

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

Bayville, New Jersey  
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**BAYVILLE, NEW JERSEY**

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

**Prepared by**

**Berkeley Township Board of Education  
Business Administrator's Office**



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**INTRODUCTORY SECTION**

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# BERKELEY TOWNSHIP SCHOOL DISTRICT

53 CENTRAL PARKWAY  
BAYVILLE, NEW JERSEY 08721-2414

Laura Venter, CPA, RSBA, RSBO  
Business Administrator/Board Secretary

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October 21, 2014

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

Dear Board Members:

The Comprehensive Annual Financial Report ("CAFR") of the Berkeley Township School District for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education of Berkeley Township. To the best of my knowledge and belief, the data as presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis and the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and 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 Aids." Information related to this single audit, including the auditor's reports on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** The Berkeley Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB 34. All funds and account groups of the District are included in this report. The Berkeley Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PS through 6. These include regular programs, as well as Special Education for children with special needs. The District completed the 2013-2014 fiscal year with an average daily enrollment of 2,112 students. The following details the changes in the student average daily enrollment of the District over the last ten years.

## AVERAGE DAILY ENROLLMENT

Fiscal Year	Average Daily Student Enrollment	Percent Change
2004 – 2005	1,905.6	1.66%
2005 – 2006	1,908.5	.15%
2006 – 2007	1,907.6	( .04%)
2007 – 2008	1,948.0	2.12%
2008 – 2009	1,974.0	1.33%
2009 – 2010	2,015.0	2.08%
2010 – 2011	2,036.0	1.04%
2011 - 2012	2,021.6	(0.71%)
2012 – 2013	2,056.9	1.75%
2013 – 2014	2,112.0	2.68%

The District has experienced continual growth due to development within the Township.

**2) ECONOMIC CONDITION AND OUTLOOK:** The Berkeley Township, New Jersey area is bordered by the municipalities of Beachwood, Lacey Township, Manchester Township, Ocean Gate, Seaside Park, Toms River and South Toms River. The Township encompasses 41.9 square miles. The Township is part of Ocean County and is served by major transportation routes, including Route 9, the Garden State Parkway and a number of county roads.

The population of the Township of Berkeley is approximately 41,455 per the most recent census report. Of this number, approximately 43% are senior citizens who reside in the retirement communities locally known as Holiday City and Silver Ridge Park. Said communities were established in the western section of the Township in the late 1960's and early 1970's.

The Township has not experienced any unusual increase in its tax base with the exception of a Super Shop Rite located in the Berkeley Plaza on Route 9. Several additional strip malls located on Route 9 were completed in the last ten years.

Food chains, gas stations, auto-repair shops, fast food restaurants, convenience stores and miscellaneous service vendors comprise the bulk of the strip malls.

Since 1980 local school budgets have been rejected by the voters in the vast majority of the annual school elections. For budgets beginning with the 2012-2013 school year, voter approval is no longer required if the tax levy increase is below “CAP” or 2%. The 2013-2014 budget was within that “CAP,” therefore voter approval was not needed.

In recognition of the impact residential developments had on the school system, a Special Election was held on March 12, 2002. Township voters approved the issuance of \$24,430,100 in bonds to fund the local share of a \$33,491,000 building project. The project included additions and renovations to the three existing schools and construction of a new elementary school for grades 5 and 6. The remaining \$9,510,900 was funded by a grant from the New Jersey Economic Development Authority. The Bond sale closed on August 1, 2002. Construction was completed in 2005.

In April, 2010 the Board of Education issued Revenue Refunding Bonds for \$16,760,000. The results of this refunding created an economic gain with a net present value savings on interest expense of \$754,972.

On October 29, 2012, Super Storm Sandy hit the Jersey Shore. It had a devastating effect on many of the homes located throughout the Township. The resulting uninhabitable residences have had a negative impact on the total ratables for the Township as well as unexpected costs related to repairs and clean up.

For municipalities and school districts with decreased revenues that were directly related to Super Storm Sandy, FEMA provided Community Disaster Loans (CDL). These loans have the potential of being forgiven. The Berkeley Township School District has drawn \$365,211 in fiscal year 2014 and has budgeted to draw \$365,222 for fiscal year 2015 totaling \$730,433.

**3) SCHOOL DISTRICT PROFILE:** The Berkeley Township Board of Education currently operates three Pre K – Grade 4 elementary schools and one Grade 5 – 6 school. The oldest school, Bayville Elementary School, was constructed in 1926, the H. & M. Potter School was built in 1973. A 10-room addition to the Clara B. Worth School, which opened in 1962 – 63, was constructed in 1983. Classroom additions to the Bayville School, Clara B. Worth School and H. & M. Potter School opened in September 2004. The central office and Directors of Elementary Education and Special Ed with their respective support staff are housed in separate annex buildings. There is also a bus garage complex for in-house vehicle maintenance. The construction of a 5,000 square foot building to house the Buildings & Grounds, Transportation, Technology and Dining Services Departments was completed in 2012.

The School District is governed by a 9-member Board of Education and administered by a Superintendent of Schools, a Business Administrator/Board Secretary, a Director of Elementary Education, a Director of Special Education Services, four School Principals and four Supervisors.

The District operates a complete breakfast/lunch program in each school and an in-house transportation department that provides services for approximately 1,900 students daily.

**4) MAJOR EDUCATIONAL INITIATIVES:** During 2004 – 2005 school year, the District went through a major re-districting. The successful opening and staffing of the district's first middle school (Grades 5 and 6) took place in January, 2005.

Additions to the three elementary schools were completed in Spring 2005. Ten half-day Kindergarten classes were replaced by 14 all day Kindergarten classes in 2004 – 2005. The District takes pride in the condition of all its school campuses. Since 2006, all parking lots have been redone and 100% of all classrooms have been renovated with new ceilings, lighting, paint, flooring and whiteboards. Installation of solar tubes in ceilings have increased lighting while saving energy.

In 2011, the District completed a multi-year project installing district-wide phone upgrade with installation of classroom phones, VoIP phones, and a private fiber installation.

The District invested more than half a million dollars in a new Language Arts Program for all grade levels that was implemented in September 2012.

The District has added an additional computer lab at each of the PK-4 schools in preparation for the new state PARCC testing. Bandwidth has also been increased from 50 Mbps to 200 Mbps for this initiative. 180 Chrome Books have also been purchased for testing purposes. Additional Network Switches, access points and WiFi have been added to make a more suitable PARCC testing environment.

**5) INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles

(GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

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

**8) DEBT ADMINISTRATION:** At June 30, 2014, the District's outstanding debt includes \$74,358 Capital Leases payable, \$14,325,000 Bonds outstanding, and \$477,755 of compensated absences payable.

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

**10) RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. See J-20 in the statistical section.

**11) OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C., was selected by the Berkeley Township Board of Education. In addition to meeting the requirements set forth in state

statutes, the audit also was designed to meet the requirements of the U. S. Office of Management and Budget Circular A-133, "Audits of State, Local Government, non-profit organizations, and State Treasury Circular Letter 04-04 OMB," "Single Audit Policy for Receipts of Federal Grants, State Grants and State Aid Payments." The auditors report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**12) ACKNOWLEDGMENTS:**

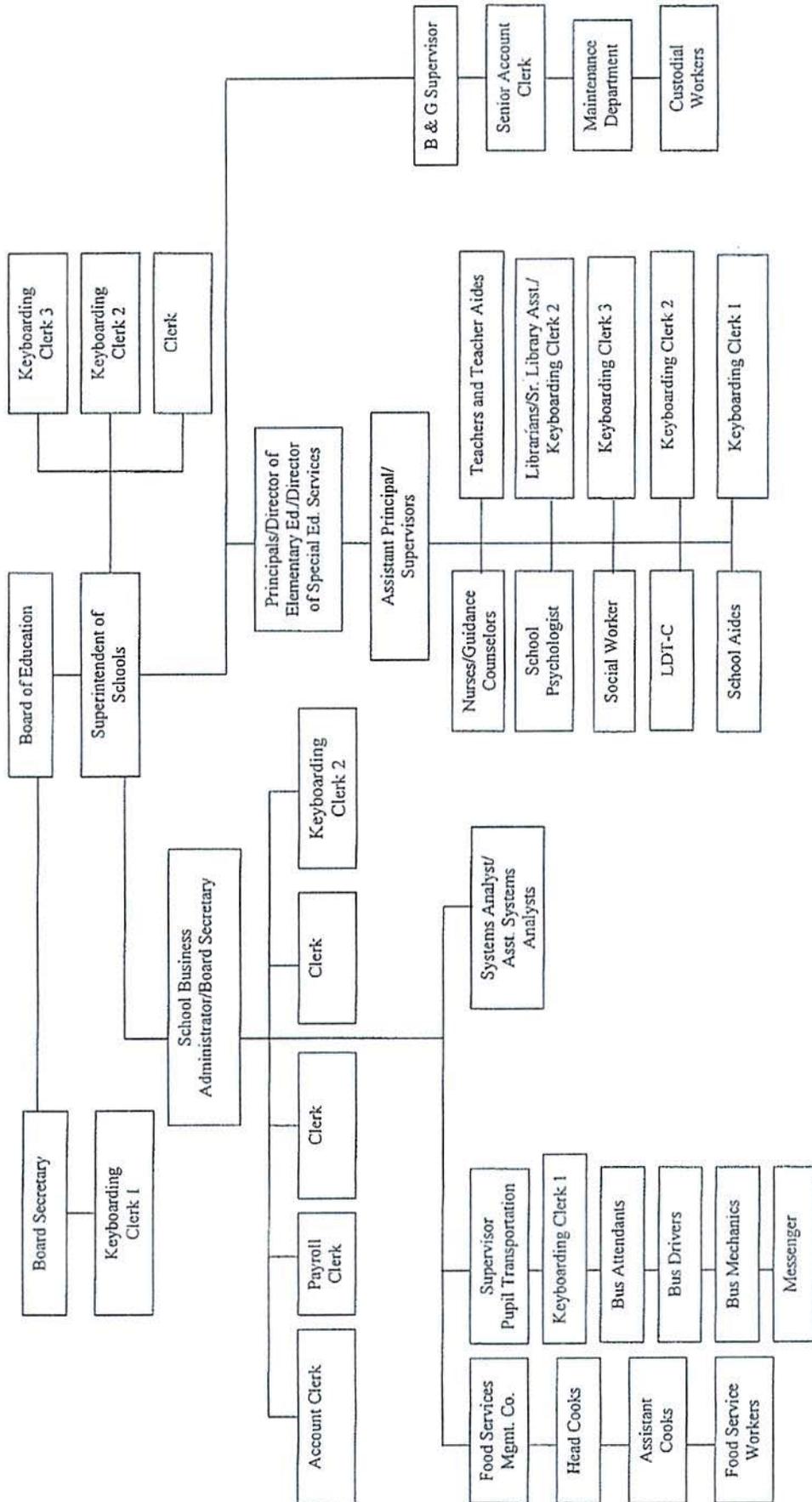
I would like to express my appreciation to the Business Office staff and Superintendent's staff and to those municipal, county and state personnel who contributed their time and respective expertise in providing statistical information for the compilation of this report and as can be found within this report. I further express my appreciation to the School District's auditing firm which provided guidance and advice during the preparation of this report.

Prepared by and Respectfully Submitted:



Laura Venter, CPA, RSBA  
Business Administrator/Board Secretary

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**BERKELEY TOWNSHIP BOARD OF EDUCATION**  
53 Central Parkway  
Bayville, New Jersey 08721-2496

**ROSTER OF OFFICIALS**

**JUNE 30, 2014**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Mrs. Noriko Kowalewski, President	2014
Mr. Louis J. Tuminaro, Vice President	2015
Mr. Edward Cammarato	2016
Mr. Sal Ferlise	2014
Mr. Keith Fisher	2015
Mr. Jim Fulcomer	2014
Mr. John MacMoyle	2016
Mr. Patrick Mooney	2015
Mr. Steve Pellechia	2016

**OTHER OFFICIALS**

Dr. James D. Roselli, Superintendent of Schools

Ms. Laura Venter, CPA, RSBA, RSBO, Business Administrator/Board Secretary

Mr. Carmen J. Memoli, CPA, Treasurer of School Monies

**BERKELEY TOWNSHIP BOARD OF EDUCATION**  
53 Central Parkway  
Bayville, New Jersey 08721-2496

**CONSULTANTS AND ADVISORS**

**ATTORNEY**

John Sahradnik  
Berry, Sahradnik, Kotzas, & Benson  
212 Hooper Avenue  
P.O. Box 757  
Toms River, New Jersey 08754

**AUDIT FIRM**

Frank B. Holman, III, CPA, PSA  
Holman Frenia Allison, P.C.  
10 Allen Street, Suite 2B  
Toms River, New Jersey 08753

**OFFICIAL DEPOSITORY**

Ocean First Bank  
975 Hooper Avenue  
Toms River, New Jersey 08753

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**FINANCIAL SECTION**

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HOLMAN | FRENIA  
ALLISON, P.C.  
Certified Public Accountants & Consultants

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926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090  
[www.hfacpas.com](http://www.hfacpas.com)

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Berkeley Township  
County of Ocean  
Bayville, 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 Berkeley Township School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Berkeley Township School District, County of Ocean, State of New Jersey, as of June 30, 2014, 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 as presented in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Berkeley Township School District's basic financial statements. The accompanying introductory section, comparative totals for June 30, 2013, 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 Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are also not a required part of the financial statements.

