

SCHOOL DISTRICT

OF

TUCKERTON



**TUCKERTON BOARD OF EDUCATION
TUCKERTON, NEW JERSEY**

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

TUCKERTON BOARD OF EDUCATION

TUCKERTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PREPARED BY

**TUCKERTON BOARD OF EDUCATION
FINANCE DEPARTMENT**

TUCKERTON SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1 to 4.
Roster of Officials	5.
Consultants and Advisors	6.
Organizational Chart	7.
FINANCIAL SECTION	
Independent Auditor's Report	8 to 10.
Required Supplementary Information – Part I	
Management's Discussion and Analysis	11 to 16.
<u>Basic Financial Statements</u>	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	17.
A-2 Statement of Activities	18 & 19.
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	20.
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	21 & 22.
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23.
Proprietary Funds:	
B-4 Statement of Net Position	24.
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	25.
B-6 Statement of Cash Flows	26.
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	27.
B-8 Statement of Changes in Fiduciary Net Position	28.
Notes to Financial Statements	29 to 50.

TUCKERTON SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	51 to 61.
C-1a Budgetary Comparison Schedule – General Fund – State Fiscal Stabilization Fund – ARRA-ESF	N/A
C-1b Budgetary Comparison Schedule – General Fund – Education Jobs Fund	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	62.
Notes to the Required Supplementary Information	
C-3 Budget to GAAP Reconciliation	63.
Required Supplementary Information – Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	64.
L-2 Schedule of District Contributions – PERS	65.
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	66.
Other Supplementary Information	
D. School Level Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A

TUCKERTON SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
E. Special Revenue Fund:	
E-1 Combining Statement of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	67.
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis	68.
E-3 Early Childhood Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-4 Distance Learning Network Aid Schedule of Expenditures – Budgetary Basis	N/A
E-5 Instructional Supplement Aid Schedule of Expenditures – Budgetary Basis	N/A
E-6 Targeted At-Risk (TARA) Aid – Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	69.
F-2 Summary Schedule of Project Expenditures – Capital Projects Fund	70.
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Various Maintenance Projects	71.
G. Proprietary Fund:	
Enterprise Fund:	
G-1 Schedule of Net Position	72.
G-2 Schedule of Revenues, Expenses and Changes in Fund Net Position	73.
G-3 Schedule of Cash Flows	74.
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	75.
H-2 Schedule of Changes in Fiduciary Net Position	76.
H-3 Student Activity Agency Fund - Schedule of Receipts and Disbursements	77.
H-4 Payroll Agency Fund - Schedule of Receipts and Disbursements	78.
H-4a Summer Payroll – Schedule of Receipts and Disbursements	78.

TUCKERTON SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds Payable	79.
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	80.

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1 Net Position by Component	81.
J-2 Changes in Net Position	82.
J-3 Fund Balances – Governmental Funds	83.
J-4 Changes in Fund Balances – Governmental Funds	84.
J-5 General Fund Other Local Revenue by Source	85.

Revenue Capacity

J-6 Assessed Value and Estimated Actual Value of Taxable Property	86.
J-7 Direct and Overlapping Property Tax Rates	87.
J-8 Principal Property Taxpayers	88.
J-9 Property Tax Levies and Collections	89.

Debt Capacity

J-10 Ratios of Outstanding Debt by Type	90.
J-11 Ratios of General Bonded Debt Outstanding	91.
J-12 Direct and Overlapping Governmental Activities Debt	92.
J-13 Legal Debt Margin Information	93.

Demographic and Economic Information

J-14 Demographic and Economic Statistics	94.
J-15 Principal Employers	95.

Operating Information

J-16 Full-time Equivalent District Employees by Function/Program	96.
J-17 Operating Statistics	97.
J-18 School Building Information	98.
J-19 Schedule of Required Maintenance Expenditures by School Facility	99.
J-20 Insurance Schedule	100.

SINGLE AUDIT SECTION

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 <i>Government Auditing Standards</i>	101 & 102.
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TUCKERTON SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	103 to 105.
K-3 Schedule of Expenditures of Federal Awards, Schedule A	106.
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	107.
K-5 Notes to Schedules of Awards and Financial Assistance	108 to 110.
K-6 Schedule of Findings and Questioned Costs	111 to 115.
K-7 Summary Schedule of Prior Audit Findings	116.

INTRODUCTORY SECTION

**BOARD OF EDUCATION
TUCKERTON BOROUGH SCHOOL DISTRICT
MARINE STREET
TUCKERTON, NEW JERSEY**

December 3, 2015

Honorable President and
Members of the Board of Education
Tuckerton Borough School District
Ocean County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Tuckerton School District for the fiscal year ending June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Tuckerton Board of Education. 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 general purpose financial statements and schedules, as well as the auditor's report. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and 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: Tuckerton School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Tuckerton Borough Board of Education constitutes the District's report entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular, as well as special education for special needs children. The District completed the 2014-2015 fiscal year with an enrollment of 334

students. The following details the changes in the student enrollment over the past ten years.

<u>AVERAGE DAILY ENROLLMENT</u>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	334	2.09%
2013-2014	327	(1.2%)
2012-2013	331	(1.78%)
2011-2012	337	4.3%
2010-2011	323	5.5%
2009-2010	306	19.5%
2008-2009	256	(10.48%)
2007-2008	286	7.92%
2006-2007	265	(7.01%)
2005-2006	285	(3.5%)
2004-2005	295	(10.33%)

2. **Economic Condition and Outlook:** Based upon the school district's Master Plan which was completed by University Associates in May of 1995, and the Long-Range Facilities Plan which was completed during the 2005-2006 school year, Tuckerton Borough is looked upon as one of the more desirable places to live in New Jersey. As a result, the Borough will continue to show some growth potential as a residential area. Local businesses may also prosper with the continued development of the Tuckerton Seaport. This project continues to evolve and should brighten the overall economic outlook of this area.

3. **Major Initiatives:** The Tuckerton Elementary School District continues to develop a comprehensive technology program that has been integrated into the instructional process. The district continues to expand and improve their wired and wireless computer capabilities throughout the building. During the summer of 2006 the computer lab was replaced with new 2.16GHz Intel Core 2 Duo Macintosh iMac computers. All classrooms continue to house at least 3-4 desktop computers and/or a bank of laptop computers for enhanced instruction. Infrastructure upgrades of additional Category 5 runs and improved Cisco switches were installed for the 2007-2008 school year. In addition, a Student Information System with grade book, report card, health, special education, and cafeteria modules and a spam tracker were installed while our content filtering appliance was replaced with a more robust unit. Also, during the summer of 2008 a portion of our access points were upgraded with Cisco 1252G units to enhance network connectivity.

During the 2008-2009 school year, office window computers were upgraded and additional 30 Macintosh Laptop computers were purchased. Two interactive whiteboards with enhanced sound systems were piloted successfully leading to the purchase of 11

more systems. All classrooms 1st through 6th grades house both whiteboards and sound systems. Interactive whiteboards offer teachers additional motivational technology tools including a wireless component that provides instant student feedback. For security purposes, an internal system of cameras was installed during the 2009-2010 school year. . A climate control system was installed over the summer of 2010 which will improve the efficiency of the heating and cooling system of the school. 4 additional white boards and 60 iPads were put into operation during the 2012-2013 school year. Also, the school's communication system was replaced as were all telephones in the building. Additionally, a 16' movie screen and digital projector were installed in the gym/auditorium for use by teachers and administrators. All students in grades 3-6 have 1:1 Chromebooks for use in school. Additionally, there are 120+ iPads for student use in Preschool – 2nd grade.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year.

Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

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

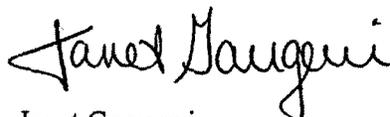
7. **Cash Management:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under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

8. **Risk Management:** The Board carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds.

9. **Other Information: Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart and Company, CPA, was selected by the Board. In addition to meeting the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB, the auditor's report on the general purpose financial statements and the combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. **Acknowledgements:** We would like to express our appreciation to the members of the Tuckerton Borough School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,



Janet Gangemi
Superintendent/Business Administrator

JG/mm

TUCKERTON BOROUGH BOARD OF EDUCATIONROSTER OF OFFICIALSJUNE 30, 2015**Members of the Board of Education** **Term Expires**

Trisha Horner, President 2016

Cindy Witbeck, Vice President 2017

Laurette Crowell 2015

Anna Morey 2017

Deborah McMunn 2016

Michelle Ballin 2016

Alison Sanford 2015

Other Officials:

Janet Gangemi, Superintendent/SBA

Louis J. Greco, Solicitor

CONSULTANTS AND ADVISORS

AUDIT FIRM

Robert A. Hulsart & Co.
2807 Hurley Pond Road
Wall, NJ 07719

ATTORNEY

Louis Greco
642 Bay Avenue
Somers Point, NJ 08244

DEPOSITORY

Sun National Bank
Main Street
Tuckerton, NJ 08087

TUCKERTON BOROUGH BOARD OF EDUCATION

ORGANIZATIONAL CHART
(UNIT CONTROL)

BOARD OF EDUCATION

SUPERINTENDENT/BUSINESS ADMINISTRATOR

PRINCIPAL

INSTRUCTIONAL STAFF

SUPPORT STAFF

FINANCIAL SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

8.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.
RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:
(732) 280-8888
e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409
Wall, New Jersey 07719-1409
(732) 681-4990

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Tuckerton School District
County of Ocean
Tuckerton, New Jersey

Report on the Financial Statements

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

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe 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 Board of Education of the Tuckerton School District, in the 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 years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11 to 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2015 on our consideration of the Tuckerton's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tuckerton Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey

December 3, 2015

REQUIRED SUPPLEMENTARY INFORMATION
PART I

TUCKERTON SCHOOL DISTRICT
BOROUGH OF TUCKERTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

The discussion and analysis of Tuckerton School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

Financial Highlights

Key Financial highlights for the 2014-2015 fiscal year are as follows:

- General revenues accounted for \$5,549,875 in revenue. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$238,243.
- Total net position of governmental activities increased by \$512,734.
- The School District had \$5,276,485 in expenses; only \$238,243 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$5,549,875 were adequate to provide for these programs.

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 Tuckerton School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Tuckerton School District, the General Fund is the most significant fund, with the Special Revenue Fund and Capital Project's Fund also having significance.

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during the 2014-2015 fiscal year?” The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major (all) funds begins on exhibit A-1. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District’s activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. The Governmental Fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental Fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

Enterprise Fund

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

The School District as a Whole

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

Table 1
Net Position

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Current and Other Assets	\$ 1,756,270	1,382,303
Capital Assets, Net	<u>1,636,027</u>	<u>1,943,161</u>
Total Assets	<u>\$ 3,392,297</u>	<u>3,325,464</u>
<u>Deferred Outflow of Resources</u>		
Contribution to Pension Plan	<u>\$ 184,765</u>	=====
<u>Deferred Inflow of Resources</u>		
Pension Deferrals	<u>\$ 64,356</u>	=====
<u>Liabilities</u>		
Other Liabilities	\$ 275,858	275,498
Long-Term Liabilities	<u>2,417,252</u>	<u>1,489,144</u>
Total Liabilities	<u>\$ 2,693,110</u>	<u>1,764,642</u>
<u>Net Position</u>		
Invested in Capital Assets, Net of Debt	\$ 238,027	407,161
Restricted	1,576,360	1,186,006
Unrestricted	<u>(994,791)</u>	<u>(32,345)</u>
Total Net Position	<u>\$ 819,596</u>	<u>1,560,822</u>

Table 2 shows the changes in net position for fiscal years ended 2015 and 2014.

Table 2
Changes in Net Position

	<u>2015</u>	<u>2014</u>
<u>Revenues</u>		
Program Revenues		
Charges for Services	\$ 36,694	31,561
Operating Grants and Contributions	201,549	204,988
General Revenues		
Property Taxes	2,746,490	2,699,395
Grants and Entitlements	2,650,497	2,631,539
Other	<u>152,888</u>	<u>64,178</u>
Total Revenues	<u>5,788,118</u>	<u>5,631,661</u>
<u>Program Expenses</u>		
Instruction	2,018,721	2,069,145
Support Services		
Pupils and Instructional Staff	683,461	668,308
General Administration, School Administration, Business	1,859,431	2,084,776
Operations and Maintenance of Facilities	469,511	454,267
Pupil Transportation	146,907	135,854
Interest on Debt	60,595	68,875
Proprietary Funds	<u>37,859</u>	<u>25,237</u>
Total Expenses	<u>5,276,485</u>	<u>5,506,462</u>
Change in Net Position	<u>\$ 511,633</u>	<u>125,199</u>

Business-Type Activities

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

- Aftercare expenses exceeded revenues by \$51,165.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

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

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

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

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

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

Other includes unallocated depreciation and amortization.

