

EATONTOWN SCHOOL DISTRICT

Eatontown, New Jersey
County of Monmouth

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

EATONTOWN BOARD OF EDUCATION

EATONTOWN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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INTRODUCTORY SECTION

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EATONTOWN BOARD OF EDUCATION



BUSINESS OFFICE
5 GRANT AVENUE
EATONTOWN, NEW JERSEY 07724
TEL. (732) 935-3302
FAX (732) 542-1700

September 13, 2013

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

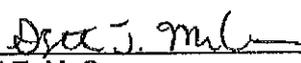
Dear Board Members:

The comprehensive annual financial report of the Eatontown School District ("District") for the fiscal year ended June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Eatontown Board of Education ("Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

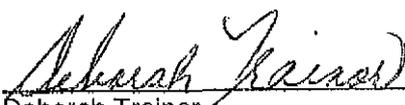
The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of principal officials and a list of consultants and advisors. The financial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

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

Respectfully submitted,

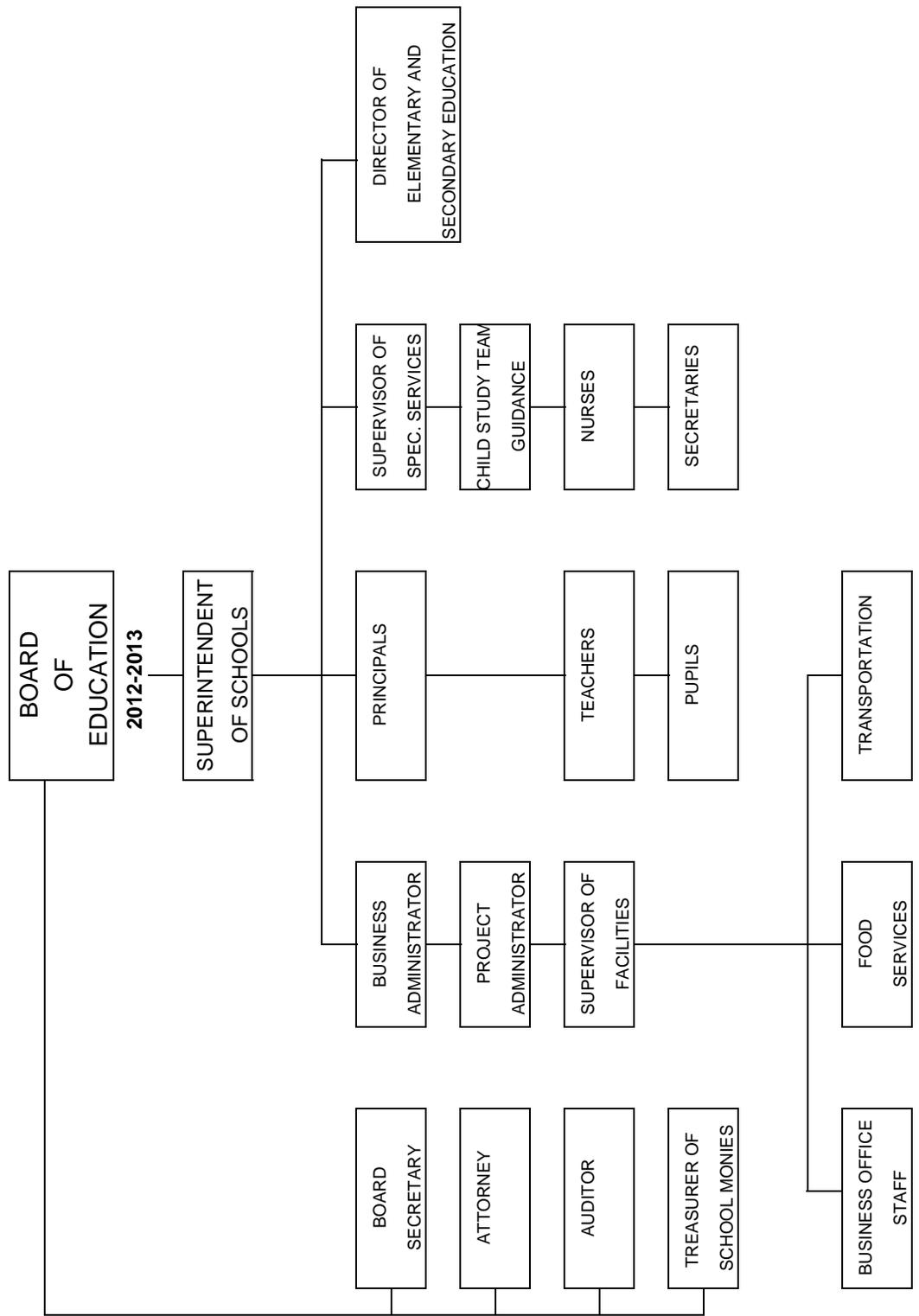


Scott T. McCue
Superintendent of Schools



Deborah Trainor
Interim Business Administrator/Board Secretary

EATONTOWN SCHOOL DISTRICT
 ORGANIZATIONAL CHART
 (UNIT CONTROL)



EATONTOWN BOARD OF EDUCATION
Eatontown, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2013

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Donna Mazzella-Diedrichsen, President	2014
Julie Robertson, Vice President	2013
Pete Siino	2015
Carl Lawson	2015
Bob English	2015
Toni Fornicola	2013
Sharyn Chasey-Palenzuela	2013
John Bennett	2014
Mark Kramer	2014

OTHER OFFICIALS

Scott T. McCue, Superintendent of Schools/Board Secretary

Kathleen Mandeville, Business Administrator

Lesley Connolly, Treasurer of School Monies

Dennis A. Collins, Esq., Board Attorney

EATONTOWN BOARD OF EDUCATION
Eatontown, New Jersey

CONSULTANTS AND ADVISORS

June 30, 2013

AUDITOR/AUDIT FIRM

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

ATTORNEY

Dennis A. Collins, Esq.
Collins, Vella & Casello, LLC
1451 Route 34 South, Suite 303
Farmingdale, New Jersey 07727

OFFICIAL DEPOSITORY

TD Bank
175 Wyckoff Road
Eatontown, New Jersey 07724

FINANCIAL SECTION

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HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Eatontown School District
County of Monmouth
Eatontown, 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 Eatontown School District, County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Eatontown School District, County of Monmouth, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 13 through 20 and 81 through 86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Eatontown Board of Education's basic financial statements. The accompanying introductory section, comparative totals for June 30, 2012, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal 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 is also not a required part of the financial statements.

The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of federal and state financial assistance 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 other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of federal and state financial assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section, comparative totals for June 30, 2012, and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2013 on our consideration of the Board of Education of the Eatontown School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Board of Education of the Eatontown School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



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

Freehold, New Jersey
October 16, 2013

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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EATONTOWN BOROUGH BOARD OF EDUCATION
5 Grant Avenue, Eatontown, NJ 07724

MONMOUTH COUNTY

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Unaudited)**

Introduction

Management's discussion and analysis of the Eatontown Borough School District's ("District") financial results that follows will provide statement readers with some insight into this philosophy and its impact on the educational changes taking place within the District as well as providing some understanding of the fiscal activities undertaken by the Board's administrative team to effect this change.

Basic Financial Statements

The annual report consists of a series of financial statements and notes to those statements presented so the reader can gain an understanding of the District as a financial operating entity. The overview statements then proceed to provide an increasingly detailed look at specific financial activities. These statements provide a "report card" of sorts on the District's financial transactions, including data on all assets and liabilities using full accrual accounting in a manner similar to information presented by publicly held companies. All of these activities are intended to advance the District's mission as stated at the beginning of this analysis.

The financial statements previously presented in the District's Comprehensive Annual Financial Report remain unchanged: detailed and comparative exhibits of budgeted and actual revenue and expenses by General, Special Revenue, Proprietary and Debt Service Funds. This disclosure has been expanded by the addition of the Statement of Net Position and the Statement of Activities using full accrual accounting similar to the statements used in reporting corporate financial results. Another new feature will be supplementary information that includes a comparison of the original and final budgets to the final expenditures for the General and Special Revenue Funds.

The Statement of Net Position presents the District's assets and liabilities in order of liquidity, except for liabilities with current and long-term elements that will be presented accordingly. Net position represents the difference between assets and liabilities, and will be presented in three categories: invested in capital assets net of related debt, restricted assets and unrestricted assets. Using this methodology requires depreciation of capital assets.

The Statement of Activities provides an overview of the cost of providing educational services by major categories of expense and revenue. These two statements report the District's net position and how they have changed year to year, reflecting a variety of influences such as the educational philosophy (i.e. dedicated to increased test scores), voter approval of tax levy, interest income, successful grant applications, etc. An additional factor influencing these results is the level of state funding received, as the flat funding over the past two years coupled with a looming decline in Federal PL874 Impact Aid funds has had a negative impact on the District's finances.

Financial Highlights

Key financial highlights for 2013 are as follows:

- In September 2011 Fort Monmouth officially closed. With the closing of Fort Monmouth, student enrollment has declined affecting both state and federal revenue sources. In particular, the district's amount of Impact Aid has dwindled to very small, unpredictable distributions.
- General revenues accounted for \$20,142,393.42 or 89.59% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$2,340,090.21 or 10.41% of total revenue of \$22,482,483.63.
- Total net position of governmental activities increased by \$364,504.29.
- The School District had \$22,299,047.86 in expenses; only \$2,340,090.21 of these expenses was offset by program specific charges for services, operating grants and contributions. General revenues of \$20,142,393.42, together with Fund Balance, were adequate to provide for these programs.
- The General Fund had a total fund balance of \$3,443,628.14. Fund balance reserved for FY2013-14 is \$1,733,835.46. Unassigned fund balance is \$103,548.79.

Using this General Accepted Accounting Principles Report (GAAP)

The Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position as of June 30, 2013 and 2012.

Table 1

Net Position

	<u>2013</u>	<u>2012</u>
Assets:		
Cash and Cash Equivalents	\$ 3,274,621.72	\$ 3,168,136.24
Cash with Fiscal Agents	1,596.00	5,030.50
Receivables, Net	223,517.52	337,985.63
Due From Other Funds	8,150.09	37,355.95
Inventory	5,020.39	4,679.56
Capital Assets, Net	<u>27,441,054.86</u>	<u>28,106,334.03</u>
Total Assets	<u>30,953,960.58</u>	<u>31,659,521.91</u>
Liabilities:		
Accounts Payable	29,687.88	59,915.22
Interfund Payable		29,307.70
Deferred Revenue	24,309.35	44,541.66
Accrued Interest	475,304.17	491,241.67
Payable to State Government	8,969.23	1,588.15
Arbitrage Accrued Expense		26,505.91
Noncurrent Liabilities:		
Due Within One Year	900,000.00	892,365.00
Due Beyond One Year	<u>25,005,366.00</u>	<u>25,992,013.00</u>
Total Liabilities	<u>26,443,636.63</u>	<u>27,510,972.40</u>
Net Position:		
Invested in Capital Assets, Net of Related Debt	2,247,054.86	2,062,334.03
Restricted for:		
Capital Projects	923,295.00	842,827.99
General Fund	2,416,784.35	2,385,820.63
Unrestricted	<u>(1,076,810.26)</u>	<u>(1,142,433.14)</u>
Total Net Position	<u>\$ 4,510,323.95</u>	<u>\$ 4,148,549.51</u>

Table 2 provides a comparison analysis of District-wide changes in net position from fiscal years 2013 and 2012.

Table 2

Changes in Net Position

	<u>2013</u>	<u>2012</u>
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 198,073.55	\$ 199,749.26
Operating Grants and Contributions	2,142,016.66	530,017.32
General Revenues:		
Property Taxes	14,546,087.00	14,406,086.00
Grants and Entitlements	5,586,643.24	6,888,589.26
Other	<u>9,663.18</u>	<u>46,122.02</u>
Total Revenues	<u>22,482,483.63</u>	<u>22,070,563.86</u>
<u>Program Expenses</u>		
Instruction	8,482,851.31	12,166,774.70
Support Services:		
Pupils and Instructional Staff	2,943,039.05	2,651,975.58
General Administration, School Administration, Business Operations and Maintenance of Facilities	2,951,476.55	3,317,388.66
Pupil Transportation	751,358.84	832,909.90
Employee Benefits	4,641,967.84	
Food Service	392,162.48	394,241.38
Other	<u>2,136,191.79</u>	<u>1,952,611.04</u>
Total Expenses	<u>22,299,047.86</u>	<u>21,315,901.26</u>
Prior Period Adjustment	<u>178,338.67</u>	<u> </u>
Increase/(Decrease) in Net Position	<u>\$ 361,774.44</u>	<u>\$ 754,662.60</u>

Governmental Activities

Annually, on the first Tuesday in November, the voters of New Jersey get an opportunity to voice their opinion on all things economic and/or political as they are asked to vote on their local school district's annual tax levy developed as part of the annual school budget process if the Board of Education decides to exceed the 2% cap. Over the last two budget cycles, the Board of Education has remained well within the 2% tax cap levy. The District remains as a minimum tax levy district. Property taxes made up 65.84 percent of revenues for governmental activities (excluding Capital Projects) for the Eatontown Borough Board of Education for fiscal year 2012-13.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services, identifying the cost of these services supported by tax revenue and unrestricted State entitlements. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	2013		2012	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 8,482,851.31	\$ 7,874,153.85	\$ 12,166,774.70	\$ 12,166,774.70
Support Services:				
Pupils and Instructional Staff	2,943,039.05	2,567,484.90	2,651,975.58	2,605,221.58
General Administration, School Administration, Business	1,288,083.44	1,288,083.44	1,707,783.55	1,707,783.55
Operation and Maintenance of Facilities	1,663,393.11	1,663,393.11	1,609,605.11	1,609,605.11
Pupil Transportation	751,358.84	474,805.87	832,909.90	537,191.27
Employee Benefits	4,641,967.84	4,641,967.84		
Other	2,136,191.79	1,446,338.79	1,952,611.04	1,952,611.04
Total Expenses	<u>\$ 21,906,885.38</u>	<u>\$ 19,956,227.80</u>	<u>\$ 20,921,659.88</u>	<u>\$ 20,579,187.25</u>

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

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

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

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

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.

Extracurricular activities includes expenses related to student activities provided by the School district which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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 District's Funds

Information about the School District's major funds follows this report. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$22,093,051.00, and expenditures of \$22,058,217.04.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding Capital Projects) for the fiscal year ended June 30, 2013, and the amount and percentage of increases and decreases in relation to prior-year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2011/12</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 14,631,491.06	66.23%	\$ 108,479.63	0.74%
State Sources	6,622,366.51	29.97	426,559.28	6.44
Federal Sources	<u>839,193.43</u>	<u>3.80</u>	<u>(125,257.82)</u>	(14.93)
Total	<u>\$ 22,093,061.00</u>	<u>100.00%</u>	<u>\$ 409,781.09</u>	<u>1.85%</u>

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2013:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2011/12</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 8,482,851.31	38.46%	\$ 215,145.53	2.54%
Undistributed Expenditures	11,416,854.28	51.76	800,047.19	7.01
Debt Service:				
Principal	850,000.00	3.85	50,000.00	5.88
Interest & Other Charges	1,178,980.00	5.34	(36,000.00)	(3.05)
Capital Outlay	<u>129,531.45</u>	<u>0.59</u>	<u>(41,946.62)</u>	<u>(32.38)</u>
Total	<u>\$22,058,217.04</u>	<u>100.00%</u>	<u>\$ 987,246.10</u>	<u>4.48%</u>

General Fund Budgeting Highlights

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

*A decrease in Federal Impact Aid due to a reduction of Fort Monmouth resident students sent to Eatontown Public Schools.

* Changes in appropriations to prevent budget overruns

* Payment of unused, accrued sick/vacation days for retiring staff members

* Supported additional educational technology purchases.

*Supported additional curriculum enhancements and resources in support of the CCSS

Capital Assets

At the end of the fiscal year 2013, the School District had \$27,441,054.86 invested in land, buildings, equipment, and machinery.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Land	\$ 2,375,200.00	\$ 1,875,200.00
Building and Improvements	24,291,922.41	25,926,401.76
Equipment and Machinery	<u>773,932.45</u>	<u>304,732.27</u>
Total	<u>\$ 27,441,054.86</u>	<u>\$ 28,106,334.03</u>

Debt Administration

At June 30, 2013, the Eatontown Borough Board of Education had \$25,194,000.00 in outstanding bonds and \$711,366.00 for Compensated Absences.

At June 30, 2013, the School District's overall legal debt margin was \$40,974,531.00.

Current Financial Issues and Concerns

The Eatontown Borough School District is essentially financially stable, with surplus fully-funded as of June 30, 2013. However, concern exists about the community's ability and willingness to continue to fund the growing cost of education while the State's share has remained flat for many years. For the 2013-14 school year, however, the District will receive an increase of 2% in State Aid. In addition, the district has experienced new students coming to the schools that require additional services such as special education, basic skills, and ELL services. Providing these necessary educational services for students can strain the overall school budget.

The Board and administration continue to be extremely sensitive to the financial concerns of Eatontown taxpayers. In past years, the Board has had to use surplus to subsidize taxes. The main issue continues to be providing a first-rate education to the children of Eatontown while balancing fiscal and financial considerations.