The combining and individual fund financial statements, long-term debt schedules and the accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and was derived from and relate 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 Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section, comparative totals for June 30, 2013, 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 21, 2014 on our consideration of the Board of Education of the Berkeley Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Board of Education of the Berkeley Township School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Frank B. Holman, III  
Public School Accountant  
Certified Public Accountant  
No. 783

Toms River, New Jersey  
October 21, 2014

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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**BERKELEY TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2014**

**(UNAUDITED)**

The Management's Discussion and Analysis (MD&A) of the Berkeley Township Board of Education provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2014. It should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal, which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

The MD&A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – "*Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments*" issued in June 1999 that is now being required by the New Jersey State Department of Education. Comparative information between the current fiscal year (2013–2014) and the prior fiscal year (2012–2013) is required and is presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

**Government-wide Financial Analysis**

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$23,503,508 on June 30, 2014. Total Net Position increased \$866,238 from June 30, 2013. The following table provides a summary of net assets relating to the District's governmental and business-type activities for the years ended June 30, 2014 and 2013:

	<b>June 30, 2014</b>			<b>June 30, 2013</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Current and other assets	7,205,115	60,102	7,265,217	6,539,004	61,701	6,600,705
Capital assets, net	<u>32,209,569</u>	<u>169,905</u>	<u>32,379,474</u>	<u>33,088,095</u>	<u>91,716</u>	<u>33,179,811</u>
Total assets	39,414,684	230,007	39,644,691	39,627,099	153,417	39,780,516
Deferred outflow of resources	663,133	--	663,133	--	--	--
Current liabilities	287,307	138,662	425,969	314,356	85,030	399,386
Non-current liabilities	<u>16,378,347</u>	<u>--</u>	<u>16,378,347</u>	<u>16,642,924</u>	<u>--</u>	<u>16,642,924</u>
Total liabilities	16,665,654	138,662	16,804,316	16,957,280	85,030	17,042,310
Net position:						
Invested in capital assets, net of related debt	17,810,211	169,905	17,980,116	14,998,377	91,716	15,090,093
Restricted	6,624,847	--	6,624,847	5,882,784	--	5,882,784
Unrestricted (deficit)	<u>(1,022,895)</u>	<u>(78,560)</u>	<u>(1,101,455)</u>	<u>1,788,658</u>	<u>(23,329)</u>	<u>1,765,329</u>
Total net position	<u>23,412,163</u>	<u>91,345</u>	<u>23,503,508</u>	<u>22,669,819</u>	<u>68,387</u>	<u>22,738,206</u>

Current assets increased mainly due to an increase in cash and cash equivalents placed into reserves. Capital assets decreased mainly due to depreciation expense of \$1,316,968 offset by additions/deletions of \$516,631.

Current liabilities increased mainly due to an increase in accounts payable.

Long-term liabilities went down due to payment of principal on bonds.

The largest portion of the District's net position is its investment in capital assets (e.g., land, construction in progress, buildings and improvements, and furniture and equipment), less any related debt (general obligation bonds payable and obligations under capital leases) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position reflects cash and cash equivalents that will be applied to subsequent year's resources.

### Changes in Net Position

	Governmental Activities	June 30, 2014 Business-type Activities	Total	Governmental Activities	June 30, 2013 Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	--	371,503	371,503	--	356,662	356,662
Operating and capital grants and contributions	761,951	485,635	1,247,586	832,852	377,003	1,209,855
General revenues:						
Property taxes	28,241,597	--	28,241,597	28,346,771	--	28,346,771
Federal and state aid not restricted to specific purposes	4,753,511	--	4,753,511	5,098,756	--	5,098,756
Services provided to other LEA's	265,629	--	265,629	371,766	--	371,766
Miscellaneous	221,031	--	221,031	176,945	--	176,945
Investment earnings	<u>27,505</u>	<u>540</u>	<u>28,045</u>	<u>22,674</u>	<u>213</u>	<u>22,887</u>
Total revenues	34,271,224	857,678	35,128,902	34,849,764	733,878	35,583,642
Expenses:						
Instructional services	12,290,287	--	12,290,287	11,935,704	--	11,935,704
Support services	20,488,034	834,720	21,322,754	21,369,476	762,263	22,131,739
Interest on long-term Liabilities	<u>649,623</u>	<u>--</u>	<u>649,623</u>	<u>689,450</u>	<u>--</u>	<u>689,450</u>
Total expenses	33,427,944	834,720	34,262,664	33,994,630	762,263	34,756,893
Change in net position	843,280	22,958	866,238	855,134	(28,385)	826,749
Beginning net position (Restated)	<u>22,568,883</u>	<u>68,387</u>	<u>22,637,270</u>	<u>21,814,685</u>	<u>96,772</u>	<u>21,911,457</u>
Ending net position	<u>23,412,163</u>	<u>91,345</u>	<u>23,503,508</u>	<u>22,669,819</u>	<u>68,387</u>	<u>22,738,206</u>

## **USING THE ANNUAL REPORT**

The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. The School Board's fund financial statements start with Schedule C-1, "Budgetary Comparison Schedule." For the School Board's governmental activities, these statements tell how the School Board financed its services in the short-term as well as what remains for future spending. Fund statements also may give the reader some insights into the School Board's overall financial health.

Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, such as the School Board's General Fund, Special Revenue Fund and Capital Projects Fund. The remaining statement, Statement of Fiduciary Net Position presents financial information about activities for which the School Board acts solely as an agent for the benefit of employees and students.

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

The School Board prepared the Introductory Section and the Statistical Section without association by the independent auditors. Accordingly, the School Board assumes full responsibility for the accuracy of these sections.

## **THE SCHOOL BOARD'S FUNDS**

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

As the School Board completed the fiscal years ending June 30, 2014 and 2013, it reported combined fund balances of \$7,079,625 and \$6,395,517 respectively, which is a current year increase of \$684,108. The reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds (Exhibit B-2) to the Statement of Activities (Exhibit A-2) presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

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

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

A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the CAFR, entitled Budgetary Comparison Schedule (Exhibit C-1). The School Board generally did better than had been budgeted in its General Fund since it forecasts revenues very conservatively and expenditures are budgeted with worst case scenarios in mind.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets:

At June 30, 2014 and 2013, the School Board had approximately \$33 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year and depreciation of depreciable assets for the year. The schedule below shows the net book value of general capital assets at the end of each year:

Capital Assets at:	June 30, 2014	June 30, 2013
Site & Improvements	\$2,485,972	\$ 2,412,232
Building & Building Improvements	41,764,684	41,764,684
Machinery & Equipment	<u>5,018,160</u>	<u>4,740,870</u>
Total Capital Assets	49,268,816	48,917,786
Accumulated Depreciation	<u>(17,059,247)</u>	<u>(15,829,691)</u>
	\$ <u>32,209,569</u>	\$ <u>33,088,095</u>

During the current fiscal year \$364,641 of fixed assets were capitalized as additions along with deletions of \$61. Increases in capital assets were offset by depreciation expense of \$1,316,968 for the year.

### Debt Administration:

During the fiscal year ended June 30, 2014 the following changes occurred in liabilities reported in the long-term debt:

Governmental	Balance 6/30/13	Issued/(Retired)/ Adjustments	Balance 6/30/14	Due Within One Year
Compensated Absences Payable	\$ 536,164	\$ (58,409)	\$ 477,755	--
Bonds Payable	15,565,000	(1,240,000)	14,325,000	\$ 1,300,000
Obligation Under Capital Leases	112,486	(38,128)	74,358	36,931
Bond Premium	1,273,723	(137,700)	1,136,023	--
Community Disaster Loan Program	<u>--</u>	<u>365,211</u>	<u>365,211</u>	<u>--</u>
Total	\$17,487,373	\$(1,109,026)	\$16,378,347	\$ 1,336,931

For additional information, see Note #8 of Notes to the Financial Statements.

## GENERAL FUND BUDGETARY HIGHLIGHTS

### Original to Final Budget

Total regular instruction appropriations were increased by \$319,405 mainly due to instructional supplies purchased related to PARCC readiness.

Operation & Maintenance of Plant Services increased by \$198,743 due mainly to items related to mold remediation and prevention.

## **Budget to Actual**

Unbudgeted revenues with corresponding expenditures include payments made by the State of New Jersey for TPAF pension contributions of \$535,713, TPAF Social Security of \$911,458, and TPAF post-retirement medical benefits of \$878,369.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

For the 2013–2014 school year, the School Board was able to sustain its budget through the Township tax levy, state education aid and local revenue sources. Only 16% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 84% of the total revenue is from the Township tax levy.

## **CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT**

The School Board's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Laura Venter, CPA, RSBA, School Business Administrator/Board Secretary, at the Berkeley Board of Education's office, 53 Central Parkway, Bayville, New Jersey 08721.

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**BASIC FINANCIAL STATEMENTS**

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A. District-Wide Financial Statements

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**BERKELEY TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

ASSETS	GOVERNMENTAL BUSINESS-TYPE		TOTAL
	ACTIVITIES	ACTIVITIES	JUNE 30, 2014
Cash & Cash Equivalents	\$ 7,032,867	\$ 6,951	\$ 7,039,818
Receivables - State	125,023	32,305	157,328
Receivables - Other Governments	29,160	5,467	34,627
Inventory	-	15,379	15,379
Due from Other Funds	18,065	-	18,065
Capital Assets (Note 7):			
Depreciable, Net	32,209,569	169,905	32,379,474
<b>Total Assets</b>	<b>39,414,684</b>	<b>230,007</b>	<b>39,644,691</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Loss on Refunding	663,133	-	663,133
<b>Total Deferred Outflow of Resources</b>	<b>663,133</b>	<b>-</b>	<b>663,133</b>
<b>LIABILITIES</b>			
Cash Deficit	-	11,639	11,639
Accounts Payable	37,453	97,624	135,077
Accrued Interest Payable	161,817	-	161,817
Due to Other Funds	-	18,065	18,065
Unearned Revenue	88,037	11,334	99,371
Noncurrent Liabilities (Note 8):			
Due Within One Year	1,336,931	-	1,336,931
Due Beyond One Year	15,041,416	-	15,041,416
<b>Total Liabilities</b>	<b>16,665,654</b>	<b>138,662</b>	<b>16,804,316</b>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	17,810,211	169,905	17,980,116
Restricted For:			
Other Purposes	6,624,847	-	6,624,847
Unrestricted	(1,022,895)	(78,560)	(1,101,455)
<b>Total Net Position</b>	<b>\$ 23,412,163</b>	<b>\$ 91,345</b>	<b>\$ 23,503,508</b>

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 7,445,934	\$ -	\$ -	\$ -	(7,445,934)	\$ (7,445,934)
Special School Instruction	3,814,426	-	694,144	-	(3,120,282)	(3,120,282)
Other Special Instruction	989,410	-	-	-	(989,410)	(989,410)
Other Instruction	40,517	-	-	-	(40,517)	(40,517)
Support Services & Undistributed Costs:						
Tuition	381,845	-	-	-	(381,845)	(381,845)
Student & Instruction Related Services	2,924,800	-	69,706	-	(2,855,094)	(2,855,094)
General Administrative Services	695,734	-	-	-	(695,734)	(695,734)
School Administrative Services	1,137,381	-	-	-	(1,137,381)	(1,137,381)
Central Services	404,445	-	-	-	(404,445)	(404,445)
Administrative Information Technology	270,485	-	-	-	(270,485)	(270,485)
Plant Operations & Maintenance	3,502,263	-	-	-	(3,502,263)	(3,502,263)
Pupil Transportation	1,567,695	-	-	-	(1,567,695)	(1,567,695)
Unallocated Amortization of Bond Costs	8,404,046	-	-	-	(8,404,046)	(8,404,046)
Unallocated Change in Compensated Absence	(57,320)	-	-	-	57,320	57,320
Unallocated Depreciation Expense & Prior Year Fixed Asset Adjustments, Excluding Direct Depreciation Expenses to Programs	(58,409)	-	-	-	58,409	58,409
Interest Expense	1,316,968	-	-	-	(1,316,968)	(1,316,968)
	649,623	-	-	-	(649,623)	(649,623)
Total Governmental Activities	33,429,843	-	763,850	-	(32,665,993)	(32,665,993)
Business-Type Activities:						
Food Service	829,318	366,073	410,835	74,800	-	22,390
Battling Cages	1,502	1,530	-	-	-	28
Bridge Program	3,900	3,900	-	-	-	-
Total Business-Type Activities	834,720	371,503	410,835	74,800	-	22,418

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	JUNE 30, 2014
Total Primary Government	\$ 34,264,563	\$ 371,503	\$ 1,174,685	\$ 74,800	(32,665,993)	22,418	(32,643,575)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					26,342,922	-	26,342,922
Taxes Levied for Debt Service					1,898,675	-	1,898,675
Federal & State Aid Not Restricted					4,753,511	-	4,753,511
Services Provided Other LEA's					265,629	-	265,629
Miscellaneous Income					221,031	-	221,031
Investment Earnings					27,505	540	28,045
Total General Revenues					33,509,273	540	33,509,813
Change In Net Position					843,280	22,958	866,238
Beginning Net Position (Restated)					22,568,883	68,387	22,637,270
Ending Net Position					\$ 23,412,163	\$ 91,345	\$ 23,503,508

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## B. Fund Financial Statements