School Board Funds

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

As the School Board completed the fiscal year ended June 30, 2015, it reported a combined net position balance of \$819,596. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net assets.

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

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

Capital Assets

At June 30, 2015, the School Board had approximately \$4,454,807 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2015 fiscal year.

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Table II		
Capital Assets at June 30, 2015		
Land	\$ 43,440	
Buildings	1,471,383	
Machinery and Equipment	<u>119,636</u>	<u>1,568</u>
Total	<u>\$ 1,634,459</u>	<u>1,568</u>

Debt Administration

At June 30, 2015, the School District had \$2,555,252 as outstanding debt. Of this amount \$77,360 is for compensated absences, and the balance \$1,398,000 for bonds for school construction, and \$1,079,892 for pension liability.

Economic Factors and Next Year's Budget

The Borough of Tuckerton is primarily a residential community, with few ratables. The majority of revenues needed to operate the District are derived from homeowners through property tax assessments and collections.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Janet Gangemi, School Business Administrator/Board Secretary at Tuckerton Board of Education, Marine Street, Tuckerton, NJ 08087.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

TUCKERTON SCHOOL DISTRICT

STATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ -	46,145	46,145
Receivables, Net	171,363		171,363
Restricted Assets:			
Cash and Cash Equivalents	1,261,702		1,261,702
Capital Reserve	277,060		277,060
Capital Assets-Non Depreciable	43,440		43,440
Capital Assets, Net	1,591,019	1,568	1,592,587
Total Assets	<u>3,344,584</u>	<u>47,713</u>	<u>3,392,297</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>184,765</u>		<u>184,765</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>64,356</u>		<u>64,356</u>
<u>Liabilities</u>			
Accounts Payable/Accrued Interest	128,809	9,049	137,858
Noncurrent Liabilities:			
Due Within One Year	138,000		138,000
Due Beyond One Year	2,417,252		2,417,252
Total Liabilities	<u>2,684,061</u>	<u>9,049</u>	<u>2,693,110</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	236,459	1,568	238,027
Restricted For:			
Debt Service	2,760		2,760
Capital Projects	94,220		94,220
General Fund	1,479,380		1,479,380
Unrestricted	<u>(1,031,887)</u>	<u>37,096</u>	<u>(994,791)</u>
Total Net Position	<u>\$ 780,932</u>	<u>38,664</u>	<u>819,596</u>

The accompanying notes to financial statements are an integral part of this statement.

TUCKERTON SCHOOL DISTRICT

Exhibit A-2

Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$ 1,184,360			(1,184,360)		(1,184,360)
Special Education	679,276		201,549	(477,727)		(477,727)
Other Special Instruction	155,085			(155,085)		(155,085)
Support Services:						
Tuition	169,461			(169,461)		(169,461)
Student & Instruction Related Services	514,000			(514,000)		(514,000)
School Administrative Services	177,769			(177,769)		(177,769)
Other Support Services	86,864			(86,864)		(86,864)
Plant Operations and Maintenance	469,511			(469,511)		(469,511)
Pupil Transportation	146,907			(146,907)		(146,907)
Unallocated Benefits	1,361,371			(1,361,371)		(1,361,371)
Interest on Long-Term Debt	60,595			(60,595)		(60,595)
Capital Outlay	99,257			(99,257)		(99,257)
Unallocated Depreciation	134,170			(134,170)		(134,170)
Total Government Activities	<u>5,238,626</u>	<u>-</u>	<u>201,549</u>	<u>(5,037,077)</u>	<u>-</u>	<u>(5,037,077)</u>
Business-Type Activities:						
AfterCare Program	<u>37,859</u>	<u>36,694</u>			<u>(1,165)</u>	<u>(1,165)</u>
Total Business-Type Activities	<u>37,859</u>	<u>36,694</u>	<u>-</u>	<u>-</u>	<u>(1,165)</u>	<u>(1,165)</u>
Total Primary Government	<u>5,276,485</u>	<u>36,694</u>	<u>201,549</u>	<u>(5,037,077)</u>	<u>(1,165)</u>	<u>(5,038,242)</u>

TUCKERTON SCHOOL DISTRICT

Exhibit A-2

Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purpose, Net	2,542,605		2,542,605
Property Taxes for Debt Service	203,885		203,885
Federal and State Aid Not Restricted	2,650,497		2,650,497
Miscellaneous Income	152,824	64	152,888
Total General Revenues, Special Items and Transfers	<u>5,549,811</u>	<u>64</u>	<u>5,549,875</u>
Change in Net Position	512,734	(1,101)	511,633
Restatement for Pension	(1,079,892)		(1,079,892)
Adjustment for Fixed Assets	(172,967)		(172,967)
Net Position - Beginning	<u>1,521,057</u>	<u>39,765</u>	<u>1,560,822</u>
Net Position - Ending	<u>\$ 780,932</u>	<u>38,664</u>	<u>819,596</u>

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

FUND FINANCIAL STATEMENTS – B

TUCKERTON SCHOOL DISTRICT

Exhibit B-1²⁰.

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents-Restricted	\$ 1,512,124		23,878	2,760	1,538,762
Interfund Receivable	3,133				3,133
Receivable - Net	40,004		131,359		171,363
Total Assets	<u>\$ 1,555,261</u>	<u>-</u>	<u>155,237</u>	<u>2,760</u>	<u>1,713,258</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Interfund Payable	\$ -	3,133			3,133
Accounts Payable	40,125		61,017		101,142
Total Liabilities	<u>40,125</u>	<u>3,133</u>	<u>61,017</u>	<u>-</u>	<u>104,275</u>
Fund Balance:					
Restricted To:					
Excess Surplus	204,520				204,520
Designated for Subsequent Years Expenditures	221,638				221,638
Committed To:					
Capital Reserve	277,060				277,060
Maintenance Reserve	532,050				532,050
Other Purposes	244,112				244,112
Assigned To:					
Debt Service				2,760	2,760
Capital Projects			94,220		94,220
Unassigned	35,756	(3,133)			32,623
Total Fund Balances	<u>1,515,136</u>	<u>(3,133)</u>	<u>94,220</u>	<u>2,760</u>	<u>1,608,983</u>
Total Liabilities and Fund Balance	<u>\$ 1,555,261</u>	<u>-</u>	<u>155,237</u>	<u>2,760</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$4,454,807 and the accumulated depreciation is \$2,820,348	1,634,459
Accrued Interest	(27,667)
Deferred outflow of resources - contributions to the pension plan	184,765
Deferred inflow of resources - acquisition of assets applicable to future reporting periods	(64,356)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(2,555,252)</u>
Net position of governmental activities	<u>\$ 780,932</u>

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

TUCKERTON SCHOOL DISTRICT

Exhibit B-2

Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 2,542,605			203,885	2,746,490
Tuition	49,051				49,051
Miscellaneous	66,755	-			66,755
Total Local Sources	2,658,411	-	-	203,885	2,862,296
State Sources	2,650,497	33,524			2,684,021
Federal Sources		168,025			168,025
Total Revenues	5,308,908	201,549	-	203,885	5,714,342
<u>Expenditures</u>					
Current:					
Regular Instruction	1,198,144				1,198,144
Special Education Instruction	579,702	99,574			679,276
Other Special Instruction	155,085				155,085
Support Services and Undistributed Costs:					
Tuition	169,461				169,461
Students and Instruction Related Services	413,076	100,924			514,000
School Administrative Services	177,769				177,769
Other Support Services	86,864				86,864
Plant Operations and Maintenance	469,511				469,511
Pupil Transportation	146,907				146,907
Unallocated Benefits	1,481,780				1,481,780
Debt Service:					
Principal				138,000	138,000
Interest and Other Charges				63,125	63,125
Capital Outlay	99,257				99,257
Total Expenditures	4,977,556	200,498	-	201,125	5,379,179

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

TUCKERTON SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>331,352</u>	<u>1,051</u>	<u>-</u>	<u>2,760</u>	<u>335,163</u>
Other Financing Sources (Uses):					
Cancel Prior Year Account Payables	<u>37,018</u>				<u>37,018</u>
Total Other Financing Sources (Uses)	<u>37,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,018</u>
Net Change in Fund Balances	368,370	1,051	-	2,760	372,181
Fund Balance - July 1	<u>1,146,766</u>	<u>(4,184)</u>	<u>94,220</u>		<u>1,236,802</u>
Fund Balance - June 30	<u>\$ 1,515,136</u>	<u>(3,133)</u>	<u>94,220</u>	<u>2,760</u>	<u>1,608,983</u>

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

TUCKERTON SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES

Exhibit B-3

AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDSTO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 372,181
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	(134,170)
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.	138,000
In the statement of activities, 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.	2,530
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the statement of net position	184,765
Pension related deferrals	(64,356)
In the statement of activities, certain operating expenses as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported when paid.	13,784
Change in Net Position of Governmental Activities	<u>\$ 512,734</u>

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

TUCKERTON SCHOOL DISTRICT

STATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDS

JUNE 30, 2015

	<u>Enterprise Fund</u>
<u>Assets:</u>	
Current Assets:	
Cash	\$ 46,145
Total Current Assets	<u>46,145</u>
Noncurrent Assets:	
Equipment	81,942
Less: Accumulated Depreciation	<u>(80,374)</u>
Total Noncurrent Assets	<u>1,568</u>
Total Assets	<u>\$ 47,713</u>
<u>Liabilities:</u>	
Accounts Payable	<u>\$ 9,049</u>
Total Liabilities	<u>\$ 9,049</u>
<u>Net Position:</u>	
Investment in Capital Assets	\$ 1,568
Unrestricted	<u>37,096</u>
Total Net Position	<u>\$ 38,664</u>

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

TUCKERTON SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit B-5

IN FUND NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2015

	<u>Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Fees	\$ 36,694
Total Operating Revenue	<u>36,694</u>
Operating Expenses:	
Salaries	16,631
Supplies and Materials	21,198
Depreciation	2,529
Miscellaneous	30
Total Operating Expenses	<u>40,388</u>
Operating (Loss)/Profit	(3,694)
Non-Operating Revenues:	
Interest Revenue	61
Total Non-Operating Revenues	<u>61</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(3,633)
Adjustment for Fixed Assets	<u>2,532</u>
Change in Net Position	(1,101)
Net Position, July 1	<u>39,765</u>
Net Position, June 30	<u>\$ 38,664</u>

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

TUCKERTON SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDS

JUNE 30, 2015

	<u>Enterprise Funds</u>
Cash Flows from Operating Activities:	
Receipts from Miscellaneous and Fees	\$ 36,694
Payments to Employees	(16,631)
Payments to Suppliers	(21,228)
Net Cash Used by Operating Activities	<u>(1,165)</u>
Cash Flows from Investing Activities:	
Interest	<u>61</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,104)
Cash and Cash Equivalents July 1	<u>47,249</u>
Cash and Cash Equivalents June 30	<u><u>\$ 46,145</u></u>
Cash Flows from Operating Activities:	
Operating (Loss)/Profit	\$ (3,694)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Depreciation	2,529
Changes in Assets and Liabilities:	
(Decrease)/Increase in Accounts Payable	
Net Cash Used by Operating Activities	<u><u>\$ (1,165)</u></u>

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

TUCKERTON SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

FIDUCIARY FUNDS

JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>	<u>Salary Account</u>	<u>Flexible Spending</u>	<u>Summer Payroll</u>	<u>Agency Fund</u>	<u>Total</u>
Assets:						
Cash and Cash Equivalents	<u>\$ 19,029</u>	<u>29,743</u>	<u>2,896</u>	<u>123,329</u>	<u>44,809</u>	<u>219,806</u>
Total Assets	<u><u>\$ 19,029</u></u>	<u><u>29,743</u></u>	<u><u>2,896</u></u>	<u><u>123,329</u></u>	<u><u>44,809</u></u>	<u><u>219,806</u></u>
Liabilities:						
Accounts Payable		29,443				29,443
Due to Employees			2,896	123,329		126,225
Payroll Deductions and Withholdings		<u>300</u>			<u>44,809</u>	<u>45,109</u>
Total Liabilities		<u><u>29,743</u></u>	<u><u>2,896</u></u>	<u><u>123,329</u></u>	<u><u>44,809</u></u>	<u><u>200,777</u></u>
Net Position:						
Held in Trust for Unemployment Claims	<u>\$ 19,029</u>					<u>19,029</u>
Total Net Position	<u><u>\$ 19,029</u></u>					<u><u>19,029</u></u>

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Exhibit B-8

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>
<u>Additions</u>	
Contributions:	
Employee Withholdings	\$ 676
Investment Earnings:	
Interest	24
Total Additions	<u>700</u>
<u>Deductions</u>	
Unemployment Claims	174
Total Deductions	<u>174</u>
Change in Net Position	526
Net Position - Beginning of Year	<u>18,503</u>
Net Position - End of the Year	<u>\$ 19,029</u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
TUCKERTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Tuckerton School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-6. The Tuckerton School District had an approximate enrollment at June 30, 2015 of 331 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government 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

B. Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county tax levies, from business-type activities generally financed in whole or in part with fees charged to external parties.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary and fiduciary funds. The New Jersey Department of Education (the "Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

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

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Fund Accounting:

The accounts of the District 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. Each fund is a separate accounting entity with a self-balancing set of accounts. 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. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

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

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

Proprietary Fund Type

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Fiduciary Fund Types

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

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

E. Basis of Accounting:

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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.