Commencing with the 2007-08 school year and for the next 24 years, the District will also have to budget for Debt Service. This Debt Service consists of principal and interest payments on the local share of the \$29,794,988 School Bonds the District sold on August 8, 2006.

In general, the Eatontown Borough Board of Education has consistently committed itself to sound, conservative fiscal management, providing the most efficient and effective education possible given the demands and challenges associated with the need to improve students' academic performances, and there is no reason to believe that this commitment will not continue as the District moves forward.

Contacting the School District's Financial Management Team

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 on this report or need additional financial information, please contact the School Business Administrator/Board Secretary, at the Eatontown Borough Board of Education, 5 Grant Avenue, Eatontown, NJ 07724.

BASIC FINANCIAL STATEMENTS

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A. District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District. These Statements include the financial activities of the overall District, except for fiduciary activities. These Statements distinguish between the governmental and business-type activities of the district.

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EATONTOWN SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2013

	Governmental Activities	Business -Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 3,264,587.93	\$ 10,033.79	\$ 3,274,621.72
Cash with Fiscal Agents	1,596.00		1,596.00
Receivables, Net	200,117.74	23,399.78	223,517.52
Due From Other Funds	8,150.09		8,150.09
Inventory		5,020.39	5,020.39
Capital Assets, Net	<u>27,441,054.86</u>		<u>27,441,054.86</u>
Total Assets	<u>30,915,506.62</u>	<u>38,453.96</u>	<u>30,953,960.58</u>
Liabilities:			
Accounts Payable		29,687.88	29,687.88
Deferred Revenue	21,854.39	2,454.96	24,309.35
Accrued Interest	475,304.17		475,304.17
Payable to State Government	8,969.23		8,969.23
Noncurrent Liabilities:			
Due Within One Year	900,000.00		900,000.00
Due Beyond One Year	<u>25,005,366.00</u>		<u>25,005,366.00</u>
Total Liabilities	<u>26,411,493.79</u>	<u>32,142.84</u>	<u>26,443,636.63</u>
Net Position:			
Invested in Capital Assets, Net of Related Debt	2,247,054.86		2,247,054.86
Restricted for:			
Capital Projects	923,295.00		923,295.00
General Fund	2,416,784.35		2,416,784.35
Unrestricted	<u>(1,083,121.38)</u>	<u>6,311.12</u>	<u>(1,076,810.26)</u>
Total Net Position	<u>\$ 4,504,012.83</u>	<u>\$ 6,311.12</u>	<u>\$ 4,510,323.95</u>

EATONTOWN SCHOOL DISTRICT
STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
Instruction:							
Regular	\$ 6,195,151.57	\$ 608,697.46			\$ (5,586,454.11)		\$ (5,586,454.11)
Special Education	1,563,495.95				(1,563,495.95)		(1,563,495.95)
Other Special Instruction	628,941.60				(628,941.60)		(628,941.60)
Other Instruction	95,262.19				(95,262.19)		(95,262.19)
Support Services:							
Tuition	722,222.13	\$ 58,004.00			(664,218.13)		(664,218.13)
Student and Instruction Related Services	2,217,382.42		314,115.65		(1,903,266.77)		(1,903,266.77)
General Administration	370,118.20				(370,118.20)		(370,118.20)
School Administrative Services	667,931.49				(667,931.49)		(667,931.49)
Central Services	243,783.75				(243,783.75)		(243,783.75)
Administrative Information Technology	6,250.00				(6,250.00)		(6,250.00)
Plant Operations and Maintenance	1,663,393.11	17,412.03	259,140.94		(1,663,393.11)		(1,663,393.11)
Pupil Transportation	751,358.84				(474,805.87)		(474,805.87)
Employee Benefits	4,641,967.84				(4,641,967.84)		(4,641,967.84)
Interest on Long-Term Debt	1,163,042.50		689,853.00		(473,189.50)		(473,189.50)
Unallocated Depreciation and Amortization	973,149.29				(973,149.29)		(973,149.29)
Total Government Activities	21,903,450.88	75,416.03	1,871,807.05		(19,956,227.80)		(19,956,227.80)
BUSINESS-TYPE ACTIVITIES							
Food Service	392,162.48	122,657.52	266,775.11				
Total Business-Type Activities	392,162.48	122,657.52	266,775.11				
Total Primary Government	\$ 22,295,613.36	\$ 198,073.55	\$ 2,138,582.16	\$ 0.00	\$ (19,956,227.80)	\$ (2,729.85)	\$ (19,958,957.65)
GENERAL REVENUES							
Property Taxes Levied for:							
General Purposes					\$ 13,206,960.00		\$ 13,206,960.00
Debt Service					1,339,127.00		1,339,127.00
Federal and State Aid Not Restricted					5,586,643.24		5,586,643.24
Investment Earnings					907.13		907.13
Miscellaneous Income					8,756.05		8,756.05
Total General Revenues					20,142,393.42		20,142,393.42
Change in Net Position					186,165.62		183,435.77
Net Position - Beginning					4,139,508.54	9,040.97	4,148,549.54
Prior Period Adjustment					176,338.67		176,338.67
Net Assets - Beginning, As Restated					4,317,847.21	9,040.97	4,326,888.18
Net Position - Ending					4,504,012.83	6,311.12	4,510,323.95

B. Fund Financial Statements

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

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Governmental Funds

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EATONTOWN SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2013

	General Fund	Special Revenue Fund	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 3,264,587.93		\$ 3,264,587.93
Cash with Fiscal Agent		\$ 1,596.00	1,596.00
Due From Other Funds	55,737.85		55,737.85
Receivables From Other Governments:			
State	115,741.08		115,741.08
Federal		67,787.15	67,787.15
Local	7,561.28		7,561.28
Other Receivables		<u>9,028.23</u>	<u>9,028.23</u>
Total Assets	<u>3,443,628.14</u>	<u>78,411.38</u>	<u>3,522,039.52</u>
Liabilities and Fund Balances:			
Liabilities:			
Interfund Payable		47,587.76	47,587.76
Payable To State Government		8,969.23	8,969.23
Deferred Revenue		<u>21,854.39</u>	<u>21,854.39</u>
Total Liabilities		<u>78,411.38</u>	<u>78,411.38</u>
Fund Balances:			
Restricted:			
Reserved Excess Surplus:			
Designated for Subsequent Year's Expenditures	933,835.46		933,835.46
Reserve for :			
Excess Surplus	800,000.00		800,000.00
Capital Reserve	923,295.00		923,295.00
Maintenance Reserve	300,000.00		300,000.00
Emergency Reserve	142,000.40		142,000.40
Assigned:			
Other Purposes - Year-End Encumbrances	140,948.95		140,948.95
Designated for Subsequent Year's Expenditures	99,999.54		99,999.54
Unassigned	<u>103,548.79</u>		<u>103,548.79</u>
Total Fund Balances	<u>3,443,628.14</u>		3,443,628.14
Total Liabilities and Fund Balances	<u>\$ 3,443,628.14</u>	<u>\$ 78,411.38</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$39,198,652.15 and the accumulated depreciation is \$11,756,597.29 (see Note 8). 27,441,054.86

Accrued interest on long-term liabilities are not reported as liabilities in the Fund. (475,304.17)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the fund (See Note 9). (25,905,366.00)

Net Position of Governmental Activities \$ 4,504,012.83

EATONTOWN SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues:					
Local Sources:					
Local Tax Levy	\$ 13,206,960.00			\$ 1,339,127.00	\$ 14,546,087.00
Tuition Charges	58,004.00				58,004.00
Transportation Fees	17,412.03				17,412.03
Interest Earned on Capital Reserve Funds	907.13				907.13
Miscellaneous	8,756.05	\$ 324.85			9,080.90
Total - Local Sources	13,292,039.21	324.85		1,339,127.00	14,631,491.06
State Sources	5,737,559.74	194,953.77		689,853.00	6,622,366.51
Federal Sources	108,224.44	727,534.49			835,758.93
Total Revenues	19,137,823.39	922,813.11		2,028,980.00	22,089,616.50
Expenditures:					
Current:					
Regular Instruction	5,586,454.11	608,697.46			6,195,151.57
Special Education Instruction	1,563,495.95				1,563,495.95
Other Special Instruction	628,941.60				628,941.60
Other Instruction	95,262.19				95,262.19
Support Services and Undistributed Costs:					
Tuition	722,222.13				722,222.13
Student and Instruction Related Services	1,903,266.77	314,115.65			2,217,382.42
General Administration	370,118.20				370,118.20
School Administrative Services	667,931.49				667,931.49
Central Services	243,783.75				243,783.75
Administrative Information Technology	6,250.00				6,250.00
Plant Operations and Maintenance	1,663,393.11				1,663,393.11
Pupil Transportation	751,358.84				751,358.84
Employee Benefits	4,770,979.84				4,770,979.84
Debt Service:					
Interest and Other Charges				1,178,980.00	1,178,980.00
Principal				850,000.00	850,000.00
Capital Outlay	129,531.45				129,531.45
Total Expenditures	19,102,989.43	922,813.11		2,028,980.00	22,054,782.54
Excess/(Deficit) of Revenues Over Expenditures	34,833.96				34,833.96
Other Financing Sources/(Uses):					
Transfers In	56,972.12				56,972.12
Transfers Out			\$ (56,972.12)		(56,972.12)
Total Other Financing Sources/(Uses)	56,972.12		(56,972.12)		
Net Change in Fund Balances	91,806.08		(56,972.12)		34,833.96
Fund Balance - July 1	\$ 3,351,822.06	\$	\$ 56,972.12	\$	3,408,794.18
Fund Balance - June 30	\$ 3,443,628.14	\$ 0.00	\$ 0.00	\$ 0.00	\$ 3,443,628.14

EATONTOWN SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

June 30, 2013

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	34,833.96
<p>Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current fiscal year.</p>		
Depreciation Expense	\$ (973,149.29)	
Capital Outlay	<u>129,531.45</u>	(843,617.84)
<p>Repayment of debt 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.</p>		
		850,000.00
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacation and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
Current Year	(711,366.00)	
Prior Year	<u>840,378.00</u>	129,012.00
<p>In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest over the previous year is an addition in the reconciliation; when accrued interest increases over the previous year, it is a reduction to the reconciliation.</p>		
Prior Year	491,241.67	
Current Year	<u>(475,304.17)</u>	<u>15,937.50</u>
Change in Net Position of Governmental Activities	\$	<u><u>186,165.62</u></u>

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Proprietary Funds

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EATONTOWN SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS

June 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>
Assets:	
Current Assets:	
Cash and Cash Equivalents	\$ 10,033.79
Accounts Receivable:	
State	420.96
Federal	22,595.02
Other	383.80
Inventories	<u>5,020.39</u>
Total - Current Assets	<u>38,453.96</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	168,134.00
Less:	
Accumulated Depreciation	<u>168,134.00</u>
Total - Noncurrent Assets	<u> </u>
Total Assets	<u>\$ 38,453.96</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	\$ 29,687.88
Deferred Revenue	<u>2,454.96</u>
Total Liabilities	<u>\$ 32,142.84</u>
Net Position:	
Unrestricted	<u>\$ 6,311.12</u>
Total Net Position	<u><u>\$ 6,311.12</u></u>

EATONTOWN SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

June 30, 2013

	Business-Type Activities - <u>Enterprise Funds</u> <u>Food Service</u>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 72,217.00
Daily Sales - Non-Reimbursable Programs	42,887.40
Special Functions	1,884.92
Miscellaneous	<u>5,668.20</u>
Total Operating Revenues	<u>122,657.52</u>
Operating Expenses:	
Salaries	127,889.73
Support Services - Employee Benefits	31,332.10
Purchased Professional/Technical Services	46,280.00
Other Purchased Services	10,284.75
Supplies and Materials	17,225.53
Cost of Sales	142,581.41
Miscellaneous Expenditures	<u>16,568.96</u>
Total Operating Expenses	<u>392,162.48</u>
Operating Loss	<u>(269,504.96)</u>
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	4,476.66
Federal Sources:	
Federal School Lunch Program	192,199.26
Federal School Breakfast Program	39,385.49
Food Distribution Program	<u>30,713.70</u>
Total Nonoperating Revenues	<u>266,775.11</u>
Change in Net Position	<u>(2,729.85)</u>
Total Net Position - Beginning	<u>9,040.97</u>
Total Net Position - Ending	<u><u>\$ 6,311.12</u></u>

EATONTOWN SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

June 30, 2013

	Business-Type Activities - <u>Enterprise Funds</u> <u>Food Service</u>
Cash Flows From Operating Activities:	
Receipts From Customers	\$ 122,668.00
Payments To Employees	(127,889.73)
Payments For Employee Benefits	(31,332.10)
Payments To Suppliers	<u>(232,454.29)</u>
Net Cash Used For Operating Activities	<u>(269,008.12)</u>
Cash Flows From Noncapital Financing Activities:	
Interfund Receivable	29,178.55
State Sources	4,263.61
Federal Sources	<u>219,086.43</u>
Net Cash Provided By Noncapital Financing Activities	<u>252,528.59</u>
Net Cash Provided By Investing Activities	<u> </u>
Net Increase in Cash and Cash Equivalents	(16,479.53)
Balance - Beginning of Year	<u>26,513.32</u>
Balance - End of Year	<u>\$ 10,033.79</u>
Reconciliation of Operating Loss To Net Cash Used For Operating Activities:	
Operating Loss	\$ (269,504.96)
Adjustments To Reconcile Operating Loss To Net Cash Used For Operating Activities:	
(Increase)/Decrease in Accounts Receivable	(109.80)
Donated Commodities Received During the Year	30,713.70
(Increase)/Decrease in Inventories	(340.83)
Increase/(Decrease) in Accounts Payable	(30,227.34)
Increase/(Decrease) in Deferred Revenue	<u>461.11</u>
Total Adjustments	<u>496.84</u>
Net Cash Used For Operating Activities	<u>\$ (269,008.12)</u>

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Fiduciary Fund

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EATONTOWN SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

June 30, 2013

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Fund</u>	Agency <u>Funds</u>	<u>Totals</u>
Assets:				
Cash and Cash Equivalents	\$ 74,426.55	\$ 7,131.89	\$ 37,442.65	\$ 119,001.09
Due from State	<u>1,913.78</u>	<u> </u>	<u> </u>	<u>1,913.78</u>
Total Assets	<u>\$ 76,340.33</u>	<u>\$ 7,131.89</u>	<u>\$ 37,442.65</u>	<u>\$ 120,914.87</u>
Liabilities:				
Interfund Payable			\$ 8,150.09	\$ 8,150.09
Due To State	\$ 1,992.43			1,992.43
Payroll Deductions and Withholdings			2,735.93	2,735.93
Payable To Student Groups	<u> </u>	<u> </u>	<u>26,556.63</u>	<u>26,556.63</u>
Total Liabilities	<u>1,992.43</u>	<u> </u>	<u>37,442.65</u>	<u>39,435.08</u>
Net Position:				
Held in Trust for Unemployment Claims and Other Purposes	74,347.90			74,347.90
Reserved for Scholarships	<u> </u>	<u>\$ 7,131.89</u>	<u> </u>	<u>7,131.89</u>
Total Net Position	<u>74,347.90</u>	<u>7,131.89</u>	<u> </u>	<u>81,479.79</u>
Total Liabilities and Net Position	<u>\$ 76,340.33</u>	<u>\$ 7,131.89</u>	<u>\$ 37,442.65</u>	<u>\$ 120,914.87</u>

EATONTOWN SCHOOL DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

June 30, 2013

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Funds</u>
Additions:		
Contributions:		
Plan Member	\$ 22,320.94	
Board Contribution	<u>7,119.50</u>	<u> </u>
Total Contributions	<u>29,440.44</u>	<u> </u>
Investment Earnings:		
Interest	<u> </u>	\$ <u>7.18</u>
Net Investment Earnings	<u> </u>	<u>7.18</u>
Total Additions	<u>29,440.44</u>	<u>7.18</u>
Deductions:		
Quarterly Contribution Reports	6,564.71	
Unemployment Claims	8,338.01	
Scholarships Awarded	<u> </u>	<u>100.00</u>
Total Deductions	<u>14,902.72</u>	<u>100.00</u>
Change in Net Position	14,537.72	(92.82)
Net Position - Beginning of Year	<u>59,810.18</u>	<u>\$ 7,224.71</u>
Net Position - End of Year	<u><u>\$ 74,347.90</u></u>	<u><u>\$ 7,131.89</u></u>

EATONTOWN SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Board of Education (“Board”) of the Eatontown School District (“District”) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement 34 Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. This statement established new financial reporting requirements for state and local governmental entities throughout the United States. It also required new information and restructured much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

The District implemented these standards for the fiscal year-ending June 30, 2004, with the implementation of GASB Statement 34; the District has prepared required supplementary information titled Management’s Discussion and Analysis, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34.

In March 2012, the GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities. GASB Statement No.65 reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement but it is expected to have a material impact on the financial statements for the year ended June 30, 2014.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2013.

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

A. Reporting Entity:

The Eatontown School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK-8. The Eatontown School District had an approximate enrollment of 1,080 students at June 30, 2013.

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

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

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

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

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

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Basis of Presentation, Basis of Accounting:

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information.

