

SHAMONG TOWNSHIP BOARD OF EDUCATION

Shamong, New Jersey
County of Burlington

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

SHAMONG TOWNSHIP BOARD OF EDUCATION

SHAMONG, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

Shamong Township Board of Education
Finance Department

OUTLINE OF CAFR

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INTRODUCTORY SECTION

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**SHAMONG TOWNSHIP
BOARD OF EDUCATION**
295 INDIAN MILLS ROAD
SHAMONG, NEW JERSEY 08088-9513

Christine Vespe
Superintendent
Tel. 609-268-0120
Fax. 609-268-1229

Marie Goodwin
School Business Administrator/
Board Secretary
Tel. 609-268-0316
Fax. 609-268-1229

December 11, 2015

Honorable President and
Members of the Board of Education
Shamong Township School District
Burlington County, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Shamong Township School District, for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report 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 various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of 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 Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Shamong Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement-14. All funds and account groups of the District are included in this report. The Shamong Township Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-school through 8. These include regular education as well as special education services. The following details the changes in the student enrollment of the District over the last ten years.

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	798.5	-4.4%
2013-2014	833.8	-7.4%
2012-2013	895.6	-0.6%
2011-2012	900.8	-1.5%
2010-2011	914.5	-2.3%
2009-2010	935.7	1.3%
2008-2009	924.7	-2.7%
2007-2008	950.1	0%
2006-2007	950.1	-2.6%
2005-2006	975.9	+3.8%
2004-2005	940.4	+0.6%

2) ECONOMIC CONDITION AND OUTLOOK:

Shamong is located within the Pinelands Preservation area and development is highly regulated. The community's population has declined slightly. The community has not experienced an increase in businesses, therefore, there has been an increase in residential property taxes to support the school system. At present, there is no local purpose tax for the community.

Housing development is expected to continue for those areas already designated on the Master Plan. There is a need to attract some business and industry to broaden the tax base and give some relief to the homeowners. Shamong is a stable bedroom community and a desired place to reside.

The national economic conditions and state budget cuts have not changed the quality of education in the District.

3) MAJOR INITIATIVES

Academic: Major initiatives in the area of instruction included:

The implementation of 21st Century Life and Career Skills, Close Reading Strategies and Science Technology Engineering & Math (STEM) initiatives were infused at the elementary and middle school levels.

Revision and implementation of curriculum to address the core content standards. Professional development for staff on the PARCC assessment.

Further development of the following programs continued: K-5 Write Steps writing program, 6-8 Math-in-Focus, K-4 spelling/word study program and K-4 reading units of study. Implementation of Wilson Reading for grades 2-4, Wilson Foundations K-2 and STEM initiatives in grades 6-8. Level Literacy Reading Program Introduced at the elementary level. Journeys Language Arts Program at Grade 5 and the Creative Curriculum for Pre-School Education Program.

Implementation of technology and training for the PARCC assessment and continued support of the Stronge Evaluation System Utilizing My Learning Plan platform.

Students in the Shamong School District performed well on the state assessment – NJASK 3-8, and local MAP Testing. PARCC assessment administered for the first time in district.

Academic Support Funding: The Shamong Foundation for Educational Excellence was formed early in the 2002-2003 school year. Several mini-grants were awarded to teachers over the past year to support unique educational projects. The Home and School Association continues to fund resources to teachers for items not included in the school budget.

Facilities: The district was approved for a total of eight ROD Grants. Local funding was secured for five of those ROD Grants through a Lease Purchase Agreement. The District is replacing exterior doors and upgrading Security at the Middle School and replacing windows, upgrading security and installing air conditioning at the elementary school.

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The district completed the New Jersey State mandatory Standard Operating Procedures at the end of December, 2009. It expanded its personnel software to conform to the payroll/accounting system which was required due to the new accountability regulations.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the 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 capital improvements and are accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at 5.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board

(GASB). The accounting system of the district is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7) FINANCIAL INFORMATION AT FISCAL YEAR END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2015.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>
Local Sources	\$9,240,684	61.4%
State Sources	5,573,971	37.0%
Federal Sources	<u>245,965</u>	<u>1.6%</u>
Total	<u>\$15,060,620</u>	<u>100.00%</u>

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2015.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>
Current Expense:		
Instruction	\$ 5,501,831	37.3%
Undistributed	7,927,566*	53.7%
Capital Outlay	80,313	0.5%
Special Revenues	270,539	1.8%
Debt Service	<u>987,171</u>	<u>6.7%</u>
Total	<u>\$14,767,420</u>	<u>100.00%</u>

*This figure includes \$415,306 for State reimbursement of TPAF social security and \$807,186 for State contributions to TPAF pensions, both of which are unbudgeted expenses and revenues.

8) DEBT ADMINISTRATION: At June 30, 2015 the District's outstanding debt issues included \$4,472,600 of general obligation bonds and \$1,188,600 of capital leases.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provision 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.

10) RISK MANAGEMENT: The Board carried various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds, and worker's compensation. The District participated in the Burlington County Insurance Pool Joint Insurance Fund for all line insurance during the 2013-2014 school year.

11) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of

11) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison P.C. was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and New Jersey OMB's circular 04-04. The auditor's report on the basic financial statements and combined and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

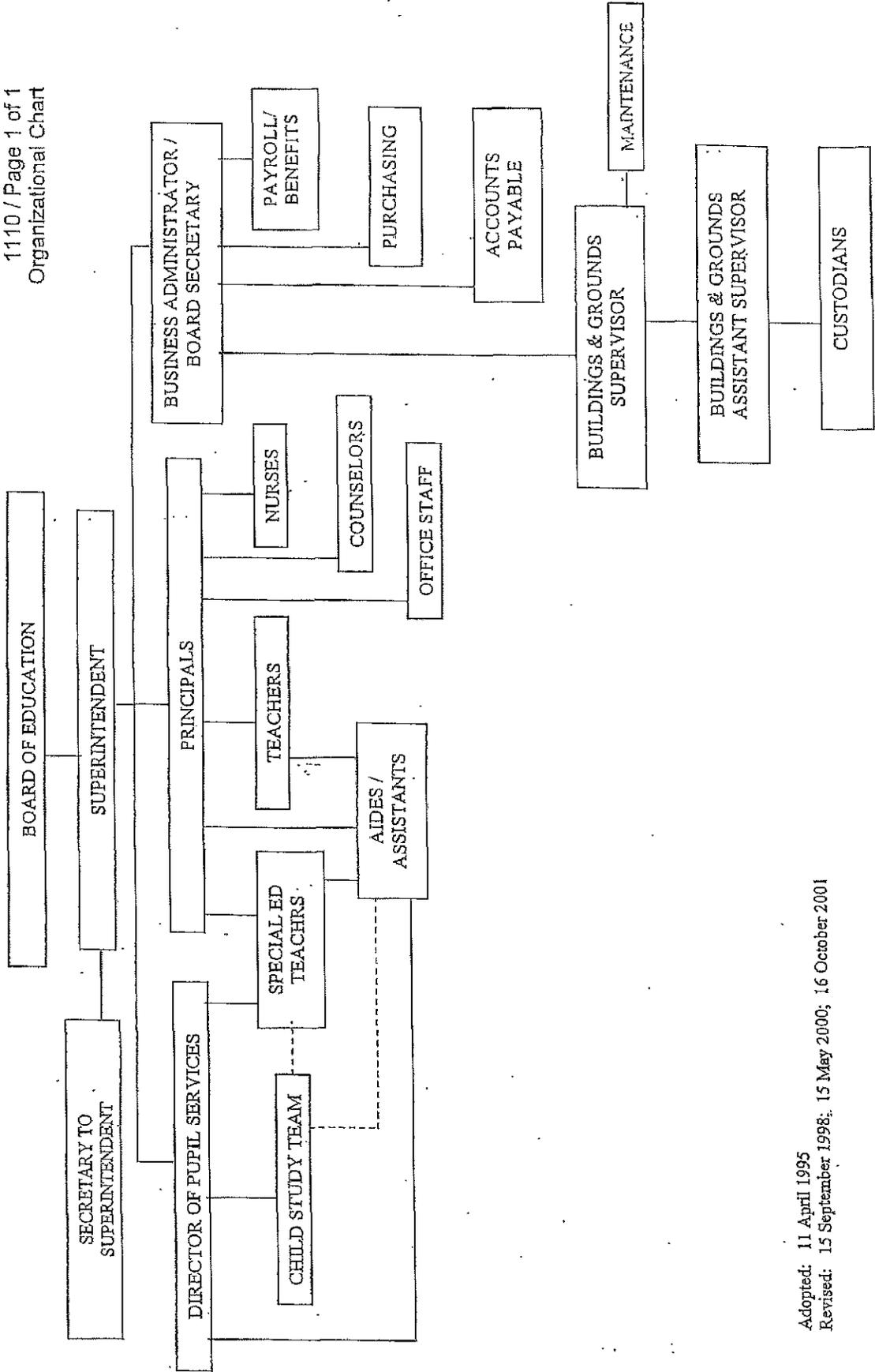
Respectfully submitted,


Christine Vespe
Superintendent


Marie Goodwin
Business Administrator/Board Secretary

POLICY

SPRINGMONG TOWNSHIP BOARD OF EDUCATION
 ADMINISTRATION
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 Organizational Chart



Adopted: 11 April 1995
 Revised: 15 September 1998; 15 May 2000; 16 October 2001

SHAMONG TOWNSHIP BOARD OF EDUCATION
295 Indian Mills Road
Shamong, New Jersey 08088

ROSTER OF OFFICIALS

JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Melissa Ciliberti, President	2017
Michael Tuman, Vice President	2015
Jeffrey Siedlecki, Jr.	2016
Susan Daniels	2017
Jeffrey Warner	2016

OTHER OFFICIALS

Christine Vespe, Superintendent

Marie Goodwin, Business Administrator/Board Secretary

Kathryn Taylor, Treasurer

Frank P. Cavallo, Jr., Solicitor, Parker McCay

SHAMONG TOWNSHIP BOARD OF EDUCATION
295 Indian Mills Road
Shamong, New Jersey 08088

CONSULTANTS AND ADVISORS

INSURANCE BROKER

Burlington County Joint Insurance Fund ("JIF")

AUDIT FIRM

Holman Frenia Allison, P.C.
Kevin P. Frenia, CPA, PSA
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

Frank P. Cavallo., Jr.
Parker McCay
9000 Midlantic Drive, Suite 300
Mt. Laurel, New Jersey 08054

OFFICIAL DEPOSITORY

TD Bank
Philadelphia, PA 19106

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

Change in Accounting Principle

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
December 11, 2015

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
SHAMONG, NEW JERSEY**

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

The Discussion and Analysis (MD&A) of Shamong Township School District's (the District) financial performance provides an overall review of the District financial activities for the fiscal year ended on June 30, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance. Certain comparative information between the current fiscal year (2014-2015) and the prior fiscal year (2013 -2014) is required and is presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2015 fiscal year are as follows:

- The overall General Fund balance increased \$328,915 from the prior fiscal year to \$2,282,577.
- At the conclusion of the fiscal year, the district's Unassigned General Fund balance is \$(120,643). The amount of unassigned general fund balance is absent two State aid payments for Fiscal Year 2015 that are traditionally paid in June but now paid in July. The absent State aid payments amount to \$414,927. If these two State aid payments were received or recorded as receivable at fiscal year-end June 30, 2015 then the unassigned general fund balance would be \$ 294,284. Please note that Chapter 73, Public Law of 2004 ("S1701") limits the amount of unassigned fund balance to 2% of the adjusted 2014-15 General Fund Expenditures or \$267,240.
- The Food Service Enterprise Fund is reporting a net change in position of \$(8,864). This fund continues to be self-sustaining.

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 Shamong 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 focus of governmental accounting differs from that of business enterprises. In government, the financial statement user is concerned with determining accountability for funds, evaluating operating results, and assessing of service that can be provided by the governmental along with its ability to meet obligations as they become due. In comparison, the primary emphasis in the private sector from both an operational and reporting perspective is on the maximization of profits.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Shamong Township School District, the general fund is by far the most significant fund.

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

question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. These bases of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the school district's net position and changes in those assets. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the 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 District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and others.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. The District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The 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 future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental funds information help 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.

Proprietary Funds

The District maintains one proprietary fund type, enterprise fund. Enterprise funds are used 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 of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in the District's elementary and middle schools. The proprietary fund has been included within the business-type activities in the government-wide financial statements.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government entity. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs.

The District uses trust and agency funds to account for resources held for payroll transactions, student activities, and for the District's unemployment trust fund.

Notes to the Government-wide Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in 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 a government's financial position.

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

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

TABLE 1

BOARD OF EDUCATION

TOWNSHIP OF SHAMONG, COUNTY OF BURLINGTON

STATEMENT OF NET POSITION

JUNE 30, 2015

	<u>Governmental</u>	<u>Business-Type</u>	<u>TOTALS</u>
	<u>Activities</u>	<u>Activities</u>	<u>2015</u>
Assets:			
Current & Other Assets	\$ 3,524,108	\$ 40,535	\$ 3,564,643
Capital Assets	11,749,994	28,807	11,778,801
Total Assets	<u>15,274,102</u>	<u>69,342</u>	<u>15,343,444</u>
Deferred Outflow of Resources:			
Deferred Outflows Related to Pensions	321,377	-	321,377
Deferred Charges of Refunding of Debt	28,832	-	28,832
Total Deferred Outflow of Resources	<u>350,209</u>	<u>-</u>	<u>350,209</u>
Total Assets and Deferred Outflow of Resources	<u>15,624,311</u>	<u>69,342</u>	<u>15,693,653</u>
Liabilities:			
Long-Term Liabilities Outstanding	8,786,447	-	8,786,447
Other Liabilities	207,512	24,933	232,445
Total Liabilities	<u>8,993,959</u>	<u>24,933</u>	<u>9,018,892</u>
Deferred Inflows of Resources:			
Deferred Inflows Related to Pensions	214,659	-	214,659
Total Deferred Inflow of Resources	<u>214,659</u>	<u>-</u>	<u>214,659</u>
Total Liabilities and Deferred Inflow of Resources	<u>9,208,618</u>	<u>24,933</u>	<u>9,233,551</u>
Net Position			
Net Investment in Capital Assets	7,007,394	28,807	7,036,201
Restricted	3,605,761	-	3,605,761
Unrestricted	(4,197,462)	15,602	(4,181,860)
Total Net Position	<u>\$ 6,415,693</u>	<u>\$ 44,409</u>	<u>\$ 6,460,102</u>

As noted earlier, the District's Net Position may serve over time as a useful indicator of a government's financial position. The largest portion of the District's Net Position (82.7 percent) reflects its net investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide the educational programs; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's Net Position (36.1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted Net Position may be used to meet the government's ongoing obligations.

GASB 68

As described in Note 19 to the financial statements, "Prior Period Adjustment/Restatement of Net Position", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principal resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of \$5,611,027, as indicated in Note 19 to the financial statements.