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

G. Encumbrances:

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

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

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

H. Short-Term Interfund Receivables/Payables:

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

I. Inventories and Prepaid Expenses

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

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

J. Capital Assets and Depreciation

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District contracted with an outside service company to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2014-2015 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2015, fiscal year 2015 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

The District is currently in the process of obtaining and installing software that will maintain proper capital asset and depreciation records.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)J. Capital Assets and Depreciation (Continued)

	<u>Balance July 1, 2014</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Balance June 30, 2015</u>
Governmental Activities:				
Capital Assets That are Not Being Depreciated:				
Land	\$ 226,319	(182,879)	_____	43,440
Total Capital Assets Not Being Depreciated	<u>226,319</u>	<u>(182,879)</u>	_____	<u>43,440</u>
Depreciable Assets:				
Buildings & Sites	3,505,994			3,505,994
Machinery & Equipment	<u>905,373</u>	_____	_____	<u>905,373</u>
Total	<u>4,411,367</u>	_____	_____	<u>4,411,367</u>
Less: Accumulated Depreciation for:				
Buildings and Sites	(1,927,543)	205	(107,273)	(2,034,611)
Machinery & Equipment	<u>(768,547)</u>	<u>9,707</u>	<u>(26,897)</u>	<u>(785,737)</u>
Total Accumulated Depreciation	<u>(2,696,090)</u>	<u>9,912</u>	<u>(134,170)</u>	<u>(2,820,348)</u>
Net Depreciable Assets	<u>1,715,277</u>	<u>9,912</u>	<u>(134,170)</u>	<u>1,591,019</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,941,596</u>	<u>(172,967)</u>	<u>(134,170)</u>	<u>1,634,459</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 134,170</u>
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	<u>Balance July 1, 2014</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Balance June 30, 2015</u>
Business-Type Activities:				
Equipment	\$ 81,942			81,942
Less: Accumulated Depreciation for:				
Equipment	<u>(80,377)</u>	<u>2,532</u>	<u>(2,529)</u>	<u>(80,374)</u>
	<u>\$ 1,565</u>	<u>2,532</u>	<u>(2,529)</u>	<u>1,568</u>

NOTE 1: Summary of Significant Accounting Policies (Continued)

K. Compensated Absences

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

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

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

L. Deferred Revenue

Deferred revenue in the special revenue fund represents cash, which has been received but not yet earned. See note 1(e) regarding the special revenue fund.

M. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

N. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Grants, entitlements, or shared revenues which are restricted for the acquisition or construction of capital assets are also recorded as contributed capital. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

O. Tuition Receivable

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

P. Tuition Payable

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

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost or amortized cost, which approximates market. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits

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

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

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

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

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

Investments

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank of Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

NOTE 2: Cash and Cash Equivalents and Investments (Continued)**Investments (Continued)**

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

	<u>2015</u>
FDIC	\$ 250,000
GUPDA	<u>1,623,763</u>
	<u>\$ 1,873,763</u>

As of June 30, 2015, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Interest Bearing Checking Accounts	<u>\$ 1,816,927</u>
Total	<u>\$ 1,816,927</u>

The carrying amount of the Board's cash, cash equivalents and investments at June 30, 2015 was \$1,816,927 and the bank balance was \$1,873,763. Of the bank balance \$250,000 was covered by federal depository insurance and \$1,623,763 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

The District had no uninsured deposits.

NOTE 3: General Long-Term Debt

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

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
Compensated						
Absences Payable	\$ 91,144		(13,784)	77,360		77,360
Bonds Payable	1,536,000		(138,000)	1,398,000	138,000	1,260,000
Pension Liability	_____	<u>1,079,892</u>	_____	<u>1,079,892</u>	_____	<u>1,079,892</u>
	<u>\$ 1,627,144</u>	<u>1,079,892</u>	<u>(151,784)</u>	<u>2,555,252</u>	<u>138,000</u>	<u>2,417,252</u>

NOTE 3: General Long-Term Debt (Continued)**A. Bonds Payable**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2016	\$ 138,000	57,605	195,605
2017	140,000	51,870	191,870
2018	140,000	45,920	185,920
2019	140,000	39,970	179,970
2020	140,000	34,020	174,020
2021-2025	<u>700,000</u>	<u>78,943</u>	<u>778,943</u>
	<u>\$ 1,398,000</u>	<u>308,328</u>	<u>1,706,328</u>

Bonds issued 10/1/92 for \$2,443,000 at 4.0% thru 4.62% interest, maturing 7/15/24 with a balance of \$1,398,000 at June 30, 2015.

NOTE 4: Pension Plans

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

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

NOTE 4: Pension Plans – (Continued)

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

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements – The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

NOTE 4: Pension Plans – (Continued)**Three-Year Trend Information for PERS**

Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/15	\$ 40,670	100%	0
6/30/14	44,300	100%	0
6/30/13	42,015	100%	0

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/15	\$ 276,629	100%	0
6/30/14	208,298	100%	0
6/30/13	259,124	100%	0

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$276,629 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$150,675 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenue and expenditure in accordance with GASB 24.

Pension Expense Deferred Outflows/Inflows – PERS

For the year ended June 30, 2015, the District recognized pension expense of \$40,670. 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>
Difference Between Expected and Actual Experience	\$	
Changes of Assumptions	33,958	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		64,356
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	110,137	
District Contributions Subsequent to the Measurement Date	<u>40,670</u>	<u> </u>
Total	<u>\$ 184,765</u>	<u>64,356</u>

\$184,765 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project 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:

NOTE 4: Pension Plans – (Continued)**Additional Information**

Collective balances at December 31, 2013 and 2014 are as follows:

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Collective Deferred Outflows of Resources	\$ 184,765	
Collective Deferred Inflows of Resources	64,350	
Collective Net Pension Liability	1,079,892	971,960
District's Proportion	.00577%	.00509%

Components of Net Pension Liability

The components of the net pension liability of the participating employers for PERS as of June 30, 2014 and 2013 are as follows:

	2014		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,777,950,141	39,071,470,586	67,849,420,727
Plan Fiduciary Net Position	<u>8,650,846,191</u>	<u>20,348,735,583</u>	<u>28,999,581,774</u>
Net Pension Liability	<u>\$ 20,127,103,950</u>	<u>18,722,735,003</u>	<u>38,849,838,953</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	30.06%	52.08%	42.74%
	2013		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 27,515,277,069	37,272,295,162	64,787,572,231
Plan Fiduciary Net Position	<u>8,216,653,950</u>	<u>18,160,308,251</u>	<u>26,376,962,201</u>
Net Pension Liability	<u>\$ 19,298,623,119</u>	<u>19,111,986,911</u>	<u>38,410,610,030</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	29.86%	48.72%	40.71%

NOTE 4: Pension Plans – (Continued)

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2103, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15% - 4.40% Based on Age
Thereafter	3.15% – 5.40% Based on Age
Investment Rate of Return	7.90%

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

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

Long-Term Expected Rate of Return

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

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

NOTE 4: Pension Plans – (Continued)**Discount Rate**

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

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 and 2013, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2014		
	At 1%	At Current Discount Rate (5.39%)	At 1%
	<u>Decrease (4.39%)</u>		<u>Increase (6.39%)</u>
State	\$ 23,772,450,916	20,127,103,950	17,069,920,644
Local	<u>23,553,838,159</u>	<u>18,722,735,003</u>	<u>14,665,837,859</u>
Total	<u>\$ 47,326,289,075</u>	<u>38,849,838,953</u>	<u>31,735,758,503</u>
	2013		
	At 1%	At Current Discount Rate (5.55%)	At 1%
	<u>Decrease (4.55%)</u>		<u>Increase (6.55%)</u>
State	\$ 22,822,255,839	19,298,623,119	16,351,193,705
Local	<u>23,791,905,551</u>	<u>19,111,986,911</u>	<u>15,190,834,283</u>
Total	<u>\$ 46,614,161,390</u>	<u>38,410,610,030</u>	<u>31,542,027,988</u>

NOTE 4: Pension Plans – (Continued)**Teachers Pensions and Annuity Fund (TPAF)****Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Total Pension Liability	\$ 81,095,320,000	76,678,639,671
Plan Fiduciary Net Position	<u>27,282,252,461</u>	<u>25,888,126,040</u>
Net Pension Liability	<u>\$ 53,813,067,539</u>	<u>50,790,513,631</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2014</u>	<u>2013</u>
District's Liability	<u>\$ 9,969,695</u>	<u>9,511,755</u>
District's Proportion	.01853%	.01873%

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

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. 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 improvements. 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.

NOTE 4: Pension Plans – (Continued)**Long-Term Expected Rate of Return**

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

Discount Rate

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

NOTE 4: Pension Plans – (Continued)**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

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

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
2014 (3.68%, 4.68%, 5.68%)	\$ 64,722,984,539	53,813,067,539	44,738,870,539
2013 (3.95%, 4.95%, 5.95%)	61,017,578,926	50,790,513,631	42,351,665,847

NOTE 5: 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 prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

NOTE 6: Contingent Liabilities

It is the opinion of the school board officials that there is no litigation threatened or pending that would materially affect the financial position of the school district.

NOTE 7: Equity Balance

At June 30, 2015, the General Fund equity balance was as follows:

Unassigned Fund Balance	\$ 250,696
Capital Reserve	277,060
Reserved for Encumbrances	244,112
Maintenance Reserve	535,550
Designated for Subsequent Years Expenditures – Excess Surplus	210,901
Designated for Subsequent Years Expenditures	10,737
Excess Surplus	<u>201,020</u>
	<u>\$ 1,730,076</u>

NOTE 7: Equity Balance (Continued)

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget.

2% Calculation of Excess Surplus

2014-15 Total General Fund Expenditures Per the CAFR	\$ 4,977,556
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>427,304</u>
Adjusted 2014-15 General Fund Expenditures	<u>\$ 4,550,252</u>
2% of Adjusted 2014-15 General Fund Expenditures	<u>\$ 91,005</u>
Minimum Allowed	\$ 250,000
Increased by Allowable Adjustment	<u>696</u>
Maximum Unassigned Fund Balance	<u>\$ 250,696</u>
Total General Fund – Fund Balance @ 6-30-15	\$ 1,730,076
Decreased by:	
Reserved for Encumbrances	244,112
Designated for Subsequent Years Expenditures – Excess Surplus	210,901
Designated for Subsequent Years Expenditures	10,737
Reserves	<u>812,610</u>
Total Unassigned Fund Balance	<u>\$ 451,716</u>
Maximum Unassigned Fund Balance	<u>\$ 250,696</u>
Restricted Fund Balance – Excess Surplus	<u>\$ 201,020</u>
<u>Recapitulation of Excess Surplus as of June 30, 2015</u>	
Reserved Fund Balance – Excess Surplus	\$ 201,020
Designated for Subsequent Years Expenditures – Excess Surplus	<u>210,901</u>
	<u>\$ 411,921</u>
<u>Detail of Allowable Adjustments</u>	
Non-Public Transportation Aid	<u>\$ 696</u>
<u>Detail of Reserves</u>	
Capital Reserve	\$ 277,060
Maintenance Reserve	<u>535,550</u>
	<u>\$ 812,610</u>

NOTE 8: 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.

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Ending Balance</u>
2012-2013	\$ 25	2,006	0	13,605
2013-2014	21	4,877	0	18,503
2014-2015	24	676	174	19,029

NOTE 9: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed at June 30, 2015.

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 3,133	
Special Revenue Fund		3,133
	<u>\$ 3,133</u>	<u>3,133</u>

NOTE 10: FAIR VALUES OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Tuckerton Board of Education in estimating its fair value disclosures for financial instruments.