Basis of Presentation

District-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the District as a whole. These Statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These Statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Fund Financial Statements provide information about the District's funds, including its fiduciary funds. Separate statements for each Fund category – governmental, proprietary, and fiduciary – are presented. The New Jersey Department of Education ("NJDOE") 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 NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among District financial reporting models.

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation (Cont'd):

The District reports the following governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to Fixed Assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

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

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

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

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

The District reports the following proprietary fund:

Enterprise (Food Service) Fund - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

The District's Enterprise Fund is comprised of the Food Service Fund.

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

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

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation (Cont'd):

The District reports the following fiduciary funds:

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

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

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. At June 30, 2013, the District had no Non-Expendable Trust Funds.

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

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

Basis of Accounting

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

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds use the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. 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 monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when 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 recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and Enterprise Funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund. The legal level of budgetary control is established at line item accounts within each Fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The Capital Project Fund presents the remaining project appropriations compared to current-year expenditures.

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

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. At June 30, 2013, there was a reconciling difference of (\$8,420.00) between the budgetary basis and GAAP basis in the General Fund and of \$35,560.57 in the Special Revenue Fund.

The following presents a reconciliation of the General Fund revenues and Special Revenue Fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules - General and Special Revenue Funds to the GAAP basis of Accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types. Note that the District does not report encumbrances outstanding at year-end as expenditures in the General Fund since the General Fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Budgets/Budgetary Control (Cont'd):

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
SOURCES/INFLOWS OF RESOURCES		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 19,146,243.39	\$ 887,252.54
Difference – budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		35,560.57
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	364,848.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(373,268.00)</u>	<u> </u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 19,137,823.39</u>	<u>\$ 922,813.11</u>
USES/OUTFLOWS OF RESOURCES		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 19,102,989.43	\$ 887,252.54
Difference – budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>35,560.57</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 19,102,989.43</u>	<u>\$ 922,813.11</u>

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Encumbrance Accounting:

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

Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the balance sheet as 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.

E. Assets, Liabilities, and Equity:

Interfund Transactions:

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

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

Inventories:

Inventory purchases, other than those recorded in the Enterprise Fund, are recorded as expenditures during the first year of purchase. Enterprise Fund inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Assets, Liabilities, and Equity (Cont'd):

Capital Assets:

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed capital assets are reported at cost. Donated Capital Assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure.

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building/Land Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

Compensated Absences:

The District accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting 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 the 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.

In the District-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund-types is recorded within those funds as the benefits accrue to employees. As of June 30, 2013, no liability existed for compensated absences in the Food Service Fund.

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Assets, Liabilities, and Equity (Cont'd):

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligibility requirements are met are also recorded as Deferred Revenue.

Accrued Liabilities and Long-Term Obligations:

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

Net Position:

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

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Assets, Liabilities, and Equity (Cont'd):

Fund Balance Reserves:

The District reserves those portions of Fund Balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved Fund Balance indicates that portion which is available for appropriation in future periods. A Fund Balance Reserve has been established for encumbrances, maintenance, capital, emergency, and designated for subsequent year's expenditures.

Revenues – Exchange and Nonexchange Transactions:

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

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

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

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Assets, Liabilities, and Equity (Cont'd):

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

F. Fund Equity

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

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

Fund balance reporting is the result of State Statutes, New Jersey Department of Education regulations and motions (resolutions/ordinances) that are passed at Board meetings. The Board acts on these motions under the guidance of the District's Superintendent and Business Administrator.

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of each fiscal year, utilizing adjusting journal entries.

First, non-spendable fund balances are determined; then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Any remaining fund balance amounts for the non-General Funds are classified as restricted fund balances.

There is a potential for the non-General Funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceed the positive fund balances for the non-General Funds.

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

2. RESERVE ACCOUNTS

A. Capital Reserve Account:

A Capital Reserve Account was established by the Eatontown Board of Education for the accumulation of funds for use as Capital Outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes or by transfer by Board Resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the excess approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the Account cannot at any time exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

During the fiscal year ended June 30, 2013, the District had actual interest earnings of \$907.13.

The activity of the Capital Reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012		\$ 785,855.87
Increased By:		
Transferred by Board Resolution		
June 17, 2013	\$ 200,000.00	
Interest Earnings	<u>907.13</u>	
		<u>200,907.13</u>
Decreased By:		
Withdrawal by Board Resolution		
April 22, 2013		<u>63,468.00</u>
Ending Balance, June 30, 2013		<u><u>\$ 923,295.00</u></u>

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

2. RESERVE ACCOUNTS (CONT'D)

B. Maintenance Reserve Account:

A Maintenance Reserve Account was established by the Eatontown Board of Education by inclusion of \$200,000.00 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23A-14.2) or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end. The board resolution for deposit at year end into a maintenance reserve account must be made between June 1 and June 30 of the budget year. EFCFA requires that upon District completion of a school facilities project, the district must submit a plan for the maintenance of that facility. Auditors and District staff should refer to the regulations, N.J.A.C.6A:26A, for further guidance. A separate line is provided in the Audsum for this reserve account.

There was no activity in the Maintenance Reserve Account for July 1, 2012 through June 30, 2013. The balance at June 30, 2013 is \$300,000.00.

C. Emergency Reserve Account:

An Emergency Reserve Account was established by the Eatontown Board of Education during the 2012-2013 school year for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

2. RESERVE ACCOUNTS (CONT'D)

C. Emergency Reserve Account (Cont'd):

The activity of the Emergency Reserve Account for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$ 0.00
Increased By:	
Board Contributions	<u>142,000.40</u>
Ending Balance, June 30, 2013	<u>\$ 142,000.40</u>

3. TRANSFERS TO CAPITAL OUTLAY

During the year ending June 30, 2013, the District transferred \$ 78,694.06.00 to the Capital Outlay, \$63,468.00 for Equipment from Capital Reserve, \$9,021.00 for Equipment, and \$6,205.06 representing prior year encumbrances.

4. DEPOSITS AND INVESTMENTS

The Board of Education considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund ("Fund") and New Jersey ARM as Cash and Cash Equivalents.

Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by FDIC.

Bank balances at June 30, 2013 and 2012 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At June 30, 2013 and 2012, the book value of the Board's deposits were \$3,393,622.81 and \$3,294,637.30, respectively.

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

4. DEPOSITS AND INVESTMENTS (CONT'D)

Custodial Credit Risk Related to Deposits

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

At June 30, 2013 and 2012, the Board's bank balances of \$4,016,681.20 and \$3,686,796.86, respectively, were exposed to Custodial Credit Risk as follows:

	<u>2013</u>	<u>2012</u>
Insured	\$ 3,991,081.65	\$ 3,685,869.81
Uninsured and Uncollateralized	<u>25,599.55</u>	<u>927.05</u>
	<u>\$ 4,016,681.20</u>	<u>\$ 3,686,796.86</u>

During the year ended June 30, 2013, the Board participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Fund's participants. Deposits with the Fund are not subject to custodial credit risk as defined above. At June 30, 2013 and 2012, the Board's deposits with the Fund were \$454,866.64 and \$454,584.09, respectively.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully-collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2013, the Board had no investments.

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

4. DEPOSITS AND INVESTMENTS (CONT'D)

Interest Rate Risk

The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

5. RECEIVABLES

Receivables at June 30, 2013 consisted of interfund and intergovernmental. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
Federal & State Aid	\$ 183,528.23	\$ 206,544.21
Interfunds	8,150.09	8,150.09
Other	<u>16,589.51</u>	<u>16,973.31</u>
	\$ 208,267.83	\$ 231,667.61
Less Allowance for Uncollectibles	<u>0.00</u>	<u>0.00</u>
Total Receivables, Net	<u>\$ 208,267.83</u>	<u>\$ 231,667.61</u>

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

6. INTERFUND BALANCES AND TRANSFERS

Balances due to/from other funds at June 30, 2013 consist of the following:

\$ 47,587.76	Due to General Operating Fund from Special Revenue Fund representing a cash advance.
<u>8,150.09</u>	Due from General Operating Fund to Fiduciary Funds representing a cash advance.
<u>\$ 55,737.85</u>	

Transfers

As of June 30, 2013, the District's operating transfers consisted of \$56,972.12 from Capital Projects Fund representing the unexpended funds to General Operating Fund.

7. INVENTORY

Inventory in the Food Service Fund at June 30, 2013, consisted of the following:

Food	\$ 2,126.77
Supplies	<u>2,893.62</u>
	<u>\$ 5,020.39</u>

The value of Federal-donated commodities as reflected on Schedule A (required by the Single Audit Act of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2013

8. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustment/ Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 1,875,200.00	<u> </u>	\$ 500,000.00	\$ 2,375,200.00
Total Capital Assets Not Being Depreciated	<u>1,875,200.00</u>	<u> </u>	<u>500,000.00</u>	<u>2,375,200.00</u>
Capital Assets Being Depreciated:				
Building and Building Improvements	34,741,589.63	\$ 66,734.00	(1,680,727.63)	33,127,596.00
Machinery and Equipment	<u>1,913,294.44</u>	<u>62,797.45</u>	<u>1,718,764.26</u>	<u>3,694,856.15</u>
Totals at Historical Cost	<u>36,654,884.07</u>	<u>129,531.45</u>	<u>38,036.63</u>	<u>36,822,452.15</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(8,815,187.87)	(782,817.59)	762,331.87	(8,835,673.59)
Machinery and Equipment	<u>(1,608,562.17)</u>	<u>(190,331.70)</u>	<u>(1,122,029.83)</u>	<u>(2,920,923.70)</u>
Total Accumulated Depreciation	<u>(10,423,750.04)</u>	<u>(973,149.29)</u>	<u>(359,697.96)</u>	<u>(11,756,597.29)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>26,231,134.03</u>	<u>(843,617.84)</u>	<u>(321,661.33)</u>	<u>25,065,854.86</u>
Government Activity Capital Assets, Net	<u>\$ 28,106,334.03</u>	<u>\$ (843,617.84)</u>	<u>\$ 0.00</u>	<u>\$ 27,441,054.86</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	\$ 232,148.00	\$ 0.00	\$ 64,014.00	\$ 168,134.00
Less Accumulated Depreciation	<u>(232,148.00)</u>	<u> </u>	<u>(64,014.00)</u>	<u>(168,134.00)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

8. CAPITAL ASSETS (CONT'D)

The NJ State Department of Education has set the capitalization threshold used by school districts in the State of New Jersey at \$2,000.00.

Depreciation expense for the fiscal year ended June 30, 2013 amounted to \$973,149.29 for governmental funds and none for business-type funds. The District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve various functions. During the 2012-2013 school year, the District had an appraisal performed by Industrial Appraisal Company. The District elected to have the fixed asset numbers agree to the appraisal report.

9. LONG-TERM OBLIGATIONS

A. Long-Term Obligation Activity

Changes in Long-Term Obligations for the year ended June 30, 2013, are as follows:

<u>Governmental Activities:</u>	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance June 30, 2013</u>	<u>Amounts Due Within One Year</u>
Compensated Absences Payable	\$ 840,378.00		\$ 129,012.00	\$ 711,366.00	
Bonds Payable	<u>26,044,000.00</u>		<u>850,000.00</u>	<u>25,194,000.00</u>	<u>\$ 900,000.00</u>
	<u>\$ 26,884,378.00</u>	<u>\$ 0.00</u>	<u>\$ 979,012.00</u>	<u>\$ 25,905,366.00</u>	<u>\$ 900,000.00</u>

Compensated absences and capital leases, if applicable, have been liquidated in the General Fund.

B. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

On August 1, 2006, the District issued General Obligation Bonds totaling \$29,794,000.00 for the purpose of renovations to the schools.

The Bonds bear interest from 4.5% to 5.0% per annum payable semi-annually on the first day of February and August of each year, until maturity. The principal is due annually on the first day of February through 2033, installments range from \$850,000.00 to \$1,400,000.00.

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

9. LONG-TERM OBLIGATIONS (CONT'D)

B. Bonds Payable (cont'd)

The Bonds maturing prior to February 1, 2018 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after February 1, 2018 are redeemable at the option of the Board in whole or in part, on any date on or after February 1, 2017 at par, plus unpaid accrued interest to the date fixed for redemption.

Debt Service requirements on serial bonds payable at June 30, 2013 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012/14	\$ 900,000.00	\$ 1,140,730.00	\$ 2,040,730.00
2014/15	950,000.00	1,100,230.00	2,050,230.00
2015/16	1,000,000.00	1,057,480.00	2,057,480.00
2016/17	1,050,000.00	1,012,480.00	2,062,480.00
2017/18	1,100,000.00	965,230.00	2,065,230.00
2018/19	1,150,000.00	915,730.00	2,065,730.00
2019/20	1,200,000.00	863,980.00	2,063,980.00
2020/21	1,250,000.00	809,980.00	2,059,980.00
2021/22	1,344,000.00	753,730.00	2,097,730.00
2022/23	1,350,000.00	693,250.00	2,043,250.00
2023/24	1,375,000.00	632,500.00	2,007,500.00
2024/25	1,375,000.00	570,625.00	1,945,625.00
2025/26	1,375,000.00	508,750.00	1,883,750.00
2026/27	1,375,000.00	446,875.00	1,821,875.00
2027/28	1,400,000.00	385,000.00	1,785,000.00
2028/29	1,400,000.00	322,000.00	1,722,000.00
2029/30	1,400,000.00	259,000.00	1,659,000.00
2030/31	1,400,000.00	196,000.00	1,596,000.00
2031/32	1,400,000.00	133,000.00	1,533,000.00
2032/33	<u>1,400,000.00</u>	<u>70,000.00</u>	<u>1,470,000.00</u>
	<u>\$ 25,194,000.00</u>	<u>\$ 12,836,570.00</u>	<u>\$ 38,030,570.00</u>

C. Bonds Authorized But Not Issued

As of June 30, 2013, the District had no authorized but not issued bonds.

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

9. LONG-TERM OBLIGATIONS (CONT'D)

D. Capital Leases

As of June 30, 2013, the District had no capital leases.

10. 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, PO 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 TPAF 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.

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

10. PENSION PLANS (CONT'D)

Public Employees' Retirement System ("PERS")

The Public Employees' Retirement System 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 PERS 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:66 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 1/60 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 always full 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

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 Districts' normal contributions to the Fund may be reduced based on the revaluation of assets.

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

10. PENSION PLANS (CONT'D)

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 6.5% 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 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.

<u>Three-Year Trend Information for PERS</u>			
<u>Year Funding June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2013	\$ 130,313.00	100%	\$ 0.00
2012	128,118.00	100%	0.00
2011	130,593.00	100%	0.00

<u>Three-Year Trend Information for TPAF (Paid on Behalf of the District)</u>			
<u>Year Funding June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2013	\$ 1,241,295.00	100%	\$ 0.00
2012	910,739.00	100%	0.00
2011	656,642.00	100%	0.00

During the year ended June 30, 2013, the State of New Jersey contributed \$29,119.00 to the TPAF for NCGI premiums, \$553,444.00 for normal contributions, and \$658,732.00 for post-retirement medical 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 \$677,702.80 during the year ended June 30, 2013 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 a revenues and expenditures in accordance with GASB 24.

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

11. 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, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. 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 premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

The State will set the contribution rate based on the annual required contribution of the employers ("ARC"), an amount actuarially-determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2013, 2012 and 2011 were \$658,732.00, \$608,194.00, and \$627,117.00, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

12. DEFERRED COMPENSATION

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

Equitable	MetLife
Valic	Lincoln

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

13. RISK MANAGEMENT

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012/13	\$ 7,119.50	\$ 22,320.94	\$ 14,902.72	\$ 74,347.90
2011/12	12,309.54	21,675.50	16,156.69	59,810.18
2010/11	55,573.06	20,454.65	47,401.66	48,356.39

14. FUND BALANCE DISCLOSURE

The District has implemented GASB 54 during the fiscal year 2011.

Fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purpose for which resources can be used:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Fund Balances:					
Restricted	\$ 3,099,130.86				\$ 3,099,130.86
Assigned	240,948.49				240,948.49
Unassigned	<u>103,548.79</u>				<u>103,548.79</u>
	<u>\$ 3,443,628.14</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$3,443,628.48</u>

EATONTOWN SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

15. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$800,000.00.