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

Table 2

**BOARD OF EDUCATION
TOWNSHIP OF SHAMONG, COUNTY OF BURLINGTON
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Governmental Activities	Business- Type Activities	Total
General Revenues:			
Property Taxes, Levied For General Purposes	\$ 9,068,136	\$ -	\$ 9,068,136
Federal/State Aid Not Restricted	4,351,479		4,351,479
Other Revenues	2,979,385	244,753	3,224,138
Total revenues	16,399,000	244,753	16,643,753
Expenses:			
Instruction Services	5,755,779	-	5,755,779
Support Services	9,312,051	-	9,312,051
Interest on Long-Term Debt	216,347	-	216,347
Unallocated Loss on Revaluation of Assets	(418,512)	-	(418,512)
Depreciation Expense	728,669	-	728,669
Food Service Operations	-	253,617	253,617
Total Expenses	15,594,334	253,617	15,847,951
Change in Net Position	804,666	(8,864)	795,802
Net Position, July 1, as restated	5,611,027	53,273	5,664,300
Net Position, June 30,	\$ 6,415,693	\$ 44,409	\$ 6,460,102

The District's total governmental activities revenues were \$16,399,000 for the year ended June 30, 2015.

Revenues by Source - Governmental Funds

Property Taxes, Levied For General Purposes	55%
Federal/State Aid Not Restricted	27%
Other Revenues	<u>18%</u>
Total	<u>100%</u>

Expenses by Source - Governmental Funds

Instruction Services	37%
Support Services	60%
Interest on Long-Term Debt	1%
Other Expenses	<u>2%</u>
Total	<u>100%</u>

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements. Business-Type expenses exceeded revenues by \$8,864.

The School District's Funds

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 \$15,060,620 and expenditures were \$14,893,255. The net change in overall fund balance for the year was an increase of \$1,290,407.

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. Table 3 presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2015 and the amount and percentage of increases and decreases in relation to prior year revenues.

**Table 3
Revenues of the Governmental Funds**

<u>Revenues</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase/ (Decrease) From 2014</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 9,068,136	60%	\$165,469	2 %
State/Federal Sources	5,819,936	39%	157,845	3 %
Other Revenues	<u>172,548</u>	<u>1%</u>	<u>13,645</u>	9 %
Total	<u>\$15,060,620</u>	<u>100%</u>	<u>336,959</u>	

The increase in local revenue was due to an increase in local tax levy. State revenues to support district operations increased from the previous year. State TPAF pension contributions increased and social security contributions (non-budgeted revenues) decreased.

Table 4 represents a summary of the combined general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2015, and the percentage of increases and decreases in relation to prior year amounts. Table 4 is presented on the following page.

Table 4
Expenditures of the Governmental Funds

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2014</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$5,755,779	39%	\$ (147,186)	(3)%
Undistributed	7,944,157	53%	264,661	3%
Capital Outlay	206,148	1%	151,410	277%
Debt Service:				
Principal	847,346	6%	32,346	4%
Interest	139,825	1%	(26,651)	(16)%
Total	\$14,893,255	100%	\$274,580	

Changes in expenditures were the result of varying factors. Current expense increased due to contractual salary increases and maintenance and utility costs. Debt service changed in accordance with the bond amortization schedule.

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. Several of these revisions include expenditures for Instruction, Special Education and the Operation and Maintenance of Plant Facilities. The details of individual program budget revisions are reflected in Exhibit C-1 of the CAFR.

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

Support services include tuition paid to out of district schools, health and library services, instruction related services, and 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 and from school activities, as provided by State law.

FUND BALANCES

Table 5 shows a comparison of the fund balances in each of the District’s Governmental and Business-type activities funds.

**Table 5
Changes in Fund Balances**

	June 30, 2015	June 30, 2014	Difference
Governmental Funds:			
General Fund	\$2,282,577	\$1,953,662	\$328,915
Capital Projects Fund	1,241,528	280,037	961,491
Debt Service Fund	3	2	1
Business-type Activities:			
Food Service Enterprise Fund	\$ 44,409	\$ 53,273	\$ (8,864)

The \$328,915 increase in General Fund balance is due to the increase in revenue over expenses. The increase in the Capital Projects fund is due to new projects which were approved by the voters.

CAPITAL ASSETS

At the end of the fiscal year 2015, the School District had \$11,749,994 invested in land, buildings, furniture, equipment, and vehicles.

Land and Construction-in-Progress are not depreciated.

Additional information on the District’s capital assets can be found in Note 5 of the basic financial statements.

DEBT ADMINISTRATION

In the governmental funds, at June 30, 2015, the School District had \$8,786,447 of outstanding debt. Of this amount \$280,571 is for compensated absences, \$1,609,000 for school bonds issued on 8/26/12, \$1,945,000 for school bonds issued on 8/26/12, \$1,188,600 for Lease Purchase Agreement, \$3,601,987 for Net Pension Liability, \$153,589 of Bond Premium and \$7,700 for Post-Retirement Benefits Payable.

There was no debt outstanding in the business-type activities funds.

State statutes limit the amount of general obligation debt a governmental entity may issue. The District's limit is 3.5 percent of its equalized valuation basis. The current debt limitation for the District is \$24,601,571, which is significantly in excess of the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in note 6 in the notes to the basic financial statements.

For the Future

It is the opinion of the Superintendent and School Business Administrator that the Shamong Township Board of Education is presently in good financial condition. The School District is proud of its community support, the support of the Home & School Association and the Shamong Foundation for Educational Excellence.

Shamong Township is primarily a rural, residential community with very few commercial ratables; thus it becomes the responsibility of homeowners to foot the majority of the tax burden. The increase in the School District's operating budget mostly due to contractual salaries and capital improvements and the lack of adequate state funding and federal revenues will inevitably result in increased property taxes.

In conclusion, the Shamong Township Board of Education has committed itself to financial excellence for many years. The School District's system for financial planning, budgeting and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

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 Mrs. Marie Goodwin, School Business Administrator/Board Secretary, at the Shamong Board of Education, 295 Indian Mills Road, Shamong, NJ 08088.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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SHAMONG TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS JUNE 30, 2015
Cash & Cash Equivalents	\$ 3,442,120	\$ 17,450	\$ 3,459,570
Receivables, Net	81,988	20,746	102,734
Inventory	-	2,339	2,339
Capital Assets, Non-Depreciable (Note 5)	1,243,480	-	1,243,480
Capital Assets, Depreciable (Note 5)	10,506,514	28,807	10,535,321
Total Assets	15,274,102	69,342	15,343,444
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	321,377	-	321,377
Deferred Charges of Refunding of Debt	28,832	-	28,832
Total Deferred Outflows of Resources	350,209	-	350,209
Total Assets and Deferred Outflows of Resources	15,624,311	69,342	15,693,653
LIABILITIES			
Accrued Interest	27,506	-	27,506
Accounts Payable	-	24,933	24,933
Pension Payable	180,006	-	180,006
Noncurrent Liabilities (Note 6):			
Due Within One Year	1,023,846	-	1,023,846
Due Beyond One Year	7,762,601	-	7,762,601
Total Liabilities	8,993,959	24,933	9,018,892
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	214,659	-	214,659
Total Deferred Inflows of Resources	214,659	-	214,659
Total Liabilities and Deferred Inflows of Resources	9,208,618	24,933	9,233,551
NET POSITION			
Net Investment in Capital Assets	7,007,394	28,807	7,036,201
Restricted For:			
Other Purposes	2,391,736	-	2,391,736
Debt Service	(27,503)	-	(27,503)
Capital Projects	1,241,528	-	1,241,528
Unrestricted	(4,197,462)	15,602	(4,181,860)
Total Net Position	\$ 6,415,693	\$ 44,409	\$ 6,460,102

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

SHAMONG TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			TOTALS JUNE 30, 2015
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES		
Governmental Activities:							
Instruction:							
Instruction - Regular Programs	\$ 3,836,141	\$ -	\$ -	\$ (3,836,141)	\$ -	\$ -	(3,836,141)
Special Education	1,547,810	-	253,948	(1,293,862)	-	-	(1,293,862)
Other Special Instruction	273,493	-	-	(273,493)	-	-	(273,493)
Other Instruction	98,335	-	-	(98,335)	-	-	(98,335)
Support Services:							
Tuition	163,634	-	-	(163,634)	-	-	(163,634)
Health Services	111,970	-	14,709	(97,261)	-	-	(97,261)
Student & Instruction Related Services	839,431	-	-	(839,431)	-	-	(839,431)
Educational Media Services/School Library	222,307	-	-	(222,307)	-	-	(222,307)
General Administrative Services	352,888	-	-	(352,888)	-	-	(352,888)
School Administrative Services	467,195	-	-	(467,195)	-	-	(467,195)
Central Services	254,747	-	-	(254,747)	-	-	(254,747)
Plant Operations & Maintenance	1,203,015	-	-	(1,203,015)	-	-	(1,203,015)
Pupil Transportation	666,192	-	-	(666,192)	-	-	(666,192)
Employee Benefits	5,030,672	-	2,560,595	(2,470,077)	-	-	(2,470,077)
Interest on Long-Term Debt	216,347	-	-	(216,347)	-	-	(216,347)
Unallocated Loss on Revaluation of Assets	(418,512)	-	-	418,512	-	-	418,512
Unallocated Depreciation	728,669	-	-	(728,669)	-	-	(728,669)
Total Governmental Activities	15,594,334	-	2,829,252	(12,765,082)	-	-	(12,765,082)
Business-Type Activities:							
Food Service	253,617	176,447	63,144	-	(14,026)	(14,026)	(14,026)
Total Business-Type Activities	253,617	176,447	63,144	-	(14,026)	(14,026)	(14,026)
Total Primary Government	\$ 15,847,951	\$ 176,447	\$ 2,892,396	\$ (12,765,082)	\$ (14,026)	\$ (12,779,108)	
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				9,068,136	-	-	9,068,136
Federal & State Aid Unrestricted				4,351,479	-	-	4,351,479
Miscellaneous Income				82,416	5,162	-	87,578
Unallocated Amortization				36,097	-	-	36,097
Decrease In Compensated Absences				27,220	-	-	27,220
Decrease In Post Retirement Benefits				4,400	-	-	4,400
Total General Revenues, Special Items, Extraordinary Items & Transfers				13,569,748	5,162	-	13,574,910
Change in Net Position				804,666	(8,864)	-	795,802
Net Position - Beginning, as restated, see Note 19				5,611,027	53,273	-	5,664,300
Ending Net Position				\$ 6,415,693	\$ 44,409	\$ -	\$ 6,460,102

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

B. Fund Financial Statements

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Governmental Funds

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS JUNE 30, 2015
Cash & Cash Equivalents	\$ 1,443,088	\$ -	\$ 1,289,077	\$ -	\$ 2,732,165
Accounts Receivable:					
State	52,913	-	-	-	52,913
Other	-	27,077	-	-	27,077
Interfund	20,576	-	-	47,549	68,125
Restricted Cash	766,000	-	-	-	766,000
Total Assets	\$ 2,282,577	\$ 27,077	\$ 1,289,077	\$ 47,549	\$ 3,646,280
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	\$ -	\$ 8,499	\$ -	\$ 47,546	\$ 56,045
Interfund Payable	-	18,578	47,549	-	66,127
Total Liabilities	-	27,077	47,549	47,546	122,172
Fund Balances:					
Restricted:					
Maintenance Reserve	70,000	-	-	-	70,000
Emergency Reserve	196,000	-	-	-	196,000
Capital Reserve	500,000	-	-	-	500,000
Capital Projects	-	-	1,241,528	-	1,241,528
Debt Service	-	-	-	3	3
Excess Surplus - Current Year	814,351	-	-	-	814,351
Excess Surplus Designated for Subsequent Year's Expenditures	811,385	-	-	-	811,385
Assigned:					
Other Purposes - Year-End Encumbrances	11,484				11,484
Unassigned:					
General Fund	(120,643)	-	-	-	(120,643)
Total Fund Balances	2,282,577	-	1,241,528	3	3,524,108
Total Liabilities & Fund Balances	\$ 2,282,577	\$ 27,077	\$ 1,289,077	\$ 47,549	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$21,578,035 and the accumulated depreciation is \$9,828,041.	11,749,994
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	135,550
Accrued interest payable and PERS pension payable are not recorded in the fund financial Statements due to the fact that the payables are not due in the period.	(207,512)
Long-term liabilities, including net pension liability, bonds payable, bond premium capital leases, post retirement liability and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(8,786,447)
Net Position of Governmental Activities	\$ 6,415,693

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS JUNE 30, 2015
Revenues:					
Local Sources:					
Local Tax Levy	\$ 8,190,800	\$ -	\$ -	\$ 877,336	\$ 9,068,136
Miscellaneous	147,974	24,574	-	-	172,548
Total Local Sources	8,338,774	24,574	-	877,336	9,240,684
State Sources	5,499,851	-	-	74,120	5,573,971
Federal Sources	-	245,965	-	-	245,965
Total Revenues	13,838,625	270,539	-	951,456	15,060,620
Expenditures:					
Current:					
Instruction - Regular Programs	3,836,141	-	-	-	3,836,141
Special Education	1,293,862	253,948	-	-	1,547,810
Other Special Instruction	273,493	-	-	-	273,493
Other Instruction	98,335	-	-	-	98,335
Support Services:					
Tuition	163,634	-	-	-	163,634
Health Services	111,970	-	-	-	111,970
Student & Instruction Related Services	824,722	14,709	-	-	839,431
Educational Media Services/School Library	222,307	-	-	-	222,307
General Administrative Services	352,888	-	-	-	352,888
School Administrative Services	467,195	-	-	-	467,195
Central Services	254,747	-	-	-	254,747
Plant Operations & Maintenance	1,203,015	-	-	-	1,203,015
Pupil Transportation	666,192	-	-	-	666,192
Employee Benefits	3,660,896	1,882	-	-	3,662,778
Capital Outlay	80,313	-	125,835	-	206,148
Debt Service:					
Principal	-	-	-	847,346	847,346
Interest & Other Charges	-	-	-	139,825	139,825
Total Expenditures	13,509,710	270,539	125,835	987,171	14,893,255
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	328,915	-	(125,835)	(35,715)	167,365
Other Financing Sources/(Uses):					
Lease-Purchase Agreement Proceeds	-	-	1,188,600	-	1,188,600
Cancellation of Grant Receivable	-	-	(65,558)	-	(65,558)
Operating Transfers In -	-	-	-	35,716	35,716
Operating Transfers (Out) -	-	-	(35,716)	-	(35,716)
Total Other Financing Sources/(Uses)	-	-	1,087,326	35,716	1,123,042
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	328,915	-	961,491	1	1,290,407
Fund Balances July 1	1,953,662	-	280,037	2	2,233,701
Fund Balances June 30	\$ 2,282,577	\$ -	\$ 1,241,528	\$ 3	\$ 3,524,108

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2) 1,290,407

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:

Depreciation Expense	\$ (728,669)	
Adjustment to Fixed Assets	418,512	
Capital Outlays	<u>125,835</u>	(184,322)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

847,346

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Unfunded TPAF Pension Expense	(1,336,221)	
State Share of Unfunded TPAF Pension Expense	1,336,221	
District Pension Contributions	158,600	
Pension Expense	<u>(190,273)</u>	(31,673.00)

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

Accrued Interest Prior Year	31,297	
Accrued Interest Current Year	<u>(27,506)</u>	3,791

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of activities.

