
2023	6,865,000.00	4,245,937.50	11,110,937.50
2024	7,525,000.00	3,947,737.50	11,472,737.50
2025	8,050,000.00	3,618,437.50	11,668,437.50
	<u>34,635,000.00</u>	<u>21,094,437.50</u>	<u>55,729,437.50</u>
2026	8,460,000.00	3,236,212.50	11,696,212.50
2027	8,925,000.00	2,805,587.50	11,730,587.50
2028	9,455,000.00	2,406,993.75	11,861,993.75
2029	9,550,000.00	1,988,525.00	11,538,525.00
2030	3,615,000.00	1,732,850.00	5,347,850.00
	<u>40,005,000.00</u>	<u>12,170,168.75</u>	<u>52,175,168.75</u>
2031	3,975,000.00	1,588,250.00	5,563,250.00
2032	4,395,000.00	1,429,250.00	5,824,250.00
2033	4,610,000.00	1,209,500.00	5,819,500.00
2034	4,825,000.00	979,000.00	5,804,000.00
2035	5,050,000.00	737,750.00	5,787,750.00
	<u>22,855,000.00</u>	<u>5,943,750.00</u>	<u>28,798,750.00</u>
2036	5,205,000.00	561,000.00	5,766,000.00
2037	2,940,000.00	300,750.00	3,240,750.00
2038	3,075,000.00	153,750.00	3,228,750.00
	<u>11,220,000.00</u>	<u>1,015,500.00</u>	<u>12,235,500.00</u>
	<u>\$ 136,915,000.00</u>	<u>\$ 67,587,319.73</u>	<u>\$ 204,502,319.73</u>

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)**

**C. Bonds and Notes Authorized But Not Issued**

There were no Bonds and Notes Authorized but not Issued as of June 30, 2015.

**D. Defeasance**

2011 Refunding Bonds

On March 15, 2011 the Board issued \$18,535,000 (refer to Note 7A) in general obligation (Refunding) bonds to advance refund \$19,645,000 of outstanding 2002 Series Bonds callable on or after September 15, 2012. The net proceeds which included a premium of \$1,713,464 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2002 Series Bonds, which were included in the refunding.

As a result of the accounting requirement in accordance with GASB #23, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities, the recording of the transaction related to the new vs. old debt and related costs resulted in an accounting loss of \$499,802, which in conjunction with the premium will be amortized over the remaining life of the Series 2011 Refunding Bond Issue using the "straight line method". The transaction was done at an economic savings to the District in accordance with the State of New Jersey Local Finance Board requirements and their present value savings criteria. The present value savings at the time refunding was \$1,371,824.99 or 6.983%.

2012 Refunding Bonds

On March 15, 2012 the Board issued \$62,175,000 (refer to Note 7A) in general obligation (Refunding) bonds to advance refund \$62,849,000 of outstanding 2004 Series Bonds callable on or after August 15, 2011. The net proceeds which included a premium of \$7,212,313.90 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2015 Series Bonds, which were included in the refunding.

As a result of the accounting requirement in accordance with GASB #23, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities, the recording of the transaction related to the new vs. old and related costs resulted in an accounting loss of \$6,219,954.54, which in conjunction with the premium will be amortized over the remaining life of the Series 2012 Refunding Bond Issue using the "straight line method". The transaction was done at an economic savings to the District in accordance with the State of New Jersey Local Finance Board requirements and their present value savings criteria. The present value savings at the time refunding was \$2,001,604.89 or 3.185%.

As a result, the related portion of the 2002 and 2004 Series Bonds are considered defeased and the liability for these bonds has been removed from the District's records.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)**

**D. Defeasance (Continued)**

2015 Refunding Bonds

On March 26, 2015 the Board issued \$62,600,000 (refer to Note 7A) in general obligation (Refunding) bonds to advance refund \$25,750,000 of outstanding 2006 Series Bonds callable on or after April 17, 2017, and \$39,525,000.00 of outstanding 2008 Series Bonds callable on March 1, 2019. The net proceeds which included a premium of \$8,355,301.00 along with \$587,093.78 of District funds were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2006 and 2008 Series Bonds, which were included in the refunding.

As a result of the accounting requirement in accordance with GASB #23, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities, the recording of the transaction related to the new vs. old debt and related costs resulted in an accounting loss of \$5,680,301.50 which in conjunction with the premium will be amortized over the remaining life of the Series 2015 Refunding Bond Issue using the "straight line method". The transaction was done at an economic savings to the District in accordance with the State of New Jersey Local Finance Board requirements and their present value savings criteria. The present value savings at the time refunding was \$3,898,786.98, or 5.972864%.

	<u>Beginning Balance</u>	<u>Increased by Resulting from 2014-2015</u>	<u>Decreased by Amortization</u>	<u>Ending Balance</u>
Refunding Bonds:				
2011	\$ 4,887,107.14		\$ 444,282.47	\$ 4,442,824.67
2012	297,163.83		51,680.67	245,483.16
2015		\$ 5,680,301.50	246,969.62	5,433,331.88
	<u>\$ 5,184,270.97</u>	<u>\$ 5,680,301.50</u>	<u>\$ 742,932.76</u>	<u>\$ 10,121,639.71</u>

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)**

**E. Capital Lease Obligations Payable**

Lease/Purchase Agreements – Equipment and Vehicles

The District is leasing school buses, equipment and copiers totaling \$4,007,204.74 under capital leases. All capital leases are for terms of four to five years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2015:

<u>Year Ending June 30.</u>	<u>School Buses</u>	<u>Equipment</u>	<u>Totals</u>
2016	\$ 18,074.27	\$ 602,439.15	\$ 620,513.42
2017		594,538.10	594,538.10
2018		554,015.35	554,015.35
2019		492,285.54	492,285.54
2020		224,954.99	224,954.99
	<hr/>	<hr/>	<hr/>
Total Minimum Lease Payment	\$ 18,074.27	\$ 2,468,233.13	\$ 2,486,307.40
Less: Amount representing interest		<hr/>	<hr/>
		79,661.93	79,661.93
Minimum Lease Payment	<u>\$ 18,074.27</u>	<u>\$ 2,388,571.20</u>	<u>\$ 2,406,645.47</u>

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**8. OPERATING LEASES**

The District is leasing computer and computer equipment. The unit prices of all individual items lease purchased are less than the capitalization threshold for fixed assets or do not qualify as capital assets and as a result, are classified as operating leases. The following is a schedule of the future minimum lease payments under the operating leases and the present value of the net minimum lease payments at June 30, 2015:

<u>Year</u>	<u>Webfilter Software</u>	<u>Small Computers</u>	<u>Computer Equipment</u>	<u>Total</u>
2016	\$ 20,430.19	\$ 500,651.16	\$ 4,182.04	\$ 525,263.39
2017	20,430.19	500,651.16		521,081.35
2018	20,430.19	500,651.16		521,081.35
2019	20,430.19			20,430.19
2020	20,430.19			20,430.19
	<u>\$ 102,150.95</u>	<u>\$ 1,501,953.48</u>	<u>\$ 4,182.04</u>	<u>\$ 1,608,286.47</u>

**9. PENSION PLANS**

***Basic Financial Statements***

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

**Teachers' Pension and Annuity Fund (TPAF):** The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A.18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 61 and 62, respectively, with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**9. PENSION PLANS (CONTINUED)**

**Description of Plans (Continued)**

**Public Employees' Retirement System (PERS):** The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 61 and 62, respectively with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

**Funding Policy:** The contribution policy is set by New Jersey Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in over the next seven years that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**9. PENSION PLANS (CONTINUED)**

**Funding Policy (Continued)**

Year Funding	Three-Year Trend Information for PERS			Percentage of APC Contributed	Employee Contribution
	Annual Pension Cost		Net Cost to District		
	Normal	Accrued			
June 30, 2015	\$ 220,375	\$ 1,019,405	\$ 1,239,780	100%	\$ 782,473
June 30, 2014	209,626	921,641	1,131,267	100%	757,455
June 30, 2013	329,862	788,710	1,118,572	100%	729,283

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

Year Funding June 30	Pension Paid on-behalf of District					Employee Contribution	TPAF FICA
	Cost (APC)	APC Contributed	Normal	Accrued	Total On-Behalf of		
2015	\$ None	100%	\$ 1,473,875	\$ 482,719	\$ 1,956,594	\$ 2,756,565	\$ 2,910,064
2014	None	100%	1,207,783	277,660	1,485,443	2,676,843	2,922,788
2013	None	100%	600,345	1,740,426	2,340,771	2,560,731	2,886,949

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$2,097,362.00 for TPAF pension on-behalf (including NCGI premium) of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,910,064.41 during the year ended June 30, 2015 for the employer's share of social security contributions (FICA) for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

Legislation enacted during 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500.00 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Board assumed the increased cost for the early retirement as it affected their district.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**9. PENSION PLANS (CONTINUED)**

*District-Wide Financial Statements*

**Public Employees Retirement System (PERS)**

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2014 and 2013 Independent Auditor's Report dated November 13, 2015.

At June 30, 2015, the District reported a liability of \$30,063,870.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined.

	June 30,	
	<u>2014</u>	<u>2013</u>
District Proportionate Share	0.1605741339 %	0.1526923938 %
Difference - Increase	0.0078817401	

For the year ended June 30, 2015, the District recognized pension expense of \$1,778,893.00. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in Assumption		\$ 945,369.00
Net difference between projected and actual earnings on pension plan investments	\$ 1,791,643.00	
Changes in proportion and differences between District contributions and proportionate share of contributions		\$ 1,272,451.00
District contributions subsequent to the measurement date	1,407,588.00	1,407,588.00
Total	\$ 1,791,643.00	\$ 3,625,408.00

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**9. PENSION PLANS (CONTINUED)**

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

The \$1,407,588.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u>
2016	\$ (281,316.77)
2017	(281,316.77)
2018	(281,316.77)
2019	173,781.15
Thereafter	76,463.71

Additional Information:

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

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Collective deferred outflows of resources	\$ 1,452,705,538	Not Available
Collective deferred inflows of resources	2,146,719,012	Not Available
Collective net pension liability	38,849,838,953	\$ 38,410,610,030
District's proportion	0.1605741339 %	0.1526923938 %

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**9. PENSION PLANS (CONTINUED)**

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

Actuarial Assumptions

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

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

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

Mortality Rates

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

Long-Term Rate of Return

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

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**9. PENSION PLANS (CONTINUED)**

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

Actuarial Assumptions (Continued)

Long-Term Rate of Return (Continued)

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

Discount Rate

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

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**9. PENSION PLANS (CONTINUED)**

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

Actuarial Assumptions (Continued)

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate.

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

	June 30, 2014		
	1% Decrease <u>4.39%</u>	At Current Discount Rate <u>5.39%</u>	1% Increase <u>6.39%</u>
District's proportionate share of the pension liability	\$ 37,821,371	\$ 30,063,870	\$ 23,549,542

Pension Plan Fiduciary Net Position.

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

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

Data for the TPAF was abstracted from the State of New Jersey Teachers' Pension and Annuity Fund Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer as of June 30, 2014 and 2013 Independent Auditor's Report dated November 13, 2015.

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

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**9. PENSION PLANS (CONTINUED)**

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2014 was as follows:

Net Pension Liability:	
Districts proportionate share	\$ -
State's proportionate share associated with the District	<u>204,234,938.00</u>
	<u><u>\$ 204,234,938.00</u></u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was .3821279042%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$10,989,757.00 for contributions provided by the State.

**Actuarial Assumptions**

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

Inflation	2.50 Percent
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90 Percent

**Mortality Rates**

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**9. PENSION PLANS (CONTINUED)**

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

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00 %	0.50 %
Core Fixed Income	0.00	2.19
Core Bond	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 U.S. 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 Markets	12.70	6.05
Emerging Market Equities	6.50	8.90
Private Equity	8.25	9.15
Hedge Funds/Absolute Returns	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	<u>0.00</u>	3.74
	<u>100.00 %</u>	

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**9. PENSION PLANS (CONTINUED)**

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

Actuarial Assumptions (Continued)

Discount Rate

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

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

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

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**10. DEFINED CONTRIBUTION RETIREMENT PROGRAM**

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If an eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and adjusted for membership earnings or losses. It is a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employee's Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements other employees who hold a professional license or certificate or meet other exceptions are permitted to remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan were as follows:

<u>Fiscal Year</u>		<u>Employee</u>		<u>Employer</u>
2015	\$	49,967.37	\$	27,255.26
2014		14,431.85		7,831.29
2013		17,638.56		9,512.00

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**11. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees eligible for post-retirement medical benefits and the state contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.80 million toward Chapter 126 benefits for 18,122 eligible retired members in fiscal year 2014.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with parameters of GASB 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to SHBP Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

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

<u>Year Ending</u>	<u>Post-Retirement Medical</u>
June 30, 2015	\$3,329,563
June 30, 2014	2,650,546
June 30, 2013	2,786,081

**12. COMPENSATED ABSENCES**

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

District employees earn sick leave at the rate of one day for each month of service. Upon departure from the district, teachers who have obtained tenure and ten month support staff who have completed three or more years of employment shall be paid for accumulated sick leave at the rate of ¼ of the unused accumulated sick leave multiplied by 1/200 of the last annual contracted salary. Twelve month employees who have completed three or more years of employment shall be paid at the rate of ¼ of the unused accumulated sick leave multiplied by 1/240 of the last annual contracted salary.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**12. COMPENSATED ABSENCES (CONTINUED)**

For teachers employed after September 1, 1981, the sick leave payment shall be limited to no more than \$5,000.00. For all support staff employed after September 1, 1981, the sick leave payment shall be limited to no more than \$2,500.00. There is no limit for personnel employed prior to September 1, 1981.

Twelve month employees earn vacation, the carryover of which is limited to August 31, of the year following the time earned.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position in the current and noncurrent liabilities. The current portion of the compensated absence balance of the governmental funds is shown separately from the noncurrent liability balance 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 no liability existed for compensated absences in the proprietary fund types.

**13. DEFERRED COMPENSATION**

A. IRS Code Section 403(b)

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

MetLife	AIG - VALIC
AXA Equitable	Foresters Financial
Oppenheimer Funds Services	T. Rowe Price

B. IRS Code Section 457

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

AXA Equitable	AIG - VALIC
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**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**14 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

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

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2014-2015	\$ None	\$ 138,296.44	\$ 132,869.84	\$ 111,881.36
2013-2014	None	128,492.31	157,721.06	106,454.76
2012-2013	None	126,198.87	157,510.08	135,683.51

**Health Benefits:** The Board of Education for the fiscal year ended June 30, 2015 procured medical insurance coverage for its employees under an agreement with Blue Cross/Blue Shield of New Jersey on a traditional premium basis. The administrator has provided the required SSAE#16 Report on Internal Controls of Service Organizations.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**15. INTERFUND BALANCES AND TRANSFERS**

The interfund receivable/payable as of June 30, 2015 will be liquidated in the normal course of business in the succeeding year or when funds become available and are as follows:

	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
General Fund	\$ 214,029.11	
Capital Projects Fund		\$ 1,302.26
Debt Service Fund	<u>1,302.26</u>	
	<u>215,331.37</u>	<u>1,302.26</u>
Business Type Funds:		
Enterprise Fund:		
Childcare Initiative	\$ 4,557.49	\$ 214,029.11
Falcon Care		<u>4,557.49</u>
	<u>\$ 219,888.86</u>	<u>\$ 219,888.86</u>

**16. CAPITAL RESERVE ACCOUNT**

A Capital Reserve Account was established by the Board. An analysis of the Capital Reserve account history is as follows:

Capital Reserve Account established on October 11, 2000		\$ 1,000.00
Interest Earnings:		
Prior to June 30, 2014	\$ 12,681.00	
For the year ended June 30, 2015	<u>21.00</u>	12,702.00
Capital Reserve Account Supplemental Appropriation:		
Prior to June 30, 2014	\$ 750,000.00	
For the year ended June 30, 2015	<u>975,000.00</u>	<u>1,725,000.00</u>
		\$ 1,738,702.00
Less - Authorized Withdrawals:		
Prior to June 30, 2014	\$ 761,594.52	
For the year ended June 30, 2015	<u>2,107.48</u>	<u>763,702.00</u>
Balance as of June 30, 2015		<u>\$ 975,000.00</u>

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**16. CAPITAL RESERVE ACCOUNT (CONTINUED)**

The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund Annual Budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board Resolution at year end, if any, Unanticipated Revenue or Unexpended Line Item Appropriation amounts, or both. 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 approved LRFP.