Cash and Cash Equivalents: The carrying amounts reported in the combined balance sheet for cash and cash equivalents are the fair values of those assets.

NOTE 11: FUND BALANCE APPROPRIATED

General Fund – Of the \$1,730,076 General Fund fund balance at June 30, 2015, \$244,112 is reserve for encumbrances; \$277,060 is Capital Reserve; \$535,550 is in Maintenance Reserve; \$221,638 is Designated for Subsequent Years Expenditures and; \$201,020 is excess surplus; \$250,696 is unassigned.

NOTE 12: ECONOMIC DEPENDENCY

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

NOTE 13: DEFICIT FUND BALANCES

The District has a deficit fund balance of \$3,133 in the Special Revenue Fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school year budget. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need or corrective action. The District deficit in the GAAP fund statements of \$3,133 is equal to the last state aid payment.

NOTE 14: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2015. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2015 through December 3, 2015.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

TUCKERTON SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 11

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,542,605		2,542,605	2,542,605	-
Tuition	45,000		45,000	49,051	4,051
Transportation Fees	7,000		7,000	-	(7,000)
Miscellaneous	15,000		15,000	66,755	51,755
Total Local Sources	<u>2,609,605</u>	<u>-</u>	<u>2,609,605</u>	<u>2,658,411</u>	<u>48,806</u>
State Sources:					
Equalization Aid	1,230,549		1,230,549	1,230,549	-
Special Education Aid	163,676		163,676	163,676	-
Security Aid	50,084		50,084	50,084	-
School Choice	396,920	(29,769)	367,151	367,151	-
Transportation Aid	8,809		8,809	8,809	-
Supplemental Enrollment Growth Aid	390,411		390,411	390,411	-
Under Adequacy Aid	10,056		10,056	10,056	-
PARCC Readiness Aid	3,380		3,380	3,380	-
Per Pupil Growth Aid	3,380		3,380	3,380	-
Non-Public Transportation Aid			-	696	696
TPAF Pension (On Behalf-Non-Budgeted)			-	276,629	276,629
TPAF Social Security (Reimbursed - Non-Budgeted)			-	150,675	150,675
Total State Sources	<u>2,257,265</u>	<u>(29,769)</u>	<u>2,227,496</u>	<u>2,655,496</u>	<u>428,000</u>
Total Revenues	<u>4,866,870</u>	<u>(29,769)</u>	<u>4,837,101</u>	<u>5,313,907</u>	<u>476,806</u>

TUCKERTON SCHOOL DISTRICT

Exhibit C-1
Sheet 2 of 11

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Expenditures:</u>					
Current Expense:					
Regular Programs - Instruction:					
Preschool Salaries	19,237		19,237		19,237
Kindergarten-Salaries	115,019	1,841	116,860	115,713	1,147
Grades 1-5 - Salaries of Teachers	843,049	59,438	902,487	892,267	10,220
Grades 6-8 - Salaries of Teachers	109,614		109,614	109,614	-
Regular Programs - Undistributed Instruction:					
Other Salaries For Instruction	39,453	(3,523)	35,930	12,509	23,421
General Supplies	54,119	720	54,839	23,815	31,024
Textbooks	36,865	21,728	58,593	34,158	24,435
Other Objects	23,970		23,970	10,068	13,902
Regular Programs - Home Instruction:					
Salaries of Teachers	2,500	2,500	5,000		5,000
Total Regular Programs - Instruction	<u>1,243,826</u>	<u>82,704</u>	<u>1,326,530</u>	<u>1,198,144</u>	<u>128,386</u>
Resource Room/Resource Center:					
Salaries of Teachers	327,236	(27,715)	299,521	298,027	1,494
Other Salaries for Instruction	152,302	(1,032)	151,270	150,170	1,100
General Supplies	4,000		4,000		4,000
Textbooks	1,500		1,500		1,500
Total Resource Room/Resource Center	<u>485,038</u>	<u>(28,747)</u>	<u>456,291</u>	<u>448,197</u>	<u>8,094</u>

TUCKERTON SCHOOL DISTRICT

Exhibit C-1
Sheet 3 of 11

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Multiple Disabilities:					
Salaries of Teachers	50,507	2,868	53,375	50,507	2,868
Other Salaries For Instruction	15,878	1,470	17,348	16,910	438
Purchased Professional Educational Services	3,000		3,000		3,000
Purchased Technical Services	1,500		1,500		1,500
Other Purchased Services	500		500		500
Other Objects	1,000		1,000		1,000
Total Autism	<u>72,385</u>	<u>4,338</u>	<u>76,723</u>	<u>67,417</u>	<u>9,306</u>
Preschool Disabilities-Full-Time:					
Salaries-Teachers	51,007	1,196	52,203	50,436	1,767
Other Salaries for Instruction	17,083	2,029	19,112	12,447	6,665
Purchased Professional Educational Services	1,000		1,000	1,000	-
General Supplies	900		900	205	695
Total Preschool Disabilities-Full-Time	<u>69,990</u>	<u>3,225</u>	<u>73,215</u>	<u>64,088</u>	<u>9,127</u>
Total Special Education - Instruction	<u>627,413</u>	<u>(21,184)</u>	<u>606,229</u>	<u>579,702</u>	<u>26,527</u>
Basic Skills/Remedial Instruction:					
Salaries of Teachers	<u>120,179</u>	<u>8,891</u>	<u>129,070</u>	<u>101,071</u>	<u>27,999</u>
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	28,000	5,304	33,304	33,304	-
Supplies and Materials	1,000		1,000		1,000
Other Objects	9,435	(5,304)	4,131	2,910	1,221
Total School Sponsored Co-Curricular	<u>38,435</u>	<u>-</u>	<u>38,435</u>	<u>36,214</u>	<u>2,221</u>

TUCKERTON SCHOOL DISTRICT

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Summer School-Instruction					
Salaries of Teachers	17,800		17,800	17,800	
General Supplies		12,960	12,960		12,960
Total Summer School	<u>17,800</u>	<u>12,960</u>	<u>30,760</u>	<u>17,800</u>	<u>12,960</u>
 Total Instruction	 <u>2,047,653</u>	 <u>83,371</u>	 <u>2,131,024</u>	 <u>1,932,931</u>	 <u>198,093</u>
 Undistributed Expenditures-Instruction:					
Tuition to CSSD & Regular Day Schools	82,720	23,716	106,436	106,436	-
Tuition Private School for Disabled W/I State	105,000	(38,400)	66,600	63,025	3,575
Total Undistributed Expenditures-Instruction	<u>187,720</u>	<u>(14,684)</u>	<u>173,036</u>	<u>169,461</u>	<u>3,575</u>
 Undistributed Expenditures-Health:					
Salaries	51,807		51,807	51,807	-
Purchased Professional Services	2,800		2,800	2,800	-
Other Purchased Services	600		600	193	407
Supplies and Materials	1,200		1,200	1,139	61
Total Undistributed Expenditures-Health:	<u>56,407</u>	<u>-</u>	<u>56,407</u>	<u>55,939</u>	<u>468</u>
 Undistributed Expenditures-Other Sup. Serv.					
Students-Related Services					
Salaries	49,507	6,139	55,646	19,812	35,834
Purchased Professional Educational Services	24,018	(12,493)	11,525	6,777	4,748
Supplies and Materials	500	60	560	560	-
Total Undistributed Expenditures-Other Sup. Serv.	<u>74,025</u>	<u>(6,294)</u>	<u>67,731</u>	<u>27,149</u>	<u>40,582</u>

TUCKERTON SCHOOL DISTRICT

**Exhibit C-1
Sheet 5 of 11**

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures-Other Supp. Serv.					
Students - Regular.:					
Salaries of Other Professional Staff	3,285	3,285	6,570		6,570
Salaries of Secretarial and Clerical Assistants	16,499	16,176	32,675		32,675
Total Undistributed Expenditures-Other Supp. Serv. - Reg.	<u>19,784</u>	<u>19,461</u>	<u>39,245</u>	<u>-</u>	<u>39,245</u>
Undistributed Expenditures-Other Supp. Serv.					
Students - Special:					
Salaries of Other Professional Staff	61,684	915	62,599	62,599	-
Salaries of Secretarial & Clerical Assistants	36,771	5,071	41,842	36,771	5,071
Other Salaries	3,750	(2,346)	1,404	1,404	-
Purchased Prof./Educational Services	33,456	(18,886)	14,570	14,570	-
Supplies and Materials	750		750	750	-
Total Undistributed Expenditures-Other Supp. Serv.	<u>136,411</u>	<u>(15,246)</u>	<u>121,165</u>	<u>116,094</u>	<u>5,071</u>
Undistributed Expenditures-Improvement of Inst. Serv.:					
Salaries of Other Professional Staff	3,865	3,790	7,655		7,655
Salaries of Secretarial and Clerical Assist.	17,453	1,812	19,265	19,265	-
Other Salaries		27,615	27,615		27,615
Purchased Prof./Educational Services	9,500		9,500	9,500	-
Supplies and Materials	300	(239)	61		61
Total Undistributed Expenditures-Improvement of Inst. Serv.:	<u>31,118</u>	<u>32,978</u>	<u>64,096</u>	<u>28,765</u>	<u>35,331</u>

TUCKERTON SCHOOL DISTRICT

Exhibit C-1
Sheet 6 of 11

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Undistributed Expenditures - Edu. Media Serv./Sch. Library:					
Salaries	15,300	2,345	17,645	11,943	5,702
Other Salaries	57,045	3,780	60,825	57,045	3,780
Purchased Professional and Tech Services	60,000		60,000	25,339	34,661
Other Purchased Services	35,000		35,000	17,190	17,810
Supplies and Materials	38,711	13,089	51,800	34,254	17,546
Other Objects	5,000		5,000	5,000	-
Total Undistributed Expenditures - Edu. Media Serv./School Library	<u>211,056</u>	<u>19,214</u>	<u>230,270</u>	<u>150,771</u>	<u>79,499</u>
Undistributed Expenditures - Instr. Staff Training Serv:					
Secretarial and Clerical-Salaries	27,393	19	27,412	27,393	19
Purchased Professional-Educational Services	1,600		1,600	439	1,161
Other Purchased Professional and Techn. Services	6,000	(65)	5,935	3,547	2,388
Supplies and Materials	3,000		3,000	2,979	21
Total Undistributed Expenditures - Instructional Staff Training Serv.	<u>37,993</u>	<u>(46)</u>	<u>37,947</u>	<u>34,358</u>	<u>3,589</u>
Undistributed Expenditures - Supp. Serv. - General Administration:					
Salaries	70,000	(2,100)	67,900	67,200	700
Legal Services	9,500		9,500	4,954	4,546
Audit Fees	8,800		8,800	8,500	300
Other Purchased Professional Services	700		700	700	-
Purchased Technical Services	2,100	1,565	3,665	3,665	-
Communications/Telephone	6,300	(1,180)	5,120	2,346	2,774
BOE Other Purchased Services	6,925	(320)	6,605	6,604	1
Judgements	1,000		1,000		1,000
BOE In-House Training/Meeting Supplies	500		500	469	31
BOE Dues and Fees	4,500	2,621	7,121	2,621	4,500
Total Undistributed Expenditures - Supp. Serv. - General Administration	<u>110,325</u>	<u>586</u>	<u>110,911</u>	<u>97,059</u>	<u>13,852</u>

TUCKERTON SCHOOL DISTRICT

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - School Administration:					
Salaries of Principals/Assistant Principals	80,000		80,000	80,000	-
Supplies	1,000		1,000	710	290
Total Undistributed Expenditures - School Administration	<u>81,000</u>	<u>-</u>	<u>81,000</u>	<u>80,710</u>	<u>290</u>
Undistributed Expenditures - Central Services					
Salaries	69,393	2,707	72,100	71,493	607
Purchased Professional Services	11,026		11,026	8,664	2,362
Supplies and Materials	2,500		2,500	2,392	108
Total Undistributed Expenditures - Central Services	<u>82,919</u>	<u>2,707</u>	<u>85,626</u>	<u>82,549</u>	<u>3,077</u>
Undistributed Expenditures-Adm. Info. Technology					
Purchased Technical Services	6,600	-	6,600	4,315	2,285
Undistributed Expenditures-Allow. Maint. School Facilities:					
Salaries	183,074	4,487	187,561	169,098	18,463
Cleaning, Repair and Maintenance Services	20,500	107,135	127,635	46,713	80,922
General Supplies	39,000	3,500	42,500	42,454	46
Total Undistributed Expenditures-Allow. Maint. School Facilities	<u>242,574</u>	<u>115,122</u>	<u>357,696</u>	<u>258,265</u>	<u>99,431</u>