Lease Proceeds		(1,188,600)
----------------	--	-------------

Deferred charges on Refunding of Debt and premiums from refunded debt issuances are recorded when incurred in the governmental funds but are accrued and expensed over time in the statement of activities.

Amortization of Bond Premium	46,126	
Deferred Charge on Refunding	<u>(10,029)</u>	36,097

Repayment of Post-Retirement Benefits is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Current Year	(7,700)	
Prior Year	<u>12,100</u>	4,400

Increase of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Current Year	(280,571)	
Prior Year	<u>307,791</u>	27,220

Change in Net Position of Governmental Activities		<u>\$ 804,666</u>
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The accompanying Notes to the Financial Statements are an integral part of this Statement.

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Proprietary Funds

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015**

ASSETS	FOOD SERVICE	<u>TOTALS</u> JUNE 30, 2015
Current Assets:		
Cash & Cash Equivalents	\$ 17,450	\$ 17,450
Accounts Receivable:		
State	209	209
Federal	4,347	4,347
Other	16,190	16,190
Inventories	2,339	2,339
	<hr/>	<hr/>
Total Current Assets	40,535	40,535
Noncurrent Assets:		
Furniture, Machinery & Equipment	63,622	63,622
Less: Accumulated Depreciation	(34,815)	(34,815)
	<hr/>	<hr/>
Total Capital Assets	28,807	28,807
	<hr/>	<hr/>
Total Assets	69,342	69,342
	<hr/>	<hr/>
LIABILITIES		
Accounts Payable	24,933	24,933
	<hr/>	<hr/>
Total Liabilities	24,933	24,933
	<hr/>	<hr/>
NET POSITION		
Net Investment in Capital Assets	28,807	28,807
Unrestricted	15,602	15,602
	<hr/>	<hr/>
Total Net Position	\$ 44,409	\$ 44,409
	<hr/> <hr/>	<hr/> <hr/>

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES
EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	FOOD SERVICE FUND	<u>TOTALS</u> JUNE 30, 2015
Operating Revenues:		
Local Sources:		
Daily Sales - Reimbursable Programs	\$ 111,945	\$ 111,945
Daily Sales - Nonreimbursable Programs	64,502	64,502
Miscellaneous	5,162	5,162
	<hr/>	<hr/>
Total Operating Revenue	181,609	181,609
	<hr/>	<hr/>
Operating Expenses:		
Cost of Sales	109,026	109,026
Salaries & Benefits	123,704	123,704
Miscellaneous Expenses	8,664	8,664
Management Fee	-	-
Supplies and Materials	7,403	7,403
Depreciation	4,820	4,820
	<hr/>	<hr/>
Total Operating Expenses	253,617	253,617
	<hr/>	<hr/>
Operating Income/(Loss)	(72,008)	(72,008)
	<hr/>	<hr/>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	2,276	2,276
Federal Sources:		
National School Lunch Program	43,068	43,068
Healthy Hunger-Free Kids Act	3,171	3,171
Cash in Lieu of Commodities	14,629	14,629
	<hr/>	<hr/>
Total Nonoperating Revenues/(Expenses)	63,144	63,144
	<hr/>	<hr/>
Change in Net Position	(8,864)	(8,864)
Total Net Position - Beginning	53,273	53,273
	<hr/>	<hr/>
Total Net Position - Ending	\$ 44,409	\$ 44,409
	<hr/>	<hr/>

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	FOOD SERVICE FUND	<u>TOTALS</u> JUNE 30, 2015
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 165,419	\$ 165,419
Payments to Employees	(123,704)	(123,704)
Payments to Suppliers	(100,546)	(100,546)
	<u>(58,831)</u>	<u>(58,831)</u>
Cash Flows From Noncapital Financing Activities:		
State Sources	2,406	2,406
Federal Sources	71,473	71,473
	<u>73,879</u>	<u>73,879</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>73,879</u>	<u>73,879</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	15,048	15,048
Balances - Beginning of Year	2,402	23,477
	<u>17,450</u>	<u>38,525</u>
Balances - End of Year	<u>\$ 17,450</u>	<u>\$ 38,525</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ (72,008)	\$ (72,008)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used For) Operating Activities:		
Depreciation & Net Amortization	4,820	4,820
(Increase)/Decrease in Other A/R	(16,190)	(16,190)
Increase/(Decrease) in Accounts Payable	23,108	23,108
(Increase)/Decrease in Inventories	1,439	1,439
	<u>1,439</u>	<u>1,439</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (58,831)</u>	<u>\$ (58,831)</u>

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

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Fiduciary Fund

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION INSURANCE	AGENCY FUNDS		TOTALS
		STUDENT ACTIVITY	PAYROLL	JUNE 30, 2015
Cash & Cash Equivalents	\$ 110,764	\$ 46,166	\$ 23,487	\$ 180,417
Total Assets	110,764	46,166	23,487	180,417
LIABILITIES				
Payroll Deductions & Withholdings	-	-	21,487	21,487
Interfund Payable	-	-	2,000	2,000
Due to State	6,768	-	-	6,768
Due to Student Groups	-	46,166	-	46,166
Total Liabilities	6,768	46,166	23,487	76,421
NET POSITION				
Restricted	103,996	-	-	103,996
Total Net Position	\$ 103,996	\$ -	\$ -	\$ 103,996

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION INSURANCE	<u>TOTALS</u> JUNE 30, 2015
ADDITIONS		
Local Sources:		
Employee Salary Deductions	\$ -	\$ -
Other Sources:		
Interest on Investments	-	-
	<hr/>	<hr/>
Total Additions	-	-
	<hr/>	<hr/>
DEDUCTIONS		
Unemployment Compensation		
Insurance Claims	25,014	25,014
	<hr/>	<hr/>
Total Deductions	25,014	25,014
	<hr/>	<hr/>
Change in Net Position	(25,014)	(25,014)
Net Position - Beginning of the Year	129,010	129,010
	<hr/>	<hr/>
Net Position - End of the Year	<u>\$ 103,996</u>	<u>\$ 103,996</u>

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

SHAMONG TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

The Shamong Township Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The operation of the District includes two elementary schools located in Shamong Township. The Board is comprised of five members appointed to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational, as well as special education for handicapped students. The Shamong Township Board of Education has an approximate enrollment at June 30, 2015 of 806 students.

B. Component Units

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 significant component units.

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

Government-Wide Financial Statements – The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued):

Governmental Fund Financial Statements – The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Principal revenue sources considered susceptible to accrual include federal and state grants, interest on investments, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

D. Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of Net Position and the statement of activities) report information of all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these government-wide statements. District activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate general government (indirect) expenses to other functions.

Net Position are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted Net Position. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the government-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

E. Fund Accounting

The accounts of the Shamong Township Board of Education are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds and accounts are grouped, in the financial statements in this report, into seven fund types within three broad fund categories and two account groups as follows:

Governmental Funds

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

As required by the New Jersey Department of Education Shamong Township Board of Education includes budgeted Capital Outlay in this fund. Generally accepted accounting principles (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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

E. Fund Accounting (continued)

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

Proprietary Fund

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

Enterprise - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed 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.

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 balance sheets. Their reported fund equity (net total position) is segregated into contributed capital and unreserved net position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

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

Buildings & Improvements	10-50 years
Equipment	12 years
Light Trucks & Vehicles	4 years
Heavy Trucks & Vehicles	6 years

The District’s Enterprise Fund is comprised of the following:

- Food Service Fund – This fund accounts for the financial activity related to the food service operations of the School District.

Fiduciary Fund

Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as trustee or as an agent) and that cannot be used to finance the governmental entity’s own operating programs which includes private purpose trust funds and agency funds.

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

E. Fund Accounting (continued)

Private Purpose Trust Funds - used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The District currently maintains an Unemployment fund as a private purpose trusts.

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

F. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) 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 assets.

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, 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 long-term debt which are recorded when due.

In its accounting and financial reporting, the Shamong Township Board of Education follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The Shamong Township Board of Education's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and 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.

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

G. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Effective January 17, 2012, P.L.2011 c.202 eliminated the annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6:20-2A(m)1*. All budget amendments must be approved by School Board resolution.

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

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

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

H. 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 Shamong Township Board of Education has received advances are reflected in the balance sheet as unearned revenues at fiscal year-end.

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

I. Cash and Cash Equivalents

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

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

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

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

J. Tuition Receivable/Payable

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.

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2015, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2012-2013 have been established and the District has billed/paid the school boards that have adjustments.

K. Inventories

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

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

L. Prepaid Expenses

Prepaid expenses, which benefit future periods, are only recorded in the government-wide financial statements and in the proprietary fund statements. Prepaid expenses in the proprietary fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015. They are recorded as expenditure during the year of purchase.

M. 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 Shamong Township Board of Education and that are due within one year.

N. Capital Assets

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

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

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

O. Accrued Salaries and Wages

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

P. Compensated Absences

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

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

Q. Long-Term Obligations

In government-wide financial statements, under governmental activities, long-term debt is recognized as a liability in the general fund as debt is incurred.

R. Deferred Inflows/Outflows of Resources

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

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

S. Fund Balance

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

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

S. Fund Balance (continued)

- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The Shamong Township Board of Education uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation. Additionally, the Shamong Township Board of Education would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

U. Net Position

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

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

V. Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The GASB issued Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27* effective for fiscal years beginning after June 15, 2014. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

W. Pensions

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

X. Subsequent Events:

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

Note 2. Cash and Cash Equivalents

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

Type	Carrying Value
Deposits	
Demand Deposits	\$ 3,639,987
Total Deposits	<u>\$ 3,639,987</u>
The District's Cash and Cash Equivalents are Reported as Follows:	
Government Activities	\$ 3,442,120
Business-Type Activities	17,450
Fiduciary Funds	<u>180,417</u>
Total Cash and Cash Equivalents	<u>\$ 3,639,987</u>

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA.

However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District’s bank balance of \$3,944,701 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 250,000
Uninsured and uncollateralized	266,915
Collateralized in the District’s Name Under GUDPA	<u>3,427,786</u>
Total	<u>\$ 3,944,701</u>

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 3. Reserve Accounts

A. Maintenance Reserve

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (*N.J.A.C.18A:7G-9*) as amended by *P.L. 2004, c.73(S1701)*. Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (*N.J.A.C.6A:23A-14.2*) or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end. The board resolution for deposit at year end into a maintenance reserve account must be made between June 1 and June 20 of the budget year. EFCFA requires that upon District completion of a school facilities project, the District must submit a plan for the maintenance of that facility. Auditors and District staff should refer to the regulations, *N.J.A.C.6A:26A*, for further guidance. A separate line is provided in the AUDSUM for this reserve account.

GASB No. 54 requires the further categorization of the maintenance reserve account balance on the *Governmental Funds Balance Sheet* (Exhibit B-1) as restricted, committed, and/or assigned. The Department recommends reporting the maintenance reserve under "Restricted" fund balance due to the statutory and regulatory restrictions on withdrawals from maintenance reserve. The same categorization is applicable to the *General Fund Budgetary Comparison Schedule* (Exhibit C-1).

The balance of the maintenance reserve account at June 30, 2015 is \$70,000, as there was no activity for the current fiscal year.

B. Emergency Reserve

The emergency reserve account is used to accumulate funds in accordance with *N.J.S.A. 18A:7F-41c(1)* to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

GASBS No. 54 requires the further categorization of the emergency reserve account balance on the *Governmental Funds Balance Sheet* (Exhibit B-1). The emergency reserve has significant externally imposed restrictions on its withdrawal and should be categorized as "Restricted" fund balance. The same categorization is applicable to the *General Fund Budgetary Comparison Schedule* (Exhibit C-1)

The balance of the emergency reserve account at June 30, 2015 is \$196,000, as there was no activity for the current fiscal year.

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 3. Reserve Accounts (continued)

C. Capital Reserve

A capital reserve account was established by the Shamong Township Board of Education by inclusion of \$100,000 in the original 1995-1996 annual capital outlay budget, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Beginning Balance, July 1, 2014	\$	100,000
Deposit by Board Resolution, June 16, 2015		400,000
Ending Balance, June 30, 2015	\$	500,000

Note 4. Accounts Receivable

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Total
State Aid	\$ 52,913	\$ -	\$ -	\$ 209	\$ 53,122
Federal Aid	-	-	-	4,347	4,347
Other	-	27,077	-	16,190	43,267
Total	\$ 52,913	\$ 27,077	\$ -	\$ 20,746	\$ 100,736

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 5. Capital Assets

Governmental Activities:

	June 30, 2014	Additions	Deletions	Adjustments	June 30, 2015
<u>Non-Depreciable Assets</u>					
Land	\$ 1,068,766	\$ -	\$ -	\$ -	\$ 1,068,766
Construction in Progress	2,286,384	125,835	-	(2,237,505)	174,714
Total Non-Depreciable Assets	3,355,150	125,835	-	(2,237,505)	1,243,480
<u>Depreciable Assets</u>					
Site & Buildings	17,133,233		-	2,451,209	19,584,442
Machinery & Equipment	1,001,377	-	-	(251,264)	750,113
Subtotal	21,489,760	125,835	-	(37,560)	21,578,035
Accumulated Depreciation	(9,555,444)	(728,669)	-	456,072	(9,828,041)
Total	\$ 11,934,316	\$ (602,834)	\$ -	\$ 418,512	\$ 11,749,994

Business-Type Activities:

	June 30, 2014	Additions	Deletions	June 30, 2015
<u>Depreciable Assets</u>				
Machinery & Equipment	\$ 63,622	\$ -	\$ -	\$ 63,622
Subtotal	63,622	-	-	63,622
Accumulated Depreciation	(29,995)	(4,820)	-	(34,815)
Total	\$ 33,627	\$ (4,820)	\$ -	\$ 28,807

Note 6. Long-Term Obligations

A. Long-Term Obligation Activity

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

	June 30, 2014	Accrued/ Increases	Retired/ Decreases	June 30, 2015	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 4,401,346	\$ -	\$ (847,346)	\$ 3,554,000	\$ 740,000
Add: Bond Premium*	199,715	-	(46,126)	153,589	46,126
Post-Retirement Benefits Payable	12,100	-	(4,400)	7,700	-
Lease Purchase Agreement	-	1,188,600	-	1,188,600	237,720
Compensated Absences	307,791	-	(27,220)	280,571	-
Net Pension Liability	3,643,602	-	(41,615)	3,601,987	\$ -
Total	\$ 8,564,554	\$ 1,188,600	\$ (966,707)	\$ 8,786,447	\$ 1,023,846

*Bond premiums, previously shown separately on the Statement of Net Position, are now part of General Obligation Bonds Payable.