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## Governmental Funds

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**BERKELEY TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2014  
(With Comparative Totals for June 30, 2013)**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL (MEMORANDUM ONLY)	
				JUNE 30, 2014	JUNE 30, 2013
Cash & Cash Equivalents	\$ 4,326,127	\$ 60,778	\$ -	\$ 4,386,905	\$ 4,189,212
Due from Other Funds	18,065	-	-	18,065	2
Tax Levy Receivable	-	-	2	2	-
Receivables from:					
Federal	-	29,158	-	29,158	243,271
State	125,023	-	-	125,023	155,692
Other	-	-	-	-	4,000
Reserved Cash & Cash Equivalents:					
Capital Reserve	1,525,071	-	-	1,525,071	1,021,540
Maintenance Reserve	858,651	-	-	858,651	855,693
Emergency Reserve	262,242	-	-	262,242	261,339
<b>Total Assets</b>	<b>\$ 7,115,179</b>	<b>\$ 89,936</b>	<b>\$ 2</b>	<b>\$ 7,205,117</b>	<b>\$ 6,730,749</b>
<b>LIABILITIES &amp; FUND BALANCES</b>					
<b>Liabilities:</b>					
Cash Deficit	\$ -	\$ -	\$ 2	\$ 2	\$ 191,743
Accounts Payable	35,554	1,899	-	37,453	87,957
Due to Other Funds	-	-	-	-	2
Unearned Revenue	-	88,037	-	88,037	55,530
<b>Total Liabilities</b>	<b>35,554</b>	<b>89,936</b>	<b>2</b>	<b>125,492</b>	<b>335,232</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve Account	1,525,071	-	-	1,525,071	1,021,540
Maintenance Reserve Account	858,651	-	-	858,651	855,693
Emergency Reserve Account	262,242	-	-	262,242	261,339
Excess Surplus	1,675,795	-	-	1,675,795	1,335,398
Excess Surplus Designated for Subsequent Year's Expenditures	1,335,398	-	-	1,335,398	1,443,540
<b>Committed for:</b>					
Other Purposes	967,690	-	-	967,690	984,177
Unassigned	454,778	-	-	454,778	493,830
<b>Total Fund Balances</b>	<b>7,079,625</b>	<b>-</b>	<b>-</b>	<b>7,079,625</b>	<b>6,395,517</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 7,115,179</b>	<b>\$ 89,936</b>	<b>\$ 2</b>		
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$49,268,816 and the accumulated depreciation is \$17,059,247.				32,209,569	33,088,095
Loss on early extinguishment of debt is recorded when incurred in the governmental funds but are deferred and recognized in the statement of activities, net of accumulated amortization				663,133	743,513
Accrual of bond and lease interest are not due and payable in the current period and therefore are not reported as liabilities in the funds.				(161,817)	(170,869)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Illustrative Note 8)				(16,378,347)	(17,487,373)
<b>Net Position of Governmental Activities</b>				<b>\$ 23,412,163</b>	<b>\$ 22,568,883</b>

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2014  
(With Comparative Totals for June 30, 2013)**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS	
				(MEMORANDUM ONLY)	
				JUNE 30, 2014	JUNE 30, 2013
<b>Revenues:</b>					
Local Tax Levy	\$ 26,342,922	\$ -	\$ 1,898,675	\$ 28,241,597	\$ 28,346,771
Interest on Investments	27,505	-	-	27,505	22,674
Tuition	168,419	-	-	168,419	-
Services Provided Other LEA's	265,629	-	-	265,629	371,766
Miscellaneous	221,031	-	-	221,031	176,945
<b>Total Local Sources</b>	<b>27,025,506</b>	<b>-</b>	<b>1,898,675</b>	<b>28,924,181</b>	<b>28,918,156</b>
State Sources	4,682,622	8,904	-	4,691,526	5,066,885
Federal Sources	70,889	754,946	-	825,835	864,723
<b>Total Revenues</b>	<b>31,779,017</b>	<b>763,850</b>	<b>1,898,675</b>	<b>34,441,542</b>	<b>34,849,764</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Regular Instruction	7,445,934	-	-	7,445,934	7,126,529
Special Education Instruction	3,120,282	694,144	-	3,814,426	3,742,079
Other Special Instruction	989,410	-	-	989,410	1,042,934
Other Instructional Programs	40,517	-	-	40,517	24,162
<b>Support Services &amp; Undistributed Costs - Current:</b>					
Tuition	381,845	-	-	381,845	385,128
Student & Instruction Related Services	2,893,222	69,706	-	2,962,928	2,803,699
General Administrative	695,734	-	-	695,734	671,088
School Administrative Services	1,137,381	-	-	1,137,381	1,174,579
Central Services	404,445	-	-	404,445	417,420
Administrative Information Technology	270,485	-	-	270,485	213,039
Plant Operations & Maintenance	3,496,792	-	-	3,496,792	2,982,312
Pupil Transportation	1,567,695	-	-	1,567,695	1,532,676
Unallocated Benefits	6,078,506	-	-	6,078,506	6,064,417
Nonbudgeted Expenditures	2,325,540	-	-	2,325,540	2,705,745
<b>Debt Service:</b>					
Principal	-	-	1,240,000	1,240,000	1,195,000
Interest	-	-	658,675	658,675	695,425
Capital Outlay	612,332	-	-	612,332	1,708,435
<b>Total Expenditures</b>	<b>31,460,120</b>	<b>763,850</b>	<b>1,898,675</b>	<b>34,122,645</b>	<b>34,484,667</b>
<b>Other Financing Sources/(Uses):</b>					
Community Disaster Loan	365,211	-	-	365,211	-
<b>Total Other Financing Sources/(Uses)</b>	<b>365,211</b>	<b>-</b>	<b>-</b>	<b>365,211</b>	<b>-</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>					
Fund Balance - July 1	684,108	-	-	684,108	365,097
Fund Balance - June 30	6,395,517	-	-	6,395,517	6,030,420
<b>Fund Balance - June 30</b>	<b>\$ 7,079,625</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,079,625</b>	<b>\$ 6,395,517</b>

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 684,108

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

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

Depreciation Expense	(1,316,968)	
Capital Outlays & Capital Lease Additions	<u>438,442</u>	(878,526)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 1,240,000

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

Issuance of Community Disaster Loan		(365,211)
-------------------------------------	--	-----------

Loss on the early extinguishments of debt, cost of issuance on refunding, and original issue premiums are recorded when incurred in the governmental funds but are deferred and recognized in the statement of activities over the life of the refunding:

Amortization of Loss on Refunding	(80,380)	
Amortization of Original Issue Premiums	<u>137,700</u>	57,320

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 38,128

Accrual of interest of capital leases and bonds is not an expenditure in the governmental funds, but the adjustment is charged to expense and is reported in the statement of activities.

Prior Year	170,869	
Current Year	<u>(161,817)</u>	9,052

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

Prior Year	536,164	
Current Year	<u>(477,755)</u>	58,409

Change in Net Position of Governmental Activities		<u>\$ 843,280</u>
---	--	-------------------

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

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## Proprietary Funds

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**BERKELEY TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2014  
 (With Comparative Totals for June 30, 2013)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			TOTALS	
	FOOD SERVICE	BATTLING CAGES	BRIDGE PROGRAM	JUNE 30, 2014	(MEMORANDUM ONLY) JUNE 30, 2013
<b>ASSETS</b>					
Current Assets:					
Cash & Cash Equivalents	\$ -	\$ 931	\$ 6,020	\$ 6,951	\$ 3,900
Account Receivable:					
State	733	-	-	733	619
Federal	32,305	-	-	32,305	26,472
Other	4,734	-	-	4,734	12,896
Inventories	15,379	-	-	15,379	17,814
Total Current Assets	53,151	931	6,020	60,102	61,701
Noncurrent Assets:					
Furniture, Machinery & Equipment	350,658	18,065	-	368,723	275,857
Less: Accumulated Depreciation	(197,915)	(903)	-	(198,818)	(184,141)
Total Noncurrent Assets	152,743	17,162	-	169,905	91,716
Total Assets	205,894	18,093	6,020	230,007	153,417
<b>LIABILITIES</b>					
Current Liabilities:					
Cash Deficit	11,639	-	-	11,639	42,218
Accounts Payable	97,624	-	-	97,624	33,429
Due To Other Funds	-	18,065	-	18,065	-
Unearned Revenue	5,314	-	6,020	11,334	9,383
Total Current Liabilities	114,577	18,065	6,020	138,662	85,030
<b>NET POSITION</b>					
Invested in Capital Assets Net of Related Debt	152,743	17,162	-	169,905	91,716
Unrestricted	(61,426)	(17,134)	-	(78,560)	(23,329)
Total Net Position	\$ 91,317	\$ 28	\$ -	\$ 91,345	\$ 68,387

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014  
(With Comparative Totals for June 30, 2013)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	BATTING CAGES	BRIDGE PROGRAM	JUNE 30, 2014	JUNE 30, 2013
Operating Revenues:					
Charges for Services:					
Daily Sales - Reimbursable Programs	\$ 222,225	\$ -	\$ -	\$ 222,225	\$ 229,893
Daily Sales - Nonreimbursable Programs	143,848	1,530	3,900	149,278	126,769
<b>Total Operating Revenues</b>	<b>366,073</b>	<b>1,530</b>	<b>3,900</b>	<b>371,503</b>	<b>356,662</b>
Operating Expenses:					
Cost of Sales	553,644	-	-	553,644	513,514
Salaries & Benefits	212,219	599	3,900	216,718	203,141
Professional Services	2,233	-	-	2,233	14,435
General Supplies	47,448	-	-	47,448	23,742
Depreciation	13,774	903	-	14,677	7,431
<b>Total Operating Expenses</b>	<b>829,318</b>	<b>1,502</b>	<b>3,900</b>	<b>834,720</b>	<b>762,263</b>
<b>Operating Loss</b>	<b>(463,245)</b>	<b>28</b>	<b>-</b>	<b>(463,217)</b>	<b>(405,601)</b>
Nonoperating Revenues/(Expenses):					
State Sources:					
State School Lunch Program	8,290	-	-	8,290	8,115
Federal Sources:					
National School Lunch Program	297,473	-	-	297,473	276,216
National School Breakfast Program	62,396	-	-	62,396	60,501
U.S.D.A. Commodities	42,676	-	-	42,676	32,171
Fixed Assets Contributed	74,800	-	-	74,800	-
Interest & Investment Revenue	540	-	-	540	213
<b>Total Nonoperating Revenues/(Expenses)</b>	<b>486,175</b>	<b>-</b>	<b>-</b>	<b>486,175</b>	<b>377,216</b>
<b>Change in Net Position</b>	<b>22,930</b>	<b>28</b>	<b>-</b>	<b>22,958</b>	<b>(28,385)</b>
<b>Total Net Position - Beginning</b>	<b>68,387</b>	<b>-</b>	<b>-</b>	<b>68,387</b>	<b>96,772</b>
<b>Total Net Position - Ending</b>	<b>\$ 91,317</b>	<b>\$ 28</b>	<b>\$ -</b>	<b>\$ 91,345</b>	<b>\$ 68,387</b>

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2014  
 (With Comparative Totals for June 30, 2013)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	BATTING CAGES	BRIDGE PROGRAM	JUNE 30, 2014	JUNE 30, 2013
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 374,235	\$ 1,530	\$ 3,900	\$ 379,665	\$ 353,832
Payments to Employees & Benefits	(212,388)	(599)	(1,780)	(214,767)	(202,043)
Payments to Suppliers	(494,019)	-	-	(494,019)	(496,230)
Net Cash Provided/(Used) by Operating Activities	(332,172)	931	2,120	(329,121)	(344,441)
Cash Flows From Noncapital Financing Activities:					
State Sources	8,176	-	-	8,176	7,915
Federal Sources	354,035	-	-	354,035	333,781
Net Cash Provided/(Used) by Noncapital Financing Activities	362,211	-	-	362,211	341,696
Cash Flows From Capital & Related Financing Activities:					
Purchases of Fixed Assets	-	-	-	-	(2,912)
Net Cash Provided/(Used) by Capital & Related Financing Activities	-	-	-	-	(2,912)
Cash Flows From Investing Activities:					
Interest & Dividends	540	-	-	540	213
Net Cash Provided/(Used) by Investing Activities	540	-	-	540	213
Net Increase/(Decrease) in Cash & Cash Equivalents					
Balances - Beginning of Year	30,579	931	2,120	33,630	(5,444)
Balances - End of Year	(42,218)	-	3,900	(38,318)	(32,874)
Balances - End of Year	\$ (11,639)	\$ 931	\$ 6,020	\$ (4,688)	\$ (38,318)

**Reconciliation of Operating Loss to Net Cash Provided/(Used) by Operating Activities:**

Operating Loss	\$ (463,245)	\$ 28	\$ -	\$ (463,217)	\$ (405,601)
Adjustments to Reconcile Operating Loss to Net Cash Provided/(Used) by Operating Activities:					
U.S.D.A. Commodities	42,676	-	-	42,676	32,171
Depreciation & Net Amortization	13,774	903	-	14,677	7,431
(Increase) Decrease in Inventories	2,435	-	-	2,435	(8,482)
(Increase)/Decrease in Accounts Receivable	8,162	-	-	8,162	(6,730)
Increase (Decrease) in Accounts Payable	64,195	-	-	64,195	31,772
Increase (Decrease) Unearned Revenue	(169)	-	2,120	1,951	4,998
Total Adjustments	131,073	903	2,120	134,096	61,160
Net Cash Provided/(Used) by Operating Activities	\$ (332,172)	\$ 931	\$ 2,120	\$ (329,121)	\$ (344,441)

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

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Fiduciary Fund

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**BERKELEY TOWNSHIP BOARD OF EDUCATION**  
**FIDUCIARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**  
**(With Comparative Totals for June 30, 2013)**

	PRIVATE PURPOSE		TOTALS	
	UNEMPLOYMENT COMPENSATION TRUST	AGENCY PAYROLL FUND	JUNE 30, 2014	JUNE 30, 2013
				(MEMORANDUM ONLY)
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 694,372	\$ 19,801	\$ 714,173	\$ 694,800
Accounts Receivable	-	542	542	107
Total Assets	694,372	20,343	714,715	694,907
<b>LIABILITIES</b>				
Cash Deficit	-	-	-	47
Accounts Payable	-	20,343	20,343	2,820
Payroll Deductions & Withholdings	-	-	-	60
Total Liabilities	-	20,343	20,343	2,927
<b>NET POSITION</b>				
Held in Trust for Unemployment Claims & Other Purposes	694,372	-	694,372	691,980
Total Net Position	\$ 694,372	\$ -	\$ 694,372	\$ 691,980

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014  
(With Comparative Totals for June 30, 2013)**

	PRIVATE PURPOSE		TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	JUNE 30, 2014	(MEMORANDUM ONLY) JUNE 30, 2013
ADDITIONS			
Contributions:			
Plan Members	\$ -	\$ -	\$ 250,000
Total Contributions	-	-	250,000
Investment Earnings:			
Interest	2,392	2,392	1,894
Net Investment Earnings	2,392	2,392	1,894
Total Additions	2,392	2,392	251,894
DEDUCTIONS			
Unemployment Claims	-	-	4,123
Total Deductions	-	-	4,123
Change in Net Position	2,392	2,392	247,771
Net Position - Beginning of the Year	691,980	691,980	444,209
Net Position - End of the Year	\$ 694,372	\$ 694,372	\$ 691,980

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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# BERKELEY TOWNSHIP BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

### Note 1. Summary of Significant Accounting Policies

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

#### A. Reporting Entity

The Berkeley Township Board of Education is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members' terms expire each year. The District provides a full range of educational services appropriate to grade levels PK through 6. These include regular, as well as special education for handicapped youngsters. The Berkeley Township Board of Education has an approximate enrollment at June 30, 2014 of 2,039 students.