TUCKERTON SCHOOL DISTRICT

Exhibit C-1
Sheet 8 of 11

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures-Other Oper. & Maint. Of Plant:					
Other Purchased Property Services	23,860	3,211	27,071	22,721	4,350
Insurance	66,715	(1,611)	65,104	59,838	5,266
Supplies	5,000	10,000	15,000	13,906	1,094
Other Objects	6,000		6,000	5,880	120
Energy-Oil	3,000		3,000	2,859	141
Energy (Natural Gas)	83,000	(45,704)	37,296	35,392	1,904
Energy (Electricity)	74,000	(9,000)	65,000	64,000	1,000
Total Undistributed Expenditures-Other Oper. & Maint. of Plant	<u>261,575</u>	<u>(43,104)</u>	<u>218,471</u>	<u>204,596</u>	<u>13,875</u>
Care and Upkeep of Grounds:					
Cleaning Repair and Maintenance	3,000	-	3,000	2,342	658
Total Care and Upkeep of Grounds	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>2,342</u>	<u>658</u>
Security:					
Purchased Professional and Tech Services	2,000	-	2,000	1,863	137
Cleaning Repair and Maintenance	3,000	-	3,000	2,445	555
Total Security	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>4,308</u>	<u>692</u>
Total Undistributed Expenditures - Operation & Maintenance of Plant Services	<u>512,149</u>	<u>72,018</u>	<u>584,167</u>	<u>469,511</u>	<u>114,656</u>

TUCKERTON SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 11

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Student Transportation Serv:					
Salaries for Transportation	22,000	7,553	29,553	29,553	-
Cleaning and Repairs	1,900		1,900	780	1,120
Contr. Serv. (Bet. Home & Sch.)-Joint Agreement	91,545	4,434	95,979	91,366	4,613
Contr. Serv. (Sp. Ed. Stds.) - Vendors	18,000	7,500	25,500	14,857	10,643
Contr. Serv. - Aid in Lieu of Payments	12,000		12,000	7,387	4,613
Miscellaneous Purchased Services	3,400		3,400	2,964	436
Supplies and Materials	9,200	(9,200)	-		-
Total Undistributed Expenditures - Student Transportation Services	158,045	10,287	168,332	146,907	21,425
Undistributed Expenditures-Business & Other Support Services					
Supplies and Materials		9,200	9,200	3,500	5,700
Total Undist. Expenditures-Business & Other Support Services	-	9,200	9,200	3,500	5,700
Unallocated Benefits:					
Social Security Contributions	54,896		54,896	54,896	-
T.P.A.F. Contributions-ERIP	14,790		14,790	13,607	1,183
Other Retirement Contributions- PERS	45,323		45,323	40,670	4,653
Unemployment Compensation	42,000		42,000	42,000	-
Workmen's Compensation	42,838		42,838	41,276	1,562
Health Benefits	838,543		838,543	805,659	32,884
Tuition Reimbursement	7,200		7,200	3,335	3,865
Other Employee Benefits	61,200	15,049	76,249	49,533	26,716
Total Unallocated Benefits	1,106,790	15,049	1,121,839	1,050,976	70,863
On-Behalf TPAF Pension Contributions - (Non Budgeted)	-	-	-	276,629	(276,629)
Reimbursed TPAF Social Security Contributions - (Non Budgeted)	-	-	-	150,675	(150,675)
Total On-Behalf Contributions	-	-	-	427,304	(427,304)

TUCKERTON SCHOOL DISTRICT

Exhibit C-1
Sheet 10 of 11

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Undistributed Expenditures	2,812,342	145,230	2,957,572	2,945,368	12,204
Total Current Expense	4,859,995	228,601	5,088,596	4,878,299	210,297
Capital Outlay:					
Equipment:					
Grades 1-5	7,000		7,000		7,000
Non Instructional Equipment		49,957	49,957		49,957
Support Services-Custodial Services	10,904		10,904		10,904
Facilities, Acquisition & Construction Services:					
Professional and Technical Services		74,580	74,580	74,580	-
Supplies		7,084	7,084	5,706	1,378
Other Objects	18,971		18,971	18,971	-
Total Capital Outlay	36,875	131,621	168,496	99,257	69,239
Total Expenditures	4,896,870	360,222	5,257,092	4,977,556	279,536
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures	(30,000)	330,453	(419,991)	336,351	756,342
Other Financing Sources					
Cancel Prior Year Accounts Payable				37,018	37,018
Total Other Financing Sources	-	-	-	37,018	37,018

TUCKERTON SCHOOL DISTRICT

Exhibit C-1
Sheet 11 of 11

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	(30,000)	330,453	(419,991)	373,369	793,360
Fund Balance July 1	<u>1,356,707</u>		<u>1,356,707</u>	<u>1,356,707</u>	<u>-</u>
Fund Balance June 30	<u><u>\$ 1,326,707</u></u>	<u><u>330,453</u></u>	<u><u>936,716</u></u>	<u><u>1,730,076</u></u>	<u><u>793,360</u></u>
Recapitulation:					
Restricted Funds:					
Excess Surplus Current Year				\$ 201,020	
Committed Fund Balances					
Capital Reserve				277,060	
Maintenance Reserve				535,550	
Assigned Fund Balances:					
Year End Encumbrances				244,112	
Designated For Subsequent Years Expenditures				221,638	
Unassigned				<u>250,696</u>	
				1,730,076	
Reconciliation to Governmental Funds Statements (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(214,940)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u><u>\$ 1,515,136</u></u>	

TUCKERTON SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
State Sources	\$ 32,473		32,473	32,473	
Federal Sources	168,025		168,025	168,025	
Total Revenues	<u>\$ 200,498</u>	<u>-</u>	<u>200,498</u>	<u>200,498</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 99,574		99,574	99,574	
Total Instruction	<u>99,574</u>	<u>-</u>	<u>99,574</u>	<u>99,574</u>	<u>-</u>
Support Services:					
Non-Instructional - Salaries	9,137		9,137	9,137	
Purchased Professional & Technical Services	80,371		80,371	80,371	
Benefits	10,120		10,120	10,120	
Supplies and Materials	1,296		1,296	1,296	
Total Support Services	<u>100,924</u>	<u>-</u>	<u>100,924</u>	<u>100,924</u>	<u>-</u>
Total Expenditures	<u>\$ 200,498</u>	<u>-</u>	<u>200,498</u>	<u>200,498</u>	<u>-</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

BUDGET-TO-GAAP RECONCILIATION

NOTE TO RSI

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 5,313,907	200,498
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		
State aid payment recognized for GAAP statements in the the current year, previously recognized for budgetary purposes.	209,941	4,184
The last state aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33)	<u>(214,940)</u>	<u>(3,133)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 5,308,908</u>	<u>201,549</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 4,977,556	200,498
Differences-Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 4,977,556</u>	<u>200,498</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR PENSIONS (GASB 68) - L**

TUCKERTON SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - PERS

Exhibit L-1

LAST TWO FISCAL YEARS

	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,079,892	971,960
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>
Total	<u>\$ 1,079,892</u>	<u>971,960</u>
District's Covered-Employee Payroll	\$ 336,444	380,029
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	31.16%	39.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.74%	40.71%

TUCKERTON SCHOOL DISTRICTSCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST TWO FISCAL YEARS

	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 44,300	42,015
Contributions in Relation to the Contractually Required Contribution	<u>44,300</u>	<u>42,015</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 336,444	380,029
Contributions as a Percentage of Covered-Employee Payroll	13.17%	11.06%

TUCKERTON SCHOOL DISTRICT**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE****NET PENSION LIABILITY - TPAF****Exhibit L-3****LAST TWO FISCAL YEARS**

	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>9,969,695</u>	<u>9,511,755</u>
Total	<u>\$ 9,969,695</u>	<u>9,511,755</u>
District's Covered-Employee Payroll	\$ 1,832,479	1,972,505
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	18.38%	20.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

TUCKERTON SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit E-1

	<u>Title I</u>	<u>Title II Part A</u>	<u>I.D.E.A. Pre-School</u>	<u>I.D.E.A. Basic</u>	<u>Preschool Education Aid</u>	<u>Totals 2015</u>
Revenues:						
Federal Sources	\$ 78,517	10,866	5,186	73,456		168,025
State Sources					32,473	32,473
Total Revenue	<u>\$ 78,517</u>	<u>10,866</u>	<u>5,186</u>	<u>73,456</u>	<u>32,473</u>	<u>200,498</u>
Expenditures:						
Instruction:						
Salaries of Teachers	\$ 67,101				32,473	99,574
Total Instruction	<u>67,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,473</u>	<u>99,574</u>
Support Services:						
Non-Instructional - Salaries		9,137				9,137
Purchased Professional & Technical Services		1,729	5,186	73,456		80,371
Benefits	10,120					10,120
Supplies and Materials	1,296					1,296
Total Support Services	<u>11,416</u>	<u>10,866</u>	<u>5,186</u>	<u>73,456</u>	<u>-</u>	<u>100,924</u>
Total Expenditures	<u>\$ 78,517</u>	<u>10,866</u>	<u>5,186</u>	<u>73,456</u>	<u>32,473</u>	<u>200,498</u>

TUCKERTON SCHOOL DISTRICT

SPECIAL REVENUE FUND

Exhibit E-2

PRESCHOOL EDUCATION AID

SCHEDULE OF EXPENDITURES

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 32,473	32,473	-
Total Instruction	<u>32,473</u>	<u>32,473</u>	<u>-</u>
 Total Expenditures	 <u>\$ 32,473</u>	 <u>32,473</u>	 <u>-</u>

Calculation of Budget and Carryover

Total 2014-2015 Preschool Education Aid Allocation	\$ 32,473
Add: Actual ECPA/PEA Carryover (June 30, 2014)	-
Add: Budgeted Transfer from the General Fund 2014-15	-
Total Preschool Education Aid Funds Available for 2014-2015 Budget	<u>32,473</u>
Less: 2014-2015 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>32,473</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2015	
Add: June 30, 2015 Unexpended Preschool Education Aid	<u>-</u>
 2014-2015 Carryover - Preschool Education Aid Programs	 <u>\$ -</u>
 2014-2015 Preschool Education Aid Carryover Budgeted for Preschool Programs 2015-2016	 <u>\$ -</u>

CAPITAL PROJECTS FUND – F

TUCKERTON SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF PROJECT EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2015

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2015</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Various Projects	3/26/2012	\$ 264,450	170,230		94,220
		<u>\$ 264,450</u>	<u>170,230</u>	<u>-</u>	<u>94,220</u>

TUCKERTON SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Exhibit F-2

SUMMARY SCHEDULE OF PROJECT EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2015

Fund Balance - Beginning	\$ 94,220
Fund Balance - Ending	\$ 94,220

TUCKERTON SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

VARIOUS MAINTENANCE PROJECTS

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Maintenance Reserve	\$ 264,450.0		264,450	264,450
Total Revenues	<u>264,450</u>	<u>-</u>	<u>264,450</u>	<u>264,450</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services	170,230		170,230	264,450
Total Expenditures	<u>170,230</u>	<u>-</u>	<u>170,230</u>	<u>264,450</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 94,220</u>	<u>-</u>	<u>94,220</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	264,450			
Additional Authorized Cost	<u>N/A</u>			
Revised Authorized Cost	<u>264,450</u>			
Percentage Increase Over Original Authorized Cost	0			
Percentage Completion	64%			
Original Target Completion Date	12/31/14			
Revised Target Completion Date	12/31/15			

PROPRIETARY FUNDS – G

SCHEDULE OF NET POSITION

Exhibit G-1

ENTERPRISE FUNDS

JUNE 30, 2015

	Business - Type Activities		Totals
	Enterprise Funds		
	<u>Food</u>	<u>Aftercare</u>	
	<u>Services</u>		
<u>Assets:</u>			
Current Assets:			
Cash	\$ -	46,145	46,145
Total Current Assets	<u>-</u>	<u>46,145</u>	<u>46,145</u>
Noncurrent Assets:			
Equipment	81,942		81,942
Less: Accumulated Depreciation	(80,374)		(80,374)
Total Noncurrent Assets	<u>1,568</u>	<u>-</u>	<u>1,568</u>
Total Assets	<u>\$ 1,568</u>	<u>46,145</u>	<u>47,713</u>
<u>Liabilities:</u>			
Accounts Payable	\$ 9,049	-	9,049
Total Liabilities	<u>\$ 9,049</u>	<u>-</u>	<u>9,049</u>
<u>Net Position:</u>			
Investment in Capital Assets	\$ 1,568		1,568
Unrestricted	(9,049)	46,145	37,096
Total Net Position	<u>\$ (7,481)</u>	<u>46,145</u>	<u>38,664</u>