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 6. Long-Term Obligations (continued):

B. Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

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

Year-ending June 30,	Principal	Interest	Total
2016	\$ 740,000.00	\$ 115,096.00	\$ 855,096.00
2017	760,000.00	98,981.00	858,981.00
2018	790,000.00	69,509.00	859,509.00
2019	130,000.00	38,802.00	168,802.00
2020	140,000.00	34,584.00	174,584.00
2021-2025	815,000.00	100,109.00	915,109.00
2026	179,000.00	3,133.00	182,133.00
Total	<u>\$ 3,554,000.00</u>	<u>\$ 460,214.00</u>	<u>\$ 4,014,214.00</u>

C. Bond Issuances

On June 21, 2007, the Board of Education issued \$757,346 of Non-callable Serial Bonds to provide for roof repairs and a fire alarm system at the Indian Mills Memorial School and a partial roof replacement at the Indian Mills Middle School.

On August 26, 2010, the Board of Education issued \$1,999,000 of Non-Callable bonds, with varying interest rates from 3.000% to 3.500%, of which \$1,200,000 was used to pay off a Temporary Note and \$799,000 was used to provide funds for the improvements, renovations, site work and installation of solar energy panels to both the Indian Mills School and the Indian Mills Memorial School. The Board of Education also received an additional \$41,731.53 that was intended to provide funds for the payment of certain costs and expenses incurred by the Issuer in connection with the authorization, issuance and delivery of the Bonds, consisting of underwriter are spread on the Bonds.

On November 15, 2012 the Board of Education issued \$3,145,000 of Refunding Bonds, with varying interest rates from 2.750% to 4.000% maturing on May 15, 2018 to advance refund all of the \$3,248,000 outstanding principal amount of 2003 Series Bond dated March 1, 2003.

D. Bonds Authorized But Not Issued

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 6. Long-Term Obligations (continued):

E. Compensated Absences

Compensated Absences will be paid from the fund from which the employees' salaries are paid.

F. Operating Leases

At June 30, 2015, the District had operating lease agreements in effect for four copiers. Total operating lease payments made during the year ended June 30, 2015 and 2014 were \$29,381 and \$29,381, respectively.

Note 7. Interfund Receivables and Payables

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 20,576	\$ -
Special Revenue Fund	-	18,576
Capital Projects Fund	-	47,549
Debt Service Fund	47,549	-
Payroll Fund	-	2,000
	-	2,000
Total	\$ 68,125	\$ 68,125

The purpose of interfunds are for short-term borrowings.

Note 8. Inventory

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

Food	\$ 1,523
Supplies	<u>816</u>
 Total	 <u>\$ 2,339</u>

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

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

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

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>of APC</u> <u>Contributed</u>	<u>Pension</u> <u>Obligation</u>
6/30/2015	\$ 158,600	100%	\$ 3,601,987
6/30/2014	143,647	100%	3,643,602
6/30/2013	152,440	100%	-

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$3,601,987 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .01924%, which was a decrease of .00018% from its proportion measured as of June 30, 2013.

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

	<u>6/30/2015</u> July 1, 2014	<u>6/30/2014</u> July 1, 2013
Actuarial valuation date		
Deferred Outflows of Resources	\$ 321,377	\$ 158,600
Deferred Inflows of Resources	\$ 214,659	N/A
Net Pension Liability	\$ 3,601,987	\$ 3,643,602
District's portion of the Plan's total net pension Liability	0.01924%	0.01906%

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

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

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of \$190,993. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	113,266	-
Net difference between projected and actual earnings on pension plan investments	-	214,659
Changes in proportion and differences between District contributions and proportionate share of contributions	28,105	-
District contributions subsequent to the measurement date	180,006	-
Total	\$ 321,377	\$ 214,659

\$180,006 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
<u>June 30:</u>	<u>PERS</u>
2016	\$ (20,980)
2017	(20,980)
2018	(20,980)
2019	(20,980)
2020	(20,980)
Thereafter	31,611

**SHAMONG TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

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

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

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

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

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

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

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

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

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2014, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	<u>1% Decrease</u> <u>(4.39%)</u>	<u>Current Discount</u> <u>Rate (5.39%)</u>	<u>1% Increase</u> <u>(6.39%)</u>
District's proportionate share of the net pension liability	\$ 4,531,422	\$ 3,601,987	\$ 2,821,498

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

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

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

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

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

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

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

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

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2015	\$ 311,955	100%	\$ -
6/30/2014	242,440	100%	-
6/30/2013	375,612	100%	-

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

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

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

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

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

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

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 9: Pension Obligations (continued)

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

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

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

C. Defined Contribution Retirement Plan (DCRP)

The District contributes to the Defined Contribution Retirement Plan (DCRP), a defined contribution pension plan, for its full-time general administrative employees. DCRP is administered by the Division of Pension and Benefits.

Benefit terms, including contribution requirements, for DCRP are established and may be amended by the plan administrator. For each employee in the pension plan, the District is required to contribute 3 percent of base salary, to an individual employee account. Employees make contributions to the pension plan at a rate of 5.5 percent of base salary. Base salary is determined to be annual compensation, exclusive of overtime pay, bonuses, and lump sum payments for longevity, holiday pay, vacation, compensatory time, or accumulated sick leave. For the year ended June 30, 2015, employee contributions totaled \$2,904, and the district recognized pension expense of \$1,584. Employees are immediately vested in their contributions, employer contributions, and earnings on those contributions.

Note 10. Post-Retirement Benefits

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 10. Post-Retirement Benefits (continued)

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

Note 11. Risk Management

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

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund their 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 private purpose trust fund for the current and previous two years:

Fiscal Year	District Contributions	Interest Earnings	Claims	Ending Balance
2014-2015	\$ -	\$ -	\$ 25,014	\$ 103,996
2013-2014	-	461	14,365	129,010
2012-2013	17,562	760	-	142,914

Joint Insurance Fund – The District participates in the Burlington County Insurance Pool Joint Insurance Fund (BCIPJIF), public entity risk pool. Coverage under this joint plan offers workers’ compensation, boiler and machinery, automobile liability, general liability, property, crime and school board legal liability coverage. The District is assessed for the contributions for those funds and is responsible for any reserve deficiencies.

No contingency provision has been made in these financial statements as no deficiencies occurred as of June 30, 2015 for the joint insurance pool.

Note 12. Contingent Liabilities

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 13. Economic Dependency

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

Note 14. Deferred Compensation

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

Aspire	AIG/Valic	The Equitable
Lincoln Investment Planning	Met Life	

Note 15. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of Net Position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$280,571.

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

Note 16. Fund Balance Disclosure

General Fund – of the \$2,282,577 General Fund fund balance at June 30, 2015, \$70,000 has been restricted for the Maintenance Reserve Account; \$196,000 has been restricted for the Emergency Reserve Account; \$500,000 has been restricted for the Capital Reserve Account; \$811,385 is restricted for excess surplus designated for subsequent years expenditures; \$11,484 has been reserved for encumbrances; \$814,351 is restricted current year excess surplus and \$(120,643) is unassigned.

Capital Projects Fund – The fund balance of \$1,241,528 has been restricted for future Capital Projects.

Debt Service Fund – of the Debt Service Fund fund balance at June 30, 2015, \$3 is reserved in accordance with N.J.S.A 7F-41c(2).

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 17. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$814,351.

Note 18. Deficit in Net Position

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(4,197,462) existed as of June 30, 2015 for governmental activities. As reflected on Exhibit B-1, Balance Sheet, a deficit in unassigned fund balance of \$(120,643) existed as of June 30, 2015 for general fund. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 19. Prior Period Adjustment / Restatement of Net Position

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

	<u>Governmental Activities</u>
Net Position as previously reported at June 30, 2014	\$ 9,254,629
Prior period adjustment - Implementation of GASB 68: Net Pension Liability (measurement date as of June 30, 2013)	(3,643,602)
Deferred Outflows - district contributions made during fiscal year 2014	158,600
Pensions Payable at June 30, 2014	<u>(158,600)</u>
Total prior period adjustment	<u>(3,643,602)</u>
Net Position as restated, July 1, 2014	<u><u>\$ 5,611,027</u></u>

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 8,190,800	\$ -	\$ 8,190,800	\$ 8,190,800	\$ -
Miscellaneous	10-1990	43,489	-	43,489	147,974	104,485
Total Local Sources		8,234,289	-	8,234,289	8,338,774	104,485
State Sources:						
Equalization Aid	10-3176	3,430,365	-	3,430,365	3,430,365	-
Categorical Transportation Aid	10-3121	224,964	-	224,964	224,964	-
Categorical Special Education Aid	10-3132	507,214	-	507,214	507,214	-
Categorical Security Aid	10-3177	65,308	-	65,308	65,308	-
Extraordinary Aid	10-3131	15,895	-	15,895	27,393	11,498
PARCC Readiness Aid	10-3190	8,250	-	8,250	8,250	-
Per Pupil Growth Aid	10-3190	8,250	-	8,250	8,250	-
Other State Aid	10-3190	-	-	-	5,742	5,742
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	495,231	495,231
On-Behalf TPAF Pension Contributions		-	-	-	311,955	311,955
Reimbursed TPAF Social Security Contributions	10-3902	-	-	-	415,306	415,306
Total State Sources		4,260,246	-	4,260,246	5,499,978	1,239,732
Total Revenues		12,494,535	-	12,494,535	13,838,752	1,344,217
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool/Kindergarten	110-100-101	184,829	51,000	235,829	235,048	781
Grades 1 - 5	120-100-101	1,973,559	(130,794)	1,842,765	1,804,503	38,262
Grades 6 - 8	130-100-101	1,329,111	5,253	1,334,364	1,328,660	5,704
Home Instruction	150-100-101	2,498	-	2,498	306	2,192
Regular Programs - Undistributed Instruction:						
Purchased Professional/Educational Services						
Purchased Professional/Educational Services	190-100-320	-	136,541	136,541	121,114	15,427
Purchased Technical Services	190-100-340	92,835	1,721	94,556	89,793	4,763
Rental of Equipment	190-100-440	85,189	(6,000)	79,189	65,079	14,110
Teacher Travel Between Schools	190-100-580	1,515	-	1,515	-	1,515
General Supplies	190-100-610	212,918	3,212	216,130	190,634	25,496
Textbooks	190-100-640	900	-	900	884	16
Other Objects	190-100-800	540	-	540	120	420
Total Regular Programs - Instruction		3,883,894	60,933	3,944,827	3,836,141	108,686
Resource Room/ Resource Center:						
Salaries of Teachers	213-100-101	1,093,141	(50,587)	1,042,554	975,335	67,219
Other Salaries for Instruction	213-100-106	216,804	(41,000)	175,804	157,348	18,456
General Supplies	213-100-610	8,500	1,550	10,050	9,873	177
Textbooks	213-100-640	1,500	-	1,500	1,500	-
Total Resource Room		1,319,945	(90,037)	1,229,908	1,144,056	85,852

**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Preschool Disabilities - Part-Time:						
Salaries of Teachers	215-100-101	84,802	1,023	85,825	85,163	662
Other Salaries for Instruction	215-100-106	48,516	15,000	63,516	62,345	1,171
Purchased Educational Services	215-100-320	2,000	-	2,000	2,000	-
General Supplies	215-100-610	500	-	500	298	202
Total Preschool Disabilities - Part-Time		135,818	16,023	151,841	149,806	2,035
Total Special Education		1,455,763	(74,014)	1,381,749	1,293,862	87,887
Basic Skills/Remedial:						
Salaries of Teachers	230-100-101	256,736	39,000	295,736	270,669	25,067
General Supplies	230-100-610	2,600	245	2,845	2,824	21
Total Basic Skills/Remedial		259,336	39,245	298,581	273,493	25,088
School Sponsored Cocurricular Activities:						
Salaries	401-100-100	50,642	3,125	53,767	53,488	279
Supplies & Materials	401-100-600	2,683	(140)	2,543	2,277	266
Other Objects	401-100-800	2,000	(568)	1,432	1,353	79
Total School Sponsored Cocurricular Activities		55,325	2,417	57,742	57,118	624
School Sponsored Athletics:						
Salaries	402-100-100	32,649	2,900	35,549	34,288	1,261
Purchased Services	402-100-500	7,806	(1,700)	6,106	5,970	136
Supplies & Materials	402-100-600	925	(100)	825	659	166
Other Objects	402-100-800	355	-	355	300	55
Total School Sponsored Athletics		41,735	1,100	42,835	41,217	1,618
Total Other Instructional Programs		97,060	3,517	100,577	98,335	2,242
Total - Instruction		5,696,053	29,681	5,725,734	5,501,831	223,903
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEAs Within the State	000-100-561	-	19,000	19,000	15,370	3,630
Tuition to Other LEAs Outside State	000-100-562	127,798	(10,700)	117,098	59,620	57,478
Tuition to CSSD & Regional Day Schools	000-100-565	9,100	52,700	61,800	61,633	167
Tuition to Private School for The Handicap	000-100-567	127,526	(73,500)	54,026	27,011	27,015
Total Instruction		264,424	(12,500)	251,924	163,634	88,290
Health Services:						
Salaries	000-213-100	146,742	(30,000)	116,742	111,072	5,670
Purchased Professional & Technical Services	000-213-300	4,400	(1,750)	2,650	-	2,650
Supplies and Materials	000-213-600	1,325	1,750	3,075	898	2,177
Other Objects	000-213-800	55	-	55		55
Total Health Services		152,522	(30,000)	122,522	111,970	10,552

**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Related Services:						
Salaries	000-216-101	147,926	(27,300)	120,626	72,819	47,807
Purchased Professional/Educational Services	000-216-320	102,768	10,300	113,068	112,865	203
Supplies & Materials	000-216-610	3,000	1,500	4,500	2,775	1,725
Total Related Services		253,694	(15,500)	238,194	188,459	49,735
Extra Services:						
Salaries	000-217-100	32,927	21,000	53,927	52,227	1,700
Purchased Professional/Educational Services	000-217-320	10,750	-	10,750	3,203	7,547
Supplies & Materials	000-217-610	1,000	-	1,000	-	1,000
Total Extra Services		44,677	21,000	65,677	55,430	10,247
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	000-218-104	147,402	2,000	149,402	147,598	1,804
Purchased Professional/Educational Services	000-218-390	3,750	-	3,750	455	3,295
Supplies & Materials	000-218-600	2,250	-	2,250	1,572	678
Other Objects	000-218-800	100	-	100	-	100
Total Other Support Services - Students - Regular		153,502	2,000	155,502	149,625	5,877
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	000-219-104	368,494	(13,100)	355,394	321,241	34,153
Salaries of Secretarial & Clerical Assistants	000-219-105	47,727	(2,000)	45,727	42,305	3,422
Purchased Professional/Educational Services	000-219-320	-	12,000	12,000	9,489	2,511
Rental of Equipment	000-219-440	330	-	330	-	330
Seminars/Travel	000-219-580	6,700	(2,075)	4,625	2,418	2,207
Miscellaneous Purchased Services	000-219-592	3,000	-	3,000	2,500	500
Supplies and Materials	000-219-600	1,812	8,025	9,837	8,467	1,370
Other Objects	000-219-800	1,790	600	2,390	2,364	26
Total Other Support Services - Students - Special Services		429,853	3,450	433,303	388,784	44,519
Improvement of Instruction:						
Salary of Other Professional Staff	000-221-104	63,000	-	63,000	36,547	26,453
Purchased Services	000-221-590	650	-	650	-	650
Total Improvement of Instruction		63,650	-	63,650	36,547	27,103
Instructional Staff Training:						
Purchased Professional/Educational Services	000-223-320	5,500	-	5,500	-	5,500
Staff Development - Travel	000-223-580	5,750	300	6,050	4,825	1,225
Supplies & Materials	000-223-600	1,000	-	1,000	52	948
Other Objects	000-223-800	2,075	-	2,075	1,000	1,075
Total Instructional Staff Training		14,325	300	14,625	5,877	8,748