16. PRIOR PERIOD ADJUSTMENT

The District had a fixed asset appraisal performed by Industrial Appraisal Company as of June 30, 2013. The District elected to have the fixed asset numbers agree to the appraisal report. The fixed asset balances were adjusted to agree with the historical cost as determined by the appraisal. The cumulative effect of these adjustments has resulted in a prior period adjustment of \$178,338.67 for Governmental Activities. The cumulative effect of these adjustments has resulted in a prior period adjustment of \$0.00 for Business-Type Activities.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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EATONTOWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 13,206,960.00		\$ 13,206,960.00	\$ 13,206,960.00	
Tuition Other				58,004.00	\$ 58,004.00
Transportation Fees Individuals	60,000.00		60,000.00	16,987.00	(43,013.00)
Transportation Fees from Other LEAs				425.03	425.03
Interest Earned on Maintenance Reserve	20.00		20.00		(20.00)
Interest Earned on Capital Reserve Funds	100.00		100.00	907.13	807.13
Unrestricted Miscellaneous Revenues	24,261.00		24,261.00	8,756.05	(15,504.95)
Total Local Sources	13,291,341.00		13,291,341.00	13,292,039.21	698.21
State Sources:					
Extraordinary Aid	30,000.00		30,000.00	70,671.00	40,671.00
Categorical Special Education Aid	638,467.00		638,467.00	638,467.00	
Equalization Aid	674,678.00		674,678.00	674,678.00	
Categorical Security Aid	217,154.00		217,154.00	217,154.00	
Adjustment Aid	1,966,871.00		1,966,871.00	1,966,871.00	
Categorical Transportation Aid	246,883.00		246,883.00	246,883.00	
Other State Aids	16,987.00		16,987.00	12,257.94	(4,729.06)
TPAF Contributions (On-Behalf - Non-Budgeted)				553,444.00	553,444.00
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				658,732.00	658,732.00
TPAF Pension NCGI Premiums (On-Behalf - Non-Budgeted)				29,119.00	29,119.00
TPAF Social Security (Reimbursed - Non-Budgeted)				677,702.80	677,702.80
Total State Sources	3,791,040.00		3,791,040.00	5,745,979.74	1,954,939.74
Federal Sources:					
Medicaid Reimbursement	18,000.00		18,000.00	28,016.42	10,016.42
Impact Aid	10,000.00		10,000.00	80,208.02	70,208.02
Total Federal Sources	28,000.00		28,000.00	108,224.44	80,224.44
Total Revenues	17,110,381.00		17,110,381.00	19,146,243.39	2,035,862.39
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	109,497.00	\$ 20,136.00	129,633.00	129,220.20	412.80
Kindergarten	430,878.00	7,997.00	438,875.00	432,678.60	6,196.40
Grades 1-5	2,610,938.00	(31,990.00)	2,578,948.00	2,573,700.06	5,247.94
Grades 6-8	1,884,550.00	24,304.00	1,908,854.00	1,899,236.58	9,617.42
Regular Programs - Home Instruction:					
Salaries of Teachers	7,000.00	(2,467.00)	4,533.00	2,533.00	2,000.00
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	116,575.00	(8,713.00)	107,862.00	95,702.27	12,159.73
Purchased Professional-Educational Services	4,000.00	487.00	4,487.00	4,487.00	
Purchased Technical Services	13,500.00	21,224.00	34,724.00	34,724.00	
Other Purchased Services	70,400.00	10,037.00	80,437.00	45,139.53	35,297.47
General Supplies	322,594.00	(23,850.23)	298,743.77	273,605.18	25,138.59
Textbooks	107,390.00	(5,917.87)	101,472.13	93,123.69	8,348.44
Other Objects	1,504.00	840.00	2,344.00	2,304.00	40.00
Total Regular Programs - Instruction	5,678,826.00	12,086.90	5,690,912.90	5,586,454.11	104,458.79
Special Education Instruction - Learning and/or Language Disabilities:					
Salaries of Teachers	540,346.00	14,915.00	555,261.00	538,808.85	16,452.15
Other Salaries for Instruction	204,216.00	(15,073.00)	189,143.00	189,142.83	0.17
General Supplies	8,238.00	(2,475.00)	5,763.00	4,452.96	1,310.04
Textbooks		1,838.00	1,838.00	1,483.80	354.20
Total Learning and/or Language Disabilities	752,800.00	(795.00)	752,005.00	733,888.44	18,116.56
Resource Room/Resource Center:					
Salaries of Teachers	830,825.00	(167.00)	830,658.00	822,169.29	8,488.71
General Supplies	8,873.00	(2,796.00)	6,077.00	3,658.21	2,418.79
Textbooks	3,114.00	(411.00)	2,703.00	1,772.76	930.24
Total Resource Room/Resource Center	842,812.00	(3,374.00)	839,438.00	827,600.26	11,837.74

EATONTOWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued)					
Home Instruction:					
Purchased Professional - Educational Services	3,800.00		3,800.00	2,007.25	1,792.75
Total Home Instruction	3,800.00		3,800.00	2,007.25	1,792.75
Total Special Education	1,599,412.00	(4,169.00)	1,595,243.00	1,563,495.95	31,747.05
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	504,606.00	(143.00)	504,463.00	497,191.10	7,271.90
Total Basic Skills/Remedial - Instruction	504,606.00	(143.00)	504,463.00	497,191.10	7,271.90
Bilingual Education - Instruction:					
Salaries of Teachers	130,948.00	525.00	131,473.00	131,473.00	
Purchased Professional - Educational Services		300.00	300.00	277.50	
Total Bilingual Education - Instruction	130,948.00	825.00	131,773.00	131,750.50	22.50
School Sponsored Co/Extra-Curricular Activities - Instruction:					
Salaries	63,520.00	9,805.00	73,325.00	72,241.70	1,083.30
Other Objects	26,588.00	(3,505.00)	23,083.00	23,020.49	62.51
Total School Sponsored Co/Extra-Curricular Activities - Instruction	90,108.00	6,300.00	96,408.00	95,262.19	1,145.81
Total - Instruction	8,003,900.00	14,899.90	8,018,799.90	7,874,153.85	144,646.05
Undist. Expend. - Instruction:					
Tuition To Other LEAs within the State - Regular	30,000.00	15,402.00	45,402.00	37,875.81	7,526.19
Tuition To Other LEAs within the State - Special	195,557.00	110,596.00	306,153.00	302,941.27	3,211.73
Tuition To Private Schools for the Disabled Within State	312,188.00	119,879.00	432,067.00	381,405.05	50,661.95
Total Undist. Expend. - Instruction	537,745.00	245,877.00	783,622.00	722,222.13	61,399.87
Undist. Expend. - Health Services:					
Salaries of Social Services Coordinators	313,647.00	1,740.00	315,387.00	315,386.00	1.00
Purchased Professional and Technical Services	11,796.00	(1,747.00)	10,049.00	6,846.00	3,203.00
Supplies and Materials	3,050.00	92.00	3,142.00	2,931.82	210.18
Other Objects	525.00	(85.00)	440.00	194.37	245.63
Total Undist. Expend. - Health Services	329,018.00		329,018.00	325,358.19	3,659.81
Undist. Expend. - Speech, OT, PT & Related Svc:					
Salaries	215,957.00	142.00	216,099.00	216,077.80	21.20
Purchased Professional - Educational Services	29,943.00		29,943.00	17,007.25	12,935.75
Supplies and Materials	1,634.00		1,634.00	1,145.60	488.40
Total Undist. Expend. - Speech, OT, PT & Related Svc.	247,534.00	142.00	247,676.00	234,230.65	13,445.35
Undist. Expend. - Other Support Serv. Students - Extra. Serv:					
Purchased Professional - Educational Services	80,280.00	(142.00)	80,138.00	19,011.24	61,126.76
Total Undist. Expend. - Other Support Serv. Students - Extra. Serv.	80,280.00	(142.00)	80,138.00	19,011.24	61,126.76
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	186,562.00		186,562.00	184,928.00	1,634.00
Total Undist. Expend. - Guidance	186,562.00		186,562.00	184,928.00	1,634.00

EATONTOWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued)					
Undist. Expend.- Child Study Teams:					
Salaries of Other Professional Staff	569,527.00	126.88	569,653.88	564,550.80	5,103.08
Salaries of Secretarial and Clerical Assistants	50,876.00	67.12	50,943.12	50,943.12	
Other Salaries	16,300.00		16,300.00	9,593.10	6,706.90
Purchased Professional - Educational Services	26,041.00	8,547.00	34,588.00	21,261.63	13,326.37
Other Purchased Professional & Technical Services	12,150.00	(10,578.00)	1,572.00	1,226.42	345.58
Miscellaneous Purchased Services	1,572.00	(1,572.00)			
Supplies & Materials	9,705.00		11,114.00	5,090.97	6,023.03
Other Objects	927.00	820.00	1,747.00	900.00	847.00
Total Undist. Expend.- Child Study Teams	687,098.00	(1,180.00)	685,918.00	653,566.04	32,351.96
Undist. Expend. - Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	29,000.00		29,000.00	29,000.00	
Salaries of Secretarial and Clerical Assistants	17,387.00	1,759.00	19,146.00	19,146.00	
Salaries of Facilitators, Math & Literacy Coaches	71,000.00		71,000.00	70,612.40	387.60
Purchased Professionals - Educational Services	15,000.00	(8,582.00)	6,418.00	6,174.00	244.00
Other Purchased Prof. & Tech. Services	85,985.00	2,512.00	88,497.00	58,537.65	29,959.35
Supplies and Materials	500.00	60.00	560.00	558.86	1.14
Other Objects		300.00	300.00	300.00	
Total Undist. Expend. - Improvement of Instructional Services	218,872.00	(3,951.00)	214,921.00	184,328.91	30,592.09
Undist. Expend. - Educational Media/School Library:					
Salaries of Technology Coordinators	304,396.00		304,396.00	279,054.86	25,341.14
Purchased Professional and Technical Services	3,900.00		3,900.00		3,900.00
Supplies and Materials	14,395.00	601.25	14,996.25	10,989.31	4,006.94
Total Undist. Expend. - Educational Media/School Library	322,691.00	601.25	323,292.25	290,044.17	33,248.08
Undist. Expend. - Instructional Staff Training Services:					
Purchased Professional - Educational Services	2,000.00		2,000.00		2,000.00
Other Purchased Services	21,200.00	149.00	21,349.00	11,799.57	9,549.43
Other Objects	500.00		500.00		500.00
Total Undist. Expend. - Instructional Staff Training Services	23,700.00	149.00	23,849.00	11,799.57	12,049.43
Undist. Expend. - Support Services - General Administration:					
Salaries	221,436.00	2,419.00	223,855.00	220,541.59	3,313.41
Salaries of Attorneys	9,000.00		9,000.00	9,000.00	
Legal Services	66,000.00	5,000.00	71,000.00	22,743.75	48,256.25
Audit Fees	25,906.00		25,906.00	25,400.00	506.00
Architectural/Engineering Services	24,000.00	3,585.00	27,585.00	18,200.64	9,384.36
Communications/Telephone	62,100.00	(2,119.00)	59,981.00	25,210.96	34,770.04
BOE - Other Purchased Services	5,350.00	(1,500.00)	3,850.00	900.00	2,950.00
Misc Purchased Services	41,500.00	(6,771.70)	34,728.30	26,528.30	8,200.00
General Supplies	3,000.00	62.90	3,062.90	640.82	2,422.08
Miscellaneous Expenditures	11,200.00	1,805.00	13,005.00	8,427.04	4,577.96
BOE Membership Dues and Fees	15,000.00	(305.00)	14,695.00	12,525.10	2,169.90
Total Undist. Expend. - Support Services - General Administration	484,492.00	2,176.20	486,668.20	370,118.20	116,550.00
Undist. Expend. - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	465,464.00	0.16	465,464.16	465,464.16	
Salaries of Secretarial and Clerical Assistants	220,916.00	(13,900.16)	207,015.84	193,247.84	13,768.00
Other Purchased Services	850.00		850.00		850.00
Supplies and Materials	9,730.00	(430.00)	9,300.00	5,367.52	3,932.48
Other Objects	4,075.00	450.00	4,525.00	3,851.97	673.03
Total Undist. Expend. - Support Services - School Administration	701,035.00	(13,880.00)	687,155.00	667,931.49	19,223.51
Undist. Expend. - Central Services:					
Salaries	223,497.00	9,850.00	233,347.00	231,641.82	1,705.18
Misc. Purchased Services	20,650.00	(945.00)	19,705.00	8,260.15	11,444.85
Supplies & Materials	12,000.00	(5,850.00)	6,150.00	3,818.34	2,331.66
Miscellaneous Expenditures	6,500.00	(3,000.00)	3,500.00	63.44	3,436.56
Total Undist. Expend. - Central Services	262,647.00	55.00	262,702.00	243,783.75	18,918.25

EATONTOWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued)					
Undist. Expend. - Admin. Info. Technology:					
Purchased Technical Services		8,175.00	8,175.00	6,250.00	1,925.00
Supplies and Materials	100.00		100.00		100.00
Total Undist. Expend. - Admin. Info. Technology	100.00	8,175.00	8,275.00	6,250.00	2,025.00
Undist. Expend. - Required Maintenance for School Facilities:					
Salaries	124,693.00	(45,905.00)	78,788.00	76,260.92	2,527.08
Cleaning, Repair and Maintenance Services	556,626.00	26,206.17	582,832.17	578,407.41	4,424.76
General Supplies	67,500.00	7,595.00	75,095.00	70,807.41	4,287.59
Other Objects	38,000.00	(16,161.00)	21,839.00	5,129.68	16,709.32
Total Undist. Expend. - Required Maintenance for School Facilities	786,819.00	(28,264.83)	758,554.17	730,605.42	27,948.75
Undist. Expend. - Custodial Services:					
Salaries	44,363.00	44,363.00	88,726.00	88,638.00	88.00
Cleaning, Repair, & Maintenance Services	279,866.00	(4,904.00)	274,962.00	227,570.12	47,391.88
Other Purchased Property Services	67,900.00		67,900.00	55,369.96	12,530.04
Insurance	160,000.00		160,000.00	157,607.35	2,392.65
General Supplies	4,900.00		4,900.00	1,477.09	3,422.91
Energy (Natural Gas)	117,000.00	4,432.97	121,432.97	76,448.64	44,984.33
Energy (Electricity)	567,000.00	14,512.62	581,512.62	323,156.53	258,356.09
Total Undist. Expend. - Custodial Services	1,241,029.00	58,404.59	1,299,433.59	930,267.69	369,165.90
Undist. Expend. - Security:					
Purchased Prof. and Technical Services	7,500.00		7,500.00	2,520.00	4,980.00
Total Undist. Expend. - Security	7,500.00		7,500.00	2,520.00	4,980.00
Total Undist. Expend. - Oper. & Maint. of Plant	2,035,348.00	30,139.76	2,065,487.76	1,663,393.11	402,094.65
Undist. Expend. - Student Transportation Services:					
Salaries for Non-Instructional Aides	228,867.00	(9,488.00)	219,379.00	215,792.07	3,586.93
Cleaning, Repair, & Maintenance Services	5,000.00		5,000.00	3,969.00	1,031.00
Contract Services (Bet. Home & School)- Vendors	536,490.00	(97,818.00)	438,672.00	408,549.96	30,122.04
Contracted Services (Other Than Bet. Home & School) - Vendors	25,000.00		25,000.00	21,130.00	3,870.00
Contract Serv. (Spl. Ed. Students) - ESCs & CTASs	66,300.00	(9,051.00)	57,249.00	52,337.84	4,911.16
General Supplies	6,800.00	1,600.00	8,400.00	7,096.20	1,303.80
Transportation Supplies	34,000.00	13,582.00	47,582.00	28,957.23	18,624.77
Other Objects	5,000.00	10,658.00	15,658.00	13,526.54	2,131.46
Total Undist. Expend. - Student Transportation Services	907,457.00	(90,517.00)	816,940.00	751,358.84	65,581.16
Student Transportation Services - Employee Benefits:					
Social Security Contributions	10,600.00		10,600.00	10,600.00	
Other Retirement Contributions - Regular	16,900.00		16,900.00	16,900.00	
Health Benefits	76,000.00		76,000.00	76,000.00	
Total Student Transportation Services - Employee Benefits	103,500.00		103,500.00	103,500.00	
Total Allocated Benefits	103,500.00		103,500.00	103,500.00	
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	127,500.00	1,522.00	129,022.00	124,066.08	4,955.92
Other Retirement Contributions - Regular	166,000.00	(29,846.00)	136,154.00	114,396.00	21,758.00
Unemployment Compensation	24,000.00	(15,000.00)	9,000.00	2,127.55	6,872.45
Workmen's Compensation	138,400.00	(23,528.00)	114,872.00	92,820.61	22,051.39
Health Benefits	2,378,853.00	(201,850.00)	2,177,003.00	2,177,002.31	0.69
Tuition Reimbursement	25,000.00	(3,176.00)	21,824.00	13,571.00	8,253.00
Other Employee Benefits	76,000.00	165,653.00	241,653.00	224,498.49	17,154.51
Total Unallocated Benefits - Employee Benefits	2,935,753.00	(106,225.00)	2,829,528.00	2,748,482.04	81,045.96

EATONTOWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued)					
TPAF Contributions (On-Behalf - Non-Budgeted)				553,444.00	(553,444.00)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				658,732.00	(658,732.00)
TPAF Pension NCGI Premiums (On-Behalf - Non-Budgeted)				29,119.00	(29,119.00)
TPAF Social Security (Reimbursed - Non-Budgeted)				677,702.80	(677,702.80)
Total On-Behalf Contributions				1,918,997.80	(1,918,997.80)
Total Personal Services - Employee Benefits	3,039,253.00	(106,225.00)	2,933,028.00	4,770,979.84	(1,837,951.84)
Total Undistributed Expenditures	10,063,832.00	71,420.21	10,135,252.21	11,099,304.13	(964,051.92)
Total Expenditures - Current Expense	18,067,732.00	86,320.11	18,154,052.11	18,973,457.98	(819,405.87)
CAPITAL OUTLAY					
Interest Deposit To Capital Reserve	100.00		100.00		100.00
Equipment:					
Undistributed:					
Undistributed Expenditures - Instruction	45,000.00	15,194.06	60,194.06	60,118.79	75.27
Undistributed Expenditures - Security		63,471.00	63,471.00	22,465.30	41,005.70
Undist. Expend. - Required Maint for School Fac. School Buses - Special	48,000.00	(3.00)	47,997.00	46,947.36	1,049.64
Total Equipment	93,000.00	78,662.06	171,662.06	129,531.45	42,130.61
Total Capital Outlay	93,100.00	78,662.06	171,762.06	129,531.45	42,230.61
Total Expenditures	18,160,832.00	164,982.17	18,325,814.17	19,102,989.43	(777,175.26)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,050,451.00)	(164,982.17)	(1,215,433.17)	43,253.96	1,258,687.13
Other Financing Sources/(Uses): Transfers from Other Funds				56,972.12	56,972.12
Total Other Financing Sources/(Uses)				56,972.12	56,972.12
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources/(Uses)	(1,050,451.00)	(164,982.17)	(1,215,433.17)	100,226.08	1,315,659.25
Fund Balances, July 1	3,716,670.06		3,716,670.06	3,716,670.06	
Fund Balances, June 30	\$ 2,666,219.06	\$ (164,982.17)	\$ 2,501,236.89	\$ 3,816,896.14	\$ 1,315,659.25
Recapitulation of Budget Transfers:					
Capital Reserve withdrawal		63,468.00			
Prior Year-End Encumbrances		101,514.17			
Total Budget Transfers		\$ 164,982.17			
Recapitulation:					
Restricted for:					
Reserved Excess Surplus:					
Designated for Subsequent Year's Expenditures				\$ 933,835.46	
Reserve for Excess Surplus				800,000.00	
Capital Reserve				923,295.00	
Maintenance Reserve				300,000.00	
Emergency Reserve				142,000.40	
Assigned:					
Year-End Encumbrances				140,948.95	
Designated for Subsequent Year's Expenditures				99,999.54	
Unassigned				476,816.79	
				3,816,896.14	
Reconciliation to Governmental Funds Statement (GAAP): Last State Aid Payment not recognized on GAAP Basis				(373,268.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 3,443,628.14	

EATONTOWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND

Fiscal year ended June 30, 2013

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final To <u>Actual</u>
Revenues:					
Local Sources	\$ 9,000.00	\$ 11,892.24	\$ 20,892.24	\$ 274.90	\$ 20,617.34
State Sources	134,582.00	69,400.00	203,982.00	194,953.77	9,028.23
Federal Sources	<u>10,954.00</u>	<u>802,074.75</u>	<u>813,028.75</u>	<u>692,023.87</u>	<u>121,004.88</u>
Total Revenues	<u>154,536.00</u>	<u>883,366.99</u>	<u>1,037,902.99</u>	<u>887,252.54</u>	<u>150,650.45</u>
Expenditures:					
Instruction:					
Salaries of Teachers		300,427.00	300,427.00	230,888.50	69,538.50
Other Purchased Services	10,954.00	312,715.00	323,669.00	323,669.00	
General Supplies		43,350.26	43,350.26	35,509.47	7,840.79
Textbooks	1,991.00	5,248.00	7,239.00	7,053.40	185.60
Other Objects		<u>19,791.70</u>	<u>19,791.70</u>	<u>9,681.63</u>	<u>10,110.07</u>
Total Instruction	<u>12,945.00</u>	<u>681,531.96</u>	<u>694,476.96</u>	<u>606,802.00</u>	<u>87,674.96</u>
Support Services:					
Salaries		2,664.00	2,664.00	725.00	1,939.00
Personal Services - Employee Benefits		205.00	205.00	205.00	
Professional and Technical Services		83,295.49	83,295.49	20,873.37	62,422.12
Purchased Professional - Educational Services	132,591.00	84,152.00	216,743.00	207,900.37	8,842.63
Other Purchased Services		21,500.45	21,500.45	44,487.98	(22,987.53)
Supplies and Materials		8,417.55	8,417.55	6,165.55	2,252.00
Other Objects	<u>9,000.00</u>	<u>1,600.54</u>	<u>10,600.54</u>	<u>93.27</u>	<u>10,507.27</u>
Total Support Services	<u>141,591.00</u>	<u>201,835.03</u>	<u>343,426.03</u>	<u>280,450.54</u>	<u>62,975.49</u>
Total Expenditures	<u>154,536.00</u>	<u>883,366.99</u>	<u>1,037,902.99</u>	<u>887,252.54</u>	<u>150,650.45</u>
Total Outflows	<u>154,536.00</u>	<u>883,366.99</u>	<u>1,037,902.99</u>	<u>887,252.54</u>	<u>150,650.45</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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EATONTOWN SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 BUDGET-TO-GAAP RECONCILIATION

Fiscal year ended June 30, 2013

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
SOURCES/INFLOWS OF RESOURCES		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 19,146,243.39	\$ 887,252.54
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Less: Current Year Encumbrances		
Add: Prior Year Encumbrances		35,560.57
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	364,848.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(373,268.00)</u>	<u> </u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 19,137,823.39</u>	<u>\$ 922,813.11</u>
USES/OUTFLOWS OF RESOURCES		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 19,102,989.43	\$ 887,252.54
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Less: Current Year Encumbrances		
Add: Prior Year Encumbrances		<u>35,560.57</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 19,102,989.43</u>	<u>\$ 922,813.11</u>

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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

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EATONTOWN BOARD OF EDUCATION
SPECIAL REVENUE FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the fiscal year ended June 30, 2013

Revenues	N.J. Nonpublic Auxiliary Services							Local Programs	Race to the Top
	Textbooks Aid	Nursing Aid	Technology Aid	Compensatory Education Ch. 192	Exam. and Classification	Handicapped Services Ch. 193 Corrective Speech	Supplementary Instruction		
Local Sources	\$ 7,053.40	\$ 9,391.84	\$ 2,601.43	\$ 85,363.00	\$ 35,998.10	\$ 23,670.00	\$ 30,876.00	\$ 274.90	\$ 20,393.00
State Sources									
Federal Sources									
Total Revenues	\$ 7,053.40	\$ 9,391.84	\$ 2,601.43	\$ 85,363.00	\$ 35,998.10	\$ 23,670.00	\$ 30,876.00	\$ 274.90	\$ 20,393.00
Expenditures									
Instruction:									
Salaries of Teachers									
Other Purchased Services									
General Supplies									
Textbooks	\$ 7,053.40							\$ 181.63	
Other Objects									
Total Instruction	7,053.40							181.63	
Support Services:									
Salaries									
Personal Services - Employee Benefits									
Professional and Technical Services									
Purchased Professional - Educational Services		\$ 9,391.84	\$ 2,601.43	\$ 85,363.00	\$ 35,998.10	\$ 23,670.00	\$ 30,876.00		\$ 20,393.00
Other Purchased Services									
Supplies and Materials								93.27	
Other Objects									
Total Support Services		9,391.84	2,601.43	85,363.00	35,998.10	23,670.00	30,876.00	93.27	20,393.00
Total Expenditures	\$ 7,053.40	\$ 9,391.84	\$ 2,601.43	\$ 85,363.00	\$ 35,998.10	\$ 23,670.00	\$ 30,876.00	\$ 274.90	\$ 20,393.00

EATONTOWN BOARD OF EDUCATION
SPECIAL REVENUE FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the fiscal year ended June 30, 2013

	I.D.E.A. Part B			No Child Left Behind			Totals
	Basic 2012/13	Basic 2011/12	Preschool 2012/13	Title I	Title II Part A	Title III	
Revenues							
Local Sources							\$ 274.90
State Sources							194,953.77
Federal Sources	\$ 330,779.37	\$ 24,356.40	\$ 13,370.00	\$ 249,079.33	\$ 38,412.65	\$ 15,633.12	692,023.87
Total Revenues	<u>\$ 330,779.37</u>	<u>\$ 24,356.40</u>	<u>\$ 13,370.00</u>	<u>\$ 249,079.33</u>	<u>\$ 38,412.65</u>	<u>\$ 15,633.12</u>	<u>\$ 887,252.54</u>
Expenditures							
Instruction:							
Salaries of Teachers				\$ 226,116.50		\$ 4,772.00	\$ 230,888.50
Other Purchased Services	\$ 310,299.00		\$ 13,370.00				323,669.00
General Supplies				10,865.83	\$ 15,370.52	9,273.12	35,509.47
Textbooks							7,053.40
Other Objects					9,500.00		9,681.63
Total Instruction	<u>310,299.00</u>		<u>13,370.00</u>	<u>236,982.33</u>	<u>24,870.52</u>	<u>14,045.12</u>	<u>606,802.00</u>
Support Services:							
Salaries				725.00			725.00
Personal Services - Employee Benefits				205.00			205.00
Professional and Technical Services	480.37						20,873.37
Purchased Professional - Educational Services	20,000.00						207,900.37
Other Purchased Services		\$ 24,356.40		7,375.00	11,168.58	1,588.00	44,487.98
Supplies and Materials				3,792.00	2,373.55		6,165.55
Other Objects							93.27
Total Support Services	<u>20,480.37</u>	<u>24,356.40</u>		<u>12,097.00</u>	<u>13,542.13</u>	<u>1,588.00</u>	<u>280,450.54</u>
Total Expenditures	<u>\$ 330,779.37</u>	<u>\$ 24,356.40</u>	<u>\$ 13,370.00</u>	<u>\$ 249,079.33</u>	<u>\$ 38,412.65</u>	<u>\$ 15,633.12</u>	<u>\$ 887,252.54</u>

F. Capital Projects Fund

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

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EATONTOWN SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SUMMARY STATEMENT OF PROJECT EXPENDITURES

For the year ended June 30, 2013

<u>Project Title/Issue</u>	<u>Date</u>	<u>Original</u> <u>Appropriations</u>	<u>Cancelled</u> <u>Prior</u> <u>Years</u>	<u>Expenditures</u> <u>To Date</u>		<u>Unexpended</u> <u>Balance</u>
				<u>Prior</u> <u>Years</u>	<u>Cancelled</u>	
Administrative Addition to the Memorial Middle School	10/08/07	\$ <u>1,375,041.00</u>	\$ <u>18,000.00</u>	\$ <u>1,300,068.88</u>	\$ <u>56,972.12</u>	\$ <u>0.00</u>
		\$ <u><u>1,375,041.00</u></u>	\$ <u><u>18,000.00</u></u>	\$ <u><u>1,300,068.88</u></u>	\$ <u><u>56,972.12</u></u>	\$ <u><u>0.00</u></u>
Fund Balance (B-2)						\$ <u><u>0.00</u></u>

EATONTOWN SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SUMMARY STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS

For the year ended June 30, 2013

Other Financing Sources/(Uses):	
Transfer To General Operating Fund-	
Cancelled by Resolution	<u>\$ (56,972.12)</u>
Total Expenditures and Other Financing Sources	<u>56,972.12</u>
Excess/(Deficiency) of Revenues Over/(Under)	
Expenditures and Other Financing Sources	(56,972.12)
Fund Balance - July 1	<u>56,972.12</u>
Fund Balance - June 30	<u>\$ 0.00</u>

G. Proprietary Funds

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's Board is that the costs of providing goods or services be financed through user charges.

FOOD SERVICE FUND

This Fund provides for the operation of food services within the School District.

This section has already been included in Statement B-4, B-5, and B-6.

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Enterprise Funds

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H. Fiduciary Fund

Fiduciary Funds are used to account for funds received by the School District for a specific purpose.

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

Student Activity Fund: This Agency Fund is used to account for student funds held at the schools.

Payroll Fund: This Agency Fund is used to account for the payroll transactions of the School District.

Unemployment Agency Fund: This Fund is used to account for assets to finance the cost of unemployment benefits.

Scholarship Fund: This Fund is an Expendable Trust Fund and limits expenses according to the Scholarship Agreement.

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EATONTOWN SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

June 30, 2013

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Funds</u>	Agency <u>Funds</u>	<u>Totals</u>
Assets:				
Cash and Cash Equivalents	\$ 74,426.55	\$ 7,131.89	\$ 37,442.65	\$ 119,001.09
Due from State	<u>1,913.78</u>	<u> </u>	<u> </u>	<u>1,913.78</u>
Total Assets	<u>\$ 76,340.33</u>	<u>\$ 7,131.89</u>	<u>\$ 37,442.65</u>	<u>\$ 120,914.87</u>
Liabilities:				
Interfund Payable			\$ 8,150.09	\$ 8,150.09
Due To State	\$ 1,992.43			1,992.43
Payroll Deductions and Withholdings			2,735.93	2,735.93
Payable To Student Groups			<u>26,556.63</u>	<u>26,556.63</u>
Total Liabilities	<u>1,992.43</u>	<u> </u>	<u>37,442.65</u>	<u>39,435.08</u>
Net Position:				
Held in Trust for Unemployment Claims and Other Purposes	74,347.90			74,347.90
Reserved for Scholarships		<u>\$ 7,131.89</u>		<u>7,131.89</u>
Total Net Position	<u>74,347.90</u>	<u>7,131.89</u>	<u> </u>	<u>81,479.79</u>
Total Liabilities and Net Position	<u>\$ 76,340.33</u>	<u>\$ 7,131.89</u>	<u>\$ 37,442.65</u>	<u>\$ 120,914.87</u>

EATONTOWN SCHOOL DISTRICT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

June 30, 2013

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Funds</u>	<u>Totals</u>
Additions:			
Contributions:			
Plan Member	\$ 22,320.94		\$ 22,320.94
Board Contribution	<u>7,119.50</u>		<u>7,119.50</u>
Total Contributions	<u>29,440.44</u>		<u>29,440.44</u>
Investment Earnings:			
Interest		<u>\$ 7.18</u>	<u>7.18</u>
Net Investment Earnings		<u>7.18</u>	<u>7.18</u>
Total Additions	<u>29,440.44</u>	<u>7.18</u>	<u>29,447.62</u>
Deductions:			
Quarterly Contribution Reports	6,564.71		6,564.71
Unemployment Claims	8,338.01		8,338.01
Scholarships Awarded		<u>100.00</u>	<u>100.00</u>
Total Deductions	<u>14,902.72</u>	<u>100.00</u>	<u>15,002.72</u>
Change in Net Position	14,537.72	(92.82)	14,444.90
Net Position - Beginning of Year	<u>59,810.18</u>	<u>7,224.71</u>	<u>67,034.89</u>
Net Position - End of Year	<u>\$ 74,347.90</u>	<u>\$ 7,131.89</u>	<u>\$ 81,479.79</u>

EATONTOWN BOARD OF EDUCATION
STATEMENT OF RECEIPTS AND DISBURSEMENTS
STUDENT ACTIVITY AGENCY FUND

June 30, 2013

	Balance July 1, <u>2012</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance June 30, <u>2013</u>
Elementary Schools:				
Woodmere School	\$ 7,045.05	\$ 5,170.59	\$ 7,443.00	\$ 4,772.64
Margaret L. Vetter School	1,509.81	4,479.93	4,562.40	1,427.34
Meadowbrook School	<u>2,944.55</u>	<u>2,658.08</u>	<u>2,488.04</u>	<u>3,114.59</u>
Total Elementary Schools	<u>11,499.41</u>	<u>12,308.60</u>	<u>14,493.44</u>	<u>9,314.57</u>
Junior High School:				
Memorial School	<u>19,574.77</u>	<u>32,920.42</u>	<u>35,253.13</u>	<u>17,242.06</u>
Total Junior High Schools	<u>19,574.77</u>	<u>32,920.42</u>	<u>35,253.13</u>	<u>17,242.06</u>
Total Assets	<u>\$ 31,074.18</u>	<u>\$ 45,229.02</u>	<u>\$ 49,746.57</u>	<u>\$ 26,556.63</u>

I. Long-Term Debt

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

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EATONTOWN SCHOOL DISTRICT
STATEMENT OF SERIAL BONDS

June 30, 2013

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2012	Retired	Balance June 30, 2013
			Date	Amount				
General Improvements	08/01/06	\$ 29,794,000.00	02/01/14	900,000.00	4.50%			
			02/01/15	950,000.00	4.50%			
			02/01/16	1,000,000.00	4.50%			
			02/01/17	1,050,000.00	4.50%			
			02/01/18	1,100,000.00	4.50%			
			02/01/19	1,150,000.00	4.50%			
			02/01/20	1,200,000.00	4.50%			
			02/01/21	1,250,000.00	4.50%			
			02/01/22	1,344,000.00	4.50%			
			02/01/23	1,350,000.00	4.50%			
			02/01/24-27	1,375,000.00	4.50%			
			02/01/28-32	1,400,000.00	4.50%			
			02/01/33	1,400,000.00	5.00%			
						\$ 26,044,000.00	\$ 850,000.00	\$ 25,194,000.00
						\$ 26,044,000.00	\$ 850,000.00	\$ 25,194,000.00