TUCKERTON SCHOOL DISTRICTSCHEDULE OF REVENUES, EXPENSES AND CHANGES

Exhibit G-2

IN FUND NET POSITIONENTERPRISE FUNDSJUNE 30, 2015

	Business - Type Activities Enterprise Funds		Totals
	Food Services	Aftercare Program	
Operating Revenues:			
Local Sources:			
Fees	\$ -	36,694	36,694
Total Operating Revenue	-	36,694	36,694
Operating Expenses:			
Salaries		16,631	16,631
Supplies and Materials		21,198	21,198
Depreciation	2,529		2,529
Miscellaneous		30	30
Total Operating Expenses	2,529	37,859	40,388
Operating (Loss)/Profit	(2,529)	(1,165)	(3,694)
Non-Operating Revenues:			
Interest Revenue		61	61
Total Non-Operating Revenues	-	61	61
Excess/(Deficiency) of Revenues Over/(Under)			
Expenditures	(2,529)	(1,104)	(3,633)
Adjustment for Fixed Assets	2,532		2,532
Change in Net Position	3	(1,104)	(1,101)
Net Position, July 1	(7,484)	47,249	39,765
Net Position, June 30	\$ (7,481)	46,145	38,664

SCHEDULE OF CASH FLOWS

Exhibit G-3

ENTERPRISE FUNDS

JUNE 30, 2015

	Business - Type Activities		Totals
	Enterprise Funds		
	Food Services	Aftercare Program	
Cash Flows from Operating Activities:			
Receipts from Miscellaneous and Fees	\$ -	36,694	36,694
Payments to Employees		(16,631)	(16,631)
Payments to Suppliers		(21,228)	(21,228)
Net Cash Used by Operating Activities	-	(1,165)	(1,165)
Cash Flows from Investing Activities:			
Interest		61	61
Net Increase/(Decrease) in Cash and Cash Equivalents	-	(1,104)	(1,104)
Cash and Cash Equivalents July 1	-	47,249	47,249
Cash and Cash Equivalents June 30	\$ -	46,145	46,145
Cash Flows from Operating Activities:			
Operating (Loss)/Profit	\$ (2,529)	(1,165)	(3,694)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:			
Depreciation	2,529		2,529
Changes in Assets and Liabilities:			
(Decrease)/Increase in Accounts Payable			-
Net Cash Used by Operating Activities	\$ -	(1,165)	(1,165)

FIDUCIARY FUND – H

TUCKERTON SCHOOL DISTRICT

TRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2015

	<u>Agency</u>					<u>Expendable Trusts</u>	<u>Totals 2015</u>
	<u>Student Activity</u>	<u>Agency Account</u>	<u>Salary Account</u>	<u>Flexible Spending</u>	<u>Summer Payroll</u>	<u>Unemployment Compensation</u>	
Assets:							
Cash and Cash Equivalents	\$ 12,214	44,809	29,743	2,896	123,329	19,029	232,020
Total Assets	<u>\$ 12,214</u>	<u>44,809</u>	<u>29,743</u>	<u>2,896</u>	<u>123,329</u>	<u>19,029</u>	<u>232,020</u>
Liabilities and Net Position:							
Liabilities:							
Due to Student Groups	\$ 12,214						12,214
Due to Employees				2,896	123,329		126,225
Accounts Payable			29,443				29,443
Payroll Withholdings and Deductions		44,809	300				45,109
Total Liabilities	<u>\$ 12,214</u>	<u>44,809</u>	<u>29,743</u>	<u>2,896</u>	<u>123,329</u>	<u>-</u>	<u>212,991</u>
Net Position:							
Unreserved						\$ 19,029	19,029
Total Net Position						<u>\$ 19,029</u>	<u>19,029</u>

TUCKERTON SCHOOL DISTRICT

EXPENDABLE TRUST FUNDS

Exhibit H-2

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Insurance Trust Fund</u>
Additions:	
Local Sources:	
Contributions	\$ 676
Interest on Investments	24
Total Additions	<u>700</u>
Deductions:	
Unemployment Claims	174
Total Deductions	<u>174</u>
Change in Net Position	526
Net Position, July 1	<u>18,503</u>
Net Position, June 30	<u>\$ 19,029</u>

TUCKERTON SCHOOL DISTRICT

STUDENT ACTIVITY AGENCY FUND

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Elementary School: Tuckerton Elementary	<u>\$ 15,400</u>	<u>12,049</u>	<u>15,235</u>	<u>12,214</u>

TUCKERTON SCHOOL DISTRICT

PAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Assets:				
Cash and Cash Equivalents	<u>\$ 164,977</u>	<u>1,833,951</u>	<u>1,954,119</u>	<u>44,809</u>
Liabilities:				
Payroll Deductions & Withholdings and Accounts Payable	<u>\$ 164,977</u>	<u>1,833,951</u>	<u>1,954,119</u>	<u>44,809</u>

SUMMER PAYROLL

Exhibit H-4a

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Assets:				
Cash and Cash Equivalents	<u>\$ 132,736</u>	<u>117,562</u>	<u>126,969</u>	<u>123,329</u>
Liabilities:				
Due to Employees	<u>\$ 132,736</u>	<u>117,562</u>	<u>126,969</u>	<u>123,329</u>

LONG-TERM DEBT - I

TUCKERTON SCHOOL DISTRICT

Exhibit I-1

LONG-TERM DEBT

SCHEDULE OF SERIAL BONDS PAYABLE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>				
Renovations to Elementary School	7/14/2004	\$ 2,443,000	7/15/2015	\$ 138,000	4.00%	\$ 1,536,000	138,000	1,398,000
			7/15/16-20	140,000	4.25%			
			7/15/2021	140,000	4.30%			
			7/15/22-23	140,000	4.50%			
			7/15/2024	140,000	4.62%			
						<u>\$ 1,536,000</u>	<u>138,000</u>	<u>1,398,000</u>

TUCKERTON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

Exhibit I-3

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 203,885	-	203,885	203,885	-
Total Revenues	<u>203,885</u>	<u>-</u>	<u>203,885</u>	<u>203,885</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	65,885	-	65,885	63,125	2,760
Redemption of Principal	138,000	-	138,000	138,000	-
Total Expenditures	<u>203,885</u>	<u>-</u>	<u>203,885</u>	<u>201,125</u>	<u>2,760</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	2,760	2,760
Fund Balance July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>2,760</u>	<u>2,760</u>

STATISTICAL SECTION

(Unaudited)

BOROUGH OF TUCKERTON SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-1

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental Activities										
Invested in Capital Assets, net of related Debt	\$ 236,459	405,596	2,191,828	2,096,684	2,101,591	1,831,978	1,607,978	1,494,187	1,292,398	4,096,349
Restricted	1,576,360	1,186,006	1,086,289	1,142,358	883,426	656,026	729,770	403,251	877,317	1,840,036
Unrestricted	<u>(1,031,887)</u>	<u>(70,545)</u>	<u>(12,928)</u>	<u>(273,419)</u>	<u>(7,318)</u>	<u>(267,519)</u>	<u>(9,036)</u>	<u>103,354</u>	<u>360,394</u>	<u>(3,139,790)</u>
Total Governmental Activities	<u>\$ 780,932</u>	<u>1,521,057</u>	<u>3,265,189</u>	<u>2,965,623</u>	<u>2,977,699</u>	<u>2,220,485</u>	<u>2,328,712</u>	<u>2,000,792</u>	<u>2,530,109</u>	<u>2,796,595</u>
Business Type Activities										
Invested in Capital Assets, net of related Debt	\$ 1,568	1,565	43,684	49,510	55,336	61,159	66,983	72,809	78,633	-
Unrestricted	<u>37,096</u>	<u>38,200</u>	<u>26,788</u>	<u>(7,648)</u>	<u>(32,372)</u>	<u>(26,136)</u>	<u>(15,730)</u>	<u>(10,090)</u>	<u>12,506</u>	<u>4,286</u>
Total Business Type Activities	<u>\$ 38,664</u>	<u>39,765</u>	<u>70,472</u>	<u>41,862</u>	<u>22,964</u>	<u>35,023</u>	<u>51,253</u>	<u>62,719</u>	<u>91,139</u>	<u>4,286</u>
District-wide										
Invested in Capital Assets, net of related Debt	\$ 238,027	407,161	2,235,512	2,146,194	2,156,927	1,893,137	1,674,961	1,566,996	1,371,031	4,096,349
Restricted	1,576,360	1,186,006	1,086,289	1,142,358	883,426	656,026	729,770	403,251	877,317	1,840,036
Unrestricted	<u>(994,791)</u>	<u>(32,345)</u>	<u>13,860</u>	<u>(281,067)</u>	<u>(39,690)</u>	<u>(293,655)</u>	<u>(24,766)</u>	<u>93,264</u>	<u>372,900</u>	<u>(3,135,504)</u>
Total District Net Position	<u>\$ 819,596</u>	<u>1,560,822</u>	<u>3,335,661</u>	<u>3,007,485</u>	<u>3,000,663</u>	<u>2,255,508</u>	<u>2,379,965</u>	<u>2,063,511</u>	<u>2,621,248</u>	<u>2,800,881</u>

BOROUGH OF TUCKERTON SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-2

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenses:										
Governmental Activities	\$ 5,238,626	5,481,225	5,095,046	4,720,748	4,176,109	4,402,396	4,123,084	4,320,961	4,049,903	3,711,613
Business Type Activities	37,859	25,237	37,306	163,851	141,093	146,916	128,775	137,002	98,211	116,929
Total District Expenses	<u>5,276,485</u>	<u>5,506,462</u>	<u>5,132,352</u>	<u>4,884,599</u>	<u>4,317,202</u>	<u>4,549,312</u>	<u>4,251,859</u>	<u>4,457,963</u>	<u>4,148,114</u>	<u>3,828,542</u>
Program Revenues:										
Governmental Activities	201,549	204,988	261,575	340,080	322,364	338,775	215,924	382,522	385,361	411,577
Business Type Activities	36,694	31,561		176,727	121,034	56,168	110,309	108,265	97,692	99,385
Total District Program Revenues	<u>238,243</u>	<u>236,549</u>	<u>261,575</u>	<u>516,807</u>	<u>443,398</u>	<u>394,943</u>	<u>326,233</u>	<u>490,787</u>	<u>483,053</u>	<u>510,962</u>
Net (Expense):										
Governmental Activities	(5,037,077)	(5,276,237)	(4,833,471)	(4,380,668)	(3,853,745)	(4,063,621)	(3,907,160)	(3,938,439)	(3,664,542)	(3,300,036)
Business Type Activities	(1,165)	6,324	(37,306)	12,876	(20,059)	(90,748)	(18,466)	(28,737)	(519)	(17,544)
Total District-wide Net Expense	<u>(5,038,242)</u>	<u>(5,269,913)</u>	<u>(4,870,777)</u>	<u>(4,367,792)</u>	<u>(3,873,804)</u>	<u>(4,154,369)</u>	<u>(3,925,626)</u>	<u>(3,967,176)</u>	<u>(3,665,061)</u>	<u>(3,317,580)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities	5,549,811	5,395,084	5,133,037	4,368,592	4,522,200	4,104,919	4,343,414	4,071,680	3,905,283	3,490,481
Business Type Activities	64	28	65,916	6,022	8,000	3,535	7,000	317	87,372	7,000
Total District-wide	<u>5,549,875</u>	<u>5,395,112</u>	<u>5,198,953</u>	<u>4,374,614</u>	<u>4,530,200</u>	<u>4,108,454</u>	<u>4,350,414</u>	<u>4,071,997</u>	<u>3,992,655</u>	<u>3,497,481</u>
Change in Net Position:										
Governmental Activities	512,734	118,847	299,566	(12,076)	668,455	41,298	436,254	133,241	240,741	190,445
Business Type Activities	(1,101)	6,352	28,610	18,898	(12,059)	(87,213)	(11,466)	(28,420)	86,853	(10,544)
Total District	<u>\$ 511,633</u>	<u>125,199</u>	<u>328,176</u>	<u>6,822</u>	<u>656,396</u>	<u>(45,915)</u>	<u>424,788</u>	<u>104,821</u>	<u>327,594</u>	<u>179,901</u>

BOROUGH OF TUCKERTON SCHOOL DISTRICT
FUND BALANCES, GOVERNMENT FUNDS
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-3