**17. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$11,676,110.58 General Fund fund balance at June 30, 2015, \$975,000.00 is restricted for the Capital Reserve Account; \$3,852,470.72 is restricted - assigned excess surplus (from 2013-2014) – designated for subsequent years expenditures and has been appropriated and included as anticipated revenue for the year ended June 30, 2016, \$5,010,411.03 is restricted - unassigned excess surplus (from 2014-2015), \$141,499.38 is reserved for encumbrances and \$1,689,075.54 is unassigned, \$7,653.91 is assigned – ARRA/SEMI designated for subsequent year expenditures.

**Debt Service Fund** – Of the \$7,220.53 Debt Service Fund balance at June 30, 2015, \$5,915.00 is assigned – designated for subsequent year's expenditures and \$1,305.53 is unassigned.

**Capital Projects Fund** – Of the \$273,036.86 Capital Projects Fund Balance at June 30, 2015 is unassigned.

**18. CONTINGENT LIABILITIES AND COMMITMENTS**

- A. **Grant Programs** – The school district participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.
- B. **Pending Litigation** – There are matters pending which should not, in the event of an adverse ruling, result in a material significant impact on the district's financial condition.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**19. CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS**

In accordance with N.J.S.A. 18A:7F-7, as amended, 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 as budgeted fund balance in their subsequent years' budget. There was excess fund balance as a result of the 2013-2014 of \$3,852,470.72 and 2014-2015 of \$5,010,411.03.

**20. RECONCILIATION OF FUND BALANCE – GENERAL FUND**

The Surpluses are presented on a GAAP basis and reconciliation to the budget basis is follows:

	Total
Balance on a Budget Basis on the General Fund	
Budgetary Basic Comparison -	
Reserve for Excess Surplus	\$ 1,910,243.54
Less: State Aid Payment not Recognized on a	
GAAP Basis	221,168.00
	\$ 1,689,075.54

**21. ECONOMIC DEPENDENCY**

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

**22. PRIOR PERIOD RESTATEMENT – DISTRICT-WIDE FINANCIAL STATEMENTS**

GASB Statement No. 65 relates to items "*Previously Reported as Assets and Liabilities*". As of June 30, 2014 and 2015 the financial statement reflects a write-up of the premium on general obligation bonds that were previously written-off which actually should be amortized over the remaining maturity of the general obligation bonds. The statement of net position as of June 30, 2014 has been restated to provide for the cumulative impact of the adjustment; there is no impact on the governmental funds fund balance.

GASB Statement No. 68 relates to "*Accounting and Financial Reporting for Pensions*". The net position as of June 30, 2014 was restated in order to account for the net pension (PERS) liability of the District, the data was released in the late fall of 2015 and it was necessary to retroactively adjust the net position as of June 30, 2015. The statement of net position as of June 30, 2014 has been restated to provide for the cumulative impact of the adjustment; there is no impact on the governmental funds fund balance.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
<b>Local sources:</b>					
Local tax levy	\$ 88,859,549.00		\$ 88,859,549.00	\$ 88,859,549.00	
Tuition	4,149,595.00		4,149,595.00	3,815,697.00	\$ (333,898.00)
Transportation Fees	238,655.00		238,655.00	194,932.40	(43,722.60)
Interest earned on capital reserve funds	21.00		21.00		(21.00)
Miscellaneous	433,073.00	\$ 48,906.00	481,979.00	536,083.56	54,104.56
<b>Total - local sources</b>	<b>93,680,893.00</b>	<b>48,906.00</b>	<b>93,729,799.00</b>	<b>93,406,261.96</b>	<b>(323,537.04)</b>
<b>State sources:</b>					
Categorical Transportation Aid	496,510.00		496,510.00	496,510.00	
Categorical Security Aid	92,501.00		92,501.00	92,501.00	
Categorical Special education aid	2,048,517.00		2,048,517.00	2,048,517.00	
Extraordinary aid	214,453.00	\$ 176,943.00	391,396.00	391,396.00	
Non-public transportation - cost reimbursement		55,032.00	55,032.00	55,032.00	
PARCC Readiness Aid	58,980.00		58,980.00	58,980.00	
Per Pupil Growth Aid	58,980.00		58,980.00	58,980.00	
On behalf - TPAF - Pension Contribution (Non-budgeted)				2,097,362.00	2,097,362.00
On behalf - TPAF - Post Retirement Medical (Non-budgeted)				3,329,563.00	3,329,563.00
Reimbursed TPAF social security contributions (Non-budgeted)				2,910,064.41	2,910,064.41
<b>Total - state sources</b>	<b>2,969,941.00</b>	<b>231,975.00</b>	<b>3,201,916.00</b>	<b>11,538,905.41</b>	<b>8,336,989.41</b>
<b>Federal sources:</b>					
ARRA/SEMI				7,653.91	7,653.91
Medicaid Reimbursement	34,851.00		34,851.00	43,205.17	8,354.17
<b>Total - federal sources</b>	<b>34,851.00</b>		<b>34,851.00</b>	<b>50,859.08</b>	<b>16,008.08</b>
<b>TOTAL REVENUES</b>	<b>\$ 96,685,685.00</b>	<b>\$ 280,881.00</b>	<b>\$ 96,966,566.00</b>	<b>\$ 104,996,026.45</b>	<b>\$ 8,029,460.45</b>

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	\$ 710,879.00		\$ 710,879.00	\$ 414,330.42	\$ 296,548.58
Grades 1 - 5	8,067,573.00	\$ 700,000.00	8,767,573.00	8,603,503.80	164,069.20
Grades 6 - 8	7,667,256.00	(1,055,000.00)	6,612,256.00	6,118,310.13	493,945.87
Grades 9 - 12	10,117,178.00	(524,000.00)	9,593,178.00	9,382,221.34	210,956.66
<b>Total regular programs - instruction</b>	<b>26,562,886.00</b>	<b>(879,000.00)</b>	<b>25,683,886.00</b>	<b>24,518,365.69</b>	<b>1,165,520.31</b>
Regular programs - home instruction:					
Salaries of teachers	106,639.00	(31,000.00)	75,639.00	61,987.09	13,651.91
Purchased professional - education services	9,320.00	5,000.00	14,320.00	13,781.18	538.82
Other purchased services (400-500 series)	10,550.00	(9,000.00)	1,550.00	634.77	915.23
<b>Total regular programs - home instruction</b>	<b>126,509.00</b>	<b>(35,000.00)</b>	<b>91,509.00</b>	<b>76,403.04</b>	<b>15,105.96</b>
Regular programs - undistributed instruction:					
Other salaries for instruction	374,249.00	375,000.00	749,249.00	742,360.34	6,888.66
Purchased professional - educational services	18,390.00	6,000.00	24,390.00	23,456.00	934.00
Other purchased services (400-500 Series)	1,699,986.00	(41,000.00)	1,658,986.00	1,349,395.54	309,590.46
General supplies	2,239,412.00	(140,000.00)	2,099,412.00	1,898,749.54	200,662.46
Textbooks	208,114.00		208,114.00	120,023.27	88,090.73
Other objects	6,624.00		6,624.00	3,175.90	3,448.10
<b>Total regular programs - undistributed instruction</b>	<b>4,546,775.00</b>	<b>200,000.00</b>	<b>4,746,775.00</b>	<b>4,137,160.59</b>	<b>609,614.41</b>
<b>Total regular programs - instructions</b>	<b>31,236,170.00</b>	<b>(714,000.00)</b>	<b>30,522,170.00</b>	<b>28,731,929.32</b>	<b>1,790,240.68</b>
Special education instruction:					
Learning and/or language disabilities:					
Special Services Cognitive Mild - Supplies	3,240.00		3,240.00	415.37	2,824.63
Salaries of teachers	205,531.00	(500.00)	205,031.00	201,078.83	3,952.17
Other salaries for instruction	229,908.00	70,000.00	299,908.00	297,810.72	2,097.28
General supplies	5,213.00	2,500.00	7,713.00	7,112.24	600.76
<b>Total learning and/or language disabilities</b>	<b>443,892.00</b>	<b>72,000.00</b>	<b>515,892.00</b>	<b>506,417.16</b>	<b>9,474.84</b>
Special Education - Multiple disabilities					
Salaries of teachers	161,516.00	40,000.00	201,516.00	196,139.36	5,376.64
Other salaries for instruction	101,243.00	84,000.00	185,243.00	183,797.21	1,445.79
Supplies	4,279.00	1,000.00	5,279.00	4,223.87	1,055.13
<b>Total special education - multiple disabilities</b>	<b>\$ 267,038.00</b>	<b>\$ 125,000.00</b>	<b>\$ 392,038.00</b>	<b>\$ 384,160.44</b>	<b>\$ 7,877.56</b>

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL 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	\$ 6,405,486.00	\$ 258,000.00	\$ 6,663,486.00	\$ 6,659,972.65	\$ 3,513.35
Other salaries for instruction	719,332.00	148,000.00	867,332.00	865,226.91	2,105.09
General supplies	40,878.00	(6,000.00)	34,878.00	31,841.20	3,036.80
Textbooks	11,124.00	(4,000.00)	7,124.00	4,800.19	2,323.81
<b>Total resource room/resource center</b>	<b>7,176,820.00</b>	<b>396,000.00</b>	<b>7,572,820.00</b>	<b>7,561,840.95</b>	<b>10,979.05</b>
Autism:					
Salaries of teachers	275,792.00	(42,000.00)	233,792.00	227,071.69	6,720.31
Other salaries for instruction	204,542.00	105,000.00	309,542.00	305,641.52	3,900.48
General supplies	3,782.00	6,000.00	9,782.00	5,897.77	3,884.23
<b>Total autism</b>	<b>484,116.00</b>	<b>69,000.00</b>	<b>553,116.00</b>	<b>538,610.98</b>	<b>14,505.02</b>
Preschool disabilities - part-time:					
Salaries of teachers	520,120.00	(271,000.00)	249,120.00	246,840.83	2,279.17
Other salaries for instruction	210,338.00	(66,000.00)	144,338.00	138,494.59	5,843.41
General supplies	8,044.00	5,500.00	13,544.00	11,047.68	2,496.32
<b>Total preschool disabilities - part-time</b>	<b>738,502.00</b>	<b>(331,500.00)</b>	<b>407,002.00</b>	<b>396,383.10</b>	<b>10,618.90</b>
Preschool disabilities - full-time:					
Salaries of teachers		112,000.00	112,000.00	108,923.03	3,076.97
Other salaries for instruction		136,000.00	136,000.00	132,228.41	3,771.59
General supplies		3,500.00	3,500.00	2,666.02	833.98
<b>Total preschool disabilities - full-time</b>		<b>251,500.00</b>	<b>251,500.00</b>	<b>243,817.46</b>	<b>7,682.54</b>
Home Instruction:					
Salaries of teachers	52,524.00	(6,000.00)	46,524.00	43,459.75	3,064.25
Purchased professional-educational services	73,966.00	(15,000.00)	58,966.00	57,369.57	1,596.43
Other purchased services (400-500 Series)	3,745.00		3,745.00	244.21	3,500.79
<b>Total home instruction</b>	<b>130,235.00</b>	<b>(21,000.00)</b>	<b>109,235.00</b>	<b>101,073.53</b>	<b>8,161.47</b>
<b>Total special education - instruction</b>	<b>9,240,603.00</b>	<b>561,000.00</b>	<b>9,801,603.00</b>	<b>9,732,303.62</b>	<b>69,299.38</b>
Basic skills/remedial - Instruction:					
Salaries of Teachers	793,479.00	205,000.00	998,479.00	996,369.76	2,109.24
Other salaries for instruction	33,082.00	(20,000.00)	13,082.00	8,489.20	4,592.80
General supplies	8,845.00	(2,000.00)	6,845.00	3,402.08	3,442.92
<b>Total basic skills/remedial - Instruction</b>	<b>\$ 835,406.00</b>	<b>\$ 183,000.00</b>	<b>\$ 1,018,406.00</b>	<b>\$ 1,008,261.04</b>	<b>\$ 10,144.96</b>

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Bilingual education - Instruction:					
Salaries of teachers	\$ 146,049.00	\$ 11,000.00	\$ 157,049.00	\$ 154,792.87	\$ 2,256.13
Purchased professional-educational services	500.00	(100.00)	400.00		400.00
Other purchased services (400-500 Series)	500.00	100.00	600.00	577.31	22.69
General supplies	2,816.00		2,816.00	1,256.34	1,559.66
<b>Total bilingual education - Instruction</b>	<b>149,865.00</b>	<b>11,000.00</b>	<b>160,865.00</b>	<b>156,626.52</b>	<b>4,238.48</b>
School sponsored co/extra - curricular activities - Instructions:					
Salaries	456,049.00	(74,000.00)	382,049.00	377,798.30	4,250.70
Purchase services (300-500 Series)	23,049.00	67,000.00	90,049.00	85,943.82	4,105.18
Supplies and materials	41,310.00		41,310.00	30,496.95	10,813.05
Other objects	104,495.00	(87,000.00)	17,495.00	11,120.78	6,374.22
<b>Total school sponsored co/extra - curricular activities - Instruction</b>	<b>624,903.00</b>	<b>(94,000.00)</b>	<b>530,903.00</b>	<b>505,359.85</b>	<b>25,543.15</b>
School sponsored athletics - Instruction:					
Salaries	694,635.00	(87,000.00)	607,635.00	595,394.64	12,240.36
Purchased services (300-500 Series)	121,760.00	16,000.00	137,760.00	98,438.27	39,321.73
Supplies and materials	203,383.00	(8,000.00)	195,383.00	134,117.88	61,265.12
Other objects	23,430.00	8,000.00	31,430.00	29,356.00	2,074.00
<b>Total school sponsored athletic activities - instruction</b>	<b>1,043,208.00</b>	<b>(71,000.00)</b>	<b>972,208.00</b>	<b>857,306.79</b>	<b>114,901.21</b>
Community Service Programs/Operations:					
Salaries	34,961.00		34,961.00	19,431.29	15,529.71
Purchase Services (300-500 Series)	4,973.00		4,973.00		4,973.00
<b>Total Community Service Programs/Operations</b>	<b>39,934.00</b>		<b>39,934.00</b>	<b>19,431.29</b>	<b>20,502.71</b>
<b>Total special programs</b>	<b>2,693,316.00</b>	<b>29,000.00</b>	<b>2,722,316.00</b>	<b>2,546,985.49</b>	<b>175,330.51</b>
<b>Total instructional programs</b>	<b>43,170,089.00</b>	<b>(124,000.00)</b>	<b>43,046,089.00</b>	<b>41,011,218.43</b>	<b>2,034,870.57</b>
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state - special	51,200.00	(45,000.00)	6,200.00		6,200.00
Tuition to county spec. serv - regional	1,081,103.00	50,032.00	1,131,135.00	1,107,285.94	23,849.06
Tuition to private schools-disabled within the state	1,119,588.00	40,000.00	1,159,588.00	1,142,614.31	16,973.69
Tuition - other	38,917.00		38,917.00	34,928.40	3,988.60
Tuition - Charter School	55,155.00	(8,000.00)	47,155.00	44,124.00	3,031.00
<b>Total undistributed expenditures - instruction</b>	<b>2,345,963.00</b>	<b>37,032.00</b>	<b>2,382,995.00</b>	<b>\$ 2,328,952.65</b>	<b>54,042.35</b>
Attendance and social work:					
Salaries	13,586.00	(5,000.00)	8,586.00	7,528.45	1,057.55
<b>Total attendance and Social Work</b>	<b>\$ 13,586.00</b>	<b>\$ (5,000.00)</b>	<b>\$ 8,586.00</b>	<b>\$ 7,528.45</b>	<b>\$ 1,057.55</b>