EATONTOWN SCHOOL DISTRICT
 BUDGETARY COMPARISON STATEMENT
 DEBT SERVICE FUND

For the fiscal year ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive/ (Negative) Final To Actual</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 1,339,127.00		\$ 1,339,127.00	\$ 1,339,127.00	
State Sources:					
Debt Service Aid	<u>689,853.00</u>	<u> </u>	<u>689,853.00</u>	<u>689,853.00</u>	<u> </u>
Total Revenues	<u>2,028,980.00</u>	<u> </u>	<u>2,028,980.00</u>	<u>2,028,980.00</u>	<u> </u>
<u>Expenditures</u>					
Regular Debt Service:					
Interest on Bonds	1,178,980.00		1,178,980.00	1,178,980.00	
Redemption of Principal	<u>850,000.00</u>	<u> </u>	<u>850,000.00</u>	<u>850,000.00</u>	<u> </u>
Total Regular Debt Service	<u>2,028,980.00</u>	<u> </u>	<u>2,028,980.00</u>	<u>2,028,980.00</u>	<u> </u>
Total Expenditures	<u>2,028,980.00</u>	<u> </u>	<u>2,028,980.00</u>	<u>2,028,980.00</u>	<u> </u>
Fund Balance, July 1	<u> </u>				
Fund Balance, June 30	<u>\$ 0.00</u>				
Recapitulation of Excess (Deficiency) of Revenues Over/(Under) Expenditures					
Budgeted Fund Balance	<u>\$ 0.00</u>				

STATISTICAL SECTION (Unaudited)

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FINANCIAL TRENDS/INFORMATION SCHEDULES

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EATONTOWN SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCURAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year Ending									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Government Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 2,721,339.34	\$ 2,702,244.00	\$ 2,452,087.64	\$ (15,361,872.05)	\$ 2,131,902.07	\$ 3,966,740.76	\$ 5,143,131.22	\$ 1,913,622.00	\$ 2,062,334.03	\$ 2,247,054.86
Restricted	127,449.26	663,842.64	1,573,490.03	20,710,307.70	3,758,850.21	3,094,399.86	2,127,268.64	1,544,579.21	3,228,648.62	3,340,079.35
Unrestricted	(146,099.43)	(110,982.63)	(402,136.17)	(1,178,333.25)	491,744.65	112,292.45	(732,037.09)	(80,302.67)	(1,151,474.11)	(1,083,121.38)
Total Government Activities Net Position	\$ 2,702,689.17	\$ 3,255,104.01	\$ 3,623,441.50	\$ 4,170,102.40	\$ 6,382,496.93	\$ 7,173,433.07	\$ 6,538,362.77	\$ 3,377,898.54	\$ 4,139,508.54	\$ 4,504,012.83
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 11,153.00	\$ 9,615.00	\$ 8,292.00	\$ 6,969.00	\$ 5,690.00	\$ 4,389.00	\$ 3,288.00	\$ 382.00	\$ 9,040.97	\$ 6,311.12
Unrestricted	9,464.84	691.72	(447.99)	3,391.90	13,506.47	14,393.40	11,866.00	15,606.40		
Total Business-Type Activities Net Position	\$ 20,617.84	\$ 10,306.72	\$ 7,844.01	\$ 10,360.90	\$ 19,196.47	\$ 18,782.40	\$ 15,154.00	\$ 15,988.40	\$ 9,040.97	\$ 6,311.12
District-wide:										
Invested in Capital Assets, Net of Related Debt	\$ 2,732,492.34	\$ 2,711,859.00	\$ 2,460,379.64	\$ (15,354,903.05)	\$ 2,137,592.07	\$ 3,971,129.76	\$ 5,146,419.22	\$ 1,914,004.00	\$ 2,062,334.03	\$ 2,247,054.86
Restricted	127,449.26	663,842.64	1,573,490.03	20,710,307.70	3,758,850.21	3,094,399.86	2,127,268.64	1,544,579.21	3,228,648.62	3,340,079.35
Unrestricted	(136,634.59)	(110,290.91)	(402,584.16)	(1,174,941.35)	505,251.12	126,685.85	(720,171.09)	(64,696.27)	(1,142,433.14)	(1,076,810.26)
Total District Net Position	\$ 2,723,307.01	\$ 3,265,410.73	\$ 3,631,285.51	\$ 4,180,463.30	\$ 6,401,693.40	\$ 7,192,215.47	\$ 6,553,516.77	\$ 3,393,886.94	\$ 4,148,549.51	\$ 4,510,323.95

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

	Fiscal Year Ending									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ (7,820,384.75)	\$ (7,903,018.94)	\$ (8,310,053.53)	\$ (8,741,465.79)	\$ (9,227,118.38)	\$ (8,475,714.85)	\$ (8,761,721.54)	\$ (8,342,598.37)	\$ (8,363,363.83)	\$ (6,195,151.57)
Special Education	(1,696,801.58)	(1,545,553.68)	(1,756,350.63)	(2,010,987.76)	(2,192,314.73)	(1,982,814.83)	(2,172,129.93)	(2,154,674.55)	(2,230,521.92)	(1,563,495.95)
Other Special Education	(638,176.32)	(877,963.56)	(719,017.20)	(826,388.98)	(944,941.88)	(1,082,680.79)	(832,095.37)	(949,114.04)	(899,985.05)	(628,941.60)
Other Instruction	(67,170.59)	(163,378.73)	(84,367.49)	(88,885.75)	(88,249.00)	(106,104.08)	(638,205.67)	(822,738.36)	(872,903.90)	(95,262.19)
Support Services:										
Tuition	(416,849.69)	(337,814.28)	(284,275.50)	(485,604.58)	(532,009.10)	(517,704.40)	(434,789.16)	(311,828.90)	(569,661.06)	(722,222.13)
Student and Instruction Related Services	(2,197,449.44)	(2,571,174.73)	(2,644,185.99)	(2,748,044.17)	(2,880,864.85)	(2,708,283.10)	(2,197,183.73)	(1,916,662.93)	(2,082,314.52)	(2,217,382.42)
General Administration	(729,262.22)	(1,157,616.71)	(1,275,826.39)	(662,301.71)	(616,347.34)	(529,440.29)	(502,256.85)	(528,062.48)	(404,282.39)	(370,118.20)
School Administrative Services	(852,231.30)	(898,401.20)	(847,251.27)	(957,284.04)	(984,550.60)	(851,712.28)	(901,515.78)	(922,626.05)	(892,574.75)	(667,931.49)
Central Services				(391,195.92)	(422,047.20)	(401,112.37)	(335,627.05)	(295,499.40)	(282,237.50)	(243,783.75)
Administrative Information Technology				(108,682.07)	(118,070.16)	(157,611.83)	(104,073.95)	(119,921.96)	(128,688.91)	(6,250.00)
Plant Operations and Maintenance	(1,634,536.36)	(1,414,840.48)	(1,392,058.71)	(1,577,018.75)	(1,815,198.54)	(1,811,610.54)	(1,804,631.30)	(1,850,541.64)	(1,609,605.11)	(1,663,393.11)
Pupil Transportation	(784,639.18)	(1,010,788.14)	(1,121,935.44)	(1,021,742.58)	(899,925.62)	(892,100.37)	(921,489.76)	(863,075.79)	(832,909.90)	(751,358.84)
Employee Benefits				(1,236,419.17)	(1,308,399.11)	(1,302,636.25)	(1,269,542.39)	(1,235,323.75)	(1,199,980.00)	(4,641,987.84)
Interest on Long-Term Debt	(157,983.00)	(136,945.00)	(131,003.75)	21,480.94	(175,392.08)	(297,920.69)	(676,297.50)	(744,958.00)	(752,631.04)	(1,163,042.50)
Unallocated Depreciation	(16,995,484.43)	(18,017,495.45)	(18,566,325.90)	(20,870,806.89)	(22,178,162.04)	(21,137,446.67)	(21,551,539.98)	(20,857,626.22)	(20,921,659.89)	(21,903,450.89)
Total Governmental Activities Expenses	<u>(319,188.24)</u>	<u>(327,888.05)</u>	<u>(329,001.57)</u>	<u>(330,589.39)</u>	<u>(320,051.56)</u>	<u>(340,789.62)</u>	<u>(363,512.95)</u>	<u>(363,908.60)</u>	<u>(394,241.38)</u>	<u>(392,162.48)</u>
Business-Type Activities:										
Food Service	(319,188.24)	(327,888.05)	(329,001.57)	(330,589.39)	(320,051.56)	(340,789.62)	(363,512.95)	(363,908.60)	(394,241.38)	(392,162.48)
Total Business-Type Activities Expenses	<u>(319,188.24)</u>	<u>(327,888.05)</u>	<u>(329,001.57)</u>	<u>(330,589.39)</u>	<u>(320,051.56)</u>	<u>(340,789.62)</u>	<u>(363,512.95)</u>	<u>(363,908.60)</u>	<u>(394,241.38)</u>	<u>(392,162.48)</u>
Total District Expenses	<u>\$ (17,314,672.67)</u>	<u>\$ (18,345,383.50)</u>	<u>\$ (18,895,327.47)</u>	<u>\$ (21,201,396.28)</u>	<u>\$ (22,498,213.60)</u>	<u>\$ (21,478,236.29)</u>	<u>\$ (21,915,052.93)</u>	<u>\$ (21,221,534.82)</u>	<u>\$ (21,315,901.26)</u>	<u>\$ (22,295,613.36)</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:	\$ 100,330.45	\$ 17,979.01							\$ 46,754.00	\$ 58,004.00
Instruction (Tuition)									24,049.41	17,412.03
Pupil Transportation										
Interest on Long-Term Debt										
Operating Grants and Contributions										
Total Governmental Activities Program Revenues	<u>336,241.00</u>	<u>336,241.00</u>	<u>336,241.00</u>	<u>336,241.00</u>	<u>336,241.00</u>	<u>266,931.00</u>	<u>215,162.00</u>	<u>271,260.81</u>	<u>271,669.22</u>	<u>1,871,807.05</u>
Business-Type Activities:										
Charges for Services:	436,571.45	354,220.01	336,241.00	336,241.00	336,241.00	266,931.00	215,162.00	271,260.81	342,472.63	1,947,223.08
Food Service										
Operating Grants and Contributions	166,820.17	179,135.78	182,781.00	181,900.17	143,847.02	153,520.24	141,247.39	145,641.81	128,945.85	122,657.52
Total Business-Type Activities Program Revenues	<u>150,039.34</u>	<u>135,195.68</u>	<u>141,072.01</u>	<u>151,206.11</u>	<u>157,787.91</u>	<u>186,855.31</u>	<u>218,637.16</u>	<u>219,644.19</u>	<u>258,348.10</u>	<u>266,775.11</u>
Total District Program Revenues	<u>\$ 753,450.96</u>	<u>\$ 668,551.47</u>	<u>\$ 660,094.01</u>	<u>\$ 669,347.28</u>	<u>\$ 637,875.93</u>	<u>\$ 607,306.55</u>	<u>\$ 575,046.55</u>	<u>\$ 636,546.81</u>	<u>\$ 729,766.58</u>	<u>\$ 2,336,655.71</u>

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

	Fiscal Year Ending									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/Revenue:										
Governmental Activities	\$ (16,558,912.98)	\$ (17,663,275.44)	\$ (18,230,084.90)	\$ (20,534,565.89)	\$ (21,841,921.04)	\$ (20,870,515.67)	\$ (21,336,377.98)	\$ (20,586,365.41)	\$ (20,579,187.25)	\$ (19,956,227.80)
Business-Type Activities	(2,328.73)	(13,556.59)	(5,148.56)	2,516.89	(18,416.63)	(414.07)	(3,628.40)	1,377.40	(6,947.43)	(2,729.85)
Total District-wide Net (Expense)/Revenue	\$ (16,561,241.71)	\$ (17,676,832.03)	\$ (18,235,233.46)	\$ (20,532,049.00)	\$ (21,860,337.67)	\$ (20,870,929.74)	\$ (21,340,006.38)	\$ (20,584,988.01)	\$ (20,586,134.66)	\$ (19,958,957.65)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for -										
General Purposes, Net										
Taxes Levied for Debt Service										
Unrestricted Grants and Contributions	6,426,947.21	6,683,986.63	6,491,825.54	6,998,044.10	8,298,286.92	7,402,793.91	6,080,316.96	6,357,518.51	6,888,589.26	5,686,643.24
Investment Earnings	8,392.79	36,362.62	197.73	1,236,961.44	513,274.14	64,305.78	866.49	39,661.78	4,110.90	907.13
Miscellaneous Income	87,087.50	35,652.29	214,317.38	156,251.25	58,285.71	110,163.12	349,968.23	51,799.01	42,011.12	8,756.05
Transfers	(859.95)	(2,226.26)	(879.26)		(27,252.20)					
Total Governmental Activities	17,221,567.55	18,194,289.28	18,598,422.39	21,081,226.79	23,023,315.57	21,661,451.81	20,701,307.68	20,835,375.30	21,340,797.28	20,142,393.42
Business-Type Activities:										
Investment Earnings	23.97	1,019.21	1,806.59							
Transfers	859.95	2,226.26	879.26	27,252.20						
Total Business-Type Activities	883.92	3,245.47	2,685.85							
Total District-wide	\$ 17,222,451.47	\$ 18,197,534.75	\$ 18,601,108.24	\$ 21,081,226.79	\$ 23,023,315.57	\$ 21,661,451.81	\$ 20,701,307.68	\$ 20,835,375.30	\$ 21,340,797.28	\$ 20,142,393.42
Changes in Net Assets:										
Governmental Activities	\$ 662,654.57	\$ 531,013.84	\$ 366,337.49	\$ 546,660.90	\$ 1,181,394.53	\$ 790,936.14	\$ (635,070.30)	\$ 249,009.89	\$ 761,610.03	\$ 186,165.62
Business-Type Activities	(1,444.81)	(10,311.12)	(2,462.71)	2,516.89	(18,416.63)	(414.07)	(3,628.40)	1,377.40	(6,947.43)	(2,729.85)
Total District	\$ 661,209.76	\$ 520,702.72	\$ 363,874.78	\$ 549,177.79	\$ 1,162,977.90	\$ 790,522.07	\$ (638,698.70)	\$ 250,387.29	\$ 754,662.60	\$ 183,435.77

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

	Fiscal Year Ending,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund:										
Reserved	\$ 127,449.26	\$ 314,713.64	\$ 1,215,033.41	\$ 2,895,970.82	\$ 3,557,035.80	\$ 4,168,924.21	\$ 2,053,284.36			
Unreserved	988,622.37	1,202,188.47	943,123.45	681,688.88	1,969,364.05	320,199.81	582,763.83			
Restricted								\$ 1,358,880.42	\$ 2,340,277.67	\$ 3,099,130.86
Assigned								1,119,137.69	831,398.83	240,948.49
Unassigned								251,916.23	180,145.56	103,548.79
Total General Fund	\$ 1,115,971.63	\$ 1,516,902.11	\$ 2,158,156.86	\$ 3,577,659.70	\$ 5,526,399.85	\$ 4,489,124.02	\$ 2,636,048.19	\$ 2,729,934.34	\$ 3,351,822.06	\$ 3,443,628.14
All Other Governmental Funds:										
Reserved					\$ 437,649.39	\$ 68,828.95				
Unreserved, Reported In:										
Special Revenue Fund		\$ (3,359.10)		(3,359.10)						
Capital Projects Fund				17,620,792.53	(1,180,697.00)	107,813.87	73,984.28			
Debt Service Fund				400,000.00	26,205.89	26,205.89	26,206.00			
Restricted:										
Capital Projects Fund								\$ 66,560.87	\$ 56,972.12	
Total All Other Governmental Funds	\$ 0.00	\$ (3,359.10)	\$ 0.00	\$ 18,017,433.43	\$ (727,375.82)	\$ 202,848.71	\$ 100,190.28	\$ 66,560.87	\$ 56,972.12	\$ 0.00