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:										
Reserved	\$ 1,479,380	1,095,970	928,648	597,184	823,969	575,122	680,145	352,509	315,346	360,118
Unreserved	<u>35,756</u>	<u>50,796</u>	<u>14,859</u>	<u>(273,419)</u>	<u>106,179</u>	<u>(146,241)</u>	<u>112,982</u>	<u>188,262</u>	<u>195,916</u>	<u>46,695</u>
Total General Fund	<u>\$ 1,515,136</u>	<u>1,146,766</u>	<u>943,507</u>	<u>323,765</u>	<u>930,148</u>	<u>428,881</u>	<u>793,127</u>	<u>540,771</u>	<u>511,262</u>	<u>406,813</u>
All Other Governmental Funds:										
Unreserved, Reported in:										
Special Revenue Fund	\$ (3,133)	(4,184)	(5,279)	(5,323)	(8,746)	(9,849)	(7,261)	(15,655)	(12,740)	(12,826)
Capital Projects Fund	<u>94,220</u>	<u>94,220</u>	<u>165,100</u>	<u>544,997</u>	<u>38,447</u>	<u>63,758</u>	<u>29,922</u>	<u>40,843</u>	<u>827,678</u>	
Debt Service Fund	<u>2,760</u>		<u>2,760</u>	<u>5,520</u>	<u>29,755</u>	<u>26,995</u>	<u>26,964</u>	<u>25,554</u>	<u>62,379</u>	<u>52,456</u>
Total All Other Government Funds	<u>\$ 93,847</u>	<u>90,036</u>	<u>162,581</u>	<u>545,194</u>	<u>59,456</u>	<u>80,904</u>	<u>49,625</u>	<u>50,742</u>	<u>877,317</u>	<u>39,630</u>

BOROUGH OF TUCKERTON SCHOOL DISTRICT
NET CHANGES IN FUND BALANCE
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-4

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Local Tax Levy	\$ 2,746,490	2,699,395	2,704,915	2,637,323	2,621,919	2,572,775	2,488,397	2,249,774	2,186,745	1,935,751
Other Local Revenue	115,806	71,659	110,348	158,525	403,302	101,392	123,445	119,605	92,406	46,661
State Revenue	2,684,021	2,624,530	2,563,609	1,859,374	1,670,348	1,490,563	1,792,289	1,969,418	1,869,299	1,774,547
Federal Revenue	168,025	211,997	173,302	251,635	182,306	354,062	134,552	115,414	142,194	152,099
Total Revenues	<u>5,714,342</u>	<u>5,607,581</u>	<u>5,552,174</u>	<u>4,906,857</u>	<u>4,877,875</u>	<u>4,518,792</u>	<u>4,538,683</u>	<u>4,454,211</u>	<u>4,290,644</u>	<u>3,909,058</u>
Expenditures:										
Instruction:										
Regular	1,198,144	1,170,085	1,234,202	1,258,425	1,096,775	1,241,532	1,081,221	887,209	977,185	831,514
Special	579,702	604,042	541,634	595,117	489,500	437,933	447,024	399,476	342,055	329,531
Other	155,085	105,615	84,220	89,830	47,385	71,052	72,642	57,877	52,413	26,655
Total Instruction	<u>1,932,931</u>	<u>1,879,742</u>	<u>1,860,056</u>	<u>1,943,372</u>	<u>1,633,660</u>	<u>1,750,517</u>	<u>1,600,887</u>	<u>1,344,562</u>	<u>1,371,653</u>	<u>1,187,700</u>
Undistributed:										
Instruction	169,461	171,272	39,721	4,591	6,955	-	54,000	76,167	69,009	57,727
Support Service:										
Students	413,076	497,036	594,745	510,214	424,458	465,277	471,626	408,422	360,627	353,997
Instructional Staff						-	-	-	-	1,186
General Administration						-	-	-	-	144,650
School Administration	264,633	279,044	112,177	250,002	106,203	98,963	177,145	213,051	132,323	74,973
Operations and Maintenance	469,511	454,267	424,148	383,221	391,120	457,749	388,980	426,973	375,460	378,599
Student Transportation	146,907	135,854	132,634	106,132	82,088	110,295	103,846	99,027	115,703	125,560
Business and Other Support Services:										
Employee Benefits	1,481,780	1,272,089	1,250,175	641,723	893,264	945,956	579,042	716,169	468,501	438,079
Other				18,285	149,354	147,030	39,612	9,898	88,349	458
On-behalf TPAF Contribution				196,540		-	109,278	285,368	275,826	150,048
Reimbursed TPAF Social Security Contr.				92,152		-	143,601	124,723	126,351	123,546
Food Services & Other Transfers				162,185	8,000	146,081	7,000	-	-	7,000
Education Jobs				50,855						
Total Undistributed	<u>2,945,368</u>	<u>2,809,562</u>	<u>2,553,600</u>	<u>2,415,900</u>	<u>2,061,442</u>	<u>2,371,351</u>	<u>2,074,130</u>	<u>2,359,798</u>	<u>2,012,149</u>	<u>1,855,823</u>
Capital Outlay:										
Equipment						-	-	-	-	-
Facilities Acq. and Construction Serv.										
Other	99,257	31,426	308,898	42,976	33,412	9,509	68,843	36,733	671,886	73,818
Total Capital Outlay	<u>99,257</u>	<u>31,426</u>	<u>308,898</u>	<u>42,976</u>	<u>33,412</u>	<u>9,509</u>	<u>68,843</u>	<u>36,733</u>	<u>671,886</u>	<u>73,818</u>
Total General Fund Expenditures	<u>4,977,556</u>	<u>4,720,730</u>	<u>4,722,554</u>	<u>4,402,248</u>	<u>3,728,514</u>	<u>4,131,377</u>	<u>3,743,860</u>	<u>3,741,093</u>	<u>4,055,688</u>	<u>3,117,341</u>
Special Revenue:										
Federal	168,025	161,047	173,258	182,520	182,306	197,402	134,552	115,414	142,194	152,099
State	32,473	42,846	54,284	35,594	88,720	72,978	72,978	270,032	243,081	259,542
Total Special Revenue Expenditures	<u>200,498</u>	<u>203,893</u>	<u>227,542</u>	<u>218,114</u>	<u>271,026</u>	<u>270,380</u>	<u>207,530</u>	<u>385,446</u>	<u>385,275</u>	<u>411,641</u>
Debt Service Expenditures	<u>201,125</u>	<u>209,405</u>	<u>214,925</u>	<u>217,685</u>	<u>223,205</u>	<u>319,212</u>	<u>325,133</u>	<u>337,903</u>	<u>347,833</u>	<u>399,337</u>
Capital Project Expenditures		<u>335,330</u>	<u>129,877</u>	<u>16,040</u>	<u>175,311</u>	<u>130,790</u>	<u>10,921</u>	<u>786,835</u>		
Total Governmental Fund Expenditures	<u>5,379,179</u>	<u>5,469,358</u>	<u>5,294,898</u>	<u>4,854,087</u>	<u>4,398,056</u>	<u>4,851,759</u>	<u>4,287,444</u>	<u>5,251,277</u>	<u>4,788,796</u>	<u>3,928,319</u>
Other Financing Sources/(Uses)	<u>37,018</u>	<u>(7,509)</u>	<u>(157,562)</u>							
Net Changes in Fund Balance	<u>\$ 372,181</u>	<u>130,714</u>	<u>99,714</u>	<u>52,770</u>	<u>479,819</u>	<u>(332,967)</u>	<u>251,239</u>	<u>(797,066)</u>	<u>(498,152)</u>	<u>(19,261)</u>

Source: District Records

BOROUGH OF TUCKERTON SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Interest</u>	<u>Tuition</u>	<u>Misc.</u>	<u>Total</u>
2006	\$ 33,747		12,914	46,661
2007	29,808	3,748	38,516	72,072
2008	19,851	28,780	65,754	114,385
2009	4,946	79,447	39,042	123,435
2010		51,494	57,838	109,332
2011		50,235	74,312	124,547
2012		67,688	90,837	158,525
2013	1,915	33,989	74,444	110,348
2014	1,752	45,320	24,587	71,659
2015		49,051	66,755	115,806

Source: District Records

BOROUGH OF TUCKERTON SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Exhibit J-6

<u>Year Ended December 31,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2005	\$ 406,327,209	329,383,276	123.36%
2006	420,719,924	436,024,380	96.49%
2007	424,597,874	495,967,614	85.61%
2008	428,807,230	536,210,116	79.97%
2009	432,891,924	542,607,074	79.78%
2010	435,673,002	524,338,671	83.09%
2011	433,860,431	514,834,324	84.46%
2012	433,424,395	491,857,007	88.12%
2013	439,222,953	458,383,378	95.82%
2014	411,829,747	422,706,914	97.83%

Source: Abstract of Ratables, Ocean County Board of Taxation

BOROUGH OF TUCKERTON SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING
PER \$100 OF ASSESSED VALUATION
LAST TEN YEARS
UNAUDITED

Exhibit J-7

<u>Assessment Year</u>	<u>Tuckerton</u>		<u>Pinelands Regional</u>	<u>Ocean County</u>	<u>Total</u>	
	<u>School District</u>	<u>Borough</u>				
2005	*	0.477	0.430	0.473	0.312	1.692
2006		0.519	0.463	0.472	0.351	1.805
2007		0.529	0.483	0.495	0.364	1.871
2008		0.580	0.531	0.504	0.387	2.002
2009		0.594	0.572	0.526	0.389	2.081
2010		0.602	0.571	0.543	0.393	2.109
2011		0.607	0.598	0.496	0.405	2.106
2012		0.625	0.612	0.498	0.409	2.144
2013		0.643	0.612	0.519	0.411	2.185
2014		0.667	0.626	0.553	0.417	2.263

* - Revaluation

Source: Tax Collector

TUCKERTON SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL TAXPAYERS
FOR THE YEAR ENDED DECEMBER 31, 2014
UNAUDITED

Exhibit J-8

Current Year

<u>Taxpayer</u>	<u>Assessed Valuation 2014</u>	<u>As a Percentage of District Net Assessed Valuation</u>
Cammeby's Bartlett Landind LLC	\$ 10,500,000	2.51%
Cammebys Management Co.	5,750,000	1.37%
H2 Investments, LLC	2,800,000	0.67%
Harbor View Plaza Assoc.	2,364,000	0.56%
Brasil Telecom America Inc.	2,327,800	0.56%
CH Winans Co.	1,680,000	0.40%
FAWD Associaties	1,280,000	0.31%
Tuckerton Lumber	1,162,100	0.28%
Taxpayer #1	1,139,900	0.27%
GEB Marine	1,056,900	0.25%
	<u>\$ 30,060,700</u>	<u>7.18%</u>

Source: Tax Assessor

* - Information not available for 9 years ago.

BOROUGH OF TUCKERTON SCHOOL DISTRICT
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
UNAUDITED

Exhibit J-9

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
2005	\$ 7,005,160	6,825,041	97.43%
2006	7,683,189	7,447,669	96.93%
2007	8,008,411	7,789,194	97.26%
2008	8,649,743	8,369,304	96.76%
2009	9,071,802	8,767,316	96.64%
2010	9,217,455	8,930,652	96.89%
2011	9,164,097	8,833,607	96.39%
2012	9,311,829	8,917,623	95.77%
2013	9,174,218	8,778,799	95.69%
2014	9,358,024	8,991,914	96.09%

Source: Municipal Tax Collector

TUCKERTON SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Exhibit J-10

Information not available

BOROUGH OF TUCKERTON SCHOOL DISTRICT
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-11

<u>Year</u>	<u>School District Population *</u>	<u>Net Assessed Valuation Taxable</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2005	3,772	\$ 406,327,209	3,192,000	0.79%	846.24
2006	3,818	420,719,924	2,972,000	0.71%	778.42
2007	3,841	424,597,874	2,752,000	0.65%	716.48
2008	3,876	428,807,230	2,532,000	0.59%	653.25
2009	3,916	432,891,924	2,312,000	0.53%	590.40
2010	3,353	435,673,002	2,088,000	0.48%	622.73
2011	3,364	435,673,002	1,950,000	0.45%	579.67
2012	3,364	433,860,431	1,812,000	0.42%	538.64
2013	3,377	419,334,514	1,536,000	0.37%	454.84
2014	3,396	411,829,747	1,398,000	0.34%	411.66

Source: Tax Collector/School District Records

*Estimates

TUCKERTON SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014
UNAUDITED

Exhibit J-12

Net Direct Debt of School District:	
as of December 31, 2014	\$ 1,398,000
Net Overlapping Debt of School District:	
County of Ocean (0.47%)	2,173,598
Borough of Tuckerton (100%)	<u>1,466,158</u>
Total Direct and Overlapping Bonded Debt	
as of December 31, 2014	<u><u>\$ 5,037,756</u></u>

Source: Tax Collector & School District

BOROUGH OF TUCKERTON SCHOOL DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