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Health services:					
Salaries	\$ 1,013,099.00	\$ (63,000.00)	\$ 950,099.00	\$ 947,582.81	\$ 2,516.19
Purchased professional and technical services	65,714.00	(30,000.00)	35,714.00	22,466.00	13,248.00
Other purchased services (400-500 Series)	1,491.00	3,000.00	4,491.00	3,525.73	965.27
Supplies and materials	39,547.00	14,000.00	53,547.00	50,996.18	2,550.82
<b>Total health services</b>	<b>1,119,851.00</b>	<b>(76,000.00)</b>	<b>1,043,851.00</b>	<b>1,024,570.72</b>	<b>19,280.28</b>
Other support services - student-related services:					
Salaries	1,413,507.00	87,000.00	1,500,507.00	1,495,003.21	5,503.79
Purchased professional - educational services	562,800.00	40,000.00	602,800.00	584,861.22	17,938.78
Supplies and materials	19,484.00	45,000.00	64,484.00	62,590.13	1,893.87
Other objects	2,329.00		2,329.00	350.00	1,979.00
<b>Total other support services - student-related services</b>	<b>1,998,120.00</b>	<b>172,000.00</b>	<b>2,170,120.00</b>	<b>2,142,804.56</b>	<b>27,315.44</b>
Other support services - students - regular:					
Salaries of other professional staff	1,313,537.00	(55,000.00)	1,258,537.00	1,253,769.96	4,767.04
Salaries of secretarial & clerical assistants	175,226.00	(64,000.00)	111,226.00	95,847.58	15,378.42
Purchased professional - educational services	19,071.00		19,071.00	12,989.97	6,081.03
Other purchase professional and tech services	500.00	63,000.00	63,500.00	57,381.12	6,118.88
Other purchase services (400-500 Series)	36,420.00	(14,000.00)	22,420.00	15,182.83	7,237.17
Supplies and materials	93,706.00	(63,000.00)	30,706.00	23,823.06	6,882.94
Other objects	2,004.00		2,004.00	474.00	1,530.00
<b>Total other support services - students - regular</b>	<b>1,640,464.00</b>	<b>(133,000.00)</b>	<b>1,507,464.00</b>	<b>1,459,468.52</b>	<b>47,995.48</b>
Other support services - students - special:					
Salaries of other professional staff	2,499,733.00	(37,000.00)	2,462,733.00	2,455,666.27	7,066.73
Salaries of secretarial & clerical assistants	193,676.00	25,000.00	218,676.00	214,146.85	4,529.15
Purchased professional - educational services	44,286.00	35,000.00	79,286.00	74,820.00	4,466.00
Other purchased professional and technical services	3,894.00	(3,000.00)	894.00		894.00
Miscellaneous purchased services (400-500 Series other than residential costs)	10,644.00	187,000.00	197,644.00	195,748.74	1,895.26
Supplies and materials	69,376.00	33,000.00	102,376.00	100,831.69	1,544.31
Other objects	1,286.00		1,286.00	320.00	966.00
<b>Total other support services - students - special</b>	<b>\$ 2,822,895.00</b>	<b>\$ 240,000.00</b>	<b>\$ 3,062,895.00</b>	<b>\$ 3,041,533.55</b>	<b>\$ 21,361.45</b>

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit C-1  
Page 6 of 11

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Improvement of instructional services:					
Salaries of supervisors of instruction	\$ 761,626.00		\$ 761,626.00	\$ 674,732.12	\$ 86,893.88
Salaries of other professional staff	100,904.00		100,904.00	59,103.20	41,800.80
Salaries of secretarial & clerical assistants	157,765.00		157,765.00	132,464.10	25,300.90
Purchased professional - educational services	61,172.00	\$ (20,000.00)	41,172.00	2,017.00	39,155.00
Other purchased services (400-500 Series)	42,746.00		42,746.00	25,269.45	17,476.55
Supplies and materials	28,450.00		28,450.00	5,762.88	22,687.12
Other objects	16,800.00		16,800.00	12,608.00	4,192.00
<b>Total improvement of instructional services</b>	<b>1,169,463.00</b>	<b>(20,000.00)</b>	<b>1,149,463.00</b>	<b>911,956.75</b>	<b>237,506.25</b>
Educational media services/school library:					
Salaries	736,863.00	(85,000.00)	651,863.00	646,337.08	5,525.92
Other purchased services (400-500 Series)	25,480.00	(14,000.00)	11,480.00	9,884.48	1,595.52
Supplies and materials	162,945.00	(49,000.00)	113,945.00	108,249.10	5,695.90
Other objects	383.00		383.00		383.00
<b>Total educational media services/school library</b>	<b>925,671.00</b>	<b>(148,000.00)</b>	<b>777,671.00</b>	<b>764,470.66</b>	<b>13,200.34</b>
Instructional staff training services:					
Salaries of supervisors of instruction	166,710.00	50,000.00	216,710.00	164,896.04	51,813.96
Salaries of secretarial & clerical assistants	53,229.00	(20,000.00)	33,229.00	26,877.69	6,351.31
Purchased professional - educational services	27,180.00	(18,000.00)	9,180.00	7,001.00	2,179.00
Other purchased services (400-500 Series)	31,855.00	8,000.00	39,855.00	35,702.68	4,152.32
Supplies and materials	4,894.00		4,894.00	784.27	4,109.73
Other objects	800.00		800.00		800.00
<b>Total instructional staff training services</b>	<b>284,668.00</b>	<b>20,000.00</b>	<b>304,668.00</b>	<b>235,261.68</b>	<b>69,406.32</b>
Support services - general administration:					
Salaries	519,093.00	27,000.00	546,093.00	542,218.28	3,874.72
Salaries of Attorneys		139,000.00	139,000.00	134,495.90	4,504.10
Legal services	262,440.00	(189,000.00)	73,440.00	70,694.92	2,745.08
Audit Fee	49,478.00	3,000.00	52,478.00	52,235.00	243.00
Architectural/Engineering Services	155,337.00	(114,000.00)	41,337.00	6,945.49	34,391.51
Other purchased professional services	10,960.00	20,000.00	30,960.00	29,743.75	1,216.25
Communications/telephone	147,619.00	83,000.00	230,619.00	123,236.13	107,382.87
BOE other purchased services	4,729.00		4,729.00	2,925.01	1,803.99
Other purchased services (400-500)	210,030.00	103,000.00	313,030.00	312,144.69	885.31
General supplies	26,151.00	(5,000.00)	21,151.00	17,682.73	3,468.27
BOE in-house training/meeting supplies	7,925.00		7,925.00	5,295.96	2,629.04
Miscellaneous expenditures	12,225.00	(5,000.00)	7,225.00	1,977.00	5,248.00
BOE membership dues and fees	28,341.00		28,341.00	26,851.10	1,489.90
<b>Total support services - general administration</b>	<b>\$ 1,434,328.00</b>	<b>\$ 62,000.00</b>	<b>\$ 1,496,328.00</b>	<b>\$ 1,326,445.96</b>	<b>\$ 169,882.04</b>

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Support services - school administration:					
Salaries of principals/assistant principals	\$ 1,905,283.00	\$ (8,000.00)	\$ 1,897,283.00	\$ 1,730,735.38	\$ 166,547.62
Salaries of other professional staff	376,382.00	8,000.00	384,382.00	381,654.24	2,727.76
Salaries of secretarial and clerical assistants	1,588,018.00	(150,000.00)	1,438,018.00	1,279,702.87	158,315.13
Purchased professional and technical services	2,551.00		2,551.00		2,551.00
Other purchased services (400-500 Series)	26,242.00		26,242.00	14,407.29	11,834.71
Supplies and materials	101,211.00		101,211.00	82,970.89	18,240.11
Other objects	39,400.00		39,400.00	23,312.49	16,087.51
<b>Total support services - school administration</b>	<b>4,039,087.00</b>	<b>(150,000.00)</b>	<b>3,889,087.00</b>	<b>3,512,783.16</b>	<b>376,303.84</b>
Central services:					
Salaries	745,687.00	90,000.00	835,687.00	719,326.86	116,360.14
Purchased technical services	103,081.00		103,081.00	79,105.58	23,975.42
Miscellaneous purchased services (400-500 Series)	16,922.00		16,922.00	9,181.30	7,740.70
Supplies and materials	26,234.00		26,234.00	11,085.86	15,148.14
Miscellaneous expenditures	11,870.00		11,870.00	5,882.76	5,987.24
<b>Total central services</b>	<b>903,794.00</b>	<b>90,000.00</b>	<b>993,794.00</b>	<b>824,582.36</b>	<b>169,211.64</b>
Admin. Info. technology:					
Salaries	859,820.00	(1,000.00)	858,820.00	858,770.77	49.23
Other purchased services (400-500 Series)	2,000.00		2,000.00	672.35	1,327.65
Supplies and materials	2,410.00	3,000.00	5,410.00	4,781.33	628.67
<b>Total admin. Info. technology</b>	<b>864,230.00</b>	<b>2,000.00</b>	<b>866,230.00</b>	<b>864,224.45</b>	<b>2,005.55</b>
Required maintenance for school facilities:					
Salaries	1,027,247.00	(172,000.00)	855,247.00	834,755.71	20,491.29
Cleaning, repair and maintenance services	260,384.00	212,924.00	473,308.00	439,308.11	33,999.89
General supplies	436,212.00	(94,000.00)	342,212.00	290,082.97	52,129.03
Other objects	4,941.00	4,000.00	8,941.00	7,568.00	1,373.00
<b>Total required maintenance for school facilities</b>	<b>\$ 1,728,784.00</b>	<b>\$ (49,076.00)</b>	<b>\$ 1,679,708.00</b>	<b>\$ 1,571,714.79</b>	<b>\$ 107,993.21</b>

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>Custodial Services:</b>					
Salaries	\$ 3,061,105.00	\$ 62,000.00	\$ 3,123,105.00	\$ 3,119,071.65	\$ 4,033.35
Purchased professional and technical services	311,384.00	(1,902.00)	309,482.00	277,258.62	32,223.38
Cleaning, repair and maintenance services	67,471.00	73,943.00	141,414.00	106,031.79	35,382.21
Rental of Land and Buildings		58,000.00	58,000.00	9,268.08	48,731.92
Water and sewer facilities	108,857.00		108,857.00	101,671.78	7,185.22
Insurance	238,565.00	23,000.00	261,565.00	179,056.83	82,508.17
Miscellaneous purchased services	116,218.00		116,218.00	81,128.88	35,089.12
General supplies	257,037.00		257,037.00	238,320.27	18,716.73
Energy (natural gas)	416,944.00	(83,000.00)	333,944.00	264,758.00	69,186.00
Energy (electricity)	1,550,988.00	(67,000.00)	1,483,988.00	1,296,162.63	187,825.37
Energy (oil)	73,403.00		73,403.00	47,808.28	25,594.72
Energy (gasoline)	19,527.00		19,527.00		19,527.00
Other objects facilities	3,471.00		3,471.00	2,993.00	478.00
<b>Total custodial services:</b>	<b>6,224,970.00</b>	<b>65,041.00</b>	<b>6,290,011.00</b>	<b>5,723,529.81</b>	<b>566,481.19</b>
<b>Care and Upkeep of Grounds:</b>					
Salaries	72,851.00	23,000.00	95,851.00	78,267.89	17,583.11
Purchased professional & technical services	5,859.00	9,000.00	14,859.00	13,691.50	1,167.50
Repair and maintenance services	207,270.00	148,000.00	355,270.00	348,121.80	7,148.20
General supplies	41,168.00	80,000.00	121,168.00	113,761.08	7,406.92
Other objects	1,400.00		1,400.00	300.00	1,100.00
<b>Total care and upkeep of grounds:</b>	<b>328,548.00</b>	<b>260,000.00</b>	<b>588,548.00</b>	<b>554,142.27</b>	<b>34,405.73</b>
<b>Security:</b>					
Salaries	494,857.00	96,000.00	590,857.00	585,111.75	5,745.25
Purchased professional & technical services	23,807.00	3,000.00	26,807.00	24,264.50	2,542.50
Repair and maintenance services	9,069.00	36,000.00	45,069.00	40,500.56	4,568.44
General supplies	35,550.00	15,000.00	50,550.00	44,472.69	6,077.31
Other objects	1,200.00		1,200.00		1,200.00
<b>Total security:</b>	<b>564,483.00</b>	<b>150,000.00</b>	<b>714,483.00</b>	<b>694,349.50</b>	<b>20,133.50</b>
<b>Total care and upkeep of grounds</b>	<b>893,031.00</b>	<b>410,000.00</b>	<b>1,303,031.00</b>	<b>1,248,491.77</b>	<b>54,539.23</b>
<b>Total operation and maintenance of plant services</b>	<b>\$ 8,846,785.00</b>	<b>\$ 425,965.00</b>	<b>\$ 9,272,750.00</b>	<b>\$ 8,543,736.37</b>	<b>\$ 729,013.63</b>

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Student transportation services:					
Salaries of non-instructional aides	\$ 121,632.00	\$ (10,000.00)	\$ 111,632.00	\$ 105,704.29	\$ 5,927.71
Salaries of Pupil transportation - (between home and school) - regular	1,799,849.00	(18,000.00)	1,781,849.00	1,774,933.78	6,915.22
Salaries of Pupil transportation (between home and school) - special education	67,753.00	(30,000.00)	37,753.00	37,570.93	182.07
Salaries of Pupil transportation - (other than between home and school)	328,075.00	(38,000.00)	290,075.00	283,672.92	6,402.08
Salaries of Pupil transportation - (between home and school) - nonpublic school	84,779.00		84,779.00	75,533.38	9,245.62
Group insurance	1,101,978.00	90,000.00	1,191,978.00	1,189,908.37	2,069.63
Social Security Contributions	244,862.00	(57,000.00)	187,862.00	175,176.61	12,685.39
Management fee - ESC and CTSA transp. Program	74,212.00	8,000.00	82,212.00	76,244.07	5,967.93
Other purchased professional and technical services	19,530.00		19,530.00	3,485.40	16,044.60
Cleaning, repair and maintenance services	28,194.00	190,000.00	218,194.00	203,974.26	14,219.74
Lease purchase payments - School Buses	362,999.00	(172,000.00)	190,999.00	184,146.86	6,852.14
Contracted services - aid in lieu of payments - nonpublic schools	108,315.00	34,000.00	142,315.00	111,384.00	30,931.00
Contracted services - (between home and school) - vendors	121,391.00	50,000.00	171,391.00	151,692.60	19,698.40
Contracted services (other than between home and school) - vendors	214,107.00	(30,000.00)	184,107.00	178,363.25	5,743.75
Contracted services (between home and school) - joint agreements	9,316.00		9,316.00	884.00	8,432.00
Contracted services (special education students) - vendors	9,762.00		9,762.00		9,762.00
Contracted services (special education students) - joint agreements	7,641.00		7,641.00	3,099.72	4,541.28
Contracted services (regular) - ESC	323,516.00	390,000.00	713,516.00	704,559.74	8,956.26
Contracted services (special education students) - ESC's and CTSA's	1,560,969.00	88,000.00	1,648,969.00	1,637,706.64	11,262.36
Miscellaneous purchased services - Transportation	114,689.00	29,000.00	143,689.00	140,987.35	2,701.65
General Supplies	9,614.00		9,614.00	2,249.38	7,364.62
Transportation supplies	612,132.00	(162,000.00)	450,132.00	401,222.62	48,909.38
Other Objects	5,551.00		5,551.00	4,917.47	633.53
<b>Total student transportation services</b>	<b>7,330,866.00</b>	<b>362,000.00</b>	<b>7,692,866.00</b>	<b>7,447,417.64</b>	<b>245,448.36</b>
Unallocated benefits - Employee benefits:					
Social security contribution	1,313,243.00	(35,000.00)	1,278,243.00	1,261,639.68	16,603.32
Other retirement contributions - regular	1,571,815.00	(30,000.00)	1,541,815.00	1,324,834.59	216,980.41
Workmen's compensation	654,303.00		654,303.00	597,717.63	56,585.37
Health benefits	17,044,776.00	(815,000.00)	16,229,776.00	14,522,465.24	1,707,310.76
Tuition reimbursement	120,900.00		120,900.00	111,923.39	8,976.61
Other employee benefits	475,000.00	400,000.00	875,000.00	827,902.90	47,097.10
<b>Total unallocated benefits - employee benefits</b>	<b>\$ 21,180,037.00</b>	<b>\$ (480,000.00)</b>	<b>\$ 20,700,037.00</b>	<b>\$ 18,646,483.43</b>	<b>\$ 2,053,553.57</b>