**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Educational Media Services/School Library:						
Salaries	000-222-100	212,378	2,000	214,378	209,814	4,564
Purchased Professional - Educational Services	000-222-300	4,126	-	4,126	4,075	51
Other Purchased Services	000-222-500	2,799	-	2,799	-	2,799
Supplies and Materials	000-222-600	8,730	-	8,730	8,418	312
Total Instructional Staff Training Services		228,033	2,000	230,033	222,307	7,726
Support Services General Administration:						
Salaries	000-230-100	215,446	473	215,919	212,064	3,855
Legal Services	000-230-331	25,000	11,750	36,750	28,258	8,492
Audit Services	000-230-332	18,000	1,760	19,760	19,100	660
Architectural/Engineering Services	000-230-334	2,000	140	2,140	-	2,140
Other Purchased Professional Services	000-230-339	31,750	(3,277)	28,473	19,522	8,951
Communications/Telephone	000-230-530	30,650	2,146	32,796	30,206	2,590
Travel	000-230-580	2,000	140	2,140	1,570	570
BOE Other Purchased Services	000-230-585	2,900	203	3,103	239	2,864
Other Purchased Services	000-230-590	24,800	(1,264)	23,536	23,472	64
Supplies and Materials	000-230-600	3,692	2,008	5,700	3,384	2,316
Miscellaneous Expenditures	000-230-890	11,208	(1,215)	9,993	7,696	2,297
BOE Membership Dues & Fees	000-230-895	7,400	518	7,918	7,377	541
Total Support Services General Administration		374,846	13,382	388,228	352,888	35,340
Support Services School Administration:						
Salaries of Principals & Assistant Principals	000-240-103	254,868	15,111	269,979	258,121	11,858
Salaries of Secretarial & Clerical Assistants	000-240-105	192,138	1,959	194,097	181,022	13,075
Purchased Professional & Technical Services	000-240-300	12,740	2,972	15,712	15,562	150
Other Purchased Services	000-240-500	5,150	-	5,150	4,193	957
Supplies & Materials	000-240-600	6,100	(1,692)	4,408	4,092	316
Other Objects	000-240-800	4,000	330	4,330	4,205	125
Total Support Services School Administration		474,996	18,680	493,676	467,195	26,481
Support Services Central Services:						
Salaries	000-251-100	264,562	2,165	266,727	238,502	28,225
Purchased Technical Services	000-251-340	10,600	48	10,648	7,941	2,707
Other Purchased Professional Services	000-251-590	3,737	-	3,737	2,240	1,497
Travel	000-251-580	3,000	(200)	2,800	1,082	1,718
Supplies and Materials	000-251-600	6,130	(293)	5,837	4,052	1,785
Miscellaneous Expenditures	000-251-890	1,800	(200)	1,600	930	670
Total Support Services Central Services		289,829	1,520	291,349	254,747	36,602
Required Maintenance for School Facilities:						
Salaries	000-261-100	107,895	(3,600)	104,295	103,397	898
Cleaning, Repair & Maintenance Services	000-261-420	100,189	68,600	168,789	162,911	5,878
General Supplies	000-261-610	29,100	(7,500)	21,600	19,625	1,975
Total Required Maintenance for School Facilities		237,184	57,500	294,684	285,933	8,751

**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Operation & Maintenance of Plant:						
Required Maintenance for School Facilities:						
Salaries	000-262-100	540,954	21,750	562,704	544,598	18,106
Purchased Professional/Technical Services	000-262-300	9,200	(600)	8,600	5,004	3,596
Cleaning, Repair & Maintenance Services	000-262-420	28,387	(16,900)	11,487	10,085	1,402
Insurance	000-262-520	28,275	(1,550)	26,725	26,000	725
Travel	000-262-590	551	1,100	1,651	1,650	1
General Supplies	000-262-610	67,629	14,600	82,229	72,633	9,596
Energy (Natural Gas)	000-262-621	70,504	20,000	90,504	77,537	12,967
Energy (Electricity)	000-262-622	134,956	51,000	185,956	178,513	7,443
Other Objects	000-262-800	700	400	1,100	1,062	38
Total Operation & Maintenance of Plant Services		881,156	89,800	970,956	917,082	53,874
Student Transportation Services:						
Purchased Professional & Technical Services	000-270-350	7,000	1,100	8,100	8,056	44
Other Purchased Professional & Technical Services	000-270-390	2,400	1,900	4,300	4,300	-
Contracted Services - (Between Home & School) Vendors	000-270-511	531,996	(22,200)	509,796	468,811	40,985
Contracted Services - (Other Than Between Home & School) Vendors	000-270-512	10,710	-	10,710	10,032	678
Contracted Services - CTSA's Regular	000-270-517	28,310	-	28,310	23,718	4,592
Contracted Services - CTSA's Special	000-270-518	170,888	(15,000)	155,888	139,744	16,144
Aid in Lieu of Payments	000-270-503	8,000	4,000	12,000	11,531	469
Total Student Transportation Services		759,304	(30,200)	729,104	666,192	62,912
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	000-291-220	164,205	-	164,205	143,208	20,997
PERS - Other Retirement	000-291-241	167,817	-	167,817	158,598	9,219
Workmen's Compensation	000-291-260	52,900	-	52,900	48,900	4,000
Health Benefits	000-291-270	2,390,732	(139,075)	2,251,657	1,894,244	357,413
Tuition Reimbursements	000-291-280	38,000	(8,000)	30,000	20,509	9,491
Other Employee Benefits	000-291-290	176,983	(4,038)	172,945	172,945	-
Total Unallocated Benefits - Employee Benefits		2,990,637	(151,113)	2,839,524	2,438,404	401,120
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	495,231	(495,231)
On-Behalf TPAF Pension Contributions		-	-	-	311,955	(311,955)
Reimbursed TPAF Social Security Contributions		-	-	-	415,306	(415,306)
Total Undistributed Expenditures		7,612,632	(29,681)	7,582,951	7,927,566	(344,615)
Total Expenditures - Current Expense		13,308,685	-	13,308,685	13,429,397	(120,712)
Capital Outlay:						
Facilities Acquisition & Construction Services: Other Objects	000-400-800	82,068	-	82,068	80,313	1,755
Total Facilities Acquisition & Construction Services		82,068	-	82,068	80,313	1,755
Total Capital Outlay		82,068	-	82,068	80,313	1,755
Total Expenditures		13,390,753	-	13,390,753	13,509,710	(118,957)

**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(896,218)	-	(896,218)	329,042	1,463,174
Fund Balances, July 1	2,368,462	-	2,368,462	2,368,462	-
Fund Balances, June 30	\$ 1,472,244	\$ -	\$ 1,472,244	\$ 2,697,504	\$ 1,463,174

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:		
Maintenance Reserve		\$ 70,000
Emergency Reserve		196,000
Capital Reserve		500,000
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures		811,385
Excess Surplus		814,351
Assigned:		
Year-End Encumbrances		11,484
Designated for Subsequent Year's Expenditures		27,044
Unassigned Fund Balance		<u>267,240</u>
Subtotal		2,697,504
Reconciliation to Governmental Fund Statements (GAAP):		
Last Two State Aid Payment Not Recognized on GAAP Basis		<u>(414,927)</u>
Fund Balance per Governmental Funds (GAAP)		<u><u>\$ 2,282,577</u></u>

**SHAMONG TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015			VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
REVENUES				
Local Sources	\$ -	\$ 24,574	\$ 24,574	\$ -
Federal Sources	210,032	35,933	245,965	-
Total Revenues	210,032	60,507	270,539	-
EXPENDITURES:				
Instruction:				
Salaries of Teachers	26,945	(8,223)	18,722	18,722
Tuition	173,900	21,212	195,112	-
General Supplies	9,187	30,927	40,114	-
Total Instruction	210,032	43,916	253,948	-
Support Services:				
Other Salaries	-	5,855	5,855	-
Personal Services - Employee Benefits	-	1,882	1,882	-
Purchased Professional Educational Services	-	8,249	8,249	-
Other Purchased Services	-	-	-	-
General Supplies	-	605	605	-
Total Support Services	-	16,591	16,591	-
Total Expenditures	210,032	60,507	270,539	-
Total Outflows	210,032	60,507	270,539	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 13,820,752	\$ 270,539
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in		
y		
purposes.	414,800	-
State aid payment recognized for budgetary purposes, not		
recognized for GAAP statements until the subsequent year.	(414,927)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 13,820,625	\$ 270,539
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	13,491,710	270,539
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (B-2)	\$ 13,491,710	\$ 270,539

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.01924%	0.01906%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$3,601,987	\$3,643,602	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$1,318,264	\$1,330,845	\$1,374,641	**N/A						
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	273.24%	273.78%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 180,006	\$ 158,600	\$ 143,647	**N/A						
Contributions in relation to the contractually required contribution	180,006	158,600	143,647	**N/A						
Contribution deficiency (excess)	\$ -	\$ -	\$ -	**N/A						
District's covered-employee payroll	\$1,318,264	\$1,330,845	\$1,374,641	**N/A						
Contributions as a percentage of covered-employee payroll	13.65%	11.92%	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.01428%	0.01397%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$30,629,904	\$29,378,568	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$ 5,713,243	\$ 5,683,551	\$ 5,714,850	**N/A						
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

Teachers Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

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

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

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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

	NO CHILD LEFT BEHIND		I.D.E.A. PART B		SHAMONG TOWNSHIP FOUNDATION FOR EDUCATION EXCELLENCE	2015
	TITLE I	I PART A	REGULAR	PRESCHOOL		
Revenues:						
Federal Sources	\$ 36,160	\$ 12,314	\$ 186,619	\$ 10,872	\$ -	\$ 245,965
Local Sources	-	-	-	-	24,574	24,574
Total Revenues	\$ 36,160	\$ 12,314	\$ 186,619	\$ 10,872	\$ 24,574	\$ 270,539
Expenditures:						
Instruction:						
Salaries of Teachers	\$ 18,722	\$ -	\$ -	\$ -	\$ -	\$ 18,722
Tuition	-	-	186,619	8,493	-	195,112
General Supplies	7,757	5,404	-	2,379	24,574	40,114
Total Instruction	26,479	5,404	186,619	10,872	24,574	253,948
Support Services:						
Salaries	-	5,855	-	-	-	5,855
Personal Services - Employee Benefits	1,432	450	-	-	-	1,882
Purchased Professional - Educational Services	8,249	-	-	-	-	8,249
Other Purchased Services (400-500 Series)	-	-	-	-	-	-
General Supplies	-	605	-	-	-	605
Total Support Services	9,681	6,910	-	-	-	16,591
Total Expenditures	\$ 36,160	\$ 12,314	\$ 186,619	\$ 10,872	\$ 24,574	\$ 270,539

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F. Capital Projects Fund

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES FOR MANAGED CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2015**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	REAPPROPRIATION OF PROCEEDS	TRANSFER TO DEBT SERVICE FUND	EXPENDITURES TO DATE PRIOR YEARS	CURRENT YEAR	CANCELLATION OF GRANT RECEIVABLE	UNEXPENDED BALANCE JUNE 30, 2015
Replacement of Exterior Doors at Indian Mills Memorial School	3/31/2014	\$ 131,000	\$ -	\$ -	\$ -	11,888	\$ -	\$ 119,112
Security Upgrades at Indian Mills Memorial School	3/31/2014	227,500	-	-	-	7,451	-	220,049
Air Conditioning Upgrades at Indian Mills Elementary School	3/31/2014	1,192,000	-	-	-	85,115	-	1,106,885
Security Upgrades at Indian Mills Elementary School	3/31/2014	261,500	-	-	-	7,831	-	253,669
Window Replacement at Indian Mills Elementary School	3/31/2014	169,000	-	-	-	13,550	-	155,450
Renovations, Site Work & Solar Panel Installation at Indian Mills Memorial School & Indian Mills School	9/29/2009	2,560,467	115,949	114,419	2,317,676	-	65,558	178,763
Total		\$ 4,541,467	\$ 115,949	\$ 114,419	\$ 2,317,676	\$ 125,835	\$ 65,558	\$ 2,033,928

Reconciliation - Unexpended Capital Project Balances to Fund Balance - June 30, 2015

Unexpended Project Balances June 30, 2015	\$ 2,033,928
Less:	
Unexpended State Aid - ROD Grants	(792,400)
Total Fund Balance (GAAP Basis) - June 30, 2015	<u>\$ 1,241,528</u>

**SHAMONG TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

REVENUES:	
State Sources - SDA Grant	\$ 792,400
Capital Lease Proceeds & Transfers	<u>1,188,600</u>
Total Revenues	<u>1,981,000</u>
EXPENDITURES:	
Purchased Professional & Technical Services	108,022
Construction Services	17,813
Supplies	<u>-</u>
Total Expenditures	<u>125,835</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>1,855,165</u>
Other Financing Sources/ (Uses):	
Cancelled Grant Receivable	(65,558)
Transfer to Debt Service Fund	<u>(35,716)</u>
Total Other Financing Sources/ (Uses)	<u>(101,274)</u>
Net Change in Fund Balance	1,753,891
Fund Balance - Beginning	<u>280,037</u>
Fund Balance - Ending	<u>\$ 2,033,928</u>

**SHAMONG TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
INDIAN MILLS MEMORIAL SCHOOL & INDIAN MILLS SCHOOL
RENOVATIONS, SITE WORK AND SOLAR PANEL INSTALLATION
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ 677,416	\$ -	\$ 677,416	\$ 677,416
Bond Proceeds & Transfers	1,999,000	-	1,999,000	1,999,000
Total Revenues	2,676,416	-	2,676,416	2,676,416
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	243,063	-	243,063	243,063
Construction Services	2,035,825	-	2,035,825	2,214,588
Equipment Purchases				
Supplies	30,423	-	30,423	30,423
Miscellaneous	8,365	-	8,365	8,365
Total Expenditures	2,317,676	-	2,317,676	2,496,439
Other Financing Sources/ (Uses):				
Cancellation of Grant Receivable		65,558	65,558	65,558
Transfer to Debt Service Fund	78,703	35,716	114,419	114,419
Total Other Financing Sources/ (Uses)	78,703	101,274	179,977	179,977
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 280,037	\$ (101,274)	\$ 178,763	\$ -
Additional Project Information:				
Project Number				4740-050-09
Grant Date				N/A
Bond Authorization Date				8/26/10
Bonds Authorization				\$ 1,999,640
Bonds Issued				N/A
Original Authorized Cost				\$ 2,560,467
Additional Authorized Cost				\$ 115,949
Revised Authorized Cost				\$ 2,676,416
Percentage Increase Over Original Authorized Cost				4.53%
Percentage Completion				92.84%
Original Target Completion Date				9/2011
Revised Target Completion Date				9/2012