#### B. Component Units

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

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

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

#### C. District-Wide and Fund Financial Statements

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

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

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

**C. District-Wide and Fund Financial Statements (continued)**

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

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

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

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

**E. Fund Accounting**

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

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

**E. Fund Accounting (continued)**

**Governmental Funds**

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

As required by the New Jersey Department of Education Berkeley Township Board of Education includes budgeted Capital Outlay in this fund. Generally accepted accounting principles (GAAP) as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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).

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

**Proprietary Fund**

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

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

**E. Fund Accounting (continued)**

**Enterprise** - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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

- Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District's cafeteria operations.
- Batting Cage Fund – This fund accounts for the revenues and expenses pertaining to the District's batting cage operations.
- Bridge Program Fund – This fund accounts for the revenues and expenses pertaining to the District's summer camp program.

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

Revenues are divided into operating and non-operating revenues. Operating revenues consist of daily sales. Non-operating revenues consist of federal and state reimbursable revenues and interest income.

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 are as follows:

Food Service Fund:	
Equipment	15 Years

**Fiduciary Fund**

Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as trustee or as an agent) and that cannot be used to finance the governmental entity's own operating programs which includes private purpose trust funds and agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations. The following is a description of the fiduciary funds of the District:

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

## **BERKELEY TOWNSHIP BOARD OF EDUCATION**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED JUNE 30, 2014**

#### **Note 1. Summary of Significant Accounting Policies (continued)**

##### **E. Fund Accounting (continued)**

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

In accordance with GASB Statement 34, fiduciary funds are not included in the district-wide financial statements.

##### **F. Basis of Accounting**

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

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

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

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

##### **G. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on or around the third Tuesday in April. Effective January 17, 2012, P.L.2011 c.202 eliminated the annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

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

**G. Budgets/Budgetary Control (continued)**

detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6A:23-1.2*. All budget amendments must be approved by School Board resolution.

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

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

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

Exhibit C-3 presents a reconciliation of the special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General, Special Revenues and Debt Service 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.

**H. Encumbrances**

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

Open encumbrances in the special revenue fund for which the Berkeley Township Board of Education has received advances are reflected in the balance sheet as either deferred revenues or as a reduction of the receivable 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.

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

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

**I. Cash & Cash Equivalents**

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

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

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

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

**J. Tuition Receivable/Payable**

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

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2014, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2010-2011 have been established and the District has billed/paid the school boards that have adjustments.

**K. Inventories**

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

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

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

**L. Inventories & Prepaid Expenses**

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditure during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

**M. Short-Term Interfund Receivables/Payables**

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

**N. Capital Assets**

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

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

Machinery and Equipment	5 – 20 Years
Building & Other Improvements	10 – 50 Years

**O. Compensated Absences**

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

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

**P. Unearned Revenue**

Unearned revenue in the general and special revenue funds represent cash, which has been received but not yet earned.

## BERKELEY TOWNSHIP BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED JUNE 30, 2014

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

##### Q. Long-Term Obligations

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

##### R. Deferred Outflow of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has only one item that qualifies for reporting in this category which is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunded debt results from the difference in the carrying value of the refunded debt and its acquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

##### S. Fund Balance

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

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

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

##### T. Net Position

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

## BERKELEY TOWNSHIP BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED JUNE 30, 2014

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

##### T. Net Position (continued)

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

##### U. Impact of Recently Issued Accounting Principles

###### Recently Issued and Adopted Accounting Pronouncements

In March 2012, the GASB issued Statement 66, *Technical Corrections—2012*—an amendment of GASB Statements No. 10 and No. 62. GASB 66 improves accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement is effective for periods beginning after December 15, 2012 although the District elected to early implement Statement 62 in fiscal year 2014. The adoption of GASB 66 does not have any impact on the District's financial statements.

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012. Management has implemented this Statement in the District's financial statements for the year ended June 30, 2014 with a prior period restatement to beginning net position. See note 19 for more information.

###### Recently Issued Accounting Pronouncements

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27*. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

##### V. Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2014 through October 21, 2014, which is the date the financial statements were available to be issued.

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

**Note 2. Cash & Cash Equivalents**

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2014, and reported at fair value are as follows:

<b>Type</b>	<b>Carrying Value</b>
<b>Deposits:</b>	
Demand Deposits	<u>\$ 7,753,991</u>
Total Deposits & Investments	<u>\$ 7,753,991</u>
 <b>Reconciliation of Statements of Net Position:</b>	
Governmental Activities	\$ 7,032,867
Business-Type Activities	6,951
Fiduciary Fund	<u>714,173</u>
Total Cash and Cash Equivalents	<u>\$ 7,753,991</u>

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

However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2014, the District’s bank balance of \$7,742,351 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 250,000
Uninsured and uncollateralized	464,173
Collateralized in the District’s Name Under GUDPA	<u>7,028,178</u>
Total	<u>\$ 7,742,351</u>

**Note 3. Capital Reserve Account**

A capital reserve account was established by the Berkeley Township Board of Education by inclusion of \$1,000 on June 30, 1994 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.

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

**Note 3. Capital Reserve Account (continued)**

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 express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 1,021,540
Interest Earnings	3,531
Plus:	
Resolution dated June 17, 2014	<u>500,000</u>
Ending Balance, June 30, 2014	<u>\$ 1,525,071</u>

The June 30, 2014 LRFP balance of local support costs of uncompleted capital projects at June 30, 2014 is \$32,379,413.

**Note 4. Maintenance Reserve Account**

A maintenance reserve account was established by the Berkeley Township Board of Education by inclusion of \$300,000 on June 17, 2008 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.

The activity of the maintenance reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 855,693
Interest Earnings	<u>2,958</u>
Ending Balance, June 30, 2014	<u>\$ 858,651</u>

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

**Note 5. Emergency Reserve Account**

An emergency reserve account was established by the Berkeley Township Board of Education by inclusion of \$250,000 on June 17, 2008 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 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.

The activity of the emergency reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 261,339
Interest Earnings	<u>903</u>
Ending Balance, June 30, 2014	<u>\$ 262,242</u>

**Note 6. Accounts Receivable**

Accounts receivable at June 30, 2014 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Proprietary Fund</u></b>	<b><u>Total</u></b>
Intergovernmental	\$ 125,023	\$ 29,158	\$ 33,038	\$ 187,219
Other	-	-	4,734	4,734
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 125,023</u>	<u>\$ 29,158</u>	<u>\$ 37,772</u>	<u>\$ 191,953</u>

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

**Note 7. Capital Assets**

The following schedule is a summary of the general capital assets for the fiscal year ended June 30, 2014:

	<b>June 30, 2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2014</b>
Capital Assets Not Being Depreciated:				
Site & Improvements	\$ 2,412,232	\$ 73,740	\$ -	\$ 2,485,972
Capital Assets Being Depreciated:				
Building & Building Improvements	41,764,684	-	-	41,764,684
Machinery and Equipment	4,740,870	364,641	(87,351)	5,018,160
Total Capital Assets Being Depreciated	46,505,554	364,641	(87,351)	46,782,844
Less: Accumulated Depreciation	(15,829,691)	(1,316,968)	87,412	(17,059,247)
Total Capital Assets Being Depreciated, Net	30,675,863	(952,327)	61	29,723,597
Total	\$ 33,088,095	\$ (878,587)	\$ 61	\$ 32,209,569

The following is a summary of proprietary fund type capital assets at June 30, 2014:

	<b>June 30, 2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2014</b>
Machinery & Equipment	\$ 275,857	\$ 92,866	\$ -	\$ 368,723
Less: Accumulated Depreciation	(184,141)	(14,677)	-	(198,818)
Net Capital Assets	\$ 91,716	\$ 78,189	\$ -	\$ 169,905

**Note 8. Long-Term Obligations**

During the fiscal year ended June 30, 2014 the following changes occurred in liabilities reported in the long-term debt:

	<b>Balance 06/30/13</b>	<b>Issued</b>	<b>Retired /Adj.</b>	<b>Balance 06/30/14</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Compensated Absences Payable	\$ 536,164	\$ -	\$ (58,409)	\$ 477,755	\$ -
Bonds Payable	15,565,000	-	(1,240,000)	14,325,000	1,300,000
Obligations Under Capital Leases	112,486	-	(38,128)	74,358	36,931
Bond Premium	1,273,723	-	(137,700)	1,136,023	-
Community Disaster Loan Payable	-	365,211	-	365,211	-
Total	\$ 17,487,373	\$ 365,211	\$ (1,474,237)	\$ 16,378,347	\$ 1,336,931

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

**Note 8. Long-Term Obligations (continued)**

The principal and interest of these bonds will be paid from the debt service fund as required by New Jersey statutes. Other long-term liabilities are typically paid through the general fund.

**A. Bonds Payable**

The voters of the municipality through referendums authorize bonds in accordance with state law. All bonds are retired in serial installments within the statutory period of usefulness.

**2010 Bonds**  
**Description**

The Board of Education issued Revenue Refunding Bonds, Series 2010, dated April 8, 2010 in the amount of \$16,760,000. The proceeds of this bond issue were used to advance refund certain callable maturities of the Board of Education’s outstanding Series 2002 Bonds dated August 1, 2002. The Series 2002 Bonds were redeemed on April 8, 2010 at a redemption price of 100% of the principal amount thereof. The bonds included premiums of \$1,721,248 and expenses of \$136,400 resulting in a long term loss on the refunding \$1,004,748. The results of the refunding created an economic gain on the transaction with a net present value savings on interest expense of \$754,972.

Principal and interest due on the total bonds outstanding is as follows:

<b>Fiscal Year Ending June 30,</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2015	\$ 1,300,000	\$ 609,438	\$ 1,909,438
2016	1,360,000	564,600	1,924,600
2017	1,415,000	515,900	1,930,900
2018	1,495,000	450,225	1,945,225
2019	1,575,000	377,413	1,952,413
2020-2023	<u>7,180,000</u>	<u>724,013</u>	<u>7,904,013</u>
Total	<u>\$ 14,325,000</u>	<u>\$ 3,241,589</u>	<u>\$ 17,566,589</u>

**B. Obligations Under Capital Leases**

The District is leasing capital items and equipment under capital leases. All capital leases are for terms of varying years, usually three to five. Interest rates range from 5.34% to 11.00%. Assets acquired through capital leases as of June 30, 2014 totaled \$313,489. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2014:

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

**Note 8. Long-Term Obligations (continued)**

**B. Obligations Under Capital Leases (continued)**

<b>Year-ending June 30,</b>	<b>Amount</b>
2015	\$40,319
2016	21,448
2017	<u>17,876</u>
Total Minimum Lease Payments	79,643
Less: Amount Representing Interest	<u>(5,285)</u>
Present Value of Lease Payments	<u>\$74,358</u>

**Note 9. Pension Plans**

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

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established in January 1955, under the provisions of *N.J.S.A.18A:66* to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related noncontributing 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.

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

**Vesting and Benefit Provisions** - The vesting and benefit provisions of 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 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

**Note 9. Pension Plans (continued)**

achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

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

Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the TPAF and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

**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 both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

<b>Three-Year Trend Information for PERS</b>			
<b>Year Funding</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
06/30/14	\$399,845	100%	\$-0-
06/30/13	412,534	100%	-0-
06/30/12	414,208	100%	-0-

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

**Note 9. Pension Plans (continued)**

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

<b>Year Funding</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
06/30/14	\$1,414,082	100%	\$-0-
06/30/13	1,781,043	100%	-0-
06/30/12	1,216,932	100%	-0-

During the year ended June 30, 2014 the State of New Jersey contributed \$1,414,082 to the TPAF for normal pension and 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 \$911,458 for the year ended June 30, 2014 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 basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**Note 10. Post-Retirement Benefits**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 100,134 retirees receiving post-retirement medical benefits, and the state contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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 \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2014.

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-employment benefits on behalf of the District for the years ended June 30, 2014, 2013, and 2012 were \$878,369, \$945,166, and \$812,671, 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.