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
On behalf - TPAF - Pension Contribution (Non-budgeted)				\$ 2,097,362.00	\$ (2,097,362.00)
On behalf - TPAF - Post Retirement Medical (Non-budgeted)				3,329,563.00	(3,329,563.00)
Reimbursed TPAF social security contributions (Non-budgeted)				2,910,064.41	(2,910,064.41)
<b>Total on behalf - Contributions</b>				<b>\$ 8,336,989.41</b>	<b>\$ (8,336,989.41)</b>
<b>Total personal services - employee benefits</b>	<b>\$ 21,180,037.00</b>	<b>\$ (480,000.00)</b>	<b>\$ 20,700,037.00</b>	<b>\$ 26,983,472.84</b>	<b>\$ (6,283,435.84)</b>
<b>Total undistributed expenditures</b>	<b>\$ 56,919,808.00</b>	<b>\$ 398,997.00</b>	<b>\$ 57,318,805.00</b>	<b>\$ 61,419,210.32</b>	<b>\$ (4,100,405.32)</b>
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>\$ 100,089,897.00</b>	<b>\$ 274,997.00</b>	<b>\$ 100,364,894.00</b>	<b>\$ 102,430,428.75</b>	<b>\$ (2,065,534.75)</b>
<b>CAPITAL OUTLAY:</b>					
<b>Equipment:</b>					
<b>Regular programs - instruction:</b>					
Grades 1-5		\$ 8,189.59	\$ 8,189.59	\$ 8,189.59	
Grades 9-12	\$ 5,658.00	(3,032.34)	2,625.66	2,625.66	
Equipment district	56,300.00	(56,300.00)			
Equipment special services	2,000.00		18,000.00	17,991.00	\$ 9.00
Equipment facilities		12,400.00	12,400.00	12,400.00	
Equipment Grounds		17,640.00	17,640.00	17,640.00	
<b>Total equipment - regular programs - instruction</b>	<b>63,958.00</b>	<b>(5,102.75)</b>	<b>58,855.25</b>	<b>58,846.25</b>	<b>9.00</b>
<b>Equipment:</b>					
Architectural/Engineering Services		46,110.00	46,110.00	32,340.69	13,769.31
Other Purchase Prof. & Tech Equip HS		2,480.00	2,480.00	2,160.00	320.00
Construction Services District	1,321,420.00	(10,113.52)	1,311,306.48	1,167,420.11	143,886.37
Debt service assessment SDA funding	106,185.00		106,185.00	106,185.00	
<b>Total Equipment - other</b>	<b>\$ 1,427,605.00</b>	<b>38,476.48</b>	<b>\$ 1,466,081.48</b>	<b>\$ 1,308,105.80</b>	<b>\$ 157,975.68</b>
<b>Assets acquired under capital lease (non-budgeted):</b>					
<b>Undistributed Expenditures:</b>					
Instruction				\$ 1,092,886.27	\$ (1,092,886.27)
<b>Total assets acquired under capital lease</b>				<b>\$ 1,092,886.27</b>	<b>\$ (1,092,886.27)</b>
<b>TOTAL EXPENDITURES - CAPITAL OUTLAY</b>	<b>\$ 1,491,563.00</b>	<b>33,373.73</b>	<b>\$ 1,524,936.73</b>	<b>\$ 2,459,838.32</b>	<b>\$ (934,901.59)</b>
<b>SPECIAL SCHOOLS:</b>					
<b>Adult education - Local - Support Services:</b>					
Salaries	\$ 45,853.00		\$ 45,853.00	\$ 37,363.29	\$ 8,489.71
Purchased professional and technical services	14,600.00		14,600.00		14,600.00
Other purchased services (400-500 Series)	23,600.00		23,600.00	14,373.10	9,226.90
Supplies and material	3,006.00		3,006.00		3,006.00
Other objects	4,975.00		4,975.00	49.00	4,926.00
<b>Total Adult Education</b>	<b>\$ 92,034.00</b>		<b>\$ 92,034.00</b>	<b>\$ 51,785.39</b>	<b>\$ 40,248.61</b>

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
TOTAL SPECIAL SCHOOLS	\$ 92,034.00		\$ 92,034.00	\$ 51,785.39	\$ 40,248.61
TOTAL GENERAL FUND EXPENDITURES	\$ 101,673,494.00	\$ 308,370.73	\$ 101,981,864.73	\$ 104,942,052.46	\$ (2,960,187.73)
Excess/(deficiency) of revenues over/(under) expenditures	\$ (4,987,809.00)	(27,489.73)	\$ (5,015,298.73)	\$ 53,973.99	\$ (5,069,272.72)
Other financing sources/(uses):					
Capital leases (Non-Budgeted)				\$ 1,092,886.27	\$ 1,092,886.27
Total other financing sources/(uses)				\$ 1,092,886.27	\$ 1,092,886.27
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing sources/(uses)	\$ (4,987,809.00)	\$ (27,489.73)	\$ (5,015,298.73)	\$ 1,146,860.26	\$ 6,162,158.99
Fund balance, July 1	10,750,418.32		10,750,418.32	10,750,418.32	
Fund balance, June 30	\$ 5,762,609.32	(27,489.73)	\$ 5,735,119.59	\$ 11,897,278.58	\$ 6,162,158.99
Fund balance appropriated per budget	\$ 4,987,830.00				
Less: Increase in capital reserve	21.00				
	<u>\$ 4,987,809.00</u>				
Detail of budget transfers:					
Prior Year Reserve for Encumbrances	\$ 25,403.25				
Capital Reserve Appropriated	2,086.48	\$ 27,489.73			
Miscellaneous Revenue		48,906.00			
Extraordinary Aid		176,943.00			
Non-public transportation - cost reimbursement		55,032.00			
		<u>\$ 308,370.73</u>			
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Reserved for Encumbrances				\$ 141,499.38	
Reserved for excess surplus (16-17)				5,010,411.03	
Capital reserve				975,000.00	
Assigned - Excess surplus - designated for subsequent year's expenditures (15-16)				3,852,470.72	
Assigned - ARRA/SEMI - Designated for subsequent year's expenditures				7,653.91	
Unassigned - Fund Balance (2%)				<u>1,910,243.54</u>	
				\$ 11,897,278.58	
Reconciliation to governmental funds statements (GAAP):					
Less: Last State Aid payment not recognized on GAAP basis				<u>221,168.00</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 11,676,110.58</u>	

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES:</b>				
Federal Sources	\$ 953,523.00	\$ 354,702.00	\$ 1,308,225.00	\$ 1,308,225.00
Total Revenues	<u>\$ 953,523.00</u>	<u>\$ 354,702.00</u>	<u>\$ 1,308,225.00</u>	<u>\$ 1,308,225.00</u>
<b>EXPENDITURES:</b>				
Instruction:				
Salaries		\$ 111,602.57	\$ 111,602.57	\$ 111,602.57
Other Purchased Services	\$ 848,125.00	208,308.00	1,056,433.00	1,056,433.00
General Supplies	<u>105,398.00</u>	<u>(54,373.55)</u>	<u>51,024.45</u>	<u>51,024.45</u>
Total Instruction	<u>\$ 953,523.00</u>	<u>\$ 265,537.02</u>	<u>\$ 1,219,060.02</u>	<u>\$ 1,219,060.02</u>
Support Services:				
Salaries		\$ 28,331.15	\$ 28,331.15	\$ 28,331.15
Purchased Professional and Technical Services		14,750.00	14,750.00	14,750.00
Other Purchased Professional Services		29,727.96	29,727.96	29,727.96
Supplies and Materials		<u>16,355.87</u>	<u>16,355.87</u>	<u>16,355.87</u>
Total Support Services		<u>\$ 89,164.98</u>	<u>\$ 89,164.98</u>	<u>\$ 89,164.98</u>
Total Expenditures	<u>\$ 953,523.00</u>	<u>\$ 354,702.00</u>	<u>\$ 1,308,225.00</u>	<u>\$ 1,308,225.00</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources:</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1 \$ 104,996,026.45	C-2 \$ 1,308,225.00
<b>Difference - Budget to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	None	None
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	212,966.00	None
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(221,168.00)</u>	<u>None</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	B-2 \$ <u>104,987,824.45</u>	B-2 \$ <u>1,308,225.00</u>
<b>Uses/Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	C-1 \$ 104,942,052.46	C-2 \$ 1,308,225.00
<b>Difference - Budget to GAAP:</b>		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>N/A</u>	<u>N/A</u>
Total expenditures as reported on the statement of revenues, expenditures and change in fund balance - governmental funds.	B-2 \$ <u>104,942,052.46</u>	B-2 \$ <u>1,308,225.00</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**  
**LAST TWO (2) FISCAL YEAR \***

	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.1605741339 %	0.1526923938 %
District's proportionate share of the net pension liability (asset)	\$ 29,182,550	\$ 30,063,870
District's covered-employee payroll	\$ 11,171,901	\$ 11,307,428
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	261.20	265.80
Plan fiduciary net position as a percentage of the total pension liability	52.08	48.72

\* The amounts presented for each fiscal year were determined as of the fiscal year-end.

Note: Only the last two (2) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2015. Eventually a full ten (10) years schedule will be compiled.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**  
**LAST TWO (2) FISCAL YEARS**

	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 1,150,506	\$ 1,323,750
Contributions in relation to the contractually required contribution	\$ 1,150,506	\$ 1,323,750
Contribution deficiency (excess)	<u>None</u>	<u>None</u>
District's covered-employee payroll	\$ 11,171,901	\$ 11,307,428
Contributions as a percentage of covered-employee payroll	10.29	11.71

Note: Only the last two (2) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2015. Eventually a full ten (10) years schedule will be compiled.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**TEACHERS PENSION AND ANNUITY FUND (TPAF)**  
**LAST TWO (2) FISCAL YEARS**

	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.3812214603 %	0.3821279042 %
District's proportionate share of the net pension liability (asset)	None	None
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 192,716,870</u>	<u>\$ 204,234,928</u>
<b>Total</b>	<u><u>\$ 192,716,870</u></u>	<u><u>\$ 204,234,928</u></u>
District's covered-employee payroll	\$ 39,628,951	\$ 39,834,767
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	None	None
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%

Note: Only the last two (2) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2015. Eventually a full ten (10) years schedule will be compiled.

**MONROE TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Changes of Benefit Terms and Changes of Assumptions

Refer to Note 9 on the Notes to Financial Statements for benefits and assumptions.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
SPECIAL REVENUE FUND - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Title I</u>	<u>Title II</u>	<u>I.D.E.A. Part B</u>		
	<u>2014-2015</u>	<u>2014-2015</u>	<u>2014-2015</u>	<u>2014-2015</u>	<u>Total</u>
	<u>Regular</u>	<u>Part A</u>	<u>Regular</u>	<u>Preschool</u>	
			<u>Program</u>		
<b>REVENUES:</b>					
Federal sources	\$ 156,583.00	\$ 52,695.00	\$ 1,056,433.00	\$ 42,514.00	\$ 1,308,225.00
Total revenues	<u>\$ 156,583.00</u>	<u>\$ 52,695.00</u>	<u>\$ 1,056,433.00</u>	<u>\$ 42,514.00</u>	<u>\$ 1,308,225.00</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	\$ 69,088.57			\$ 42,514.00	\$ 111,602.57
Other purchased services			\$ 1,056,433.00		1,056,433.00
General Supplies	<u>51,024.45</u>				<u>51,024.45</u>
Total instruction	<u>\$ 120,113.02</u>		<u>1,056,433.00</u>	<u>\$ 42,514.00</u>	<u>\$ 1,219,060.02</u>
Support services:					
Salaries	\$ 28,331.15				\$ 28,331.15
Purchased professional and technical services		\$ 14,750.00			14,750.00
Other purchased services		29,727.96			29,727.96
General Supplies	<u>8,138.83</u>	<u>8,217.04</u>			<u>16,355.87</u>
Total support services	<u>\$ 36,469.98</u>	<u>\$ 52,695.00</u>			<u>\$ 89,164.98</u>
Total expenditures	<u>\$ 156,583.00</u>	<u>\$ 52,695.00</u>	<u>\$ 1,056,433.00</u>	<u>\$ 42,514.00</u>	<u>\$ 1,308,225.00</u>

**CAPITAL PROJECTS FUND**

BOARD OF EDUCATION  
MONROE TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2015

<u>Project Title/Issue</u>	<u>Original Date(s)</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Transfer</u>	<u>Unexpended Balance June 30, 2015</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Construction of a New High School	12/09/03 12/11/07	\$ <u>124,843,920.00</u>	\$ <u>122,053,492.66</u>	\$ <u>17,390.48</u>	\$ <u>2,500,000.00</u>	\$ <u>273,036.86</u>

**BOARD OF EDUCATION**  
**MONROE TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGE IN FUND BALANCE - BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<b>Revenues and Other Financing Sources</b>	
Interest on investments	\$ <u>1,302.26</u>
Total revenues	<u>1,302.26</u>
<b>Expenditures and Other Financing Uses</b>	
Supplies	\$ <u>17,390.48</u>
Total expenditures	<u>17,390.48</u>
Excess(deficiency) of revenues over (under) expenditures	\$ (16,088.22)
Other financing sources/(uses):	
Transfer in/(out):	
Interest to Debt Service Fund	(1,302.26)
Unexpended Bond Proceeds to Debt Service Fund-Budgeted	<u>(2,500,000.00)</u>
Net change in fund balance	\$ (2,517,390.48)
Fund balance, beginning	<u>2,790,427.34</u>
Fund balance, ending	<u><u>\$ 273,036.86</u></u>

**BOARD OF EDUCATION**  
**MONROE TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE**  
**AND PROJECT STATUS - BUDGETARY BASIS**  
**CONSTRUCTION OF A NEW HIGH SCHOOL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State sources - SCC Grant	\$ 15,244,628.00		\$ 15,244,628.00	\$ 15,244,628.00
Bond proceeds	109,599,000.00		109,599,000.00	109,599,000.00
Transfer from capital outlay	292.00		292.00	292.00
	<u>124,843,920.00</u>		<u>124,843,920.00</u>	<u>124,843,920.00</u>
<b>Total revenues</b>	<b>\$ 124,843,920.00</b>		<b>\$ 124,843,920.00</b>	<b>\$ 124,843,920.00</b>
<b>Expenditures and Other Financing Uses</b>				
Salaries	\$ 646,531.78		\$ 646,531.78	\$ 646,531.78
Purchased professional and technical services	10,686,419.98		10,686,419.98	10,686,419.98
Construction services	98,425,658.39		98,425,658.39	98,425,658.39
Equipment	472,870.07		472,870.07	472,870.07
Supplies	6,254,639.94	\$ 17,390.48	6,272,030.42	6,272,030.42
Other purchased services	67,372.50		67,372.50	67,372.50
	<u>116,553,492.66</u>	<u>17,390.48</u>	<u>116,570,883.14</u>	<u>116,570,883.14</u>
<b>Total expenditures</b>	<b>\$ 116,553,492.66</b>	<b>\$ 17,390.48</b>	<b>\$ 116,570,883.14</b>	<b>\$ 116,570,883.14</b>
Less: Transfer to Debt Service Fund as Budgeted Revenue	<u>5,500,000.00</u>	<u>2,500,000.00</u>	<u>8,000,000.00</u>	<u>8,000,000.00</u>
<b>Excess (deficiency) of revenues over/(under) expenditures</b>	<b>\$ 2,790,427.34</b>	<b>\$ (2,517,390.48)</b>	<b>\$ 273,036.86</b>	<b>\$ 273,036.86</b>

## Additional project information:

Project Number	3290-N01-03-1165
Grant Date	4/14/2004
Bond Authorization Date	12/9/2003 / 12/11/2007
Bonds Authorized	\$ 67,699,000.00
Bonds Issued	\$ 67,699,000.00
Original Authorized Cost	\$ 82,943,950.00
Additional Authorized Cost	\$ 41,900,000.00
Revised Authorized Cost	\$ 124,843,950.00