**SHAMONG TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
INDIAN MILLS MEMORIAL SCHOOL
REPLACEMENT OF EXTERIOR DOORS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ -	\$ 52,400	\$ 52,400	\$ 52,400
Bond Proceeds & Transfers	-	78,600	78,600	78,600
Total Revenues	-	131,000	131,000	131,000
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services		11,888	11,888	15,500
Construction Services		-	-	115,500
Equipment Purchases				
Supplies		-	-	-
Miscellaneous		-	-	-
Total Expenditures	-	11,888	11,888	131,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 119,112	\$ 119,112	\$ -

Additional Project Information:

Project Number	4740-055-14-1013
Grant Date	N/A
Bond Authorization Date	2/11/15
Bonds Authorization	\$ 78,600
Bonds Issued	N/A
Original Authorized Cost	\$ 131,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 131,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	9.07%
Original Target Completion Date	6/2016
Revised Target Completion Date	6/2016

**SHAMONG TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
INDIAN MILLS MEMORIAL SCHOOL
SECURITY UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ -	\$ 91,000	\$ 91,000	\$ 91,000
Bond Proceeds & Transfers	-	136,500	136,500	136,500
Total Revenues	-	227,500	227,500	227,500
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services		7,451	7,451	20,150
Construction Services		-	-	207,350
Equipment Purchases				
Supplies		-	-	-
Miscellaneous		-	-	-
Total Expenditures	-	7,451	7,451	227,500
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 220,049	\$ 220,049	\$ -

Additional Project Information:

Project Number	4740-055-14-1012
Grant Date	N/A
Bond Authorization Date	2/11/15
Bonds Authorization	\$ 136,500
Bonds Issued	N/A
Original Authorized Cost	\$ 227,500
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 227,500
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	3.28%
Original Target Completion Date	6/2016
Revised Target Completion Date	6/2016

**SHAMONG TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
INDIAN MILLS SCHOOL
CLASSROOM AIR CONDITIONING
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ -	\$ 476,800	\$ 476,800	\$ 476,800
Bond Proceeds & Transfers	-	715,200	715,200	715,200
Total Revenues	-	1,192,000	1,192,000	1,192,000
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services		67,302	67,302	103,000
Construction Services		17,813	17,813	1,089,000
Equipment Purchases				
Supplies		-	-	-
Miscellaneous		-	-	-
Total Expenditures	-	85,115	85,115	1,192,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 1,106,885	\$ 1,106,885	\$ -

Additional Project Information:

Project Number	4740-050-14-1005
Grant Date	N/A
Bond Authorization Date	2/11/15
Bonds Authorization	\$ 715,200
Bonds Issued	N/A
Original Authorized Cost	\$ 1,192,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,192,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	7.14%
Original Target Completion Date	6/2016
Revised Target Completion Date	6/2016

**SHAMONG TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
INDIAN MILLS SCHOOL
SECURITY UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ -	\$ 104,600	\$ 104,600	\$ 104,600
Bond Proceeds & Transfers	-	156,900	156,900	156,900
Total Revenues	-	261,500	261,500	261,500
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services		7,831	7,831	27,310
Construction Services		-	-	234,190
Equipment Purchases				
Supplies		-	-	-
Miscellaneous		-	-	-
Total Expenditures	-	7,831	7,831	261,500
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 253,669	\$ 253,669	\$ -

Additional Project Information:

Project Number	4740-050-14-1003
Grant Date	N/A
Bond Authorization Date	2/11/15
Bonds Authorization	\$ 156,900
Bonds Issued	N/A
Original Authorized Cost	\$ 261,500
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 261,500
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	2.99%
Original Target Completion Date	6/2016
Revised Target Completion Date	6/2016

**SHAMONG TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
INDIAN MILLS SCHOOL
WINDOW REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ -	\$ 67,600	\$ 67,600	\$ 67,600
Bond Proceeds & Transfers	-	101,400	101,400	101,400
Total Revenues	-	169,000	169,000	169,000
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services		13,550	13,550	19,400
Construction Services		-	-	149,600
Equipment Purchases				
Supplies		-	-	-
Miscellaneous		-	-	-
Total Expenditures	-	13,550	13,550	169,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 155,450	\$ 155,450	\$ -

Additional Project Information:

Project Number	4740-050-14-1004
Grant Date	N/A
Bond Authorization Date	2/11/15
Bonds Authorization	\$ 101,400
Bonds Issued	N/A
Original Authorized Cost	\$ 169,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 169,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	8.02%
Original Target Completion Date	6/2016
Revised Target Completion Date	6/2016

G. Proprietary Funds

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Enterprise Funds

Not Applicable

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION INSURANCE	AGENCY FUNDS		2015
		STUDENT ACTIVITY	PAYROLL	
Assets:				
Cash & Cash Equivalents	\$ 110,764	\$ 46,166	\$ 23,487	\$ 180,417
Total Assets	110,764	46,166	23,487	180,417
LIABILITIES				
Liabilities:				
Payroll Deductions & Withholdings	-	-	21,487	21,487
Interfund Payable	-	-	2,000	2,000
Due to State	6,768	-	-	6,768
Due to Student Groups	-	46,166	-	46,166
Total Liabilities	6,768	46,166	23,487	76,421
NET POSITION				
Restricted	103,996	-	-	103,996
Total Net Position	\$ 103,996	\$ -	\$ -	\$ 103,996

**SHAMONG TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2015**

	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION INSURANCE	2015
Additions:		
Local Sources:		
Employee Salary Deductions	\$ -	\$ -
	<hr/>	<hr/>
Total Operating Revenues	-	-
	<hr/>	<hr/>
Other Sources:		
Interest on Investments	-	-
	<hr/>	<hr/>
Total Additions	-	-
	<hr/>	<hr/>
Deductions:		
Unemployment Compensation Insurance Claims	25,014	25,014
	<hr/>	<hr/>
Change in Net Position	(25,014)	(25,014)
Net Position, July 1	129,010	129,010
	<hr/>	<hr/>
Net Position, June 30	\$ 103,996	\$ 103,996
	<hr/> <hr/>	<hr/> <hr/>

**SHAMONG TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	E JUNE 30, 2015
Student Activities	\$ 35,990	\$ 68,135	\$ 59,565	\$ 44,560
Basketball League	1,267	2,400	2,061	1,606
Total Student Activity	\$ 37,257	\$ 70,535	\$ 61,626	\$ 46,166

**PAYROLL FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	ADDITIONS	DISBURSEMENTS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 21,452	\$ 8,482,384	\$ 8,480,349	\$ 23,487
Total Assets	\$ 21,452	\$ 8,482,384	\$ 8,480,349	\$ 23,487
LIABILITIES				
Payroll Deductions & Withholdings Due to General Fund	\$ 21,452	\$ 8,480,384	\$ 8,480,349	\$ 21,487
	-	2,000	-	2,000
Total Liabilities	\$ 21,452	\$ 8,482,384	\$ 8,480,349	\$ 23,487

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I. Long-Term Debt

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2014	ISSUED	REFUNDED	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2015
			DATE	AMOUNT						
School Bond Issue	6/21/2007	\$ 757,346				\$ 132,346	\$ -	\$ -	\$ 132,346	\$ -
School Bond Issue	8/26/2010	1,999,000	2/15/2016	110,000	3.125%	1,714,000	-	-	105,000	1,609,000
			2/15/2017	115,000	3.125%					
			2/15/2018	120,000	3.125%					
			2/15/2019	130,000	3.125%					
			2/15/2020	140,000	3.125%					
			2/15/2021	150,000	3.125%					
			2/15/2022	155,000	3.125%					
2013 Refunding Bonds	11/15/2012	3,145,000	2/15/2023	160,000	3.125%					
			2/15/2024	170,000	3.250%					
			2/15/2025	180,000	3.375%					
			2/15/2026	179,000	3.500%					
			5/5/2016	630,000	2.000%	2,555,000	-	-	610,000	1,945,000
			5/5/2017	645,000	4.000%					
			5/5/2018	670,000	4.000%					
Total						\$ 4,401,346	\$ -	\$ -	\$ 847,346	\$ 3,554,000

**SHAMONG TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
6/30/2015**

DATE OF LEASE	SERIES	INTEREST RATE PAYABLE	BALANCE OUTSTANDING JULY 1, 2014	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	BALANCE OUTSTANDING JUNE 30, 2015
42,046	Replace Exterior Doors	0.740%	\$ -	\$ 78,600	\$ -	\$ 78,600
42,046	Security Upgrades	0.740%	-	136,500	-	136,500
42,046	Air Conditioning	0.740%	-	715,200	-	715,200
42,046	Security Upgrades	0.740%	-	156,900	-	156,900
42,046	Window Replacement	0.740%	-	101,400	-	101,400
			<u>\$ -</u>	<u>\$ 1,188,600</u>	<u>\$ -</u>	<u>\$ 1,188,600</u>

**SHAMONG TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015			VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 877,336	\$ -	\$ 877,336	\$ 877,336
State Sources:				
Debt Service Aid Type II	74,120	-	74,120	-
Miscellaneous	23,883	-	23,883	(23,883)
Total Revenues	975,339	-	975,339	(23,883)
Expenditures:				
Regular Debt Service:				
Redemption of Principal	847,346	-	847,346	-
Interest	139,826	-	139,826	(1)
Total Regular Debt Service	987,172	-	987,172	(1)
Excess/(Deficiency) of Revenues Over (Under) Expenditures	(11,833)	-	(11,833)	(23,882)
Other Financing Sources/(Uses):				
Operating Transfers In	11,833	-	11,833	(23,883)
Total Other Financing Sources/(Uses)	11,833	-	11,833	(23,883)
Fund Balance, July 1,	2	-	2	-
Fund Balance, June 30	\$ 2	\$ -	\$ 2	\$ 1

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STATISTICAL SECTION (Unaudited)

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SHAMONG TOWNSHIP BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:										
Net Investment in Capital Assets	\$ 7,007,394	\$ 7,652,155	\$ 7,786,237	\$ 7,428,613	\$ 7,410,688	\$ 7,440,051	\$ 6,840,346	\$ 6,869,344	\$ 6,817,805	\$ 6,735,833
Restricted	3,605,761	2,073,603	1,939,464	1,580,710	999,371	1,243,977	1,435,875	750,387	935,364	350,413
Unrestricted	(4,197,462)	(471,129)	(648,924)	(648,244)	(603,943)	(1,239,936)	(1,202,392)	(440,892)	(539,631)	(167,076)
Total Governmental Activities	\$ 6,415,693	\$ 9,254,629	\$ 9,076,777	\$ 8,361,079	\$ 7,806,116	\$ 7,444,092	\$ 7,073,829	\$ 7,178,839	\$ 7,213,538	\$ 6,919,170
Business-Type Activities:										
Net Investment in Capital Assets	\$ 28,807	\$ 33,627	\$ 38,447	\$ 34,670	\$ 38,631	\$ 42,888	\$ 33,002	\$ 24,888	\$ 26,986	\$ 24,770
Unrestricted	15,602	19,646	27,729	31,310	35,363	29,502	26,892	15,390	5,661	6,885
Total Business-Type Activities	\$ 44,409	\$ 53,273	\$ 66,176	\$ 65,980	\$ 73,994	\$ 72,390	\$ 59,894	\$ 40,278	\$ 32,647	\$ 31,655
Government-Wide:										
Net Investment in Capital Assets	\$ 7,036,201	\$ 7,685,782	\$ 7,824,684	\$ 7,463,283	\$ 7,449,319	\$ 7,482,939	\$ 6,873,348	\$ 6,894,232	\$ 6,844,791	\$ 6,760,603
Restricted	3,605,761	2,073,603	1,939,464	1,580,710	999,371	1,243,977	1,435,875	750,387	935,364	350,413
Unrestricted	(4,181,860)	(451,483)	(621,195)	(616,934)	(568,580)	(1,210,434)	(1,175,500)	(425,502)	(533,970)	(160,191)
Total Net Position	\$ 6,460,102	\$ 9,307,902	\$ 9,142,953	\$ 8,427,059	\$ 7,880,110	\$ 7,516,482	\$ 7,133,723	\$ 7,219,117	\$ 7,246,185	\$ 6,950,825

**SHAMONG TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental Activities										
Instruction:										
Instruction - Regular Programs	\$ 3,836,141	\$ 3,795,156	\$ 3,848,363	\$ 3,921,874	\$ 3,764,211	\$ 4,086,502	\$ 3,929,404	\$ 3,904,909	\$ 3,810,059	\$ 3,762,680
Special Education	1,547,810	1,757,555	1,680,653	1,472,381	1,311,508	1,348,865	1,286,574	1,281,394	1,252,312	1,131,652
Other Special Instruction	273,493	253,207	246,391	170,328	165,951	202,658	201,474	161,451	133,801	126,828
Other Instruction	98,335	97,047	82,064	88,181	89,890	85,969	95,257	96,575	85,562	83,750
Support Services:										
Tuition	163,634	144,404	70,132	15,034	24,476	1,492	16,740	120,862	28,968	8,586
Health Services	111,970	109,412	149,524							
Student & Instruction Related Services	839,431	859,396	850,276	1,109,260	1,115,754	1,190,533	1,137,230	1,157,551	1,149,932	1,110,835
Educational Media Services/School Library	222,307	228,681	222,675	-	-	-	-	-	-	-
General Administrative Services	352,888	361,677	298,499	538,075	599,817	593,731	602,727	575,409	599,647	577,730
School Administrative Services	467,195	450,404	446,278	530,672	598,470	589,113	537,880	539,601	403,812	476,878
Central Services	254,747	266,470	262,019	-	-	-	-	-	-	-
Plant Operations & Maintenance	1,203,015	1,081,702	1,047,690	1,021,161	1,088,629	1,039,421	1,140,716	1,133,152	1,034,260	972,658
Pupil Transportation	666,192	665,588	618,931	633,392	576,014	598,024	595,326	601,006	582,690	572,520
Employee Benefits	5,030,672	3,511,762	3,602,862	3,563,624	3,338,266	3,435,996	3,304,180	3,530,139	3,276,665	2,759,629
Interest on Long-Term Debt	216,347	139,283	185,001	278,974	277,282	212,824	253,745	252,456	233,396	249,471
Unallocated Amortization	-	-	(14,397)	(2,692)	39,488	18,036	20,614	20,614	20,613	20,614
Increase/(Decrease) In Compensated Absences	-	-	(103,305)	3,641	(31,793)	10,041	(68,062)	18,790	32,259	93,696
Increase/(Decrease) In Post Retirement Benefits	-	-	(3,180)	-	-	-	-	-	-	-
Unallocated Loss on Revaluation of Assets	-	-	-	-	-	-	-	-	-	-
Rental of Land & Building	-	-	-	-	-	-	-	-	-	-
Unallocated Depreciation	728,669	752,513	737,501	763,364	649,482	663,323	669,242	640,587	589,410	607,340
Total Governmental Activities Expenses	15,594,334	14,474,257	14,227,977	14,107,269	13,607,445	14,076,528	13,723,047	14,034,496	13,233,386	12,554,866
Business-Type Activities										
Food Service	253,617	266,758	263,303	258,821	254,831	247,833	252,556	249,674	293,671	290,177
Total Business-Type Activities Expense	253,617	266,758	263,303	258,821	254,831	247,833	252,556	249,674	293,671	290,177
Total District Expenses	\$ 15,847,951	\$ 14,741,015	\$ 14,491,280	\$ 14,366,090	\$ 13,862,276	\$ 14,324,361	\$ 13,975,603	\$ 14,284,170	\$ 13,527,057	\$ 12,845,043