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

**Note 11. Risk Management**

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

**Property and Liability Insurance** – The District maintains commercial insurance coverage for property, liability and surety bonds. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverage over the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**New Jersey Unemployment Compensation Insurance** – The District has elected to fund their New Jersey Unemployment Compensation Insurance under the “Contributory Method” beginning January 1, 2011. 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. On January 1, 2011, the District changed to the “Contributory Method” under which the District pays .007% of each employee’s gross salary up to \$29,600 to the New Jersey Unemployment Trust Fund. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s expendable trust fund for the current and previous two years:

<b>Fiscal Year</b>	<b>Employee Contributions</b>	<b>Board Transfer</b>	<b>Interest Earned</b>	<b>Amount Reimbursed</b>	<b>Ending Balance</b>
2013-2014	\$ -	\$ -	\$ 2,392	\$ -	\$ 694,372
2012-2013	-	250,000	1,894	4,123	691,980
2011-2012	-	-	1,595	88,693	444,209

**Note 12. Contingent Liabilities**

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2014 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

The District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Board, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**Note 13. Economic Dependency**

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

**Note 14. Interfund Receivables and Payables**

The following interfund balances remained on the balance sheet at June 30, 2014:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund		\$ 18,065
Batting Cage Fund	<u>\$ 18,065</u>	<u>                    </u>
 Total	 <u>\$ 18,065</u>	 <u>\$ 18,065</u>

The interfund payable in the debt service fund represents a loan to the general fund not returned at June 30, 2014 and are expected to be repaid within one year.

**Note 15. Fund Balance**

**General Fund** – Of the \$7,079,625 General Fund fund balance at June 30, 2014, \$1,525,071 has been restricted for the capital reserve account; \$858,651 has been restricted for the maintenance reserve account; \$262,242 has been restricted for the emergency reserve account; \$1,675,795 has been restricted for the excess surplus; \$1,335,398 has been restricted for the excess surplus designated for subsequent year’s expenditures; \$967,690 has been committed for other purposes; and \$454,778 is unassigned.

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

**Note 16. Deferred Compensation**

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

Lincoln Investment	AXA Equitable
Valic	MetLife

**Note 17. Compensated Absences**

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2014**

**Note 17. Compensated Absences (continued)**

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2014 is \$477,755.

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, 2014 no liability existed for compensated absences in the proprietary fund types.

**Note 18. Calculation of Excess Surplus**

In accordance with *N.J.S.A.18A:7F-7*, as amended by *P.L. 2004, c.73 (S1701)*, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District has excess fund balance of \$1,675,795 at June 30, 2014.

**Note 19. Prior Period Restatement**

As discussed in Note 1, the District has implemented GASB Statement 65, *Items Previously Reported as Assets and Liabilities* in the District's financial statements for the year ended June 30, 2014. As a result, net position as of July 1, 2013 has been restated as follows:

	Original Balance	Net Adjustment	Restated Balance
Bond Issuance Costs (1)	\$ 100,936	\$ (100,936)	\$ -0-
Net Position, July 1, 2013	\$ (22,669,819)	\$ 100,936	\$ (22,568,883)

(1) Previously reported as an asset on the Statement of Net Position and amortized over the life of related debt.

**Note 20. FEMA Community Disaster Loan (CDL)**

General Fund – The District applied for and received a CDL in response to the devastating effects on the property tax ratable base of the municipality due to Superstorm Sandy in October 2012. The District was approved for \$5,000,000 total loan with an interest rate of 1.375%. The District chose to withdraw \$365,211 as a reduction of the tax levy assessed for the 2013-2014 school year. The amount of principal and interest accrued through June 30, 2014 is \$365,211 and \$3,348 respectively. This loan is subject to FEMA review in 2016 and may be fully or partially cancelled based upon FEMA's calculation of the revenue loss that the district experienced over the specified period. The loan matures in 2018.

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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**BERKELEY TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

ACCOUNT NUMBERS	JUNE 30, 2014			JUNE 30, 2013			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:							
Local Sources:							
Local Tax Levy	\$ 26,342,922	\$ -	\$ 26,342,922	\$ 26,342,922	\$ -	\$ 26,456,346	\$ 26,456,346
Tuition from Individuals	90,000	-	113,717	23,717	-	-	-
Tuition from LEAs	-	-	54,702	54,702	-	-	-
Interest	5,804	-	20,114	14,310	-	9,496	17,327
Interest Earned on Emergency Reserve	100	-	903	803	-	100	1,003
Interest Earned on Maintenance Reserve	100	-	2,957	2,857	-	100	3,320
Interest Earned on Capital Reserve	100	-	3,531	3,431	-	100	924
Services Provided Other LEA's	264,000	-	265,629	1,629	-	-	371,766
Miscellaneous	111,008	-	221,031	110,023	-	253,700	139,159
<b>Total Local Sources</b>	<b>26,814,034</b>	<b>-</b>	<b>27,025,506</b>	<b>211,472</b>	<b>-</b>	<b>26,719,842</b>	<b>26,989,945</b>
State Sources:							
Categorical Transportation Aid	786,353	-	786,353	-	-	768,095	768,095
Categorical Special Education Aid	1,132,766	-	1,132,766	-	-	1,112,544	1,112,544
Categorical Security Aid	295,958	-	295,958	-	-	284,285	284,285
Extraordinary Aid	-	-	69,445	69,445	-	-	101,963
Nonpublic Transportation	-	-	6,930	6,930	-	-	8,178
Adjustment Aid	72,495	-	72,495	-	-	86,638	86,638
Nonbudgeted:	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contribution	-	-	535,713	535,713	-	-	835,877
On-Behalf TPAF Medical Contribution	-	-	878,369	878,369	-	-	945,166
Reimbursed TPAF Social Security	-	-	911,458	911,458	-	-	924,702
<b>Total State Sources</b>	<b>2,287,572</b>	<b>-</b>	<b>4,689,487</b>	<b>2,401,915</b>	<b>-</b>	<b>2,251,562</b>	<b>5,067,448</b>
Federal Sources:							
Medicaid Reimbursement	37,987	-	70,889	32,902	-	37,987	63,266
Education Jobs Fund Program	-	-	-	-	-	3,083	3,083
Medicaid Administrative Claiming	-	-	-	-	-	-	4,123
<b>Total Federal Sources:</b>	<b>37,987</b>	<b>-</b>	<b>70,889</b>	<b>32,902</b>	<b>3,083</b>	<b>41,070</b>	<b>70,472</b>
<b>Total Revenues</b>	<b>29,139,593</b>	<b>-</b>	<b>31,785,882</b>	<b>2,646,289</b>	<b>3,083</b>	<b>29,012,474</b>	<b>32,127,865</b>
Expenditures:							
Current Expense:							
Instruction - Regular Programs:							
Salaries of Teachers:							
Preschool	150	-	-	150	-	107,042	83
Kindergarten	978,213	22,892	1,000,857	248	-	968,233	963,345
Grades 1 - 5	4,682,597	(111,878)	4,570,719	-	-	4,567,823	4,431,553
Grades 6 - 8	930,535	6,646	937,181	-	-	978,914	933,223
Regular Programs - Home Instruction:							
Salaries of Teachers	25,000	(3,795)	13,835	7,370	-	12,500	38,147
Purchased Professional -							
Educational Services	4,000	-	3,258	742	-	4,000	3,694
Regular Programs - Undistributed Instruction:							
Purchased Professional -							
Educational Services	25,000	-	3,525	21,475	-	23,000	2,053
<b>Total Expenditures:</b>	<b>29,139,593</b>	<b>-</b>	<b>31,785,882</b>	<b>2,646,289</b>	<b>3,083</b>	<b>29,012,474</b>	<b>32,127,865</b>
<b>Total</b>	<b>29,139,593</b>	<b>-</b>	<b>31,785,882</b>	<b>2,646,289</b>	<b>3,083</b>	<b>29,012,474</b>	<b>32,127,865</b>
<b>Total Revenues</b>	<b>29,139,593</b>	<b>-</b>	<b>31,785,882</b>	<b>2,646,289</b>	<b>3,083</b>	<b>29,012,474</b>	<b>32,127,865</b>
<b>Total Expenditures</b>	<b>29,139,593</b>	<b>-</b>	<b>31,785,882</b>	<b>2,646,289</b>	<b>3,083</b>	<b>29,012,474</b>	<b>32,127,865</b>
<b>Net Change</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Final Balance</b>	<b>270,103</b>	<b>-</b>	<b>270,103</b>	<b>270,103</b>	<b>-</b>	<b>270,103</b>	<b>270,103</b>

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

ACCOUNT NUMBERS	JUNE 30, 2014			JUNE 30, 2013			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Purchased Professional - Technical Services	-	1,890	1,890	-	-	-	-
Other Purchased Services	10,675	(650)	10,025	3,536	(2,568)	8,107	727
General Supplies	653,389	293,679	947,068	828,165	91,856	821,313	734,059
Textbooks	182,480	(109,781)	72,699	57,403	(216,793)	45,687	44,189
Other Objects	6,600	22,644	29,244	22,612	11,094	12,694	10,656
<b>Total Regular Programs - Instruction</b>	<b>7,498,639</b>	<b>121,647</b>	<b>7,620,286</b>	<b>7,445,934</b>	<b>(280,894)</b>	<b>7,384,830</b>	<b>7,126,529</b>
Special Education:							
Learning and/or Language Disabilities:							
Salaries of Teachers	914,906	69,650	984,556	984,556	65,788	918,656	918,656
Other Salaries for Instruction	223,716	179,451	403,167	403,167	(33,386)	212,225	208,844
General Supplies	5,000	10,706	15,706	164	-	6,700	2,758
Textbooks	5,000	6,355	11,355	7,757	-	500	-
<b>Total Learning and/or Language Disabilities</b>	<b>1,148,622</b>	<b>266,162</b>	<b>1,414,784</b>	<b>1,411,022</b>	<b>32,402</b>	<b>1,138,081</b>	<b>1,130,258</b>
Multiple Disabilities:							
Salaries of Teachers	120,424	2,108	122,532	122,532	(3,849)	125,665	118,182
Other Salaries for Instruction	18,080	63,247	81,327	81,327	(13,969)	36,898	33,072
General Supplies	4,500	1,550	6,050	6,046	(300)	4,700	2,395
Textbooks	250	(250)	-	-	-	500	500
Other Objects	1,000	-	1,000	875	600	600	-
<b>Total Multiple Disabilities</b>	<b>144,254</b>	<b>66,655</b>	<b>210,909</b>	<b>210,780</b>	<b>(17,518)</b>	<b>168,363</b>	<b>154,149</b>
Resource Room/Resource Center:							
Salaries of Teachers	1,067,614	(152,121)	915,493	893,947	(36,329)	1,059,407	1,043,921
Other Salaries for Instruction	124,379	(82,333)	42,046	23,833	28,795	75,970	69,471
General Supplies	5,000	433	5,433	5,336	-	5,000	4,773
<b>Total Resource Room</b>	<b>1,196,993</b>	<b>(234,021)</b>	<b>962,972</b>	<b>923,116</b>	<b>(7,534)</b>	<b>1,140,377</b>	<b>1,118,165</b>
Autism:							
Salaries of Teachers	154,174	-	154,174	149,190	(4,400)	153,823	152,851
Other Salaries for Instruction	157,307	(43,799)	113,508	81,965	(35,308)	156,895	152,797
Purchased Professional- Services	10,000	12,590	22,590	20,399	-	20,000	679
General Supplies	5,700	-	5,700	5,043	(1,000)	2,700	1,565
Other Objects	1,000	-	1,000	706	1,000	1,000	527
<b>Total Autism</b>	<b>328,181</b>	<b>(31,209)</b>	<b>296,972</b>	<b>257,303</b>	<b>(39,708)</b>	<b>334,418</b>	<b>308,419</b>
Preschool Disabilities - Part Time:							
Salaries of Teachers	209,977	3,717	213,694	213,410	284	206,689	206,584
Other Salaries for Instruction	90,465	13,205	103,670	103,533	137	92,047	92,047
General Supplies	-	1,196	1,196	1,118	78	757	757
<b>Total Preschool Disabilities - Part-Time</b>	<b>300,442</b>	<b>18,118</b>	<b>318,560</b>	<b>318,061</b>	<b>168,304</b>	<b>299,493</b>	<b>299,388</b>
<b>Total Special Education</b>	<b>3,118,492</b>	<b>85,705</b>	<b>3,204,197</b>	<b>3,120,282</b>	<b>135,946</b>	<b>3,080,732</b>	<b>3,010,379</b>
<b>Total</b>	<b>15,486,642</b>	<b>(1,118,165)</b>	<b>14,368,477</b>	<b>14,368,477</b>	<b>(1,118,165)</b>	<b>13,250,312</b>	<b>12,132,147</b>