## Percentage Increase over Original

Authorized Cost	50.52%
Percentage completion	100.00%
Original target completion date	2009 - 2010
Revised target completion date	2011-2012 (School opened September 2011)

**FIDUCIARY FUNDS**

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**PAYROLL AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Balance July 1, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2015</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ <u>3,747.96</u>	\$ <u>68,539,390.62</u>	\$ <u>68,538,661.45</u>	\$ <u>4,477.13</u>
Total Assets	\$ <u><u>3,747.96</u></u>	\$ <u><u>68,539,390.62</u></u>	\$ <u><u>68,538,661.45</u></u>	\$ <u><u>4,477.13</u></u>
<b><u>LIABILITIES</u></b>				
Payroll Deductions and Withholdings	\$ 1,832.02	\$ 32,568,756.26	\$ 32,568,220.55	\$ 2,367.73
Net Pay	<u>1,915.94</u>	<u>35,970,634.36</u>	<u>35,970,440.90</u>	<u>2,109.40</u>
Total Liabilities	\$ <u><u>3,747.96</u></u>	\$ <u><u>68,539,390.62</u></u>	\$ <u><u>68,538,661.45</u></u>	\$ <u><u>4,477.13</u></u>

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**STUDENT ACTIVITY AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Balance July 1, <u>2014</u>	Cash Receipts	Cash Disbursements	Balance June 30, <u>2015</u>
Elementary Schools:				
Applegarth	\$ 1,366.66	\$ 7,041.45	\$ 5,721.87	\$ 2,686.24
Barclay Brook	27,936.61	9,064.07	9,075.26	27,925.42
Woodland	10,755.83	17,879.43	16,299.61	12,335.65
Mill Lake	12,349.60	13,759.89	14,227.23	11,882.26
Oaktree	3,953.18	4,082.87	6,057.56	1,978.49
Brookside	<u>25,151.26</u>	<u>27,151.05</u>	<u>25,001.59</u>	<u>27,300.72</u>
Total Elementary Schools	<u>81,513.14</u>	<u>78,978.76</u>	<u>76,383.12</u>	<u>84,108.78</u>
 Middle School	 <u>19,056.20</u>	 <u>179,809.07</u>	 <u>166,322.73</u>	 <u>32,542.54</u>
Total Middle School	<u>19,056.20</u>	<u>179,809.07</u>	<u>166,322.73</u>	<u>32,542.54</u>
 Senior High School				
High School	163,618.38	385,047.96	360,299.78	188,366.56
School Store	212.00	11,892.48	7,412.08	4,692.40
School Store Tax Account	<u>10.70</u>	<u>40.08</u>	<u>50.78</u>	<u></u>
Total Senior High School	<u>163,841.08</u>	<u>396,980.52</u>	<u>367,762.64</u>	<u>193,058.96</u>
Total All Schools	<u>\$ 264,410.42</u>	<u>\$ 655,768.35</u>	<u>\$ 610,468.49</u>	<u>\$ 309,710.28</u>

**NONCURRENT DEBT SCHEDULES**

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
NONCURRENT (LONG-TERM) DEBT  
SCHEDULE OF SERIAL BONDS  
AS OF JUNE 30, 2015**

Issue	Original		Annual Maturities		Interest Rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
	Date of Original Issue	Amount of Issue	Date	Amount					
Construction of a New High School	2/15/2004	\$ 67,699,000.00				\$ 1,130,000.00		\$ 1,130,000.00	
Construction of a New Elementary School	4/1/2006	26,800,000.00	4/1/2016	\$ 200,000.00	4.50%	26,100,000.00		25,900,000.00	\$ 200,000.00
Construction of a New High School	3/1/2008	41,900,000.00	3/1/2016	400,000.00	4.75%	41,475,000.00		39,825,000.00	1,650,000.00
			3/1/2017	550,000.00	4.75%				
			3/1/2018	700,000.00	4.75%				
Refunding School District Bonds, Series 2011 (2002)	3/15/2011	18,535,000.00	9/15/2015	2,625,000.00	4.00%	13,445,000.00		2,580,000.00	10,865,000.00
			9/15/2016	2,665,000.00	5.00%				
			9/15/2017	2,720,000.00	5.00%				
			9/15/2018	1,440,000.00	4.50%				
			9/15/2019	1,415,000.00	4.50%				
Refunding School District Bonds, Series 2012 (2004)	3/15/2012	62,175,000.00	8/1/2015	1,450,000.00	3.00%	61,600,000.00			\$ 61,600,000.00
			8/1/2016	1,715,000.00	4.00%				
			8/1/2017	2,035,000.00	4.00%				
			8/1/2018	3,665,000.00	4.00%				
			8/1/2019	4,050,000.00	4.00%				
			8/1/2020	4,675,000.00	4.00%				
			8/1/2021	4,720,000.00	4.00%				
			8/1/2022	4,925,000.00	4.00%				
			8/1/2023	5,135,000.00	4.00%				
			8/1/2024	5,355,000.00	4.00%				
			8/1/2025	5,615,000.00	5.00%				
			8/1/2026	5,920,000.00	5.00%				
			8/1/2027	6,175,000.00	3.25%				
			8/1/2028	6,165,000.00	5.00%				

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
NONCURRENT (LONG-TERM) DEBT  
SCHEDULE OF SERIAL BONDS  
AS OF JUNE 30, 2015**

Issue	Original		Annual Maturities		Interest Rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
	Date of Original Issue	Amount of Issue	Date	Amount					
Refunding School District Bonds, Series 2015	3/26/2015	\$ 62,600,000.00	3/1/2016	\$ 120,000.00	2.00%				
			3/1/2017	135,000.00	2.00%				
			3/1/2018	175,000.00	2.00%				
			3/1/2019	1,015,000.00	4.00%				
			3/1/2020	1,125,000.00	4.00%				
			3/1/2021	1,265,000.00	5.00%				
			3/1/2022	1,535,000.00	5.00%				
			3/1/2023	1,940,000.00	5.00%				
			3/1/2024	2,390,000.00	5.00%				
			3/1/2025	2,695,000.00	5.00%				
			3/1/2026	2,845,000.00	5.00%				
			3/1/2027	3,005,000.00	5.00%				
			3/1/2028	3,280,000.00	5.00%				
			3/1/2029	3,385,000.00	3.00%				
			3/1/2030	3,615,000.00	4.00%				
			3/1/2031	3,975,000.00	4.00%				
			3/1/2032	4,395,000.00	5.00%				
			3/1/2033	4,610,000.00	5.00%				
			3/1/2034	4,825,000.00	5.00%				
			3/1/2035	5,050,000.00	3.50%				
3/1/2036	5,205,000.00	5.00%							
3/1/2037	2,940,000.00	5.00%							
3/1/2038	3,075,000.00	5.00%							
						\$ 62,600,000.00		\$ 62,600,000.00	
<b>Total</b>						<u>\$ 143,750,000.00</u>	<u>\$ 62,600,000.00</u>	<u>\$ 69,435,000.00</u>	<u>\$ 136,915,000.00</u>

Budgeted	\$ 4,160,000.00
Refunded by Bond Proceeds	<u>65,275,000.00</u>
	<u>\$ 69,435,000.00</u>



BOARD OF EDUCATION  
TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 7,139,140.00	_____	\$ 7,139,140.00	\$ 7,139,140.00	_____
Total - Local Sources	<u>7,139,140.00</u>	_____	<u>7,139,140.00</u>	<u>7,139,140.00</u>	_____
State Sources:					
Debt Service Aid Type II	<u>682,635.00</u>	_____	<u>682,635.00</u>	<u>682,635.00</u>	_____
Total - State Sources	<u>682,635.00</u>	_____	<u>682,635.00</u>	<u>682,635.00</u>	_____
Total Revenues	\$ <u>7,821,775.00</u>	_____	\$ <u>7,821,775.00</u>	\$ <u>7,821,775.00</u>	_____
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	\$ 6,317,116.00	_____	\$ 6,317,116.00	\$ 6,317,112.50	\$ 3.50
Redemption of Principal	<u>4,160,000.00</u>	_____	<u>4,160,000.00</u>	<u>4,160,000.00</u>	_____
Total Regular Debt Service	<u>10,477,116.00</u>	_____	<u>10,477,116.00</u>	<u>10,477,112.50</u>	<u>3.50</u>
Total Expenditures	\$ <u>10,477,116.00</u>	_____	\$ <u>10,477,116.00</u>	\$ <u>10,477,112.50</u>	\$ <u>3.50</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ <u>(2,655,341.00)</u>	_____	\$ <u>(2,655,341.00)</u>	\$ <u>(2,655,337.50)</u>	\$ <u>3.50</u>
Other Financing Sources/(Uses):					
Transfers In/(Out) from Capital Projects Fund	_____	_____	_____	\$ <u>2,501,302.26</u>	\$ <u>2,501,302.26</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ <u>(2,655,341.00)</u>	_____	\$ <u>(2,655,341.00)</u>	\$ <u>(154,035.24)</u>	\$ <u>2,501,305.76</u>
Fund Balance, July 1	<u>155,341.01</u>	_____	<u>155,341.01</u>	<u>161,255.77</u>	<u>5,914.76</u>
Fund Balance, June 30	\$ <u>(2,499,999.99)</u>	_____	\$ <u>(2,499,999.99)</u>	\$ <u>7,220.53</u>	\$ <u>2,507,220.52</u>
Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures:					
Budgeted Fund Balance	<u>5,915.00</u>	_____	<u>5,915.00</u>	\$ <u>(154,035.24)</u>	\$ <u>159,950.24</u>

**STATISTICAL TABLES (SECTION)**  
**(UNAUDITED)**

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**INTRODUCTION TO STATISTICAL TABLES (SECTION)**  
**(UNAUDITED)**

<b><u>Contents</u></b>	<b><u>Exhibit</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 &amp; J-15</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>J-16 to J-20</b>

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.*

## **FINANCIAL TRENDS**

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**NET POSITION BY COMPONENT**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**  
*(accrual basis of accounting)*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 17,765,493	\$ 19,564,809	\$ 21,216,543	\$ 29,668,447	\$ 35,062,719	\$ 38,780,442	\$ 41,664,875	\$ 46,231,024	\$ 41,182,796	\$ 28,908,264
Restricted	6,965,165	9,839,203	13,358,632	12,023,313	8,251,199	7,910,720	7,865,714	6,052,847	5,364,491	1,262,848
Unrestricted	1,961,422	5,631,208	5,060,887	1,876,648						(21,191,010)
<b>Total governmental activities net assets</b>	<b>\$ 26,692,080</b>	<b>\$ 35,035,220</b>	<b>\$ 39,636,062</b>	<b>\$ 43,568,408</b>	<b>\$ 43,313,918</b>	<b>\$ 46,691,162</b>	<b>\$ 49,530,589</b>	<b>\$ 52,283,871</b>	<b>\$ 46,547,287</b>	<b>\$ 8,980,102</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 361,451	\$ 333,143	\$ 291,762	\$ 374,258	\$ 322,955	\$ 290,248	\$ 1,018,586	\$ 842,522	\$ 760,796	\$ 666,381
Unrestricted	273,115	288,125	322,403	368,150	450,957	497,005	601,889	409,419	610,224	707,121
<b>Total business-type activities net assets</b>	<b>\$ 634,566</b>	<b>\$ 621,268</b>	<b>\$ 614,165</b>	<b>\$ 742,408</b>	<b>\$ 773,912</b>	<b>\$ 787,253</b>	<b>\$ 1,620,474</b>	<b>\$ 1,251,941</b>	<b>\$ 1,371,020</b>	<b>\$ 1,373,502</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 18,126,944	\$ 19,897,952	\$ 21,508,305	\$ 30,042,705	\$ 35,385,674	\$ 39,070,690	\$ 42,683,461	\$ 47,073,546	\$ 41,943,592	\$ 29,574,645
Restricted	6,965,165	9,839,203	13,358,632	12,023,313	8,251,199	7,910,720	7,865,714	6,052,847	5,364,491	1,262,848
Unrestricted	2,234,537	5,919,333	5,383,290	2,244,798	450,957	497,005	601,889	409,419	610,224	(20,483,889)
<b>Total district net position</b>	<b>\$ 27,326,646</b>	<b>\$ 35,656,488</b>	<b>\$ 40,250,227</b>	<b>\$ 44,310,816</b>	<b>\$ 44,087,830</b>	<b>\$ 47,478,415</b>	<b>\$ 51,151,063</b>	<b>\$ 53,535,813</b>	<b>\$ 47,918,307</b>	<b>\$ 10,353,604</b>

Source: CAFR Exhibit A-1

Note: In 2015 the effective date of GASB 68 an adjustment was made for the provision of the net pension liability for PERS.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CHANGE IN NET POSITION**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**  
*(accrual basis of accounting)*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 28,016,957	\$ 33,502,507	\$ 35,313,525	\$ 40,457,548	\$ 40,075,560	\$ 39,308,035	\$ 40,454,836	\$ 42,812,412	\$ 41,295,090	\$ 45,821,193
Special education	5,582,652	6,702,436	7,068,824	8,056,984	9,305,789	9,806,064	11,328,099	12,697,364	13,584,230	15,169,574
Other special education	623,248	720,785	803,554	871,377	1,053,305	1,236,749	1,246,004	1,139,482	1,197,279	1,571,559
Other instruction	1,332,682	1,535,609	1,770,000	1,886,766	1,957,368	1,881,200	1,954,794	1,972,702	2,182,506	2,398,383
Support Services:										
Tuition	2,746,682	3,000,484	3,097,014	2,670,563	2,814,218	2,899,842	1,976,136	2,048,730	2,225,082	2,328,953
Student & instruction related services	7,002,402	7,649,768	7,637,715	8,891,527	10,904,766	11,000,114	11,369,266	12,683,728	12,933,932	14,944,019
School Administrative services	3,597,343	4,036,781	4,542,648	4,581,037	4,625,851	4,682,320	4,205,258	4,407,946	5,879,698	4,805,921
General administration	1,989,852	2,278,093	4,002,137	1,932,419	2,808,719	3,066,617	4,295,646	4,765,789	5,357,956	5,475,315
Central Services	638,506	666,859	746,120	1,059,627	826,103	707,282	842,382	844,703	-	-
Plant operations and maintenance	6,939,028	8,012,994	8,023,326	9,078,453	8,472,856	8,816,455	9,986,268	11,004,767	12,437,512	13,316,975
Administrative information technology	363,674	435,324	567,032	842,155	584,168	656,680	730,230	805,513	-	-
Pupil transportation	5,282,615	5,507,413	7,671,988	6,475,972	6,680,297	7,679,903	8,396,899	8,086,442	10,315,515	11,531,756
Special Schools	159,648	130,254	165,741	244,151	276,094	109,737	83,099	87,420	91,874	80,717
Interest on long-term debt	4,838,869	5,673,877	6,226,759	7,500,473	7,336,122	6,968,976	6,018,896	6,634,839	6,962,815	7,156,193
<b>Total governmental activities expenses</b>	<b>\$ 69,114,156</b>	<b>\$ 79,853,184</b>	<b>\$ 87,636,383</b>	<b>\$ 94,549,053</b>	<b>\$ 97,721,216</b>	<b>\$ 98,819,954</b>	<b>\$ 102,887,813</b>	<b>\$ 109,991,837</b>	<b>\$ 114,463,489</b>	<b>124,600,558</b>
<b>Business-type activities:</b>										
Food service	\$ 1,492,275	\$ 1,637,021	\$ 1,729,601	\$ 1,744,196	\$ 1,777,740	\$ 1,860,674	\$ 2,095,513	\$ 2,378,916	\$ 2,398,194	\$ 2,557,892
Child Care								316,581	316,940	415,013
<b>Total business-type activities expense</b>	<b>\$ 1,492,275</b>	<b>\$ 1,637,021</b>	<b>\$ 1,729,601</b>	<b>\$ 1,744,196</b>	<b>\$ 1,777,740</b>	<b>\$ 1,860,674</b>	<b>\$ 2,095,513</b>	<b>\$ 2,695,496</b>	<b>\$ 2,715,134</b>	<b>\$ 2,972,905</b>
<b>Total district expenses</b>	<b>\$ 70,606,432</b>	<b>\$ 81,490,205</b>	<b>\$ 89,365,984</b>	<b>\$ 96,293,249</b>	<b>\$ 99,498,956</b>	<b>\$ 100,680,628</b>	<b>\$ 104,983,326</b>	<b>\$ 112,687,333</b>	<b>\$ 117,178,623</b>	<b>\$ 127,573,463</b>