**SHAMONG TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Operating Grants & Contributions	\$ 2,829,252	\$ 325,896	\$ 289,841	\$ 284,527	\$ 307,826	\$ 314,034	\$ 266,246	\$ 329,144	\$ 248,657	\$ 259,233
Total Governmental Activities Program Revenues	2,829,252	325,896	289,841	284,527	307,826	314,034	266,246	329,144	248,657	259,233
Business-Type Activities:										
Charges for Services:										
Food Service	176,447	180,159	201,662	178,804	194,310	195,558	204,483	191,809	195,092	208,748
Operating Grants:										
Food Service	63,144	67,093	57,554	64,404	57,368	49,356	50,410	50,932	53,062	49,094
Total Business Type Activities Program Revenues	239,591	247,252	259,216	243,208	251,678	244,914	254,893	242,741	248,154	257,842
Total District Program Revenues	\$ 3,068,843	\$ 573,148	\$ 549,057	\$ 527,735	\$ 559,504	\$ 558,948	\$ 521,139	\$ 571,885	\$ 496,811	\$ 517,075
Net/(Expense)/Revenue:										
Governmental Activities	\$ (12,765,082)	\$ (14,148,361)	\$ (13,938,136)	\$ (13,822,742)	\$ (13,299,619)	\$ (13,762,494)	\$ (13,456,801)	\$ (13,705,352)	\$ (12,984,729)	\$ (12,295,633)
Business-Type Activities	(14,026)	(19,506)	(4,087)	(15,613)	(3,153)	(2,919)	2,337	(6,933)	(45,517)	(32,335)
Total District-Wide Net Expense	\$ (12,779,108)	\$ (14,167,867)	\$ (13,942,223)	\$ (13,838,355)	\$ (13,302,772)	\$ (13,765,413)	\$ (13,454,464)	\$ (13,712,285)	\$ (13,030,246)	\$ (12,327,968)

**SHAMONG TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FISCAL YEAR ENDING JUNE 30,										
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for General Purposes, Net	\$ 9,068,136	\$ 8,902,667	\$ 8,926,550	\$ 8,926,550	\$ 8,765,917	\$ 8,459,660	\$ 8,158,533	\$ 7,868,988	\$ 7,593,527	\$ 6,985,896
Federal & State Aid Unrestricted	4,351,479	5,336,195	5,512,211	5,180,485	4,711,979	5,573,846	5,089,474	5,557,526	5,484,823	5,068,705
Tuition Received	-	-	-	54,019	4,965	13,844	-	15,925	16,588	28,947
Miscellaneous Income	82,416	158,903	215,073	216,651	181,782	90,407	108,784	236,214	151,399	78,514
Transfers	-	-	-	-	(3,000)	(5,000)	(5,000)	(8,000)	(26,813)	(16,604)
Donated Capital Assets	-	-	-	-	-	-	-	-	-	-
Unallocated Amortization	36,097	-	-	-	-	-	-	-	-	-
Decrease In Compensated Absences	27,220	-	-	-	-	-	-	-	-	-
Decrease In Post Retirement Benefits	4,400	-	-	-	-	-	-	-	-	-
Total Governmental Activities:	13,569,748	14,397,765	14,653,834	14,377,705	13,661,643	14,132,757	13,351,791	13,670,653	13,219,524	12,145,458
Business-type Activities	5,162	6,603	4,283	7,599	4,757	15,415	17,279	14,564	42,334	30,782
Total District-Wide	\$ 13,574,910	\$ 14,404,368	\$ 14,658,117	\$ 14,385,304	\$ 13,666,400	\$ 14,148,172	\$ 13,369,070	\$ 13,685,217	\$ 13,261,858	\$ 12,176,240
Change in Net Position:										
Governmental Activities	804,666	249,404	715,698	554,963	362,024	370,263	(105,010)	(34,699)	234,795	(150,176)
Business-Type Activities	(8,864)	(12,903)	196	(8,014)	1,604	12,496	19,616	7,631	(3,183)	(1,553)
Total District	\$ 795,802	\$ 236,501	\$ 715,894	\$ 546,949	\$ 363,628	\$ 382,759	\$ (85,394)	\$ (27,068)	\$ 231,612	\$ (151,729)

Financial Trends Information

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

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Restricted	\$ 2,403,220	\$ 2,073,603	\$ 1,939,464	\$ 1,580,710	\$ 1,059,235	\$ 693,519	\$ 1,435,875	\$ 810,387	\$ 935,364	\$ 350,413
Unassigned	(120,643)	(119,941)	(142,103)	(81,712)	(93,338)	(171,280)	(686,961)	79,201	(8,833)	333,974
Total General Fund	\$ 2,282,577	\$ 1,953,662	\$ 1,797,361	\$ 1,498,998	\$ 965,897	\$ 522,239	\$ 748,914	\$ 889,588	\$ 926,531	\$ 684,387
All Other Governmental Funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,921	\$ -	\$ 26,730
Assigned, Reported in:										
Capital Project Fund	1,241,528	280,037	307,470	321,603	652,740	339,302	82,041	158,370	726,423	16,185
Debt Service Fund	3	2	23,884	14	19	6	5	-	-	-
Total All Other Governmental Funds	\$ 1,241,531	\$ 280,039	\$ 331,354	\$ 321,617	\$ 652,759	\$ 339,308	\$ 82,046	\$ 297,291	\$ 726,423	\$ 42,915

**SHAMONG TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Tax Levy	\$ 9,068,136	\$ 8,902,667	\$ 8,926,550	\$ 8,926,550	\$ 8,765,917	\$ 8,459,660	\$ 8,158,533	\$ 7,868,988	\$ 7,593,527	\$ 6,985,896
Tuition	-	-	-	54,019	4,965	13,844	-	15,925	16,588	28,947
Miscellaneous	172,548	158,903	215,073	216,651	181,782	90,407	120,084	229,513	147,328	118,564
State Sources	5,573,971	5,410,657	5,525,730	5,081,622	4,729,187	4,903,914	5,136,262	5,666,989	5,495,975	5,096,618
Federal Sources	245,965	251,434	276,322	383,390	290,618	983,966	219,458	219,681	237,505	231,718
Total Revenue	15,060,620	14,723,661	14,943,675	14,662,232	13,972,469	14,451,791	13,634,337	14,001,096	13,490,923	12,461,743
Expenditures:										
Instruction:										
Regular	3,836,141	3,795,156	3,913,154	3,921,874	3,764,211	4,086,502	3,929,404	3,938,066	3,810,059	3,762,680
Special Education	1,547,810	1,757,555	1,680,653	1,472,381	1,311,508	1,348,865	1,286,574	1,281,394	1,252,312	1,131,652
Other Special Instruction	273,493	253,207	246,391	170,328	165,951	202,658	201,474	161,451	133,801	126,828
Other Instruction	98,335	97,047	82,064	88,181	89,890	85,969	95,257	96,575	85,562	83,750
Support Services:										
Tuition	163,634	144,404	70,132	15,034	24,476	1,492	16,740	120,862	28,968	8,586
Health Services	111,970	109,412	149,524	-	-	-	-	-	-	-
Student & Instruction Related Services	839,431	859,396	850,276	1,140,588	1,145,964	1,219,665	1,137,230	1,173,178	1,149,932	1,110,835
Educational Media Services/School Library	222,307	228,681	222,675	-	-	-	-	-	-	-
General Administrative Services	352,888	361,677	298,499	538,075	599,817	593,731	602,727	575,409	599,647	577,730
School Administrative Services	467,195	450,404	446,278	530,672	598,470	589,113	537,880	539,601	403,812	477,276
Central Services	254,747	266,470	262,019	-	-	-	-	-	-	-
Plant Operations & Maintenance	1,203,015	1,081,702	1,076,435	1,021,161	1,063,639	1,039,421	1,164,045	1,133,152	1,034,260	972,658
Pupil Transportation	666,192	665,588	618,931	633,392	576,014	598,024	595,326	601,006	582,690	572,520
Employee Benefits	3,662,778	3,511,762	3,602,862	3,563,624	3,338,266	3,437,756	3,282,740	3,530,139	3,276,665	2,759,629
Capital Outlay	206,148	54,738	128,341	353,523	1,705,397	394,671	244,658	702,009	181,260	229,390
Debt Service:										
Principal	847,346	815,000	785,000	745,000	625,000	600,000	605,000	530,000	525,000	530,000
Interest & Other Charges	139,825	166,476	202,341	266,440	202,757	218,337	271,780	221,951	235,907	247,607
Total Expenditures	14,893,255	14,618,675	14,635,575	14,460,273	15,211,360	14,416,204	13,970,835	14,604,793	13,299,875	12,591,141
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	167,365	104,986	308,100	201,959	(1,238,891)	35,587	(336,498)	(603,697)	191,048	(129,398)
Other Financing Sources/(Uses):										
Lease-Purchase Agreement Proceeds	1,188,600	-	-	-	-	-	-	-	-	-
Cancellation of Grant Receivable	(65,558)	-	-	-	-	-	-	-	-	-
Operating Transfers In -	35,716	-	-	-	-	-	-	-	-	-
Operating Transfers (Out) -	(35,716)	-	-	-	-	-	-	-	-	-
Miscellaneous/Other	-	-	-	-	1,996,000	(5,000)	119,500	(1,299)	734,604	152,711
Total Other Financing Sources/(Uses)	1,123,042	-	-	-	1,996,000	(5,000)	119,500	(1,299)	734,604	152,711
Net Change in Fund Balances	\$ 1,290,407	\$ 104,986	\$ 308,100	\$ 201,959	\$ 757,109	\$ 30,587	\$ (216,998)	\$ (604,996)	\$ 925,652	\$ 23,313
Debt Service as a Percentage of Noncapital Expenditures	7.2%	7.2%	7.3%	7.7%	6.5%	6.2%	6.8%	5.7%	6.2%	6.7%

Source: District Records

**SHAMONG TOWNSHIP BOARD OF EDUCATION
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDED JUNE 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Interest on Investments	4,775	\$ 10,963	\$ 16,130	\$ 28,584	\$ 27,970	\$ 23,572	\$ 18,176	\$ 64,314	\$ 79,077	\$ 58,955
Sports/Club Fees	9,315	26,995	24,295	20,300	16,500	16,765	18,635	19,280	18,160	9,690
Prior Year Refunds	7,881	12,460	-	1,113	5,648	15,597	20,559	9,265	3,717	12,051
Miscellaneous	126,003	34,023	144,585	116,621	155,444	83,121	73,296	117,461	134,679	86,384

Source: District records

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Revenue Capacity Information

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

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED DECEMBER 31.	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	TOTAL ASSESSED	MEMO: TAX EXEMPT	PUBLIC \$	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2015	\$ 7,551,600	\$ 598,357,100	\$ 32,898,700	\$ 2,138,600	\$ 18,917,900	\$ 2,710,800	\$ 662,574,700	\$ 47,293,700	\$ 1,148,531	\$ 663,723,231	2.145	\$ 663,723,231
2014	7,821,700	599,098,500	32,094,300	2,137,900	18,736,100	2,710,800	662,599,300	46,761,500	1,139,919	663,739,219	2.040	663,739,219
2013	7,745,600	600,380,300	32,103,400	2,154,100	19,207,200	2,710,800	664,301,400	46,075,700	1,501,069	665,802,469	1.969	711,796,211
2012	8,155,600	601,804,000	31,048,100	2,100,500	17,930,700	2,710,800	663,749,700	45,505,300	1,774,833	665,524,533	1.973	711,029,837
2011	4,482,050	380,022,100	14,527,300	2,406,450	7,928,500	1,370,200	410,736,600	38,655,600	995,145	411,731,745	3.204	797,386,289
2010	4,870,250	377,772,700	13,530,900	2,427,450	7,994,900	1,370,200	407,966,400	38,180,500	1,083,133	409,049,533	3.158	795,598,407
2009	5,112,250	374,996,100	14,519,700	1,531,950	7,994,900	1,370,200	405,525,100	38,169,500	1,040,621	406,565,721	3.057	802,798,336
2008	4,870,250	377,772,700	13,530,900	2,427,450	7,994,900	1,370,200	407,966,400	38,180,500	1,083,133	409,049,533	2.997	817,755,798
2007	5,262,250	372,814,200	14,759,200	1,532,950	7,994,900	1,370,200	403,733,700	38,069,500	1,085,678	404,819,378	2.926	749,753,178
2006	5,202,250	370,185,700	14,855,800	1,648,450	7,794,900	1,370,200	401,057,300	38,344,500	1,182,448	363,895,248	2.819	663,126,408

15 Source: Abstract of Ratables Burlington County, Burlington County Abstract of Ratable

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 ordered by the County Board of Taxator

- a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Company
- b. Tax rates are per \$100
- N/A - Not Available

**SHAMONG TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED DECEMBER 31,	SCHOOL DISTRICT DIRECT RATE		TOTAL DIRECT	OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL		TOWNSHIP OF SHAMONG	BURLINGTON COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
2015	1.398	0.747	2.145	0.084	0.366	0.035	0.043	2.673
2014	1.367	0.673	2.040	0.068	0.352	0.033	0.016	2.509
2013	1.337	0.632	1.969	0.039	0.354	0.033	0.019	2.414
2012	1.341	0.632	1.973	0.045	0.344	0.034	0.045	2.441
2011	2.169	1.035	3.204	0.059	0.571	0.055	0.074	3.963
2010	2.134	1.024	3.158	0.047	0.602	0.058	0.078	3.943
2009	2.068	0.989	3.057	0.047	0.625	0.060	0.081	3.870
2008	2.007	0.990	2.997	0.078	0.630	0.059	0.079	3.843
2007	1.945	0.981	2.926	0.020	0.646	0.061	0.076	3.729
2006	1.888	0.931	2.819	0.020	0.606	0.055	0.066	3.566

Source: Burlington County Board of Taxation

**SHAMONG TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2015		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer #1 Fawn Lake LLC	\$ 2,750,900	1	0.42%
	1,148,531	5	0.17%
Taxpayer #6	1,070,100	6	0.16%
Taxpayer #7	1,066,100	7	0.16%
Wharton Acres LLC	1,020,000	8	0.15%
Taxpayer #9	951,900	9	0.14%
D.G. Sparacio Properties, LLC	896,300	10	0.14%
Total	\$ 15,236,831		2.30%

TAXPAYER	2006		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
		1	
		2	
NOT AVAILABLE		3	
		4	
		5	
		6	
		7	
		8	
		9	
		10	
Total	\$ -		1.77%

Source: Municipal Tax Assessor

SHAMONG TOWNSHIP BOARD OF EDUCATION
TOTAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

FISCA YEAR ENDED DECEMBER 31,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY AMOUNT	PERCENTAGE OF LEVY	COLLECTIONS IN SUBSEQUENT YEARS
2015	\$ 16,677,587	\$ 16,468,708	98.75%	100%
2014	16,298,677	16,025,068	98.32%	100%
2013	16,384,072	16,129,746	98.45%	100%
2012	16,281,962	16,038,535	98.50%	100%
2011	15,895,261	15,729,950	98.96%	100%
2010	15,698,799	15,450,230	98.42%	100%
2009	15,166,841	14,959,246	98.63%	100%
2008	14,440,190	14,249,803	98.68%	100%
2007	13,627,995	13,264,641	97.33%	100%
2006	12,915,534	12,657,087	98.00%	100%

Source: Municipal Financial Statements

Debt Capacity Information

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

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Dollars in Thousands, Except per Capita)**

FISCAL DECEMBER 31, ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES				
2015	\$ 3,554,000	\$ 1,188,600	\$	4,742,600	N/A	N/A
2014	4,401,346	-		4,401,346	N/A	N/A
2013	4,328,346	-		4,328,346	N/A	\$ 672
2012	6,104,346	-		6,104,346	1.84%	940
2011	6,849,346	31,328		6,880,674	2.14%	1,063
2010	7,474,986	61,538		7,536,524	2.44%	1,166
2009	6,075,346	116,033		6,191,379	1.94%	921
2008	6,680,346	49,663		6,730,009	2.08%	999
2007	7,210,346	121,728		7,332,074	2.34%	1,086
2006	6,978,000	203,606		7,181,606	2.35%	1,051

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.