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

ACCOUNT NUMBERS	JUNE 30, 2014		ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2013		ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS			ORIGINAL BUDGET	BUDGET TRANSFERS			
Basic Skills/Remedial: Salaries of Teachers	1,004,052	(57,285)	923,417	23,350	985,796	10,544	996,340	979,606	16,734
Total Basic Skills/Remedial	1,004,052	(57,285)	923,417	23,350	985,796	10,544	996,340	979,606	16,734
Bilingual Education - Instruction: Salaries	64,278	1,715	65,993	-	62,433	1,615	64,048	63,328	720
Total Bilingual Education - Instruction	64,278	1,715	65,993	-	62,433	1,615	64,048	63,328	720
School Sponsored Cocurricular Activities: Salaries	10,025	-	9,644	381	8,725	628	9,353	9,353	-
Supplies & Materials	1,400	-	-	1,400	150	-	150	-	150
Total School Sponsored Cocurricular Activities	11,425	-	9,644	1,781	8,875	628	9,503	9,353	150
Before/After School Programs - Instruction: Salaries	16,554	-	9,955	6,599	16,727	(48)	16,679	-	16,679
Purchased Services	6,090	10,000	14,510	1,580	6,090	10,000	16,090	9,123	6,967
Supplies and Materials	-	250	78	172	-	200	200	186	14
Other Objects	10,000	(250)	6,330	3,420	7,500	-	7,500	5,500	2,000
Total Before/After School Programs - Instruction	32,644	10,000	30,873	11,771	30,317	10,152	40,469	14,809	25,660
Total - Instruction	11,729,530	161,782	11,891,312	295,169	11,697,931	(122,009)	11,575,922	11,204,004	371,918
Undistributed Expenditures: Instruction: Tuition to Other LEA's - State Special Schools	44,000	(14,572)	26,002	3,426	50,000	(6,000)	44,000	-	44,000
Tuition to CSSD & Reg. Day Schools	310,010	(127,492)	172,457	10,061	173,968	-	173,968	163,986	9,982
Tuition to Private Schools for the Handicapped - State	181,731	44,345	143,696	82,380	356,183	-	356,183	189,777	166,406
Tuition - State Facilities	40,000	-	39,690	310	31,365	-	31,365	31,365	-
Total Undistributed Expenditures - Instruction	575,741	(97,719)	381,845	96,177	611,516	(6,000)	605,516	385,128	220,388
Attendance & Social Work Services: Salaries	2,300	-	2,300	-	2,300	-	2,300	2,300	-
Total Attendance & Social Work Services	2,300	-	2,300	-	2,300	-	2,300	2,300	-
Health Services: Salaries	248,988	10,884	259,872	-	249,209	1,367	250,576	250,555	21
Purchased Professional & Technical Services	9,900	(1,175)	8,725	25	16,900	(6,978)	9,922	9,850	72
Supplies and Materials	6,336	4,516	10,844	8	6,174	1,127	7,301	6,094	1,207
Total Health Services	265,224	14,225	279,449	33	272,283	(4,484)	267,799	266,499	1,300

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

ACCOUNT NUMBERS	JUNE 30, 2014			JUNE 30, 2013			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Support Services - Speech, OT, PT & Related Salaries	496,689	47,000	543,689	481,672	5,177	486,849	-
General Supplies	4,500	(2,456)	2,042	7,000	-	3,270	3,730
Purchased Prof. Ed. Services	48,475	72,247	120,722	65,166	(100)	49,182	15,884
<b>Total Other Support Services - Students - Related Services</b>	<b>549,664</b>	<b>116,791</b>	<b>666,455</b>	<b>553,838</b>	<b>5,077</b>	<b>558,915</b>	<b>19,614</b>
Other Support Services - Students - Extraordinary: Salaries	338,991	(55,107)	283,884	320,198	62,218	382,416	-
Purchased Professional Services	42,165	(12,590)	29,575	25,000	-	5,411	19,589
<b>Total Other Support Services - Students - Extraordinary</b>	<b>381,156</b>	<b>(67,697)</b>	<b>313,459</b>	<b>345,198</b>	<b>62,218</b>	<b>407,416</b>	<b>19,589</b>
Other Support Services - Students - Regular: Salaries of Other Professional Staff	281,643	6,488	288,131	299,383	(21,903)	277,480	-
Supplies & Materials	300	-	300	300	-	300	300
<b>Total Other Support Services - Students - Regular</b>	<b>281,943</b>	<b>6,488</b>	<b>288,431</b>	<b>299,683</b>	<b>(21,903)</b>	<b>277,780</b>	<b>300</b>
Other Support Services - Students - Special Services: Salaries of Other Professional Staff	594,101	8,262	602,363	595,742	(63,411)	532,331	10,669
Salaries of Secretarial & Clerical Assistants	102,699	11,364	114,062	98,971	2,209	101,180	-
Purchased Professional Education Serv	29,625	-	29,625	29,000	22,825	51,825	1,425
Supplies & Materials	6,155	(3,500)	2,655	8,500	(900)	7,600	4,401
Other Objects	500	(500)	-	500	-	500	500
<b>Total Other Support Services - Students - Special Services</b>	<b>733,080</b>	<b>15,626</b>	<b>748,706</b>	<b>732,713</b>	<b>(39,277)</b>	<b>693,436</b>	<b>16,995</b>
Improvement of Instruction Services/Other Support Services - Instruction Staff: Salaries of Supervisors of Instruction	132,000	74,632	206,632	131,066	-	131,066	-
Salaries of Secretarial & Clerical Assistants	32,895	40,632	73,527	30,651	307	30,958	1,168
Purchased Prof Ed Services	45,000	(7,165)	37,835	45,000	-	31,175	13,825
Supplies and Materials	1,588	2,680	4,268	1,588	-	1,156	432
Other Objects	307	(15)	292	307	-	288	19
<b>Total Improvement of Instruction Services/Other Support Services - Instructional Staff</b>	<b>211,790</b>	<b>110,764</b>	<b>322,554</b>	<b>208,612</b>	<b>307</b>	<b>208,919</b>	<b>15,444</b>
Educational Media Services/School Library: Salaries	334,182	12,765	346,947	359,998	(26,775)	333,223	639
Purchased Professional & Technical Services	3,000	-	3,000	2,800	-	2,800	-
Supplies and Materials	27,250	(1,482)	25,768	27,250	-	22,206	5,044
<b>Total Educational Media Services/School Library</b>	<b>364,432</b>	<b>11,283</b>	<b>375,715</b>	<b>390,048</b>	<b>(26,775)</b>	<b>363,273</b>	<b>5,683</b>

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

ACCOUNT NUMBERS	JUNE 30, 2014			JUNE 30, 2013			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
<b>Instructional Staff Training Services:</b>							
Purchased Professional - Educational Staff	2,000	(80)	1,920	2,000	-	2,000	2,000
Other Purchased Services	17,400	(6,525)	10,875	17,500	(375)	17,125	3,932
Other Objects	-	6,930	6,930	-	-	-	-
<b>Total Instructional Staff Training Services</b>	<b>19,400</b>	<b>325</b>	<b>19,725</b>	<b>19,500</b>	<b>(375)</b>	<b>19,125</b>	<b>5,932</b>
<b>Support Services General Administration:</b>							
Salaries	309,808	(31,552)	278,256	282,660	(6,355)	276,305	271,509
Legal Services	75,000		51,394	23,668	-	70,000	34,461
Audit Fees	31,000	26,267	57,267	30,500	-	30,500	29,000
Architectural/Engineering Services	10,000	52,450	62,450	10,000	67,294	77,294	48,961
Other Purchased Professional Services	36,000	(1,890)	34,110	36,000	(26,000)	10,000	-
Purchased Technical Services	6,040	-	6,040	7,490	(2,000)	5,490	4,165
Communications/Telephone	118,350	34,300	152,650	104,200	14,236	118,436	114,971
Other Purchased Services (400-500 Series)	11,800	-	11,800	11,800	-	11,800	2,074
Other Purchasing Services	182,790	(4,643)	178,147	182,790	(23,473)	159,317	142,577
General Supplies	4,400	(454)	3,946	4,400	3,000	7,400	5,987
BOE In-House Training - Meeting Supplies	1,500	1,650	3,150	1,710	-	1,710	496
Judgments Against School District	17,500	-	17,500	17,500	-	17,500	-
Miscellaneous Expenditures	7,175	2,500	9,675	7,175	-	7,175	3,683
BOE Membership Dues & Fees	14,000	-	14,000	14,000	-	14,000	13,204
<b>Total Support Services General Administration</b>	<b>825,363</b>	<b>55,022</b>	<b>880,385</b>	<b>780,225</b>	<b>26,702</b>	<b>806,927</b>	<b>671,088</b>
<b>Support Services School Administration:</b>							
Salaries of Principals & Assistant Principals	879,252	(25,891)	853,361	846,730	(28,948)	817,782	786,773
Salaries of Secretarial & Clerical Assistants	291,625	10,480	302,105	263,065	53,291	316,356	316,201
Other Salaries	4,320	-	4,320	3,240	2,000	5,240	5,064
Purchased Professional & Technical Services	29,448	-	29,448	26,720	-	26,720	26,036
Supplies & Materials	31,787	29,899	61,686	31,787	14,000	45,787	40,306
Other Objects	1,600	(400)	1,200	1,600	(600)	1,000	199
<b>Total Support Services School Administration</b>	<b>1,238,032</b>	<b>14,088</b>	<b>1,252,120</b>	<b>1,173,142</b>	<b>39,743</b>	<b>1,212,885</b>	<b>1,174,579</b>
<b>Central Services:</b>							
Salaries	375,036	(4,435)	370,601	381,058	(10,142)	370,916	370,839
Purchased Professional Services	28,806	4,435	33,241	28,676	577	29,253	28,698
Miscellaneous Purchased Services	5,200	(445)	4,755	5,200	-	5,200	1,161
Supplies & Materials	8,830	2,117	10,947	8,830	14,580	23,410	13,626
Miscellaneous Expenditures	3,860	-	3,860	3,260	161	3,421	3,096
<b>Total Central Services</b>	<b>421,732</b>	<b>1,672</b>	<b>423,404</b>	<b>427,024</b>	<b>5,176</b>	<b>432,200</b>	<b>417,420</b>
<b>POSITIVE/ (NEGATIVE) FINAL TO ACTUAL</b>							<b>13,193</b>

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

ACCOUNT NUMBERS	JUNE 30, 2014			JUNE 30, 2013			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
<b>Administrative Information Technology:</b>							
Salaries	164,187	3,600	167,787	155,195	12,592	129,341	129,341
Purchased Technical Services	57,829	34,025	91,854	87,387	4,467	71,017	63,459
Other Purchased Services	700	-	700	634	66	700	375
Supplies and Materials	21,000	10,951	31,951	27,269	4,682	17,621	17,319
Other Objects	-	-	-	-	-	2,995	2,545
<b>Total Administrative Information Technology</b>	<b>243,716</b>	<b>48,576</b>	<b>292,292</b>	<b>270,485</b>	<b>21,807</b>	<b>221,674</b>	<b>8,635</b>
<b>Required Maintenance for School Facilities:</b>							
Salaries	360,058	-	360,058	307,569	52,489	270,948	261,609
Cleaning, Repair & Maintenance Services	388,500	440,704	829,204	697,690	131,514	880,609	441,103
Travel	2,000	-	2,000	494	1,506	519	519
General Supplies	168,450	48,705	217,155	183,461	33,694	226,430	186,384
Other Objects	13,425	1,025	14,450	12,450	2,000	11,404	11,266
<b>Total Allowable Maintenance For School Facilities</b>	<b>932,433</b>	<b>490,434</b>	<b>1,422,867</b>	<b>1,201,664</b>	<b>221,203</b>	<b>1,389,910</b>	<b>489,029</b>
<b>Other Operation &amp; Maintenance of Plant Services:</b>							
Salaries	815,245	27,512	842,757	836,610	6,147	811,501	809,126
Cleaning, Repair & Maintenance Services	27,500	70,000	97,500	90,856	6,644	41,048	41,013
Other Purchased Property Services	60,000	-	60,000	46,569	13,431	43,303	42,515
Insurance	188,200	(259)	187,941	186,662	1,279	171,846	171,846
General Supplies	83,700	5,000	88,700	88,454	246	76,391	76,391
Energy (Natural Gas)	314,000	(63,347)	250,653	187,663	62,990	173,736	166,228
Energy (Electricity)	555,000	(25,000)	530,000	427,155	102,845	359,536	358,107
<b>Total Operation &amp; Maintenance of Plant Services</b>	<b>2,043,645</b>	<b>13,906</b>	<b>2,057,551</b>	<b>1,863,969</b>	<b>193,582</b>	<b>1,677,361</b>	<b>1,665,226</b>
<b>Undistributed Expenditures - Care &amp; Upkeep of Grounds:</b>							
Purchased Professional and Technical Services	154,500	(6,704)	147,796	96,661	51,135	114,501	97,245
General Supplies	33,000	23,622	56,622	48,983	7,639	46,740	30,546
Other Objects	-	-	-	-	-	1,125	1,125
<b>Total Undistributed Expenditures - Care &amp; Upkeep of Grounds</b>	<b>187,500</b>	<b>16,918</b>	<b>204,418</b>	<b>145,644</b>	<b>58,774</b>	<b>162,366</b>	<b>128,916</b>
<b>Security:</b>							
Salaries	110,019	297	110,316	107,704	2,612	114,952	114,937
Other Purchased Services	151,200	37,800	189,000	152,733	-	-	-
Cleaning, Repair, & Maintenance Services	5,000	16,283	21,283	16,580	4,703	169,011	152,268
General Supplies	52,000	13,100	65,100	8,498	56,602	20,084	20,084
<b>Total Security</b>	<b>318,219</b>	<b>67,480</b>	<b>385,699</b>	<b>285,515</b>	<b>63,917</b>	<b>304,047</b>	<b>287,289</b>
<b>Student Transportation Services:</b>							
Salaries of Non-Instructional Aides (Between Home & School) - Regular	129,437	16,565	146,002	145,030	972	114,659	114,659
Salaries for Pupil Transportation (Between Home & School) - Regular	708,550	(17,477)	691,073	691,073	-	658,806	658,806
Salaries for Pupil Transportation (Between Home & School) - Special	210,945	6,869	217,814	217,759	55	187,290	187,290