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CHANGE IN NET POSITION**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**  
*(accrual basis of accounting)*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Pupil transportation	\$ 187,879	\$ 219,247	\$ 187,026	\$ 196,579	\$ 204,062	\$ 211,277	\$ 249,993	\$ 298,524	\$ 340,594	\$ 194,932
Special schools	54,389	59,138	65,374	68,909	94,496	-	-	-	-	-
Operating grants and contributions	1,575,026	1,504,539	2,565,158	2,079,541	2,313,507	2,763,847	2,293,254	1,926,231	1,845,740	1,990,860
<b>Total governmental activities program revenues</b>	<b>1,817,293</b>	<b>1,782,924</b>	<b>2,817,558</b>	<b>2,345,029</b>	<b>2,612,065</b>	<b>2,975,124</b>	<b>2,543,247</b>	<b>2,224,755</b>	<b>2,186,334</b>	<b>2,185,792</b>
Business-type activities:										
Charges for services:										
Food service	\$ 1,263,217	\$ 1,357,072	\$ 1,422,785	\$ 1,398,331	\$ 1,432,346	\$ 1,521,277	\$ 1,756,731	\$ 1,821,472	\$ 1,954,294	\$ 2,027,559
Child care	-	-	-	-	-	-	-	101,518	391,940	416,142
Operating grants and contributions	247,372	266,651	299,714	337,788	373,969	349,209	411,470	478,515	490,730	513,868
<b>Total business type activities program revenues</b>	<b>1,510,589</b>	<b>1,623,722</b>	<b>1,722,499</b>	<b>1,736,119</b>	<b>1,806,315</b>	<b>1,870,486</b>	<b>2,168,201</b>	<b>2,401,506</b>	<b>2,836,964</b>	<b>2,957,569</b>
<b>Total district program revenues</b>	<b>\$ 3,327,883</b>	<b>\$ 3,406,646</b>	<b>\$ 4,540,057</b>	<b>\$ 4,081,148</b>	<b>\$ 4,418,380</b>	<b>\$ 4,845,610</b>	<b>\$ 4,711,448</b>	<b>\$ 4,626,261</b>	<b>\$ 5,023,298</b>	<b>\$ 5,143,361</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (67,296,863)	\$ (78,070,260)	\$ (84,818,825)	\$ (92,204,025)	\$ (95,109,151)	\$ (95,844,829)	\$ (100,344,566)	\$ (107,271,118)	\$ (112,277,154)	\$ (122,414,765)
Business-type activities	18,314	(13,299)	(7,102)	(8,077)	28,575	9,812	72,688	(293,991)	121,831	(15,336)
<b>Total district-wide net expense</b>	<b>\$ (67,278,549)</b>	<b>\$ (78,083,559)</b>	<b>\$ (84,825,927)</b>	<b>\$ (92,212,102)</b>	<b>\$ (95,080,576)</b>	<b>\$ (95,835,017)</b>	<b>\$ (100,271,878)</b>	<b>\$ (107,565,109)</b>	<b>\$ (112,155,323)</b>	<b>\$ (122,430,101)</b>
<b>General Revenues and Other Change in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 53,149,637	\$ 61,844,803	\$ 67,088,252	\$ 70,254,233	\$ 73,791,326	\$ 79,074,528	\$ 80,061,747	\$ 82,177,667	\$ 85,818,172	\$ 88,859,549
Taxes levied for debt service	5,291,960	6,345,203	4,489,648	4,754,318	5,303,802	8,125,967	9,643,475	7,572,846	5,875,093	7,139,140
Unrestricted grants and contributions	7,647,629	9,790,362	10,334,294	9,254,901	8,318,307	6,467,980	8,686,480	11,137,374	10,256,344	20,473,958
Restricted grants	689,110	(85,660)	192,324	6,642,167	3,895,283	1,786,926	-	-	11,200	-
Tuition Received	2,877,441	2,909,595	2,666,269	2,944,125	3,185,279	3,264,403	3,300,719	3,754,670	4,070,009	3,815,697
Investment earnings	3,313,977	5,287,111	4,448,574	1,846,823	203,080	59,075	13,367	9,291	15,129	10,507
Miscellaneous income	238,706	195,178	311,941	514,520	337,537	559,909	759,111	438,887	603,384	526,878
Transfers	312,295	126,808	(111,636)	61,604	(179,953)	(116,714)	(504,704)	(746,570)	(108,761)	60,671
<b>Total governmental activities</b>	<b>\$ 73,520,755</b>	<b>\$ 86,413,400</b>	<b>\$ 89,419,666</b>	<b>\$ 96,272,691</b>	<b>\$ 94,854,661</b>	<b>\$ 99,222,074</b>	<b>\$ 101,960,194</b>	<b>\$ 104,344,165</b>	<b>\$ 106,540,571</b>	<b>\$ 120,886,400</b>

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CHANGE IN NET POSITION**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**  
*(accrual basis of accounting)*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Position</b>										
<b>(Continued)</b>										
Business-type activities:										
Investment earnings					\$ 2,929	\$ 3,529	\$ 533	\$ 4,307	\$ 267	\$ 718
Transfers							760,000	(78,849)	(3,020)	17,100
Total business-type activities	-	-	-	-	2,929	3,529	760,533	(74,542)	(2,753)	17,818
Total district-wide	<u>\$ 73,520,755</u>	<u>\$ 86,413,400</u>	<u>\$ 89,419,666</u>	<u>\$ 96,272,691</u>	<u>\$ 94,857,590</u>	<u>\$ 99,225,603</u>	<u>\$ 102,720,727</u>	<u>\$ 104,269,623</u>	<u>\$ 106,537,818</u>	<u>\$ 120,904,218</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 6,223,892	\$ 8,343,140	\$ 4,600,841	\$ 4,068,666	\$ (254,490)	\$ 3,377,245	\$ 1,615,629	\$ (2,926,953)	\$ (5,736,583)	\$ (1,528,365)
Business-type activities	18,314	(13,299)	(7,102)	(8,077)	31,504	13,341	833,221	(368,533)	119,078	2,482
Total district	<u>\$ 6,242,206</u>	<u>\$ 8,329,841</u>	<u>\$ 4,593,739</u>	<u>\$ 4,060,589</u>	<u>\$ (222,986)</u>	<u>\$ 3,390,586</u>	<u>\$ 2,448,849</u>	<u>\$ (3,295,486)</u>	<u>\$ (5,617,505)</u>	<u>\$ (1,525,883)</u>

Source: CAFR Exhibit A-2

Note: 2015 includes pension expenses in accordance with GASB 68 related to pension liabilities (TPAF and PERS). Amounts from years prior to 2015 are not available.

**TOWNSHIP OF MONROE  
COUNTY OF MIDDLESEX  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN (10) FISCAL YEARS  
(UNAUDITED)  
(modified accrual basis of accounting)**

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 6,965,165	\$ 9,839,203	\$ 13,358,632	\$ 12,023,313	\$ 9,766,871	\$ 10,411,196	\$ 9,755,263	\$ 8,879,428	\$ 8,654,825	\$ 1,689,075
Unreserved	1,204,370	1,347,996	1,439,641	1,596,911	1,889,089	1,702,473	1,817,610	1,850,674	1,882,627	9,887,036
<b>Total general fund</b>	<b>\$ 8,169,535</b>	<b>\$ 11,187,199</b>	<b>\$ 14,798,273</b>	<b>\$ 13,620,224</b>	<b>\$ 11,655,960</b>	<b>\$ 12,113,669</b>	<b>\$ 11,572,873</b>	<b>\$ 10,730,102</b>	<b>\$ 10,537,452</b>	<b>\$ 11,576,111</b>
All Other Governmental Funds										
Reserved	\$ 1,852,618	\$ 21,824,014	\$ 97,182,136	\$ 43,063,364	\$ 12,490,687	\$ 4,043,161	\$ 886,343	\$ 2,704,629	\$ 2,656,425	\$ 5,915
Unreserved, reported in:										
Capital projects fund	103,792,299	79,409,050	22,926,414	20,902,806	18,985,477	12,728,293	8,029,674	4,023,375	289,343	273,037
Debt service fund	3,748,472	7,216,932	8,297,627	5,255,448	1,717,698	186,344	220,522	155,341	5,915	1,306
<b>Total all other governmental funds</b>	<b>\$ 109,393,389</b>	<b>\$ 108,449,995</b>	<b>\$ 128,406,177</b>	<b>\$ 69,221,618</b>	<b>\$ 33,193,862</b>	<b>\$ 16,957,799</b>	<b>\$ 9,136,539</b>	<b>\$ 6,883,345</b>	<b>\$ 2,951,683</b>	<b>\$ 280,258</b>

Source: CAFR Schedule B-1

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Tax levy	\$ 58,441,597	\$ 68,190,006	\$ 71,577,900	\$ 75,008,551	\$ 79,095,128	\$ 87,200,495	\$ 89,705,222	\$ 89,750,513	\$ 91,693,265	\$ 95,998,689
Tuition charges	2,877,441	2,909,595	2,666,268	2,944,125	3,185,279	3,264,403	3,300,719	3,754,670	4,070,009	3,815,697
Transportation charges	187,879	219,247	187,026	196,579	204,062	211,277	249,993	298,524	340,594	194,932
Interest earnings	2,854,204	4,494,122	3,677,402	1,586,284	203,080	35,734	8,801	4,115	5,939	1,302
Miscellaneous	782,368	1,048,304	1,148,487	850,152	432,034	571,552	765,303	439,887	612,575	536,084
State sources	8,271,536	10,351,235	11,647,958	10,053,283	9,120,837	7,132,835	9,174,943	11,751,973	10,895,462	12,213,339
Federal sources	921,619	942,666	1,251,495	1,269,225	1,537,161	2,098,992	1,803,166	1,310,632	1,217,822	1,359,084
<b>Total revenue</b>	<b>74,336,644</b>	<b>88,155,175</b>	<b>92,156,536</b>	<b>91,908,199</b>	<b>93,777,581</b>	<b>100,515,288</b>	<b>105,008,147</b>	<b>107,310,315</b>	<b>108,835,666</b>	<b>114,119,127</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	21,820,409	25,387,317	26,623,411	30,311,043	30,234,530	28,622,598	29,318,906	29,158,065	28,592,390	29,950,989
Special education instruction	4,264,025	4,997,165	5,184,609	6,092,150	6,828,472	7,061,676	8,087,176	8,629,252	9,310,546	9,732,304
Other special instruction	472,363	536,566	574,344	723,772	772,902	890,625	889,527	774,403	820,608	1,008,261
Other instruction	1,014,085	1,179,021	1,328,377	1,396,509	1,436,292	1,354,715	1,395,536	1,491,099	1,495,876	1,538,724
<b>Support Services:</b>										
Tuition	2,746,682	3,000,484	3,097,014	2,670,563	2,814,218	2,899,842	1,976,136	2,048,730	2,225,082	2,328,953
Student & inst. related services	5,347,313	5,721,466	6,672,138	7,719,969	8,001,782	8,149,641	8,351,871	8,619,985	8,949,537	9,587,595
General administration	1,272,378	1,418,460	1,628,225	2,880,625	2,712,150	2,717,712	3,002,151	2,995,683	4,029,908	3,104,418
School administrative services	2,754,127	3,001,457	3,287,854	3,185,073	3,394,392	3,371,896	3,668,059	3,812,945	3,672,309	3,512,783
Central services	638,506	666,859	746,120	796,712	826,103	707,282	842,382			
Admin. information technology	363,674	435,324	567,032	633,199	584,168	656,660	730,230			
Plant operations and maintenance	5,301,950	5,983,282	6,036,935	5,186,721	5,279,398	5,501,310	6,120,121	8,026,382	8,524,592	8,543,736
Pupil transportation	4,287,458	4,398,558	5,954,039	5,288,924	5,260,571	5,572,723	6,035,620	5,699,102	7,122,557	7,447,418
Other Support Services										
Employee benefits	12,510,332	16,184,750	16,936,644	18,338,196	20,374,110	22,875,554	24,091,815	27,261,510	27,094,314	26,983,473
Special Schools	117,762	96,505	105,654	170,691	202,595	79,025	59,325	59,411	62,969	51,785
Capital outlay	4,394,052	5,815,862	26,381,066	57,325,622	33,235,678	15,347,346	8,661,667	1,999,680	2,121,141	2,477,229
<b>Debt service:</b>										
Principal	2,042,913	2,310,581	2,588,248	2,795,917	3,014,919	3,318,921	3,651,589	4,145,591	3,770,927	4,160,000
Interest and other charges	4,512,451	5,615,288	5,510,670	7,377,097	7,278,717	7,130,119	6,654,946	5,984,416	6,462,507	6,317,112
<b>Total expenditures</b>	<b>73,860,481</b>	<b>86,748,945</b>	<b>113,222,380</b>	<b>152,892,784</b>	<b>132,250,997</b>	<b>116,257,645</b>	<b>113,537,056</b>	<b>110,706,253</b>	<b>114,255,263</b>	<b>116,744,780</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>476,163</b>	<b>1,406,231</b>	<b>(21,065,844)</b>	<b>(60,984,586)</b>	<b>(38,473,416)</b>	<b>(15,742,357)</b>	<b>(8,528,909)</b>	<b>(3,395,938)</b>	<b>(5,419,597)</b>	<b>(2,625,653)</b>

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing	\$ 26,800,000		\$ 41,900,000							
Appropriation of Prior Year State Aid						\$ (231,076)		\$ (30)		
Capital leases (non-budgeted)	1,089,936	\$ 668,039	2,733,100	\$ 662,698	\$ 481,396	184,145	\$ 166,091	300,000	\$ 1,295,285	\$ 1,092,886
Proceeds from refunding	-					11,699				
Payments to escrow agent	-									
Transfers in	-									
Transfers out	-			(40,722)						
<b>Total other financing sources (uses)</b>	<u>27,889,936</u>	<u>668,039</u>	<u>44,633,100</u>	<u>621,976</u>	<u>481,396</u>	<u>(35,232)</u>	<u>166,091</u>	<u>299,970</u>	<u>1,295,285</u>	<u>1,092,886</u>
<b>Net change in fund balances</b>	<u>\$ 28,366,099</u>	<u>\$ 2,074,270</u>	<u>\$ 23,567,256</u>	<u>\$ (60,362,610)</u>	<u>\$ (37,992,020)</u>	<u>\$ (15,777,589)</u>	<u>\$ (8,362,817)</u>	<u>\$ (3,095,968)</u>	<u>\$ (4,124,312)</u>	<u>\$ (1,532,767)</u>
<b>Debt service as a percentage of noncapital expenditures</b>	9.44%	9.79%	9.33%	10.64%	10.40%	10.35%	9.83%	9.32%	9.13%	9.17%

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.  
Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.  
Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**  
*(modified accrual basis of accounting)*

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2006	\$ 459,773	\$ 293,095	\$ 752,868
2007	792,988	254,316	1,047,304
2008	771,172	377,315	1,148,487
2009	262,939	575,279	838,218
2010	63,526	422,387	485,913
2011	35,734	571,552	607,286
2012	8,801	763,677	772,478
2013	5,175	433,712	438,887
2014	9,219	603,384	612,603
2015	4,464	531,620	536,084

Source: District records

## **REVENUE CAPACITY**

**TOWNSHIP OF MONROE SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2006	204,781,400	2,629,132,000	31,061,600	4,183,500	260,010,900	211,758,800	29,159,300	3,370,087,500	117,972,200	5,160,159	3,493,219,859	5,990,854,915	1.877
2007	177,657,500	2,850,401,400	30,909,000	3,944,000	260,951,400	198,931,000	29,159,300	3,551,953,600	120,137,700	4,651,085	3,676,742,385	7,342,132,037	1.965
2008	152,463,100	2,913,669,300	31,458,000	3,746,300	276,162,300	198,178,200	29,159,300	3,604,836,500	127,678,300	4,621,929	3,737,136,729	7,777,325,718	2.031
2009	130,459,900	3,019,488,800	34,860,900	3,673,200	319,083,000	197,669,200	29,159,300	3,734,394,300	129,599,900	4,934,373	3,868,928,573	9,188,101,958	2.061
2010	102,760,000	3,065,877,200	33,575,800	3,744,500	313,467,900	195,152,000	37,972,300	3,752,549,700	131,293,100	5,739,066	3,889,581,866	7,865,019,985	2.213
2011	107,668,500	3,009,765,100	33,155,200	3,491,300	285,093,200	204,423,900	37,972,300	3,681,569,500	136,280,700	5,533,590	3,823,383,790	6,957,329,654	2.399
2012	89,231,504	2,985,402,625	33,116,500	3,498,900	263,908,300	206,613,100	21,911,500	3,603,682,429	177,362,400	5,274,912	3,786,319,741	6,975,769,317	2.486
2013	89,714,800	3,020,005,205	34,127,200	3,461,400	245,767,236	192,150,800	21,911,500	3,607,138,141	181,458,000	4,970,634	3,793,566,775	6,989,065,251	2.511
2014	226,074,400	5,614,354,700	67,333,600	3,268,700	580,187,900	448,243,700	36,224,800	6,975,687,800	301,971,500	9,590,058	7,287,249,358	6,719,653,264	1.344
2015	261,081,900	5,765,927,000	67,016,700	2,934,800	548,020,200	447,836,200	36,224,800	7,129,041,600	304,849,900	9,095,172	7,442,986,672	7,373,011,854	1.389

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests the Municipality to do so.