EATONTOWN SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

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

	2004*	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Tax Levy	\$ 10,700,000.00	\$ 11,440,504.00	\$ 11,892,961.00	\$ 12,689,970.00	\$ 14,180,721.00	\$ 14,094,180.00	\$ 14,270,156.00	\$ 14,386,396.00	\$ 14,406,086.00	\$ 14,546,087.00
Tuition Charges	100,330.45	17,979.01					70,892.12		46,754.00	58,004.00
Transportation Fees from Other LEAs									24,048.41	17,412.83
Interest Earnings	8,375.12	36,275.75	98,061.29	5,859.36	118,900.85	38,010.01	12,816.83	9,817.86	593.02	907.13
Miscellaneous	87,105.11	35,638.16	124,094.43	965,148.18	452,659.00	1,511,499.89	287,125.76	71,066.34	45,953.00	9,080.90
State Sources	5,346,486.61	5,719,284.61	5,778,030.60	6,416,000.16	7,744,006.11	6,236,124.91	5,209,879.82	5,569,879.82	6,195,807.23	6,622,366.51
Federal Sources	1,416,701.66	1,300,953.02	1,050,035.94	924,601.14	890,521.81	1,433,600.00	1,085,599.14	1,059,457.10	964,451.25	835,758.93
Total Revenues	17,658,998.95	18,550,634.55	18,943,183.26	20,604,578.84	23,386,808.77	23,303,423.81	20,916,469.67	21,096,059.52	21,683,269.91	22,089,616.50
Expenditures:										
Instruction:										
Regular	5,545,591.33	6,307,186.84	6,300,112.88	6,222,593.34	6,561,396.36	6,432,173.70	6,666,478.04	6,066,831.45	5,956,142.95	6,195,151.57
Special Education	1,156,381.54	1,171,650.97	1,196,710.33	1,246,084.27	1,357,376.93	1,433,701.23	1,562,427.56	1,548,240.48	1,612,489.64	1,563,485.95
Other	435,772.09	517,516.62	451,929.71	530,216.05	633,555.60	781,883.20	584,497.15	688,004.90	628,479.98	628,941.60
School-Sponsored/Other Instructional Support Services and Undistributed Costs:	67,170.59	64,379.85	84,367.49	88,885.75	88,249.00	106,104.08	89,380.77	79,925.27	70,593.21	95,262.19
Tuition	416,849.69	683,127.95	284,275.50	485,604.58	532,009.10	517,704.40	434,769.16	311,828.90	569,661.06	722,222.13
Student and Instruction Related Services	1,599,265.86	1,694,023.01	2,142,973.70	2,133,173.22	2,180,547.99	2,105,608.19	2,221,671.40	1,938,224.93	2,102,333.52	2,217,382.42
General Administration	405,374.73	478,474.40	467,230.78	576,381.73	508,855.57	459,177.98	425,745.05	432,573.29	361,060.74	370,118.20
School Administrative Services	678,263.94	706,347.45	675,358.34	725,975.01	681,199.04	658,193.89	682,306.07	718,993.94	690,674.25	667,931.49
Central Services	388,265.18	522,430.21	522,430.21	279,328.68	298,266.24	309,134.09	292,109.17	250,001.07	232,272.69	243,753.75
Admin. Information Technology	1,324,542.12	143,724.88	119,427.79	41,362.48	38,143.42	94,717.72	33,727.39	76,170.36	77,082.36	6,250.00
Plant Operations and Maintenance	1,408,539.48	1,408,539.48	1,384,401.71	1,573,511.01	1,796,049.43	1,796,049.43	1,773,924.23	1,832,259.42	1,592,234.02	1,663,383.11
Pupil Transportation	802,896.35	883,691.51	847,466.14	896,335.18	861,620.62	849,307.31	801,524.70	796,857.79	734,597.90	751,388.84
Business and Other Support Services:										
Other	202,943.49									
Employee Benefits	3,651,894.20	3,803,385.43	3,879,794.57	4,796,529.55	4,876,949.94	3,688,707.85	3,977,275.40	4,063,719.99	4,256,890.55	4,770,979.84
Capital Outlay	50,744.00	67,021.34		5,343.20	18,443,760.20	2,486,782.04	1,312,762.95	247,892.58	171,478.07	129,531.45
Special Revenue	766,579.33									
Debt Service:										
Principal										
Interest and Other Charges										
Total Expenditures	17,104,269.26	18,327,536.91	18,356,479.15	19,801,324.05	41,555,625.66	23,780,475.11	22,872,203.93	21,046,379.37	21,070,970.94	22,054,782.54
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	554,729.69	223,097.64	586,704.11	1,003,254.79	(18,168,816.89)	(457,051.30)	(1,955,734.26)	49,680.15	612,298.97	34,833.96
Other Financing Sources/(Uses):										
Sale of Equipment - Buses		176,700.00	58,789.00		1,400,000.00					
Sale of Real Property										
Proceeds From Borrowing	45,274.00					350,000.00				
Capital Leases (Non-Budgeted)										
Proceeds From Refunding										
Payments To Escrow Agent										
Cancellation of Arbitrage Payable										
Transfers In										
Transfers Out	(859.95)	(2,226.26)	(879.26)	(27,252.20)						
Total Other Financing Sources/(Uses)	44,414.05	174,473.74	57,909.74	1,372,747.80	1,372,747.80	350,000.00	350,000.00	10,576.59	(10,576.59)	56,972.12
Net Change in Fund Balances	\$ 599,143.74	\$ 397,571.38	\$ 644,613.85	\$ 1,003,254.79	\$ (16,796,869.09)	\$ (107,051.30)	\$ (1,955,734.26)	\$ 60,256.74	\$ 612,298.97	\$ 34,833.96
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	11.66%	9.60%	0.00%	9.74%	9.64%	9.25%
Source: District records										

Note: Noncapital expenditures are total expenditures less Capital Outlay.
 Central Service and Administrative Information Technology account classifications were added beginning with year-end June 30, 2005.
 * Special Revenue expenditure allocation not available (2000 - 2004).
 ** Other Financing Sources/Uses - not available.

EATONTOWN SCHOOL DISTRICT
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

Fiscal Year Ending June 30,	Interest	Tuition From Other LEA's	Tuition From Individuals	Tuition Other	Transportation Fees From Individuals	Transportation Fees From Other LEAs	Walback	Miscellaneous	Annual Totals
2004	\$ 8,375.12		\$ 100,330.45				\$ 31,929.50	\$ 55,158.00	\$ 195,793.07
2005	36,275.75	\$ 17,979.01						35,551.29	89,806.05
2006	98,061.29							124,094.43	222,155.72
2007	418,215.14							128,869.10	547,084.24
2008	118,900.85							42,064.76	160,965.61
2009	38,010.01							102,943.28	140,953.29
2010	12,816.83	70,892.12						70,514.18	154,223.13
2011	7,389.55	1,067.00						29,504.97	37,961.52
2012	3,551.88	44,704.00		\$ 2,050.00		\$ 24,049.41		11,511.10	85,866.39
2013	3,974.32			58,004.00	\$ 16,987.00	425.03		5,688.86	85,079.21

Source: District records

REVENUE CAPACITY INFORMATION

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

Fiscal Year Ending June 30,	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>
2004	\$ 32,556,000	\$ 400,939,000	\$ 429,700	\$ 15,000	\$ 425,224,900	\$ 113,924,600	\$ 85,001,900
2005	28,217,800	408,337,700	429,700	15,000	433,482,900	110,972,100	83,336,400
2006	47,920,000	1,109,601,700	416,900	16,300	1,026,271,900	236,549,600	205,659,700
2007	50,434,200	1,103,387,000	416,900	16,300	938,918,200	213,318,200	176,808,300
2008	41,936,400	1,111,379,400	416,900	16,300	907,558,600	211,999,300	175,227,100
2009	39,369,900	1,079,073,400	406,900	16,600	910,250,900	211,999,300	175,172,100
2010	29,549,500	890,088,700	379,500	13,900	835,059,800	198,173,200	166,707,800
2011	28,399,200	893,833,000	379,500	13,900	824,613,500	194,822,900	166,707,800
2012	26,622,600	884,763,000	379,500	13,900	807,994,400	182,553,000	164,359,700
2013	33,369,100	871,759,800	379,500	13,900	772,831,800	180,753,100	164,280,000
	Total Assessed <u>Value</u>	Less: Tax-Exempt <u>Property</u>	Public <u>Utilities^a</u>	Net Valuation <u>Taxable</u>	Estimated Actual (County <u>Equalized) Value</u>	Total Direct School <u>Tax Rate^b</u>	
2004	\$ 1,222,642,400	\$ 164,551,300	\$ 5,517,345	\$ 1,063,608,445	\$ 1,571,001,883	1.076	
2005	1,229,342,900	164,551,300	5,036,939	1,069,828,539	1,716,918,062	1.112	
2006	R 3,030,063,800	403,627,700	7,876,282	2,634,312,382	2,130,183,972	0.482	
2007	2,888,722,600	405,423,500	7,581,892	2,490,880,992	2,253,726,629	0.569	
2008	2,448,534,000	N/A	8,154,843	2,456,688,843	2,419,254,321	0.573	
2009	2,821,686,200	405,397,100	7,896,116	2,424,185,216	2,635,568,390	0.589	
2010	2,525,369,500	405,397,100	9,791,841	2,129,764,241	2,492,512,157	0.676	
2011	2,517,712,900	408,943,100	8,445,754	2,117,215,554	2,399,334,244	0.681	
2012	3,360,768,700	409,319,600	9,313,909	2,960,763,009	2,143,001,928	0.697	
2013	2,433,062,400	409,675,200	7,490,834	2,030,878,034	2,074,516,960	0.724	

Source: County Abstracts of Ratables

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

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

b Tax rates are per \$100

N/A At the time of CAFR Completion, this data was not yet available

EATONTOWN SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS
 (RATE PER \$100 OF ASSESSED VALUE)
 (UNAUDITED)

Fiscal Year Ending June 30,	Eatontown School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Municipal Rate Borough of Eatontown	Regional Rate	Monmouth County	
2004	1.076	-	1.076	0.911	0.750	0.549	3.286
2005	1.112	-	1.112	0.946	0.734	0.530	3.322
2006	0.482	-	0.482	0.414	0.308	0.237	1.441
2007	0.569	-	0.569	0.472	0.333	0.241	1.615
2008	0.573	-	0.573	0.513	0.348	0.244	1.678
2009	0.598	-	0.589	0.541	0.371	0.282	1.783
2010	0.593	-	0.676	0.655	0.411	0.318	2.060
2011	0.680	-	0.681	0.681	0.406	0.317	2.085
2012	0.697	-	0.697	0.706	0.391	0.302	2.096
2013	0.724	-	0.724	0.761	0.429	0.311	2.225

Source: Municipal Tax Assessor

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

- a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.
- b Rates for debt service are based on each year's requirements.

EATONTOWN SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	2013			2004		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Eatontown Monmouth Mall LLC	\$ 167,000,000	1	8.22%	\$ 120,000,000	1	11.3%
Eatontown Cooperative Corp.	28,484,100	2	1.40%	24,017,500	2	2.3%
East Coast Eatoncrest Apt	24,696,400	3	1.22%	14,575,000	3	1.4%
VM Kushner LLC	23,812,600	4	1.17%	13,200,000	4	1.3%
Macy's East Federated Dept. Stores	22,944,000	5	1.13%	13,026,000	5	1.2%
Old Orchard Country ClubAssoc.,LP	22,522,200	6	1.11%	12,175,000	6	1.2%
Country Club Associates (Apartments)	21,993,700	7	1.08%	11,672,000	7	1.1%
Eatontown 36 LLC (Shopping Ctr.)	21,753,500	8	1.07%	11,178,000	8	1.1%
Stoney Hill Apartments	21,007,300	9	1.03%	11,152,000	9	1.1%
Laurel Gardens Co-op, Inc.	20,832,700	10	1.03%	10,600,000	10	1.0%
Total	\$ 375,046,500		18.47%	\$ 241,595,500		22.83%

Source: Municipal Tax Assessor

EATONTOWN SCHOOL DISTRICT
 PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year Ended <u>June 30,</u>	Taxes Levied for <u>the Fiscal Year</u>	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent <u>Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2004	\$ 10,700,000	\$ 10,700,000	100.00%	-
2005	11,440,504	11,440,504	100.00%	-
2006	11,892,961	11,892,961	100.00%	-
2007	12,689,970	12,689,970	100.00%	-
2008	14,180,721	14,180,721	100.00%	-
2009	14,084,189	14,084,189	100.00%	-
2010	14,270,156	14,270,156	100.00%	-
2011	14,386,396	14,386,396	100.00%	-
2012	14,406,086	14,406,086	100.00%	-
2013	14,546,087	14,546,087	100.00%	-

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

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

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

DEBT CAPACITY INFORMATION

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EATONTOWN SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ending June 30,	Governmental Activities			Bond		Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Anticipation Notes (BANS)	Capital Leases	Total District				
2004			\$ 300,481.00			\$ 300,481.00		0.05%	\$ 45,784.00	
2005							N/A	N/A	N/A	
2006							N/A	N/A	N/A	
2007	\$ 29,794,000.00					29,794,000.00		N/A	N/A	
2008	29,094,000.00					29,094,000.00		N/A	2,062.09	
2009	28,369,000.00		295,000.00			28,664,000.00		N/A	N/A	
2010	27,619,000.00					27,619,000.00		7.16%	26,965.00	
2011	26,844,000.00					26,844,000.00		5.99%	35,200.00	
2012	26,044,000.00					26,044,000.00		6.08%	33,708.00	
2013	25,194,000.00					25,194,000.00		6.25%	31,676.00	

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

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

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

EATONTOWN SCHOOL DISTRICT

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2004	N/A		N/A	N/A	N/A
2005	N/A		N/A	N/A	N/A
2006	N/A		N/A	N/A	N/A
2007	\$ 29,794,000.00		\$ 29,794,000.00	1.20%	\$ 2,124.80
2008	29,094,000.00		29,094,000.00	1.19%	2,062.09
2009	28,369,000.00		28,369,000.00	1.17%	2,025.20
2010	27,619,000.00		27,619,000.00	0.068%	1,930.05
2011	26,844,000.00		26,844,000.00	0.681%	2,110.05
2012	26,044,000.00		26,044,000.00	0.697%	2,049.26
2013	25,194,000.00		25,194,000.00	0.72%	1,980.50

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

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized Valuation Basis	
	2013
	\$ 2,074,516,960
	2012
	2,143,001,928
	2011
	2,399,334,244
	<u>\$ 6,616,853,132</u>
	(A)
	(A/3)
	\$ 2,205,617,711
	(B)
	66,168,531 a
	(C)
	<u>25,194,000</u>
	(B-C)
	<u>\$ 40,974,531</u>

	Fiscal Year				
	2004	2005	2006	2007	2008
Debt Limit	\$ 59,156,516	\$ 46,500,918	\$ 54,181,039	\$ 61,008,287	\$ 68,031,649
Total Net Debt Applicable To Limit	None	None	None	29,794,000	29,094,000
Legal Debt Margin	<u>\$ 59,156,516</u>	<u>\$ 46,500,918</u>	<u>\$ 54,181,039</u>	<u>\$ 31,214,287</u>	<u>\$ 38,937,649</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2009	2010	2011	2012	2013
Debt Limit	\$ 73,085,493	\$ 50,548,227	\$ 75,274,148	\$ 70,348,483	\$ 66,168,531
Total Net Debt Applicable To Limit	28,369,000	27,619,000	26,844,000	26,044,000	25,194,000
Legal Debt Margin	<u>\$ 44,716,493</u>	<u>\$ 22,929,227</u>	<u>\$ 48,430,148</u>	<u>\$ 44,304,483</u>	<u>\$ 40,974,531</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit					

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

a Limit set by N.J.S.A. 18A:24-19 for a K through 8 District; other percentage limits would be applicable for other District types.

DEMOGRAPHIC AND ECONOMIC STATISTICS

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

<u>Year</u>	<u>Population^a</u>	<u>Personal Income^b</u>	<u>Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
2004	14,117	\$ 646,332,728	\$ 45,784	4.20%
2005	14,088	N/A	N/A	4.00%
2006	14,340	N/A	N/A	4.00%
2007	14,022	N/A	N/A	4.30%
2008	14,109	N/A	N/A	4.40%
2009	14,008	N/A	N/A	8.50%
2010	14,310	385,869,150	26,965	8.50%
2011	12,722	447,814,400	35,200	4.20%
2012	12,709	428,394,972	33,708	4.20%
2013	12,721	402,950,396	31,676	8.20%

Source:

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

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

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

^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

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

OPERATING INFORMATION

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EATONTOWN SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction:										
Regular	N/A	90	93	96	101	104	94	82	84	85.6
Special Education	N/A	21	20	20	20	23	23	24	22.5	20.5
Other Special Education	N/A	6	6	12	12	9	10	11	10.5	11.5
Vocational	N/A	10	10							
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services	N/A	20	19	20	15	18	17	22	22	23.5
General Administration	N/A	4	4	4	4	5	8	7	7.4	7.9
School Administrative Services	N/A	10	9	9	8	8	5	4	4.4	4.4
Other Administrative Services										
Central Services	N/A	5	5	5	3	4	6	5	4.6	4.6
Administrative Information Technology	N/A	1					1	1	1.5	1.5
Plant Operations and Maintenance				1	1	1	1	1	1	1.0
Pupil Transportation	N/A	6	7	7	9	7	7	7	9	9.0
Other Support Services										
Special Schools										
Food Service										
Child Care										
Total		<u>173</u>	<u>173</u>	<u>174</u>	<u>173</u>	<u>179</u>	<u>172</u>	<u>164</u>	<u>166.9</u>	<u>169.5</u>

N/A As of the date of CAFR completion, this data was not yet available.

Source: District Personnel Records

EATONTOWN SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^d	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2005	1,252	\$ 18,327,537	\$ 14,639		106.00	9.8:1	7.3:1	1,243.1	1,198	-2.91%	96.35%
2006	1,167	18,356,479	15,730	7.45%	107.00	9.8:1	7.3:1	1,150.0	1,102	-7.50%	95.90%
2007	1,174	19,601,324	16,696	6.14%	128.00	9.2:1	7.2:1	1,192.9	1,141	3.73%	95.62%
2008	1,134	18,436,613	16,258	-2.62%	121.00	9.2:1	7.2:1	1,131.1	1,086	-4.79%	96.00%
2009	1,132	17,617,386	15,563	-4.27%	119.00	9.2:1	7.2:1	1,152.1	1,105	1.86%	95.90%
2010	1,098	19,147,850	17,439	12.05%	119.00	9.2:1	7.2:3	1,093.0	1,048	-5.16%	95.80%
2011	1,057	17,886,539	16,922	-2.96%	118.00	9.6:1	7.0:1	1,060.5	1,013	-2.77%	95.84%
2012	1,053	16,486,570	15,657	-7.48%	117.00	9.6:1	9.1:1	1,040.5	999	-1.89%	94.86%
2013	1,073	17,204,390	16,034	2.41%	122.00	9.7:1	10.2:1	1,071.5	1,023	2.98%	95.34%

a Operating expenditures equal total expenditures less debt service and capital outlay.