Exhibit J-13

<u>Year</u>	<u>Equalized Valuation Basis</u>
2014	\$ 398,951,416
2013	428,035,981
2012	451,752,661
	\$ 1,278,740,058
Average Equalized Valuation	\$ 426,246,686
School Borrowing Margin(3% of \$)	\$ 12,787,401
Net Bonded Debt at June 30, 2015	1,398,000
School Borrowing Margin Available	\$ 11,389,401

* - Other Information for 2013 thru 2005 Not Provided

Source: State of New Jersey, Department of Treasury,
Division of Taxation

TUCKERTON SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-14

<u>Year</u>	<u>Population</u>	<u>Per Capita Income*</u>	<u>Personal Income</u>	<u>Unemployment Rate</u>
2005	3,774	\$ 35,970	135,750,780	6.3%
2006	3,830	38,094	145,900,020	6.3%
2007	3,855	40,368	155,618,640	6.3%
2008	3,888	41,347	160,757,136	8.1%
2009	3,916	40,612	159,036,592	13.2%
2010	3,352	40,689	136,389,528	13.9%
2011	3,351	42,121	141,147,471	14.5%
2012	3,356	43,016	144,361,696	14.8%
2013	3,377	43,214	145,933,678	9.0%
2014	3,396	unavailable	unavailable	7.5%

Source: District Records and State
of New Jersey

*County information available only

TUCKERTON SCHOOL DISTRICT
PRINCIPAL EMPLOYERS

Exhibit J-15

Information not available

TUCKERTON SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
UNAUDITED

Exhibit J-16

Function/Program:	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Instruction:								
Regular	24.5	27.5	27.5	27.5	27.5	27.5	26.5	26.5
Special Education	7.5	6.5	7.0	7.0	7.0	6.0	5.0	5.0
Other Instruction	13.0	13.0	13.5	13.5	9.0	6.0	6.0	6.0
Total Instruction	<u>45.0</u>	<u>47.0</u>	<u>48.0</u>	<u>48.0</u>	<u>43.5</u>	<u>39.5</u>	<u>37.5</u>	<u>37.5</u>
Support Services:								
Student & Instruction Related Services	2.00	2.00	2.00	2.0	2.0	2.0	2.0	2.0
General Administration	2.00	2.00	2.00	2.0	2.0	2.0	2.0	1.8
Pupil Transportation	0.75	0.75	0.75	0.5	0.5	0.5	0.5	0.5
Other Support Services	1.00	1.00	1.00	1.0	1.0	1.0	1.0	1.0
Total Support Services	<u>5.75</u>	<u>5.75</u>	<u>5.75</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.3</u>
Total District	<u><u>50.75</u></u>	<u><u>52.75</u></u>	<u><u>53.75</u></u>	<u><u>53.5</u></u>	<u><u>49.0</u></u>	<u><u>45.0</u></u>	<u><u>43.0</u></u>	<u><u>42.8</u></u>

Source: District Records

TUCKERTON SCHOOL DISTRICT
OPERATING STATISTICS
LAST NINE FISCAL YEARS
UNAUDITED

Exhibit J-17

<u>Fiscal Year Ended June 30,</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentile Change</u>	<u>Teaching Staff</u>
2007	265	\$ 2,981,625	\$ 11,251	-	36
2008	286	3,432,887	12,003	6.68%	37
2009	256	3,963,096	15,481	28.97%	38
2010	303	3,985,296	13,153	-15.05%	40
2011	329	3,720,514	11,309	-14.01%	44
2012	348	4,132,867	11,876	5.01%	45
2013	341	4,763,595	13,969	17.60%	48
2014	327	4,720,730	14,436	3.22%	47
2015	334	4,550,252	13,624	-5.63%	45

Source: District Records

BOROUGH OF TUCKERTON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST NINE FISCAL YEARS
UNAUDITED

Exhibit J-18

<u>Tuckerton Elementary School</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Square Feet	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Capacity	380	380	380	380	380	380	380	380	380
Enrollment	334	327	341	348	329	303	256	286	265

Source: District Records

BOROUGH OF TUCKERTON SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-19

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Tuckerton</u> <u>Elementary</u> <u>School</u>
2006	\$ 198,725
2007	184,721
2008	224,129
2009	226,894
2010	228,813
2011	205,746
2012	237,554
2013	225,835
2014	238,935
2015	258,265

Source: District Records

BOROUGH OF TUCKERTON SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

Exhibit J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:		
Property - Blanket	\$ 10,825,138	\$
School District Legal Liability	100,000	
Umbrella	5,000,000	10,000
Employee Benefit Program Liability	1,000,000	
Data Processing	225,000	250
Commercial General Liability Coverage	3,000,000	1,000
Worker's Compensation	Statutory	
Administrator - Bond	100,000	
Student Accident	1,000,000	

Source: District Records

SINGLE AUDIT SECTION

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.

Telecopier:
(732) 280-8888

e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409
Wall, New Jersey 07719-1409
(732) 681-4990

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

**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
Tuckerton School District
County of Ocean
Tuckerton, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tuckerton Board of Education, County of Ocean, State of New Jersey as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Tuckerton Board of Education, County of Ocean, State of New Jersey's basic financial statements, and have issued our report thereon dated December 3, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tuckerton Board of Education, County of Ocean, State of New Jersey's financial statements are free from material misstatement, we performed tests of it 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*.

Purpose of this Report

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

**Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey**

December 3, 2015

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:
(732) 280-8888
e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409
Wall, New Jersey 07719-1409
(732) 681-4990

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY OMB CIRCULAR A-133**

Honorable President and Members
of the Board of Education
Tuckerton School District
County of Ocean
Tuckerton, New Jersey

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey'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 Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's major state programs for the year ended June 30, 2015. The Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey'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 the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey'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; and prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and New Jersey OMB's Circular 04-04, 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 the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey'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 the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's compliance.

Opinion on Each Major State Program

In our opinion, the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's, 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 the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey'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 Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey'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 a 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 was for the limited purposes 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 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. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

**Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey**

December 3, 2015

TUCKERTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2015

Schedule A
K-3

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Grant Period	Program or Award Amount	Balance June 30, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Adjustment	Balance at June 30, 2015		
										(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education:												
Passed Through State Department of Education:												
Title I	84.010	9-1-14 to 8-31-15	\$ 78,517			78,517	(78,517)					
Title IIA	84.298	9-1-14 to 8-31-15	10,866			10,866	(10,866)					
Title IIA	84.298	9-1-13 to 8-31-14	10,960	(10,960)		10,960						
I.D.E.A. Basic	84.027	9-1-14 to 8-31-15	73,546			73,456	(73,456)					
I.D.E.A. Basic	84.027	9-1-12 to 8-31-13	67,414	(67,414)		67,414						
I.D.E.A. Preschool	84.173	9-1-14 to 8-31-15	5,186			5,186	(5,186)					
I.D.E.A. Preschool	84.173	9-1-13 to 8-31-14	5,160	(5,160)		5,160						
				(83,534)	-	251,559	(168,025)	-	-	-	-	-
				<u>\$ (83,534)</u>	<u>-</u>	<u>251,559</u>	<u>(168,025)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

TUCKERTON SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program State Department of Education:	Grant or State Project Number	Grant Period	Program or Award Amount	Balance June 30, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Adjustment	Balance at June 30, 2015			MEMO	
										(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures
Equalization Aid	15-495-034-5120-078	7-1-14 to 6-30-15	\$ 1,230,549	\$ -		1,230,549	(1,230,549)						(118,740)	1,230,549
Special Education Aid	15-495-034-5120-089	7-1-14 to 6-30-15	163,676			163,676	(163,676)						(15,794)	163,676
Security Aid	15-495-034-5120-084	7-1-14 to 6-30-15	50,084			50,084	(50,084)						(4,833)	50,084
School Choice Aid	15-495-034-5120-068	7-1-14 to 6-30-15	367,151			367,151	(367,151)						(35,428)	367,151
Transportation Aid	15-495-034-5120-014	7-1-14 to 6-30-15	8,809			8,809	(8,809)						(850)	8,809
Under Adequacy Aid	15-495-034-5120-096	7-1-14 to 6-30-15	10,056			10,056	(10,056)						(971)	10,056
Per Pupil Growth Aid	15-495-034-5120-097	7-1-14 to 6-30-15	3,380			3,380	(3,380)						(326)	3,380
PARCC Readiness	15-495-034-5120-098	7-1-14 to 6-30-15	3,380			3,380	(3,380)						(326)	3,380
Supplement Enrollment Growth Aid	15-495-034-5120-094	7-1-14 to 6-30-15	390,411			390,411	(390,411)						(37,672)	390,411
Extraordinary Aid	14-495-034-5120-044	7-1-13 to 6-30-14	9,554	(9,554)		9,554								
Reimbursed TPAF Social Security Contributions	15-100-034-5095-002	7-1-14 to 6-30-15	150,675			120,416	(150,675)			(30,259)				150,675
Reimbursed TPAF Social Security Contributions	14-100-034-5095-002	7-1-13 to 6-30-14	174,112	(8,029)		8,029								
Non-Public Transportation Aid	15-495-034-5120-014	7-1-14 to 6-30-15	696				(696)			(696)				696
Non-Public Transportation Aid	14-495-034-5120-014	7-1-13 to 6-30-14	1,183	(1,183)		1,183								
				<u>(18,766)</u>	<u>-</u>	<u>2,366,678</u>	<u>(2,378,867)</u>	<u>-</u>	<u>-</u>	<u>(30,955)</u>	<u>-</u>	<u>-</u>	<u>(214,940)</u>	<u>2,378,867</u>
Special Revenue:														
Preschool Education Aid	15-495-034-5120-086	7-1-14 to 6-30-15	32,473			32,473	(32,473)						(3,133)	32,473
				<u>-</u>	<u>-</u>	<u>32,473</u>	<u>(32,473)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,133)</u>	<u>32,473</u>
				<u>\$ (18,766)</u>	<u>-</u>	<u>2,399,151</u>	<u>(2,411,340)</u>	<u>-</u>	<u>-</u>	<u>(30,955)</u>	<u>-</u>	<u>-</u>	<u>(218,073)</u>	<u>2,411,340</u>

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

BOARD OF EDUCATION

K-5

TUCKERTON SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2015****NOTE 1: GENERAL**

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1(C) to the Board's general-purpose financial statements.

NOTE 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

The general-purpose 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 payments in the current budget year, which is mandated pursuant to P.L. 2003, c.97. (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

Awards and financial assistance revenues are reported in the Board's general-purpose financial statements on a GAAP basis as presented on the following page:

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>State Assistance</u>			
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 2,378,867	32,473	2,411,340
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized			
On Behalf Payments Recognized for GAAP Statements but Not Included in the Schedule of Expenditures of State Financial Assistance	276,629		276,629
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	<u>(4,999)</u>	<u>1,051</u>	<u>(3,948)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 2,650,497</u>	<u>33,524</u>	<u>2,684,024</u>

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>Federal Assistance</u>			
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$	168,025	168,025
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	_____	_____
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	\$ _____	<u>168,025</u>	<u>168,025</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with these amounts reported in the related federal and 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.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part 1 - Summary of Auditor's Results

Financial Statement Section

Unmodified

Type of auditor's report issued:

Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes x No

2) Reportable conditions(s) identified that are not considered to be material weaknesses?

 x Yes _____ None Reported

Noncompliance material to general purpose financial statements noted?

_____ Yes x No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part 1 - Summary of Auditor's Results (Continued)

State Awards

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

Auditee qualified as low-risk auditee? x Yes No

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

Internal Control over major programs:

(1) Material Weakness(es) identified? Yes x No

(2) Reportable condition(s) identified that are not considered to material weaknesses? Yes x None Reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 04-04? Yes x No

Identification of major programs:

GMIS Number(s)

- 15-495-034-5120-078
- 15-495-034-5120-089
- 15-495-034-5120-084
- 15-495-034-5120-096
- 15-495-034-5120-097
- 15-495-034-5120-098
- 15-495-034-5120-068
- 15-495-034-5120-094

Name of State Program

- Equalization Aid
- Special Education Aid
- Security Aid
- Under Adequacy Aid
- Per Pupil Growth Aid
- PARCC Readiness
- School Choice Aid
- Supplemental Enrollment Growth Aid
- (All Above Clustered)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part 2 - Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

FEDERAL AWARDS

Finding: NONE

Information on the Federal Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

STATE AWARDS

Finding: None

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs (Continued)

STATE AWARDS (Continued)

Cause: N/A

Recommendation: N/A

Management's response: N/A

TUCKERTON SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prior Audit Findings:

N/A