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100 of assessed valuation

c Revaluation effective for 2014

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**  
*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	Township of Monroe School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate <sup>c</sup>	Municipality of Monroe	County of Middlesex	
2006	1.700	0.177	1.877	0.583	0.530	2.990
2007	1.813	0.152	1.965	0.579	0.586	3.130
2008	1.904	0.127	2.031	0.648	0.615	3.294
2009	1.926	0.135	2.061	0.649	0.658	3.368
2010	2.065	0.148	2.213	0.684	0.613	3.510
2011	2.141	0.258	2.399	0.697	0.600	3.696
2012	2.275	0.211	2.486	0.933	0.672	4.091
2013	2.350	0.161	2.511	0.919	0.695	4.125
2014	1.244	0.100	1.344	0.505	0.371	2.220
2015	1.255	0.134	1.389	0.506	0.410	2.305

Source: Municipal Tax Collector

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

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b** Rates for debt service are based on each year's requirements.
- c** Tax rates are per \$100 of assessed valuation.
- d** Revaluation effective for 2014

**TOWNSHIP OF MONROE SCHOOL DISTRICT  
 COUNTY OF MIDDLESEX  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND TEN YEARS AGO  
 (UNAUDITED)**

	2015				2006		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Costco Wholesale Corporation	\$ 120,000,000	1	1.68%	Costco Wholesale Group	\$ 59,681,100	1	1.77%
Centerpoint Barnes LLC	82,871,200	2	1.16%	CP Commercial Properties	37,956,400	2	1.13%
Noble House of NJ	55,990,300	3	0.79%	Monroe Village	22,238,600	3	0.66%
Presbyterian Homes at Monroe	35,304,200	4	0.50%	EJC	16,966,900	4	0.50%
Toll NJ II LP	33,935,700	5	0.48%	Rhodia Inc.	13,445,000	5	0.40%
EJC 24 Engelhard LLC	28,392,800	6	0.40%	Prologis	13,279,200	6	0.39%
Stratford Developers LLC	26,925,200	7	0.38%	Mutual #2 of New Jersey	11,893,600	7	0.35%
Concordia Holding LLC	23,987,200	8	0.34%	Principal Life	10,540,200	8	0.31%
Prologis	21,084,400	9	0.30%	Monroe Manor Inc.	23,168,100	9	0.69%
K. Hovanian at Monroe	20,448,000	10	0.29%	Stratford Developers LLC	13,231,500	10	0.39%
<b>Total</b>	<b>\$ 448,939,000</b>		<b>6.30%</b>		<b>\$ 222,400,600</b>		<b>6.60%</b>
<b>Total Assessed Value</b>	<b>\$ 7,129,041,600</b>			<b>Total Assessed Value</b>	<b>\$ 3,370,087,500</b>		

Source: Municipal Tax Assessor  
 Revaluation effective for 2014

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**SCHOOL TAX LEVIES AND COLLECTIONS**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

<u>Fiscal Year Ended June 30,</u>	<u>School Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy<sup>a</sup></u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2006	\$ 58,441,597	\$ 58,441,597	100.00%	-
2007	68,190,006	68,190,006	100.00%	-
2008	71,577,900	71,577,900	100.00%	-
2009	75,008,551	75,008,551	100.00%	-
2010	79,095,128	79,095,128	100.00%	-
2011	87,200,495	87,200,495	100.00%	-
2012	89,705,222	89,705,222	100.00%	-
2013	89,750,513	89,750,513	100.00%	-
2014	91,693,265	91,693,265	100.00%	-
2015	95,998,689	95,998,689	100.00%	-

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

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

## **DEBT CAPACITY**

**TOWNSHIP OF MONROE SCHOOL DISTRICT  
 COUNTY OF MIDDLESEX  
 RATIOS OF OUTSTANDING DEBT BY TYPE  
 LAST TEN (10) FISCAL YEARS  
 (UNAUDITED)**

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total District</u>	Percentage of Personal Income <sup>a</sup>	<u>Per Capita <sup>a</sup></u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>	<u>Capital Leases</u>				
2006	\$ 129,230,690	\$ 1,881,232	\$ -	\$ -	131,111,922	12.76%	3,573
2007	126,920,110	1,621,851	-	-	128,541,961	12.51%	3,504
2008	166,231,861	4,311,183	-	-	170,543,044	16.61%	4,648
2009	163,435,945	3,676,351	-	-	167,112,296	16.27%	4,555
2010	160,421,026	2,637,654	-	-	163,058,680	15.90%	4,453
2011	155,992,106	1,826,021	-	-	157,818,127	8.51%	4,301
2012	151,666,517	1,087,333	-	-	152,753,850	8.23%	3,903
2013	147,520,927	819,345	-	-	148,340,272	8.98%	3,770
2014	143,750,000	1,777,221	-	-	145,527,221	8.91%	3,761
2015	136,915,000	2,406,646	-	-	139,321,646	8.45%	3,560

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

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

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 129,230,690	\$ -	\$ 129,230,690	3.69%	\$ 3,573
2007	126,920,110	-	126,920,110	3.45%	3,504
2008	166,231,861	-	166,231,861	4.44%	4,648
2009	163,435,945	-	163,435,945	4.22%	4,555
2010	160,421,026	-	160,421,026	4.14%	4,453
2011	155,992,106	-	155,992,106	4.07%	4,301
2012	151,666,517	-	151,666,517	4.00%	3,875
2013	147,520,927	-	147,520,927	3.88%	3,770
2014	143,750,000	-	143,750,000	1.97%	3,673
2015	136,915,000	-	136,915,000	1.84%	3,498

**Notes:**

- Details regarding the district's outstanding debt can be found in the notes to the financial statements.
- a** See Exhibit J-6 for property tax data.
- b** Population data can be found in Exhibit J-14.

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Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2015**  
**(UNAUDITED)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Monroe, Net	\$ 60,995,153	100.000%	\$ 60,995,153
County of Middlesex, Net	599,893,259	7.5115%	<u>45,060,982</u>
Subtotal, overlapping debt			\$ 106,056,135
<b>Township of Monroe District Direct Debt -</b>			
Bonds Issued and Outstanding	\$ 136,915,000		
Bonds and Notes Authorized but not Issued	None		\$ <u>136,915,000</u>
<b>Total direct and overlapping debt</b>			<b>\$ <u><u>242,971,135</u></u></b>

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

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Monroe Township. 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.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

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

	Equalized valuation basis
	2014 \$ 7,199,037,977
	2013 6,661,381,608
	2012 <u>6,628,071,416</u>
	<u>\$ 20,488,491,001</u>
	Average equalized valuation of taxable property \$ 6,829,497,000
	Debt limit (4 % of average equalization value) 273,179,880 <sup>a</sup>
	Total Net Debt Applicable to Limit <u>136,915,000</u>
	Legal debt margin <u>\$ 136,264,880</u>

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 227,613,709	\$ 267,978,625	\$ 301,715,239	\$ 301,715,239	\$ 313,154,899	\$ 305,591,336	\$ 293,516,283	\$ 277,745,152	\$ 272,213,213	\$ 273,179,880
Total net debt applicable to limit	<u>144,399,125</u>	<u>142,088,545</u>	<u>181,400,296</u>	<u>177,079,924</u>	<u>169,491,617</u>	<u>158,964,844</u>	<u>154,639,255</u>	<u>147,520,927</u>	<u>143,750,000</u>	<u>136,915,000</u>
Legal debt margin	<u>\$ 83,214,584</u>	<u>\$ 125,890,080</u>	<u>\$ 120,314,943</u>	<u>\$ 124,635,315</u>	<u>\$ 143,663,282</u>	<u>\$ 146,626,492</u>	<u>\$ 138,877,028</u>	<u>\$ 130,224,225</u>	<u>\$ 128,463,213</u>	<u>\$ 136,264,880</u>
Total net debt applicable to the limit as a percentage of debt limit	63.44%	53.02%	60.12%	58.69%	54.12%	52.02%	52.69%	53.11%	52.81%	50.11%

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

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2006	27,999	\$ 889,584,228	\$ 31,772	5.30%
2007	27,999	889,584,228	31,772	4.70%
2008	27,999	889,584,228	31,772	4.70%
2009	27,999	889,584,228	31,772	6.30%
2010	27,999	889,584,228	31,772	10.40%
2011	39,132	1,641,939,588	41,959	11.10%
2012	39,132	1,641,939,588	41,959	9.80%
2013	39,132	1,641,939,588	41,959	10.20%
2014	39,132	1,641,939,588	41,959	8.70%
2015	39,132	1,641,939,588	41,959	6.50%

**Source:**

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

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

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census for 2006 to 2010 and the 2010 Census for 2011 to 2015 by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development Annual Average Prior December 31.



## **OPERATING INFORMATION**

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	337	377	434	490	478	462	460	462	462	461
Special education	147	156	166	172	176	170	174	176	174	175
Other special education	2	2	2	2	2	2	2	2	2	2
Support Services:										
Student & instruction related services	51	52	52	53	55	54	58	58	58	61
General administration	1	1	1	1	1	1	1	1	1	1
School administrative services	14	14	14	16	16	16	16	16	15	16
Other administrative services	37	37	38	40	38	37	37	37	35	35
Central services	9	9	9	9	9	9	10	10	10	11
Administrative Information Technology	8	8	10	11	10	13	14	14	14	12
Plant operations and maintenance	52	60	60	66	65	74	69	70	70	70
Pupil transportation	37	41	43	50	65	57	52	52	54	52
Total	<u>695</u>	<u>757</u>	<u>829</u>	<u>910</u>	<u>915</u>	<u>895</u>	<u>893</u>	<u>898</u>	<u>895</u>	<u>896</u>

Source: District Personnel Records

**TOWNSHIP OF MONROE SCHOOL DISTRICT  
 COUNTY OF MIDDLESEX  
 OPERATING STATISTICS  
 LAST TEN (10) FISCAL YEARS  
 (UNAUDITED)**

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Attendance			
						Elementary	Middle School	High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2006	4,651	62,911,065	13,526	5.83%	489.00	1:23	1:28	1:26	4671.0	4,578	6.95%	98.00%
2007	4,922	73,007,214	14,833	9.66%	512.00	1:23	1:28	1:26	4937.0	4,838	5.69%	98.00%
2008	5,125	78,742,396	15,364	3.58%	532.00	1:23	1:28	1:26	5137.0	4,882	4.05%	95.04%
2009	5,398	85,394,148	15,820	2.96%	560.00	1:23	1:28	1:26	5381.0	5,137	4.75%	95.47%
2010	5,554	88,721,683	15,974	0.98%	566.00	1:23	1:28	1:26	5505.0	5,264	2.30%	95.62%
2011	5,685	90,461,721	15,912	-0.39%	555.00	1:23	1:28	1:26	5661.0	5,389	2.83%	95.20%
2012	5,893	94,568,854	16,048	0.85%	555.00	1:23	1:28	1:26	5867.0	5,606	3.64%	95.55%
2013	6,079	98,576,566	16,216	1.05%	574.00	1:23	1:28	1:26	6032.0	5,760	2.81%	95.49%
2014	6,143	101,900,688	16,588	2.30%	562.00	1:23	1:30	1:26	6137.0	5,876	1.74%	95.75%
2015	6,310	103,790,440	16,449	-0.84%	579.00	1:23	1:30	1:26	6334.0	6,040	3.21%	95.36%

Sources: District records

Note: Enrollment based on annual October district count as related in the Application for State School Aid (ASSA).

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Cost per pupil calculated by dividing operating expenditures by enrollment; not intended to represent the statutory calculation of cost per pupil.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**SCHOOL BUILDING INFORMATION**  
**LAST NINE (9) FISCAL YEARS**  
**(UNAUDITED)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>District Building</b>									
<b>Elementary</b>									
<b>Applegarth</b>									
Square Feet							63,251	57,831	57,831
Capacity (students)							681.24	681.24	681.24
Enrollment							286	349	360
<b>Barclay Brook</b>									
Square Feet	59,237	59,237	59,237	59,237	59,237	59,237	59,237	59,237	59,237
Capacity (students)	466.41	466.41	466.41	466.41	466.41	466.41	466.41	466.41	466.41
Enrollment	695	718	510	525	480	436	424	397	370
<b>Brookside</b>									
Square Feet	73,802	73,802	73,802	73,802	73,802	73,802	59,406	59,406	59,406
Capacity (students)	862.45	862.45	862.45	862.45	862.45	862.45	456.00	456.00	456.00
Enrollment	932	967	687	669	680	528	540	478	465
<b>Woodland</b>									
Square Feet	55,368	55,368	55,368	55,368	55,368	55,368	55,368	55,368	55,368
Capacity (students)	420.00	420.00	420.00	420.00	420.00	420.00	420.00	420.00	420.00
Enrollment	490	486	505	514	512	520	521	496	455
<b>Mill Lake</b>									
Square Feet	73,075	73,075	73,075	73,075	73,075	73,075	73,075	73,075	73,075
Capacity (students)	554.20	554.20	554.20	554.20	554.20	554.20	554.20	554.20	554.20
Enrollment	688	674	658	670	658	431	421	387	387
<b>Oak Tree</b>									
Square Feet			81,750	81,750	81,750	81,750	81,750	81,750	81,750
Capacity (students)			599.00	599.00	599.00	599.00	599.00	599.00	599.00
Enrollment			664	741	823	808	583	619	704
<b>Middle School</b>									
Square Feet	62,351	62,351	62,351	62,351	62,351	199,068	199,068	199,068	199,068
Capacity (students)	681.24	681.24	681.24	681.24	681.24	1,260.00	1,260.00	1,260.00	1,260.00
Enrollment	672	767	805	799	861	1,386	1,382	1,455	1,527
<b>High School</b>									
<b>Monroe High School</b>									
Square Feet	199,068	199,068	199,068	199,068	199,068	382,699	382,699	382,699	382,699
Capacity (students)	1,337.90	1,337.90	1,337.90	1,337.90	1,337.90	1,800.00	1,800.00	1,800.00	1,800.00
Enrollment	1,460	1,525	1,552	1,587	1,647	1,758	1,875	1,956	2,067

Number of Buildings at June 30, 2015

Elementary Schools = 6

Middle School = 1

High School = 1

Source: District Facilities Office

Note: Enrollment is based on the average daily enrollment (ADE).