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

ACCOUNT NUMBERS	JUNE 30, 2014			JUNE 30, 2013			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Salaries for Pupil Transportation (Other than Between Home & School)	4,140	4,968	9,108	4,000	3,667	7,667	-
Other Purchased Professional & Technical Services	8,460	(584)	7,876	8,470	5,400	13,870	3,078
Cleaning, Repair & Maintenance Services	5,000	-	5,000	5,000	1,000	6,000	594
Contracted Services - Jointure Agreements - (Special Education)	65,100	38,257	103,357	110,500	(40,244)	70,256	5,356
Contracted Services - ESC's & CTSA's - (Special Education Students)	117,000	(54,899)	62,101	100,000	8,483	108,483	-
Contracted Services - Aid in Lieu	59,735	-	59,735	64,330	(15,105)	49,225	7,677
Travel	1,500	1,400	2,900	1,300	1,300	1,277	23
Miscellaneous Purchased Services - Transportation	85,158	6,000	91,158	80,000	1,103	81,103	-
General Supplies	4,860	-	4,860	14,320	(7,800)	6,520	4,966
Transportation Supplies	351,500	(780)	350,720	340,500	40,992	381,492	140,280
Miscellaneous Expenditures	8,180	6,300	14,480	8,640	(3,500)	5,140	4,567
<b>Total Student Transportation Services</b>	<b>1,759,565</b>	<b>6,619</b>	<b>1,766,184</b>	<b>1,743,964</b>	<b>(52,153)</b>	<b>1,691,811</b>	<b>159,135</b>
Unallocated Benefits Employee Benefits:							
Group Insurance	840	801	1,641	900	-	900	60
Social Security Contributions	430,000	-	430,000	400,000	-	400,000	26,149
Other Retirement Contributions - PERS	488,864	(77,652)	411,212	450,514	-	450,514	37,980
Other Retirement Contributions - Regular	12,170	3,400	15,570	1,500	5,903	7,403	1,092
Unemployment Compensation	121,128	-	121,128	118,776	247,200	365,976	42,616
Workman's Compensation	336,532	(6,000)	330,532	328,500	-	328,500	24,532
Health Benefits	5,639,930	(167,501)	5,472,429	5,026,500	(330,335)	4,696,165	162,593
Tuition Reimbursement	30,000	-	30,000	30,000	-	30,000	18,835
Other Employee Benefits	250,000	(108,367)	141,633	250,000	-	250,000	151,184
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>7,309,464</b>	<b>(355,319)</b>	<b>6,954,145</b>	<b>6,606,690</b>	<b>(77,232)</b>	<b>6,529,458</b>	<b>465,041</b>
Nonbudgeted:							
On-Behalf TPAF Pension Contributions	-	-	535,713	-	-	-	(835,877)
On-Behalf TPAF Medical Contributions	-	-	878,369	-	-	-	(945,166)
Reimbursed TPAF Social Security	-	-	911,458	-	-	-	(924,702)
<b>Total Undistributed Expenditures</b>	<b>18,664,399</b>	<b>469,482</b>	<b>19,133,881</b>	<b>17,659,867</b>	<b>173,251</b>	<b>17,833,118</b>	<b>(1,020,131)</b>
<b>Total Expenditures - Current Expense</b>	<b>30,393,929</b>	<b>631,264</b>	<b>31,025,193</b>	<b>29,357,798</b>	<b>51,242</b>	<b>29,409,040</b>	<b>(648,213)</b>
Capital Outlay:							
Equipment:							
Undistributed Expenditures:							
Health Equipment	-	-	-	-	4,505	4,505	-
Business Office	-	10,790	10,790	-	10,790	10,790	-
Administrative Information Technol	81,000	121,357	202,357	-	185,682	185,682	111,356
Required Maintenance for School Facilities	390,000	14,213	404,213	166,344	181,242	159,141	122,901
Custodial Services	-	-	-	6,000	(6,000)	-	-
Care & Upkeep of Grounds	5,000	16,370	21,370	-	10,000	10,000	-
	-	-	-	-	-	-	10,000

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

ACCOUNT NUMBERS	JUNE 30, 2014			JUNE 30, 2013			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Student Transportation - Non-Instructional Equipment	200,000	85,318	285,318	-	40,283	40,283	-
School Buses - Regular	-	-	-	-	186,264	186,264	-
School Buses - Special	-	114,559	114,559	-	114,489	114,489	-
Total Equipment	676,000	362,607	1,038,607	493,911	727,255	834,055	369,536
Facilities Acquisition & Construction Services:							
Architectural/Engineering Services	-	-	-	-	(1,170)	38,830	2,500
Construction Services	128,115	(9,694)	118,421	118,421	198,435	1,349,065	228,188
Other Objects	-	-	-	-	-	82,411	-
Total Facilities Acquisition & Construction Services	128,115	(9,694)	118,421	118,421	197,265	1,470,306	230,688
Total Capital Outlay	804,115	352,913	1,157,028	612,332	924,520	2,304,361	600,224
Total Expenditures	31,198,044	984,177	32,182,221	31,460,120	975,762	31,713,401	(47,989)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(2,058,451)	(984,177)	(3,042,628)	325,762	(972,679)	(2,700,927)	3,067,402
Other Financing Sources/(Uses):							
Community Disaster Loan	365,211	-	365,211	365,211	-	-	-
Total Other Financing Sources/(Uses)	365,211	-	365,211	365,211	-	-	-
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(1,693,240)	(984,177)	(2,677,417)	690,973	(972,679)	(2,700,927)	3,067,402
Fund Balances, July 1	6,592,941	-	6,592,941	6,592,941	-	6,226,466	-
Fund Balances, June 30	\$ 4,899,701	\$ (984,177)	\$ 3,915,524	\$ 7,283,914	\$ (972,679)	\$ 3,525,539	\$ 3,067,402

**RECAPITULATION OF BUDGET TRANSFERS**

Prior-Year Roll Over Encumbrances	\$ 984,177
	<u>\$ 984,177</u>

**RECAPITULATION OF FUND BALANCE**

Restricted Fund Balance:	
Capital Reserve	\$ 1,525,071
Maintenance Reserve	858,651
Emergency Reserve	262,242
Excess Surplus	1,675,795
Excess Surplus Designated for Subsequent Year's Expenditures	1,335,398
Committed Fund Balance:	
Year-end Encumbrances	967,690
Unassigned Fund Balance	659,067
Subtotal	<u>7,283,914</u>
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	(204,289)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 7,079,625</u>

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

REVENUES	JUNE 30, 2014		JUNE 30, 2013		VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	
Local Sources	\$ -	\$ 82,050	\$ -	\$ 37,786	\$ 37,786
State Sources	-	327	8,904	815	815
Federal Sources	620,688	151,581	772,269	255,553	793,791
<b>Total Revenues</b>	<b>620,688</b>	<b>233,958</b>	<b>854,646</b>	<b>294,154</b>	<b>832,392</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	224,848	9,007	233,855	226,171	7,684
Purchased Professional Services (300 Series)	70,487	(65,087)	5,400	5,400	-
Tuition	304,104	115,337	419,441	419,441	-
General Supplies	21,249	35,397	56,646	44,895	11,751
Miscellaneous	-	8,770	8,770	7,620	1,150
<b>Total Instruction</b>	<b>620,688</b>	<b>103,424</b>	<b>724,112</b>	<b>703,527</b>	<b>20,585</b>
Support Services:					
Salaries	-	2,431	2,431	2,431	-
Personal Services - Employee Benefits	-	36,535	36,535	36,535	-
Purchased Professional - Educational Services	-	-	8,068	-	(8,068)
Other Purchased Professional Services	-	68,418	68,418	-	68,418
Travel	-	13,527	13,527	13,049	478
Supplies & Materials, Equipment	-	9,623	9,623	9,623	-
<b>Total Support Services</b>	<b>-</b>	<b>130,534</b>	<b>130,534</b>	<b>69,706</b>	<b>60,828</b>
<b>Total Expenditures</b>	<b>-</b>	<b>233,958</b>	<b>854,646</b>	<b>773,233</b>	<b>81,413</b>
<b>Total Outflows</b>	<b>620,688</b>	<b>233,958</b>	<b>854,646</b>	<b>773,233</b>	<b>81,413</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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**BERKELEY TOWNSHIP BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 31,785,882	\$ 773,233
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	197,424	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(204,289)	-
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	162
Current Year	-	(9,545)
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 31,779,017	\$ 763,850
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 31,460,120	\$ 773,233
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	-	162
Current Year	-	(9,545)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 31,460,120	\$ 763,850

N-1 The general fund budget uses GAAP basis therefore no reconciliation is necessary.

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**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**BERKELEY TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(With Comparative Totals for June 30, 2013)**

	NO CHILD LEFT BEHIND		IDEA-B	IDEA-B
	TITLE I	TITLE II-A	BASIC	PRESCHOOL
<b>Revenues:</b>				
Local Sources	\$ -	\$ -	\$ -	\$ -
Federal Sources	204,935	52,307	473,583	33,504
<b>Total Revenues</b>	<b>\$ 204,935</b>	<b>\$ 52,307</b>	<b>\$ 473,583</b>	<b>\$ 33,504</b>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Salaries of Teachers	\$ 158,519	\$ 24,546	\$ 38,898	\$ -
Purchased Professional Services (300 Series)	-	-	-	5,400
General Supplies	11,476	5,049	3,278	21,217
Tuition	-	-	419,441	-
Miscellaneous	-	-	-	6,799
<b>Total Instruction</b>	<b>169,995</b>	<b>29,595</b>	<b>461,617</b>	<b>33,416</b>
<b>Support Services:</b>				
Other Professional Staff Salaries	-	-	2,431	-
Purchased Professional Services	350	7,718	-	-
Employee Benefits	30,889	5,646	-	-
Travel	3,701	9,348	-	-
General Supplies	-	-	9,535	88
<b>Total Support Services</b>	<b>34,940</b>	<b>22,712</b>	<b>11,966</b>	<b>88</b>
<b>Capital Outlay</b>				
Instructional Equipment	-	-	-	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 204,935</b>	<b>\$ 52,307</b>	<b>\$ 473,583</b>	<b>\$ 33,504</b>

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
 SPECIAL REVENUE FUND  
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (With Comparative Totals for June 30, 2013)**

	CAMP PAW	POTTER CREEK CRUSADERS
Revenues:		
Local Sources	\$ 1,208	\$ 4,889
Federal Sources	-	-
	<hr/>	<hr/>
Total Revenues	<u>\$ 1,208</u>	<u>\$ 4,889</u>
Expenditures:		
Instruction:		
Salaries of Teachers	\$ 1,208	\$ 3,000
Purchased Professional Services (300 Series)	-	-
General Supplies	-	1,889
Tuition	-	-
Miscellaneous	-	-
	<hr/>	<hr/>
Total Instruction	<u>1,208</u>	<u>4,889</u>
Support Services:		
Other Professional Staff Salaries	-	-
Purchased Professional Services	-	-
Employee Benefits	-	-
Travel	-	-
General Supplies	-	-
	<hr/>	<hr/>
Total Support Services	<u>-</u>	<u>-</u>
Capital Outlay		
Instructional Equipment	-	-
	<hr/>	<hr/>
Total Capital Outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 1,208</u>	<u>\$ 4,889</u>

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(With Comparative Totals for June 30, 2013)**

	CLASS TRIP	TARGET BOOKS	2014	2013
<b>Revenues:</b>				
Local Sources	\$ 821	\$ 1,986	\$ 8,904	\$ 37,786
Federal Sources	-	-	764,329	794,606
	<hr/>			
Total Revenues	<u>\$ 821</u>	<u>\$ 1,986</u>	<u>\$ 773,233</u>	<u>\$ 832,392</u>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Salaries of Teachers	\$ -	\$ -	\$ 226,171	\$ 291,606
Purchased Professional Services (300 Series)	-	-	5,400	72,369
General Supplies	-	1,986	44,895	79,465
Tuition	-	-	419,441	285,000
Miscellaneous	821	-	7,620	2,800
	<hr/>			
Total Instruction	<u>821</u>	<u>1,986</u>	<u>703,527</u>	<u>731,240</u>
<b>Support Services:</b>				
Other Professional Staff Salaries	-	-	2,431	2,499
Purchased Professional Services	-	-	8,068	5,000
Employee Benefits	-	-	36,535	42,073
Travel	-	-	13,049	26,664
General Supplies	-	-	9,623	20,618
	<hr/>			
Total Support Services	<u>-</u>	<u>-</u>	<u>69,706</u>	<u>96,854</u>
<b>Capital Outlay</b>				
Instructional Equipment	-	-	-	4,298
	<hr/>			
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,298</u>
	<hr/>			
Total Expenditures	<u>\$ 821</u>	<u>\$ 1,986</u>	<u>\$ 773,233</u>	<u>\$ 832,392</u>

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F. Capital Projects Fund

Not Applicable

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## G. Proprietary Funds

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## Enterprise Funds

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**BERKELEY TOWNSHIP BOARD OF EDUCATION**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF NET POSITION**  
**AS OF JUNE 30, 2014**  
**(With Comparative Totals for June 30, 2013)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			2014	2013
	FOOD SERVICE	BATTING CAGES	BRIDGE PROGRAM		
<b>ASSETS</b>					
Current Assets:					
Cash & Cash Equivalents	\$ -	\$ 931	\$ 6,020	\$ 6,951	\$ 3,900
Accounts Receivable:					
State	733	-	-	733	619
Federal	32,305	-	-	32,305	26,472
Local	4,734	-	-	4,734	12,896
Inventories	15,379	-	-	15,379	17,814
Total Current Assets	53,151	931	6,020	60,102	61,701
Noncurrent Assets:					
Furniture, Machinery & Equipment	350,658	18,065	-	368,723	275,857
Less: Accumulated Depreciation	(197,915)	(903)	-	(198,818)	(184,141)
Total Noncurrent Assets	152,743	17,162	-	169,905	91,716
Total Assets	205,894	18,093	6,020	230,007	153,417
<b>LIABILITIES</b>					
Current Liabilities:					
Cash Deficit	11,639	-	-	11,639	42,218
Accounts Payable	97,624	-	-	97,624	33,429
Due To Other Funds	-	18,065	-	18,065	-
Unearned Revenue	5,314	-	6,020	11,334	9,383
Total Current Liabilities	114,577	18,065	6,020	138,662	85,030
<b>NET POSITION</b>					
Invested in Capital Assets, Net of Related Debt	152,743	17,162	-	169,905	91,716
Unrestricted	(61,426)	(17,134)	-	(78,560)	(23,329)
Total Net Position	\$ 91,317	\$ 28	\$ -	\$ 91,345	\$ 68,387