**SHAMONG TOWNSHIP BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

<u>GENERAL BONDED DEBT OUTSTANDING</u>						
FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA	
2015	\$ 3,554,000	\$ -	\$ 3,554,000	0.54%	N/A	
2014	4,401,346	-	4,401,346	0.66%	N/A	
2013	5,216,346	-	5,216,346	0.79%	\$	809
2012	6,104,346	-	6,104,346	0.92%	940	
2011	6,849,346	-	6,849,346	1.03%	1,058	
2010	7,474,986	-	7,474,986	1.82%	1,156	
2009	6,075,346	-	6,075,346	1.49%	904	
2008	6,680,346	-	6,680,346	1.64%	992	
2007	7,210,346	-	7,210,346	1.76%	1,068	
2006	6,978,000	-	6,978,000	1.72%	1,021	

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Shamong Township	\$ 483,862	100.00%	\$ 483,862
Burlington County General Obligation Debt	303,216,431	1.52%	4,614,954
Lenape Regional High School	74,135,000	3.95%	<u>2,926,874</u>
Subtotal, Overlapping Debt			8,025,690
Shamong Township District Direct Debt			<u>3,554,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 11,579,690</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation

**SHAMONG TOWNSHIP BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 24,601,571	\$ 24,915,332	\$ 25,609,407	\$ 23,107,643	\$ 23,774,756	\$ 24,181,316	\$ 23,584,448	\$ 21,983,928	\$ 19,905,401	\$ 17,571,710
Total Net Debt Applicable to Limit	3,554,000	4,401,346	5,216,346	6,104,346	6,849,346	7,474,986	6,075,346	6,680,346	7,210,346	6,978,000
Legal Debt Margin										

Legal Debt Margin Calculation for Fiscal Year 2012

y	\$ 702,902,016
Debt Limit (3.5% of Average Equalization Value)	24,601,571
Net Bonded School Debt	3,554,000
Legal Debt Margin	\$ 21,047,571

Source:
Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation. Limit set by N.J.S.A.18A:24-19 for K through 12 district; other % limits would be applicable for other districts.

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Demographic and Economic Information

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

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2015	N A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A
2013	6,444	N/A	N/A	7.2%
2012	6,497	\$ 331,860,263	\$ 51,079	7.1%
2011	6,473	321,229,098	49,626	6.8%
2010	6,466	309,391,634	47,849	9.1%
2009	6,723	319,893,786	47,582	9.1%
2008	6,736	323,226,960	47,985	3.8%
2007	6,750	313,908,750	46,505	2.7%
2006	6,833	305,551,261	44,717	3.0%

Source:

(a) Population information provided by US Bureau of the Census; Population Division, 7/1/08

(b) Personal income calculated using population and per capita personal income

(c) Per Capita personal income provided by the NJ Dept of Labor and Workforce Development

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

N/A - Information not available.

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2015		PERCENTAGE OF TOTAL EMPLOYMENT
	EMPLOYEES	RANK	
Shamong Township School District	118	1	N/A
Total	118		N/A
	2006		PERCENTAGE OF TOTAL EMPLOYMENT
	EMPLOYEES	RANK	
Shamong Township School District	123	1	N/A
Total	123		N/A

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Operation Information

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

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEAR**

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Teachers - General Fund	69.0	69.0	73.5	70.5	71.0	70.0	71.0	68.0	70.5	71.5
Teachers - Special Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5
Classroom Aides	8.0	9.5	12.0	12.0	11.5	10.0	10.0	12.0	10.0	10.5
Health Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Related Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Extraordinary Services	2.0	2.0	2.0	2.0	2.0	3.0	2.0	2.0	2.0	2.0
Guidance - Professional	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Child Study Team	3.0	3.0	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Child Study Team Support	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Supervisors & Other Professionals	0.4	0.4	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Media Services/Technology	3.8	5.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0
General District Administrators	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
General Administration Professional	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General Administration Support	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Principals/Assistant Principals	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administration Support	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0

**SHAMONG TOWNSHIP BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	TEACHER/PUPIL RATIO	AVERAGE ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2015	806	13,491,710	16,739	1.47%	76	1:11	799	765	-4.23%	95.77%
2014	834	13,295,703	15,942	0.31%	81	1:10	834	799	-6.90%	95.87%
2013	902	13,254,541	14,695	2.96%	86	1:10	896	855	-0.58%	95.46%
2012	908	12,873,169	14,177	4.86%	83	1:11	901	862	-1.50%	95.71%
2011	919	12,425,325	13,520	-2.28%	83	1:11	915	873	-2.27%	95.43%
2010	936	12,949,940	13,835	1.71%	83	1:11	936	897	1.19%	95.85%
2009	943	12,827,609	13,603	-1.18%	82	1:11	925	887	0.10%	95.88%
2008	941	12,952,715	13,765	6.03%	82	1:11	924	894	-2.77%	96.77%
2007	941	12,216,473	12,982	8.91%	84	1:11	950	913	-2.64%	96.11%
2006	968	11,538,585	11,920	1.56%	86	1:11	976	935	3.77%	95.85%

Sources: District records

Note: Enrollment based on annual October District count.

a. Operating expenditures equal total general fund expenditures.

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

SHAMONG TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Elementary Schools:										
Indian Mills School (1920):										
Square Feet	71,029	71,029	71,029	71,029	71,029	71,029	71,029	71,029	71,029	71,029
Capacity (Students)	507	507	507	507	507	507	507	507	507	507
Enrollment (a)	409	415	466	478	492	515	526	510	502	539
Indian Mills Memorial (1991):										
Square Feet	68,543	68,543	68,543	68,543	68,543	68,543	68,543	68,543	68,543	68,543
Capacity (Students)	471	471	471	471	471	471	471	471	471	471
Enrollment (a)	391	419	436	430	427	421	417	424	441	436
Other Buildings:										
Sewer Plant (1991):										
Square Feet	1,189	1,189	1,189	1,189	1,189	1,189	1,189	1,189	1,189	1,189
Garage at IMS (1953):										
Square Feet	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Garage at IMMS (1993):										
Square Feet	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500

N

(a) Source - NJ Dept of Education annual Application for State School Aid Report
N/A - Not Available

**SHAMONG TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

	IMS	IMMS	OTHER FACILITIES	TOTAL
2015	130,108	128,746	27,079	285,933
2014	96,083	95,156	25,274	216,513
2013	102,926	99,034	24,406	226,366
2012	91,003	103,260	23,494	217,757
2011	99,168	91,909	23,317	214,394
2010	93,575	86,870	21,743	202,188
2009	149,338	93,477	22,369	265,184
2008	141,418	85,709	22,103	249,230
2007	92,802	74,259	25,603	192,664
2006	80,443	63,384	19,470	163,297

Source: District records

**INSURANCE SCHEDULE
JUNE 30, 2015**

	COVERAGE	RETENTION	DEDUCTIBLE
School Package Policy (1):			
Building & Contents (All Locations)	\$ 150,000,000	\$ 250,000	\$ 500
Limits of Liability per Occurrence	-		-
Boiler & Machinery	125,000,000	None	1,000
Crime	500,000	250,000	500
General Automobile Liability	15,000,000	250,000	None
School Board Legal Liability	15,000,000	175,000	None
Workers' Compensation	Statutory	250,000	None
Pollution Legal Liability	3,000,000	None	25,000
Cyber Liability	1,000,000	None	25,000
Student Accident Insurance (2)	1,000,000	None	None
Surety Bonds (3)			
Treasurer	200,000		None
Board Secretary	100,000		None

(1) Burlington County Insurance Pool Joint Insurance Fund (BCIPJIF)

(2) Haines and Haines / TC Irons Agency

(3) Haines and Haines / TC Irons Agency

Source: District records

SINGLE AUDIT SECTION

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Shamong Township School District
County of Burlington
Shamong, New Jersey 08088

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

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
December 11, 2015



EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Shamong Township School District
County of Burlington
Shamong, New Jersey 08088

Report on Compliance for Each Major State Program

We have audited Shamong Township Board of Education’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major state programs for the year ended June 30, 2015. Shamong Township Board of Education’s major 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 state programs.

Auditor’s Responsibility

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

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

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

Opinion on Each Major State Program

In our opinion, Shamong Township 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 state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Shamong Township 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 Shamong Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Shamong Township 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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of

OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
December 11, 2015

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SHAMONG TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

STATE GRANTOR/PROGRAM TITLE	GRANTOR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2014	CASH RECEIVED	ADJUSTMENTS	BUDGETARY EXPENDITURES	ACCOUNTS RECEIVABLE 2015	MEMO	
									BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:										
General Fund:										
Equalization Aid	495-034-5120-078	\$ 3,430,365	7/1/14-6/30/15	-	3,430,365	-	(3,430,365)	\$ -	(335,352)	\$ 3,430,365
Categorical Transportation Aid	495-034-5120-014	224,964	7/1/14-6/30/15	-	224,964	-	(224,964)	-	(21,992)	224,964
Categorical Special Education Aid	495-034-5120-089	507,214	7/1/14-6/30/15	-	507,214	-	(507,214)	-	(49,585)	507,214
Categorical Security Aid	495-034-5120-084	65,308	7/1/14-6/30/15	-	65,308	-	(65,308)	-	(6,384)	65,308
PARCC Readiness Aid	495-034-5120-098	8,250	7/1/14-6/30/15	-	8,250	-	(8,250)	-	(807)	8,250
Per Pupil Growth Aid	495-034-5120-097	8,250	7/1/14-6/30/15	-	8,250	-	(8,250)	-	(807)	8,250
Extraordinary Aid	495-034-5120-044	27,393	7/1/14-6/30/15	-	-	-	(27,393)	(27,393)	-	27,393
Extraordinary Aid	495-034-5120-044	55,007	7/1/13-6/30/14	(55,007)	55,007	-	-	-	-	-
Excess Non-Public Transportation Costs	495-034-5120-014	5,742	7/1/14-6/30/15	-	-	-	(5,742)	(5,742)	-	5,742
Excess Non-Public Transportation Costs	495-034-5120-014	5,747	7/1/13-6/30/14	(5,747)	5,747	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	100-034-5095-116	495,231	7/1/14-6/30/15	-	495,231	-	(495,231)	-	-	495,231
On-Behalf TPAF Pension Contributions (Nonbudgeted)	100-034-5095-116	311,955	7/1/14-6/30/15	-	311,955	-	(311,955)	-	-	311,955
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	100-034-5095-002	415,306	7/1/14-6/30/15	-	395,528	-	(415,306)	(19,778)	-	415,306
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	100-034-5095-002	422,543	7/1/13-6/30/14	(31,575)	31,575	-	-	-	-	-
Total General Fund				(92,329)	5,539,394	-	(5,499,978)	(52,913)	(414,927)	5,499,978
Capital Projects Fund:										
SDA Grant #GS-4066	4740-055-09-1001	560,827	7/1/09-6/30/14	(65,558)	-	65,558	-	-	-	-
Total Capital Projects Fund				(65,558)	-	65,558	-	-	-	-
Debt Service Fund:										
Debt Service Type II	495-034-5120-125	74,120	7/1/13-6/30/14	-	74,120	-	(74,120)	-	-	74,120
Total Debt Service Fund				-	74,120	-	(74,120)	-	-	74,120
Enterprise Fund:										
National School Lunch Program	100-010-3360-067	2,276	7/1/14-6/30/15	-	2,067	-	(2,276)	(209)	-	2,276
National School Lunch Program	100-010-3360-067	2,679	7/1/13-6/30/14	(339)	339	-	-	-	-	-
Total Enterprise Fund				(339)	2,406	-	(2,276)	(209)	-	2,276
Total State Financial Assistance				(158,226)	5,615,920	\$ 65,558	(5,576,374)	(53,122)	(414,927)	\$ 5,576,374
Less: Grants Not Subject to New Jersey OMB Circular 04-04:										
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	100-034-5095-116	495,231	7/1/14-6/30/15	-	-	-	-	-	-	495,231
On-Behalf TPAF Pension Contributions (Nonbudgeted)	100-034-5095-116	311,955	7/1/14-6/30/15	-	-	-	-	-	-	311,955
Total State Financial Assistance subject to New Jersey OMB Circular 04-04										(4,769,188)

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**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2015**

Note 1. General

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

Note 2. Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. The basis of accounting is described in Note 1 to the Board's basic financial statements.

Note 3. Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A.18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$127) for the general fund and \$ -0- for the Special Revenue Fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**SHAMONG TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2015**

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

	State
General Fund	\$5,499,851
Debt Service Fund	74,120
Food Service Fund	<u>2,276</u>
Total Financial Assistance	<u>\$5,576,247</u>

Note 4. Relationship to State Financial Reports

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

Note 5. Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

Note 6. State Loans Outstanding

The Shamong Township Board of Education had no loan balances outstanding at June 30, 2015.

**SHAMONG TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015
Section I – Summary of Auditor’s Results**

Financial Statements

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to basic financial Statements noted?	No

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04	No

Identification of major programs:

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

**SHAMONG TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

No Current Year Findings

Section III – State Financial Assistance Finding & Questioned Costs

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

No Current Year Findings

**SHAMONG TOWNSHIP BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR-YEAR FINDINGS

Finding 2014-001:

Condition:

The School District is not adequately maintaining an accounting of their capital assets, including additions, deletions, and depreciation of assets.

Current Status:

This has been corrected during the year under audit.