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**SCHEDULE OF REQUIRED MAINTENANCE**  
**FOR SCHOOL FACILITIES**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

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

* School Facilities		Barclay Brook	Brookside	Woodland	Mill Lake	Applegarth	Monroe M.S.	Oak Tree	MTHS	Total
Year	Project # (s)									
2006	N/A	\$ 350,749	\$ 119,987	\$ 114,224	\$ 105,396	\$ 152,320	\$ 574,049	N/A	-	\$ 1,416,725
2007	N/A	404,719	225,661	127,671	117,161	240,985	649,257	N/A	-	1,765,454
2008	N/A	384,001	210,241	133,053	107,988	241,744	498,127	N/A	-	1,575,154
2009	N/A	399,205	119,620	131,508	94,780	149,555	398,239	\$ 165,452	-	1,458,359
2010	N/A	347,938	123,254	144,051	96,675	112,039	368,643	143,261	-	1,335,861
2011	N/A	324,209	107,664	148,375	103,955	135,677	413,838	163,123	-	1,396,841
2012	N/A	307,058	79,263	111,777	83,144	130,369	275,560	133,636	\$ 550,837	1,671,644
2013	N/A	102,313	127,470	95,631	126,214	107,692	343,827	141,197	660,991	1,705,335
2014	N/A	90,882	112,480	84,946	112,113	95,660	305,413	125,422	587,142	1,514,058
2015	N/A	94,297	117,482	88,138	116,325	99,254	316,887	130,134	609,198	1,571,715
<b>Total School Facilities</b>		<b>\$ 2,805,371</b>	<b>\$ 1,343,122</b>	<b>\$ 1,179,374</b>	<b>\$ 1,063,751</b>	<b>\$ 1,465,295</b>	<b>\$ 4,143,840</b>	<b>\$ 1,002,225</b>	<b>\$ 2,408,168</b>	<b>\$ 15,411,146</b>

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

Source: District records

**BOARD OF EDUCATION**  
**MONROE TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2015**  
**UNAUDITED**

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
<b>MULTI PERIL PACKAGE POLICY</b>		
Property		
Blanket Building and Contents	\$ 229,520,971	\$ 10,000
Equipment Breakdown (boiler & machinery)	100,000,000	10,000
Extra Expense	50,000,000	10,000
Liability		
Bodily Injury & Property Damage:		
Each Occurrence	31,000,000	
Aggregate	31,000,000	
Fire Damage	1,000,000	
Medical Expense	10,000	
Employee Benefit Programs:		
Each Occurrence	1,000,000	
Environmental Liability (Pollution Liability)	1,000,000	(Various)
Cyber Liability (Privacy/Network/Internet)	1,000,000	(Various)
Crime		
Employee Dishonesty/Faithful Performance	100,000	500
Forgery & Alteration	100,000	500
Computer Fraud	100,000	500
Money & Securities	25,000	500
Money Orders/Counterfeit Paper Currency	25,000	500
Inland Marine - Misc. Articles Floater		
Cameras	50,000	1,000.00
Musical Instruments	500,000	1,000.00
Mobile Equipment	500,000	1,000.00
Electronic Data Hardware/Software/ Extra Expense	1,500,000	1,000.00
<b>BUSINESS AUTOMOBILE POLICY</b>		
Each Accident (Bodily Injury & Property Damage)	31,000,000	
Medical Payments	10,000	
Uninsured/Underinsured Liability	31,000,000	
Physical Damage Coverage		
Comprehensive	Actual Cash Value	1,000
Collision	Actual Cash Value	1,000

**BOARD OF EDUCATION**  
**MONROE TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2015**  
**UNAUDITED**

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
<b>WORKERS COMPENSATION</b>		
Section A - Statutory	New Jersey	
Section B - Employers Liability		
Each Accident	\$ 2,000,000	
Each Employee	2,000,000	
Aggregate	2,000,000	
<b>SUPPLEMENTARY WORKERS COMPENSATION</b>		
Limit of Liability	1,750 per week	7 Days
<b>SCHOOL BOARD LEGAL LIABILITY POLICY</b>		
Limit of Liability	6,000,000	\$ 15,000
<b>STUDENT ACCIDENT POLICY</b>		
	5,000,000	
<b>BONDS</b>		
Treasurer of School Monies	1,000,000	
Board Secretary/School Business Administrator	750,000	
Accounting Supervisor	750,000	
Bookkeeping Coordinator	750,000	
<b>POLLUTION LIABILITY/STORAGE TANK LIABILITY POLICY</b>		
Limit of Liability	1,000,000	10,000.00
Aggregate	2,000,000	

**SINGLE AUDIT SECTION**

550 BROAD STREET, 11TH FLOOR  
NEWARK, N.J. 07102-9969  
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FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303  
FREEHOLD, N.J. 07728-2291  
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Exhibit K-1  
Sheet 1 of 2

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

**Independent Auditors' Report**

Honorable President and Members  
of the Board of Education  
Township of Monroe Board of Education  
County of Middlesex, New Jersey

We have audited, in accordance with the 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, 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 Township of Monroe Board of Education, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Township of Monroe Board of Education's basic financial statements, and have issued our report thereon dated November 30, 2015.

**Internal Control Over Financial Reporting**

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

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of the Township of Monroe School District's financial statements are free of 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 basic 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.



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey  
November 30, 2015

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Exhibit K-2  
Sheet 1 of 3

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

**Independent Auditors' Report**

The Honorable President and Members  
of the Board of Education  
Township of Monroe Board of Education  
County of Middlesex, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Monroe Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of District's major federal and state programs for the year ended June 30, 2015. The Township of Monroe 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 Township of Monroe Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and *New Jersey State Aid/Grant Compliance Supplement*. Those standards, *OMB Circular A-133* and *New Jersey State Aid/Grant Compliance Supplement* require that we plan and perform the audit to obtain reasonable assurance about whether on compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Township of Monroe Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND**  
**REPORT ON INTERNAL CONTROL OVER COMPLIANCE**  
**(CONTINUED)**

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 Township of Monroe Board of Education's compliance.

Opinion on Each Major Federal and State Program

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

Report on Internal Control over Compliance

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

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

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

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
(CONTINUED)**

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by NJOMB 04-04

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Monroe 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 District's basic financial statements. We issued our report thereon dated November 30, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJOMB 04-04 and is not a required part of the basic financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of Report

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



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

November 30, 2015  
Freehold, New Jersey

**BOARD OF EDUCATION  
TOWNSHIP OF MONROE, COUNTY OF MIDDLESEX  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Federal Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Accounts Receivable Balance at June 30, 2014	Cash Received	Budgetary Expenditures	Balance, June 30, 2015		
				From	To				(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education:											
General fund											
Medical Assistance Program	93.778	N/A	\$ 45,492.47	7/1/2014	6/30/2015		\$ 43,205.17	\$ (43,205.17)			
ARRA/SEMI	93.778	N/A	7,653.91	10/1/2008	12/31/2010		7,653.91	(7,653.91)			
Total General Fund							\$ 50,859.08	\$ (50,859.08)			
U.S. Department of Education											
Passed - Through State Department of Education:											
Special Revenue Fund:											
Title I Part A	84.010A	N/A	\$ 156,583.00	7/1/2014	6/30/2015		\$ 156,583.00	\$ (156,583.00)			
Title II, Part A	84.367A	N/A	52,695.00	7/1/2014	6/30/2015		52,695.00	(52,695.00)			
I.D.E.A. Part B, Basic Regular	84.027	N/A	1,056,433.00	7/1/2014	6/30/2015		1,056,433.00	(1,056,433.00)			
I.D.E.A. Part B, Preschool	84.173	N/A	42,514.00	7/1/2014	6/30/2015		42,514.00	(42,514.00)			
Total U.S. Department of Education							\$ 1,308,225.00	\$ (1,308,225.00)			
Total Special Revenue Fund							\$ 1,308,225.00	\$ (1,308,225.00)			
U.S. Department of Agriculture											
Passed-through State Department of Education:											
Enterprise Fund:											
Food Distribution Program	10.555	N/A	\$ 150,739.75	7/1/2013	6/30/2014	\$ 1,353.81		\$ (1,353.81)			
Food Distribution Program	10.555	N/A	154,474.13	7/1/2014	6/30/2015		\$ 154,474.13	(145,727.03)		\$ 8,747.10	
National School Lunch Program	10.555	N/A	287,469.61	7/1/2013	6/30/2014	(21,185.18)	21,185.18				
National School Lunch Program	10.555	N/A	301,864.58	7/1/2014	6/30/2015		281,478.14	(301,864.58)	\$ (20,386.44)		
Healthy Hunger Free Kids Act-PB Lunch	10.555	N/A	30,413.82	7/1/2013	6/30/2014	(2,282.16)	2,282.16				
Healthy Hunger Free Kids Act-PB Lunch	10.555	N/A	30,705.36	7/1/2014	6/30/2015		28,593.48	(30,705.36)	(2,111.88)		
Special Milk Program	10.556	N/A	971.90	7/1/2013	6/30/2014	(72.88)	72.88				
Special Milk Program	10.556	N/A	1,129.84	7/1/2014	6/30/2015		1,043.94	(1,129.84)	(85.90)		
Total Enterprise Fund						\$ (22,186.41)	\$ 489,129.91	\$ (480,780.62)	\$ (22,584.22)	\$ 8,747.10	
Total Federal Financial Assistance						\$ (22,186.41)	\$ 1,848,213.99	\$ (1,839,864.70)	\$ (22,584.22)	\$ 8,747.10	

See accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE, COUNTY OF MIDDLESEX**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		June 30, 2014		Cash Received	Budgetary (Expenditures)	Balance, June 30, 2015		MEMO	
			From	To	(Accounts Receivable)	Deferred Revenue			(Accounts Receivable)	Deferred Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education: General Fund:												
Categorical Special Ed Aid	15-495-034-5120-089	\$ 2,048,517.00	7/1/2014	- 6/30/2015			\$ 2,048,517.00	\$ (2,048,517.00)			\$ 164,423.00	\$ (2,048,517.00)
Categorical Transportation Aid	15-495-034-5120-014	496,510.00	7/1/2014	- 6/30/2015			496,510.00	(496,510.00)			39,852.00	(496,510.00)
Categorical Security Aid	15-495-034-5120-084	92,501.00	7/1/2014	- 6/30/2015			92,501.00	(92,501.00)			7,425.00	(92,501.00)
PARCC Readiness Aid	15-495-034-5120-098	58,980.00	7/1/2014	- 6/30/2015			58,980.00	(58,980.00)			4,734.00	(58,980.00)
Pep Pupil Growth Aid	15-495-034-5120-097	58,980.00	7/1/2014	- 6/30/2015			58,980.00	(58,980.00)			4,734.00	(58,980.00)
Extraordinary Special Education Aid	14-495-034-5120-473	302,847.00	7/1/2013	- 6/30/2014	\$ (302,847.00)		302,847.00					
Extraordinary Special Education Aid	15-495-034-5120-473	391,396.00	7/1/2014	- 6/30/2015				(391,396.00)	\$ (391,396.00)			(391,396.00)
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	2,910,064.41	7/1/2014	- 6/30/2015			2,767,489.24	(2,910,064.41)	(142,575.17)			(2,910,064.41)
Non Public Transportation	14-495-034-5120-014	49,031.00	7/1/2013	- 6/30/2014	(49,031.00)		49,031.00					
Non Public Transportation	15-495-034-5120-014	55,032.00	7/1/2014	- 6/30/2015				(55,032.00)	(55,032.00)			(55,032.00)
<b>Total General Fund</b>					\$ (351,878.00)		\$ 5,874,855.24	\$ (6,111,980.41)	\$ (589,003.17)		\$ 221,168.00	\$ (6,111,980.41)
Debt Service Fund:												
Debt Service Aid Type II	15-495-034-5120-075	\$ 682,635.00	7/1/2014	- 6/30/2015			\$ 682,635.00	\$ (682,635.00)				\$ (682,635.00)
<b>Total Debt Service Fund</b>							\$ 682,635.00	\$ (682,635.00)				\$ (682,635.00)
State Department of Agriculture Enterprise Fund:												
National School Lunch Program (State Share)	14-100-010-3350-023	\$ 21,135.40	7/1/2013	- 6/30/2014	\$ (1,583.57)		\$ 1,583.57					
National School Lunch Program (State Share)	15-100-010-3350-023	22,694.01	7/1/2014	- 6/30/2015			21,224.98	(22,694.01)	(1,469.03)			(22,694.01)
<b>Total Enterprise Fund</b>					\$ (1,583.57)		\$ 22,808.55	\$ (22,694.01)	\$ (1,469.03)			\$ (22,694.01)
<b>Total State Financial Assistance</b>					\$ (353,461.57)		\$ 6,580,298.79	\$ (6,817,309.42)	\$ (590,472.20)		\$ 221,168.00	\$ (6,817,309.42)

See Accompanying Notes to Schedules of Financial Assistance.

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT, COUNTY OF MIDDLESEX**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**1. GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of Monroe 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 schedules of expenditures of federal awards and state financial assistance.

**2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, Non-Profit Organizations* and New Jersey OMB's Circular Letter 04-04. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A.18A:22-4.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two (2) of twenty (20) 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 state aid payment in the current budget year, consistent with N.J.S.A.18A:22-4.2.

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT, COUNTY OF MIDDLESEX**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**YEAR ENDED JUNE 30, 2015**

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis was a decrease of \$8,202.00 for the general fund and none for the special revenue fund. See *Note 1* (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 50,859.08	\$ 11,530,703.41	\$ 11,581,562.49
Special Revenue Fund	1,308,225.00		1,308,225.00
Debt Service Fund		682,635.00	682,635.00
Food Service Fund	<u>491,173.91</u>	<u>22,694.01</u>	<u>513,867.92</u>
Total Awards and Assistance	<u>\$ 1,850,257.99</u>	<u>\$ 12,236,032.42</u>	<u>\$ 14,086,290.41</u>

**4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**5. FEDERAL AND STATE LOANS OUTSTANDING**

The District had no loans outstanding.

**6. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

The amount reported as TPAF Pension Contribution and Post Retirement Medical Contributions represents the amount paid by the State on behalf of the District for the fiscal 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.

The State of New Jersey also makes TPAF post-retirement medical and pension contribution expenditures on-behalf of the District. These expenditures are not subject to New Jersey OMB Circular 04-04 because the contributions are made by the State directly and do not have any compliance related requirements, and therefore have not been included on the Schedule of State Awards, as directed by the funding agency.

**BOARD OF EDUCATION  
 TOWNSHIP OF MONROE SCHOOL DISTRICT  
 COUNTY OF MIDDLESEX  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified, dated  
November 30, 2015

Internal control over financial reporting:

1. Material weakness(es) identified? \_\_\_\_\_ yes      x   no
2. Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      x   none reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes      x   no

**Federal Awards**

Internal control over major programs:

1. Material weakness(es) identified? \_\_\_\_\_ yes      x   no
2. Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      x   none reported

Type of auditor's report issued on compliance for major programs: Unmodified, dated  
November 30, 2015

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>IDEA. Part B, Basic Regular</u>
<u>10.555</u>	<u>Child Nutrition Project – National School Lunch</u>
<u>10.555</u>	<u>Child Nutrition Project – Food Distribution Program</u>
<u>10.556</u>	<u>Child Nutrition Project – Special Milk</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.00

Auditee qualified as low-risk auditee?   x   yes    \_\_\_\_\_ no

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Section I - Summary of Auditor's Results (Continued)**

**State Assistance**

Dollar threshold used to distinguish between type A and type B Programs: \$300,000.00

1. Auditee qualified as low-risk auditee?  x  yes   no

Type of auditor's report issued on compliance for major programs: Unmodified, dated  
November 30, 2015

Internal Control over major programs:

1. Material weakness(es) identified?   Yes  x  no

2. Significant deficiency(ies) identified that are not considered to be material weakness(es):   yes  x  none reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?   yes  x  no

Identification of major programs:

<u>GMIS Number</u>	<u>Name of State Program</u>
<u>15-495-034-5120-089</u>	<u>Categorical Special Education Aid</u>
<u>15-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contribution</u>
<u>15-495-034-5120-075</u>	<u>Debt Service Aid Type II</u>
<u>15-495-034-5120-014</u>	<u>Categorical Transportation Aid</u>
<u>15-495-034-5120-473</u>	<u>Extraordinary Aid</u>

**Section II - Schedule of Financial Statement Findings**

None.

**Section III - Schedule of State Financial Assistance Findings and Questioned Costs**

None.

**BOARD OF EDUCATION**  
**TOWNSHIP OF MONROE SCHOOL DISTRICT, COUNTY OF MIDDLESEX**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**FOR THE YEAR ENDED JUNE 30, 2014:**

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