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

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

EATONTOWN SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS
(UNAUDITED)

District/Building	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Elementary:										
Administration Offices (2008)										
Square Feet	N/A	15,875	15,875	15,875	1,654	1,654	1,654	1,654	1,654	1,654
Capacity (Students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Woodmere Elementary (1961)										
Square Feet	N/A	44,510	44,510	44,510	44,510	44,510	44,510	44,510	44,510	44,510
Capacity (Students)	N/A	305	305	305	305	305	305	305	305	305
Enrollment	N/A	310	264	298	285	279	283	281	259	263
Margaret L. Vetter Elementary (1954)										
Square Feet	N/A	33,635	33,635	33,635	33,635	33,635	33,635	33,635	33,635	33,635
Capacity (Students)	N/A	344	344	344	344	344	344	344	344	344
Enrollment	N/A	330	309	288	286	278	280	249	257	281
Meadowbrook Elementary (1964)										
Square Feet	N/A	43,580	43,580	43,580	43,580	43,580	43,580	43,580	43,580	43,580
Capacity (Students)	N/A	320	320	320	320	320	320	320	320	320
Enrollment	N/A	312	306	329	305	313	305	309	308	309
Middle School:										
Memorial Middle School (1955)										
Square Feet	N/A	53,070	53,070	53,070	53,070	53,070	53,070	53,070	53,070	53,070
Capacity (Students)	N/A	321	321	321	321	321	321	321	321	321
Enrollment	N/A	289	275	259	258	262	230	223	233	227
Number of Schools at June 30,										
Elementary =	N/A	3	3	3	3	3	3	3	3	3
Middle School =	N/A	1	1	1	1	1	1	1	1	1

Source: District Facilities Office
 Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October District count.

EATONTOWN SCHOOL DISTRICT
STATEMENT OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
(UNAUDITED)

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

	*School Facilities Project # (s)	Steelman School	Woodmere School	Margaret L. Vetter School	Meadowbrook School	Memorial School	Total
2004	N/A	\$ 26,955.00	\$ 68,885.00	\$ 50,915.00	\$ 65,890.00	\$ 86,856.77	\$ 299,501.77
2005	N/A	28,437.65	72,674.03	53,715.57	69,514.27	91,632.44	315,973.96
2006	N/A	21,068.00	82,232.00	62,116.00	80,821.00	98,114.00	344,351.00
2007	N/A	37,988.48	71,473.49	73,250.90	77,229.08	71,318.81	331,260.76
2008	N/A	11,465.03	86,133.94	83,341.92	125,663.35	84,470.00	391,074.24
2009	N/A	SOLD	114,557.07	121,286.84	130,076.28	123,517.01	489,437.20
2010	N/A	SOLD	142,142.00	141,313.83	144,395.20	142,933.01	570,784.04
2011	N/A	SOLD	174,652.48	171,603.80	173,263.75	178,485.29	698,005.32
2012	N/A	SOLD	174,548.41	172,540.18	173,522.18	176,270.39	696,881.16
2013	N/A	SOLD	179,156.73	186,604.36	183,215.52	181,628.81	730,605.42
Total School Facilities		\$ 125,914.16	\$ 1,166,455.15	\$ 1,116,688.40	\$ 1,223,590.63	\$ 1,235,226.53	\$ 4,867,874.87

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

Source: District records

EATONTOWN SCHOOL DISTRICT

INSURANCE STATEMENT

JUNE 30, 2013
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1):		
Building and Contents (All Locations)	\$ 37,928,496	\$ 5,000
Boiler and Machinery	1,000,000	5,000
General Liability	6,000,000	
Automobile Liability	6,000,000	
Auto Physical Damage		1,000
Electric Data Processing		1,000
School Board Legal Liability	6,000,000	5,000
Student Accident Insurance (2):		
Compulsory	1,000,000	
Surety Bonds (3):		
Treasurer (5)	250,000	
School Business Administrator (3)	100,000	
Crime:		
Public Employee Dishonesty	100,000	1,000
Theft, Disappearance & Dishonesty - on or off property	10,000	500
Forgery & Alteration	100,000	1,000
Environmental Liability (4)	1,000,000	15,000

- (1) NJ School Boards Ass. Ins. Group
- (2) Markel Insurance
- (3) RLI Surety
- (4) American Safety Cas. Ins. Group
- (5) CAN

Source: District records

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SINGLE AUDIT SECTION

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EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Eatontown Board of Education, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Eatontown Board of Education's basic financial statements, and have issued our report thereon dated October 16, 2013 .

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eatontown Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey as Finding No. 2013-01.

We noted certain matters that we reported to management of the Eatontown Board of Education, in a separate letter dated October 16, 2013.

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.

This report is intended for the information of the management of the Board of Education of the Eatontown School District, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



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

Freehold, New Jersey
October 16, 2013



HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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EXHIBIT K-2

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A- 133 AND NEW JERSEY OMB CIRCULAR 04-04.

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

Report on Compliance for Each Major Federal and State Program

We have audited Eatontown Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2013. Eatontown Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Eatontown Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*; the *New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about Eatontown Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal or State Program

In our opinion, Eatontown Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04.

Report on Internal Control Over Compliance

Management of Eatontown Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Eatontown Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 or New Jersey OMB's 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 Eatontown Board of Education's internal control over compliance.

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

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

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

OMB Circular A-133 and New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

This report is intended for the information of the management of the Board of Education of the Eatontown School District, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. Allison', with a long horizontal stroke extending to the left.

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

Freehold, New Jersey
October 16, 2013

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EATONTOWN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2012	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2013 (Accounts Receivable)	Deferred Revenue	Due To Grantor
U.S. Department of Education:													
General Fund:													
Medical Assistance Program (SEMI)	93.778	N/A	\$ 28,016.42	07/01/12 06/30/13			\$ 28,016.42	\$ (28,016.42)					
Medical Assistance Program (SEMI)	93.778	N/A	24,511.75	07/01/11 06/30/12	\$ (7,499.69)		7,499.69						
Education Jobs Fund	84.410A	N/A	145,860.00	08/10/10 09/30/12	(145,860.00)		145,860.00						
Impact Aid	84.041	N/A	80,208.02	07/01/12 06/30/13			80,208.02	(80,208.02)					
Total General Fund					<u>(153,359.69)</u>		<u>261,584.13</u>	<u>(108,224.44)</u>					
U.S. Department of Education:													
Passed-Through State Department of Education:													
Special Revenue Fund:													
Title I - Part A	84.010A	NCLB126012	319,617.00	09/01/12 08/31/13			247,138.00	(249,079.33)	\$ (11.95)	\$ (1,953.28)			
Title I - Part A	84.010A	NCLB126012	241,131.00	09/01/11 08/31/12	(920.05)				920.05				
Title I - Part A	84.010A	NCLB126010	243,073.00	09/01/10 08/31/11									
A.R.R.A. - Title I - Part A	84.389	NCLB126010	63,524.00	09/01/09 06/30/11	(2,998.92)		2,998.92						
Title II - Part A - Improve Teacher Quality State Grants	84.367A	NCLB126012	41,774.00	09/01/12 08/31/13			41,774.00	(38,412.66)	(3,361.35)				
Title II - Part A - Improve Teacher Quality State Grants	84.367A	NCLB126012	40,608.00	09/01/11 08/31/12	(3,361.35)				3,361.35				
Title II - Part D - Enhancing Educ. Through Tech	84.318X	NCLB126012	224.00	09/01/11 08/31/12	(147.00)				147.00				
Title III - English Language Acquisition	84.365A	NCLB126012	24,350.00	09/01/12 08/31/13	952.22		14,560.00	(14,464.90)					
Title III - English Language Acquisition	84.365A	NCLB126012	7,982.00	09/01/11 08/31/12	(3,500.00)		216.00	(1,168.22)	107.87				
Learn and Serve America: School Based Program	94.004	11AMER324ALLS	14,000.00	09/01/10 06/01/12			3,500.00						
Race to the Top	84.413A	N/A	20,393.00	07/01/12 11/30/15			20,393.00						
I.D.E.A. Part B, Basic	84.027	IDEA126012	392,739.00	09/01/12 08/31/13			283,770.00	(332,799.37)	(3,434.50)		(52,463.87)		
I.D.E.A. Part B, Basic	84.027	IDEA126012	364,324.00	09/01/11 08/31/12	(5,607.60)		27,944.00						
I.D.E.A. Part B, Preschool	84.173	IDEA126012	13,370.00	09/01/12 08/31/13				(13,370.00)					
Total Special Revenue Fund					<u>(15,582.70)</u>		<u>642,293.92</u>	<u>(692,023.87)</u>	<u>(2,271.53)</u>		<u>(67,787.15)</u>	<u>202.97</u>	
U.S. Department of Agriculture:													
Passed-Through State Department of Education:													
Enterprise Fund:													
Food Distribution Program	10.550	N/A	30,713.70	07/01/12 06/30/13			30,713.70	(30,713.70)					
School Breakfast Program	10.553	N/A	40,683.57	07/01/11 06/30/12	(1,998.43)		1,998.43						
National School Lunch Program	10.555	N/A	39,385.49	07/01/12 06/30/13			34,952.72	(39,385.49)			(4,432.77)		
National School Lunch Program	10.555	N/A	184,735.49	07/01/11 06/30/12	(8,108.27)		8,108.27						
National School Lunch Program	10.555	N/A	192,199.26	07/01/12 06/30/13			174,037.01	(192,199.26)			(18,162.25)		
Total Enterprise Fund					<u>(10,106.70)</u>		<u>249,810.13</u>	<u>(262,298.45)</u>			<u>(22,695.02)</u>		
Total Federal Financial Awards					<u>\$ (179,049.09)</u>	<u>\$ 0.00</u>	<u>\$ 1,153,688.18</u>	<u>\$ (1,062,546.76)</u>	<u>\$ (2,271.53)</u>	<u>\$ 0.00</u>	<u>\$ (90,382.17)</u>	<u>\$ 202.97</u>	<u>\$ 0.00</u>

EATONTOWN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the fiscal year ended June 30, 2013

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Deferred Revenue/ (Accounts Receivable)	Balance at June 30, 2012		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balance	Balance at June 30, 2013		Memo Budgetary Receivable	Cumulative Total Expenditures
			From	To		Due To Grantor	(Accounts Receivable)					Deferred Revenue	Due To Grantor		
General Fund:															
Equalization Aid	13-495-034-5120-078	\$ 674,678.00	07/01/12	06/30/13			\$ 674,678.00	\$ 674,678.00	\$ (674,678.00)				\$ 66,054.00	\$ 674,678.00	
Transportation Aid	13-495-034-5120-014	246,883.00	07/01/12	06/30/13					(246,883.00)				24,691.00	246,883.00	
Special Education Aid	13-495-034-5120-089	638,467.00	07/01/12	06/30/13					(638,467.00)				62,134.00	638,467.00	
Security Aid	13-495-034-5120-084	217,154.00	07/01/12	06/30/13					(217,154.00)				21,710.00	217,154.00	
Adjustment Aid	13-495-034-5120-085	1,966,871.00	07/01/12	06/30/13					(1,966,871.00)				196,679.00	1,966,871.00	
Reimbursement of Nonpublic Transportation	12103190	18,298.22	07/01/12	06/30/13	\$ (18,298.22)			18,298.22						18,298.22	
Reimbursement of Nonpublic Transportation	13103190	12,257.94	07/01/12	06/30/13					(12,257.94)					12,257.94	
Extraordinary Special Education Costs Aid	12-100-034-5120-473	81,666.00	07/01/11	06/30/12	(81,666.00)			81,666.00						81,666.00	
Extraordinary Special Education Costs Aid	13-100-034-5120-473	70,671.00	07/01/12	06/30/13					(70,671.00)					70,671.00	
On-Behalf TPAF Pension System	13-495-034-5095-006	553,444.00	07/01/12	06/30/13				553,444.00	(553,444.00)					553,444.00	
On-Behalf TPAF Pension System	13-495-034-5095-007	29,119.00	07/01/12	06/30/13				29,119.00	(29,119.00)					29,119.00	
On-Behalf TPAF Pension System	13-495-034-5095-001	658,732.00	07/01/12	06/30/13				658,732.00	(658,732.00)					658,732.00	
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	677,702.80	07/01/12	06/30/13				644,890.66	(677,702.80)			(32,812.14)		677,702.80	
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	676,987.56	07/01/11	06/30/12	(46,108.76)			46,108.76						46,108.76	
Total General Fund					(146,072.99)		5,776,311.64	(5,745,979.74)				(115,741.08)	373,268.00	5,892,052.72	
Special Revenue Fund:															
N.J. Nonpublic Textbook Aid	13-100-034-5120-064	7,239.00	07/01/12	06/30/13				7,239.00	(7,063.40)						
N.J. Nonpublic Textbook Aid	12-100-034-5120-064	977.60	07/01/11	06/30/12						\$ (209.55)			\$ 185.60		
N.J. Nonpublic Nursing Services Aid	13-100-034-5120-070	10,047.00	07/01/12	06/30/13		\$ 209.55		10,047.00	(9,391.84)					655.16	
N.J. Nonpublic Nursing Services Aid	12-100-034-5120-070	1,396.00	07/01/11	06/30/12			1,141.60			(1,141.60)					
N.J. Nonpublic Technology Aid	13-100-034-5120-373	2,672.00	07/01/12	06/30/13				2,672.00	(2,601.43)					11.57	
N.J. Nonpublic Auxiliary Services Aid:															
Compensatory Education	13-100-034-5120-067	85,363.00	07/01/12	06/30/13				85,363.00	(86,363.00)						
N.J. Nonpublic Handicapped Aid:															
Examination and Classification	13-100-034-5120-066	44,115.00	07/01/12	06/30/13				44,115.00	(35,998.10)					8,116.90	
Corrective Speech	13-100-034-5120-066	23,670.00	07/01/12	06/30/13				23,670.00	(23,670.00)						
Corrective Speech	12-100-034-5120-066	26,856.00	07/01/11	06/30/12		237.00				(237.00)					
Supplementary Instruction	13-100-034-5120-066	30,876.00	07/01/12	06/30/13				30,876.00	(30,876.00)						
Character Education Aid	05-495-034-5120-053	4,000.00	07/01/04	06/30/05	84.03							\$ 84.03			
Total Special Revenue Fund					84.03	1,588.15	203,982.00	(194,953.77)			(1,647.15)	84.03	8,969.23		
Debt Service Fund:															
Debt Service Aid Type II	13-495-034-5120-017	689,853.00	07/01/12	06/30/13				689,853.00	(689,853.00)					689,853.00	
Total Debt Service Fund								689,853.00	(689,853.00)					689,853.00	
Enterprise Fund:															
State School Lunch Program	12-100-010-3350-022	4,719.87	07/01/11	06/30/12	(207.91)			207.91	(4,476.68)			(420.96)		4,719.87	
State School Lunch Program	13-100-010-3350-023	4,476.68	07/01/12	06/30/13				4,055.72						4,476.68	
Total Enterprise Fund					(207.91)			4,263.63	(4,476.68)			(420.96)		9,196.55	
Total State Financial Assistance					(146,196.86)	1,588.15	6,674,410.27	(6,635,263.19)			(1,647.15)	(116,162.04)	8,969.23	6,591,102.27	

EATONTOWN SCHOOL DISTRICT

NOTES TO SCHEDULES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

June 30, 2013

1. General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Board of Education ("Board"), Borough of Eatontown School District. The Board is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

2. Basis of Accounting

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

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

The General Fund is presented in the accompanying Schedules on the modified accrual basis, with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to 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. The Special Revenue Fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$8,420.00) for the General Fund and \$35,560.57 for the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

EATONTOWN SCHOOL DISTRICT

NOTES TO SCHEDULES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

June 30, 2013

3. Relationship to General Purpose Financial Statements (cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 108,224.44	\$ 5,737,559.74	\$ 5,845,784.18
Special Revenue Fund	727,534.49	194,953.77	922,488.26
Debt Service Fund		689,853.00	689,853.00
Food Service Fund	<u>262,298.45</u>	<u>4,476.66</u>	<u>266,775.13</u>
Total Awards and Financial Assistance	<u>\$ 1,098,057.38</u>	<u>\$ 6,626,843.17</u>	<u>\$ 7,724,900.55</u>

4. Relationship to Federal and State Financial Reports

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

5. Federal and State Loans Outstanding

Not applicable.

6. Other

Revenue and expenditures reported under the Food Distribution Program represent current-year value received and current-year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2013. 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, 2013.

EATONTOWN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

State Awards

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

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

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

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>495-034-5120-017</u>	<u>Debt Service Aid Type II</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

EATONTOWN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(continued)

Section II - Financial Statement Findings

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

None reported.

EATONTOWN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(continued)

Section III – 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 04-04.

None reported.

EATONTOWN SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

This section identifies the status of prior-year findings related to the general-purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, and OMB Circular A-133 (section .315 (a)(b)) and NJOMB Circular 04-04.

STATUS OF PRIOR-YEAR FINDINGS

Not applicable.