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014  
(With Comparative Totals for June 30, 2013)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			2014	2013
	FOOD SERVICE	BATTING CAGES	BRIDGE PROGRAM		
Operating Revenues:					
Charges for Services:					
Daily Sales - Reimbursable Programs	\$ 222,225	\$ -	\$ -	\$ 222,225	\$ 229,893
Daily Sales - Nonreimbursable Programs	143,848	1,530	3,900	149,278	126,769
<b>Total Operating Revenues</b>	<b>366,073</b>	<b>1,530</b>	<b>3,900</b>	<b>371,503</b>	<b>356,662</b>
Operating Expenses:					
Cost of Sales - Sodexo	553,644	-	-	553,644	513,514
Salaries & Benefits	212,219	599	3,900	216,718	203,141
Professional Services	2,233	-	-	2,233	14,435
General Supplies	47,448	-	-	47,448	23,742
Depreciation	13,774	903	-	14,677	7,431
<b>Total Operating Expenses</b>	<b>829,318</b>	<b>1,502</b>	<b>3,900</b>	<b>834,720</b>	<b>762,263</b>
<b>Operating Loss</b>	<b>(463,245)</b>	<b>28</b>	<b>-</b>	<b>(463,217)</b>	<b>(405,601)</b>
Nonoperating Revenues/(Expenses):					
State Sources:					
State School Lunch Program	8,290	-	-	8,290	8,115
Federal Sources:					
National School Lunch Program	297,473	-	-	297,473	276,216
National School Breakfast Program	62,396	-	-	62,396	60,501
U.S.D.A. Commodities	42,676	-	-	42,676	32,171
Fixed Assets Contributed	74,800	-	-	74,800	-
Interest & Investment Revenue	540	-	-	540	213
<b>Total Nonoperating Revenues/(Expenses)</b>	<b>486,175</b>	<b>-</b>	<b>-</b>	<b>486,175</b>	<b>377,216</b>
<b>Change in Net Position</b>	<b>22,930</b>	<b>28</b>	<b>-</b>	<b>22,958</b>	<b>(28,385)</b>
<b>Total Net Position - Beginning</b>	<b>68,387</b>	<b>-</b>	<b>-</b>	<b>68,387</b>	<b>96,772</b>
<b>Total Net Position - Ending</b>	<b>\$ 91,317</b>	<b>\$ 28</b>	<b>\$ -</b>	<b>\$ 91,345</b>	<b>\$ 68,387</b>

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2014  
(With Comparative Totals for June 30, 2013)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			2014	2013
	FOOD SERVICE	BATTING CAGES	BRIDGE PROGRAM		
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 374,235	\$ 1,530	\$ 3,900	\$ 379,665	\$ 353,832
Payments to Employees & Benefits	(212,388)	(599)	(1,780)	(214,767)	(202,043)
Payments to Suppliers	(494,019)	-	-	(494,019)	(496,230)
Net Cash Provided/(Used) by Operating Activities	(332,172)	931	2,120	(329,121)	(344,441)
Cash Flows From Noncapital Financing Activities:					
State Sources	8,176	-	-	8,176	7,915
Federal Sources	354,035	-	-	354,035	333,781
Net Cash Provided/(Used) by Noncapital Financing Activities	362,211	-	-	362,211	341,696
Cash Flows From Capital & Related Financing Activities:					
Purchases of Fixed Assets	-	-	-	-	(2,912)
Net Cash Provided/(Used) by Capital & Related Financing Activities	-	-	-	-	(2,912)
Cash Flows From Investing Activities:					
Interest & Dividends	540	-	-	540	213
Net Cash Provided/(Used) by Investing Activities	540	-	-	540	213
Net Increase/(Decrease) in Cash & Cash Equivalents	30,579	931	2,120	33,630	(5,444)
Balances - Beginning of Year	(42,218)	-	3,900	(38,318)	(32,874)
Balances - End of Year	\$ (11,639)	\$ 931	\$ 6,020	\$ (4,688)	\$ (38,318)

**Reconciliation of Operating Loss to Net Cash Provided/(Used) by Operating Activities:**

Operating Loss	\$ (463,245)	\$ 28	\$ -	\$ (463,217)	\$ (405,601)
Adjustments to Reconcile Operating Loss to Net Cash Provided/(Used) by Operating Activities:					
U.S.D.A. Commodities	42,676	-	-	42,676	32,171
Depreciation Expense	13,774	903	-	14,677	7,431
(Increase)/Decrease in Inventories	2,435	-	-	2,435	(8,482)
(Increase)/Decrease in Accounts Receivable	8,162	-	-	8,162	(6,730)
Increase/(Decrease) in Accounts Payable	64,195	-	-	64,195	31,772
Increase/(Decrease) in Unearned Revenue	(169)	-	2,120	1,951	4,998
Total Adjustments	131,073	903	2,120	134,096	61,160
Net Cash Provided/(Used) by Operating Activities	\$ (332,172)	\$ 931	\$ 2,120	\$ (329,121)	\$ (344,441)

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Internal Service Fund

Not Applicable

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## H. Fiduciary Fund

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**BERKELEY TOWNSHIP BOARD OF EDUCATION**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2014**  
**(With Comparative Totals for June 30, 2013)**

ASSETS	PRIVATE PURPOSE		2014	2013
	UNEMPLOYMENT COMPENSATION TRUST	AGENCY PAYROLL FUND		
Cash & Cash Equivalents	\$ 694,372	\$ 19,801	\$ 714,173	\$ 694,800
Accounts Receivable	-	542	542	107
<b>Total Assets</b>	<b>694,372</b>	<b>20,343</b>	<b>714,715</b>	<b>694,907</b>
<b>LIABILITIES</b>				
Cash Deficit	-	-	-	47
Accounts Payable	-	20,343	20,343	2,820
Payroll Deductions & Withholdings	-	-	-	60
<b>Total Liabilities</b>	<b>-</b>	<b>20,343</b>	<b>20,343</b>	<b>2,927</b>
<b>NET POSITION</b>				
Held in Trust for Unemployment Claims & Other Purposes	694,372	-	694,372	691,980
<b>Total Net Position</b>	<b>\$ 694,372</b>	<b>\$ -</b>	<b>\$ 694,372</b>	<b>\$ 691,980</b>

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014  
(With Comparative Totals for June 30, 2013)**

ADDITIONS	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST	2014	2013
Contributions:			
District	\$ -	\$ -	\$ 250,000
Total Contributions	<u>-</u>	<u>-</u>	<u>250,000</u>
Investment Earnings:			
Interest	2,392	2,392	1,894
Net Investment Earnings	<u>2,392</u>	<u>2,392</u>	<u>1,894</u>
Total Additions	<u>2,392</u>	<u>2,392</u>	<u>251,894</u>
DEDUCTIONS			
Unemployment Claims	-	-	4,123
Total Deductions	<u>-</u>	<u>-</u>	<u>4,123</u>
Change in Net Position	2,392	2,392	247,771
Net Position - Beginning of the Year	<u>691,980</u>	<u>691,980</u>	<u>444,209</u>
Net Position - End of the Year	<u>\$ 694,372</u>	<u>\$ 694,372</u>	<u>\$ 691,980</u>

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

ASSETS	BALANCE JULY 1, 2013	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2014
Cash & Cash Equivalents	\$ (47)	\$ 20,005,380	\$ 19,985,532	\$ 19,801
Accounts Receivable	-	542	-	542
<b>Total Assets</b>	<b>\$ (47)</b>	<b>\$ 20,005,922</b>	<b>\$ 19,985,532</b>	<b>\$ 20,343</b>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ (47)	\$ 20,005,922	\$ 19,985,532	\$ 20,343
<b>Total Liabilities</b>	<b>\$ (47)</b>	<b>\$ 20,005,922</b>	<b>\$ 19,985,532</b>	<b>\$ 20,343</b>

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## I. Long-Term Debt

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**BERKELEY TOWNSHIP BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
JUNE 30, 2014**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		INTEREST RATE	AMOUNT OUTSTANDING		AMOUNT OUTSTANDING JUNE 30, 2014
			DATE	AMOUNT		JUNE 30, 2013	RETIRED	
2010 Refunding Issue	3/25/2010	\$ 16,760,000	10/1/2014	1,300,000	3.760%	\$ 15,565,000	\$ -	\$ 14,325,000
			10/1/2015	1,360,000	3.000%			
			10/1/2016	1,415,000	4.000%			
			10/1/2017	1,495,000	5.000%			
			10/1/2018	1,575,000	4.500%			
			10/1/2019	1,660,000	4.500%			
			10/1/2020	1,745,000	4.500%			
			10/1/2021	1,835,000	5.000%			
			10/1/2022	1,940,000	5.000%			
			Total				\$ 15,565,000	\$ -

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
JUNE 30, 2014**

SERIES	INTEREST RATE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2013	ISSUED	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2014
6- Xerox Copiers	11.00%	\$74,185	\$ 32,689	\$ -	\$ 16,579	\$ 16,110
Savin Copier	6.32%	16,214	5,412	-	3,550	1,862
4 - Savin Copiers	5.34%	77,295	74,385	-	17,999	56,386
Total			\$ 112,486	\$ -	\$ 38,128	\$ 74,358



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**STATISTICAL SECTION (Unaudited)**

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

FISCAL YEAR ENDING JUNE 30,

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Governmental Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 17,810,211	\$ 17,410,609	\$ 14,323,623	\$ 15,736,503	\$ 15,078,336	\$ 13,456,845	\$ 12,495,827	\$ 12,253,762	\$ 11,800,787	\$ 10,805,939
Restricted	6,624,847	5,901,687	5,477,992	3,986,680	3,010,992	3,329,751	3,017,264	1,463,992	1,295,610	2,684,154
Unrestricted	(1,022,895)	(642,477)	2,013,070	(226,016)	(533,810)	133,605	(45,784)	696,052	(294,542)	(517,184)
<b>Total Governmental Activities Net Position</b>	<b>\$ 23,412,163</b>	<b>\$ 22,669,819</b>	<b>\$ 21,814,685</b>	<b>\$ 19,497,167</b>	<b>\$ 17,555,518</b>	<b>\$ 16,920,201</b>	<b>\$ 15,467,307</b>	<b>\$ 14,413,806</b>	<b>\$ 12,801,855</b>	<b>\$ 12,972,909</b>
<b>Business-Type Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 169,905	\$ 91,716	\$ 96,235	\$ 101,192	\$ 112,301	\$ 71,197	\$ 80,377	\$ 87,302	\$ -	\$ -
Unrestricted	(78,560)	(23,329)	537	19,771	13,581	(15,818)	(60,572)	20,202	4,955	40,506
<b>Total Business-Type Activities Net Position</b>	<b>\$ 91,345</b>	<b>\$ 68,387</b>	<b>\$ 96,772</b>	<b>\$ 120,963</b>	<b>\$ 125,882</b>	<b>\$ 55,379</b>	<b>\$ 19,805</b>	<b>\$ 20,202</b>	<b>\$ 4,955</b>	<b>\$ 40,506</b>
<b>District-Wide:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 17,980,116	\$ 17,502,325	\$ 14,419,858	\$ 15,837,695	\$ 15,190,637	\$ 13,528,042	\$ 12,576,204	\$ 12,341,064	\$ 11,800,787	\$ 10,805,939
Restricted	6,624,847	5,901,687	5,477,992	3,986,680	3,010,992	3,329,751	3,017,264	1,463,992	1,295,610	2,684,154
Unrestricted	(1,101,455)	(665,806)	2,013,607	(206,245)	(520,229)	117,787	(106,356)	716,254	(289,587)	(476,678)
<b>Total District Net Position</b>	<b>\$ 23,503,508</b>	<b>\$ 22,738,206</b>	<b>\$ 21,911,457</b>	<b>\$ 19,618,130</b>	<b>\$ 17,681,400</b>	<b>\$ 16,975,580</b>	<b>\$ 15,487,112</b>	<b>\$ 14,521,310</b>	<b>\$ 12,806,810</b>	<b>\$ 13,013,415</b>

Source: District CAFR, Schedule A-1

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

	FISCAL YEAR ENDING JUNE 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 7,445,934	\$ 7,126,529	\$ 7,797,326	\$ 7,347,415	\$ 7,406,861	\$ 6,930,715	\$ 7,919,773	\$ 7,532,797	\$ 7,267,436	\$ 7,532,391
Special Education	3,814,426	3,742,079	3,515,551	3,697,106	3,541,021	3,428,691	2,630,615	2,634,824	2,351,485	2,300,946
Other Special Education	989,410	1,022,455	1,022,455	940,783	1,003,431	1,066,476	699,749	799,949	655,633	623,890
Other Instruction	40,517	24,162	29,135	63,208	60,988	147,696	257,560	178,125	172,446	161,143
Support Services:										
Tuition	381,845	385,128	391,112	534,653	643,203	647,093	606,887	728,590	580,808	563,880
Student & Instruction Related Services	2,924,800	2,833,481	2,730,859	2,668,515	2,844,048	2,201,914	2,143,936	2,106,383	2,023,294	1,974,523
School Administrative Services	1,137,381	1,174,579	1,081,050	1,092,882	1,080,519	1,111,250	1,083,011	546,896	1,046,788	471,902
General & Business Administrative Services	1,370,664	1,301,547	1,226,445	1,132,296	1,071,127	1,226,545	858,718	1,401,337	1,309,965	1,199,363
Plant Operations & Maintenance	3,502,263	3,799,014	3,011,237	3,627,788	3,249,017	3,182,642	3,755,753	2,444,441	2,048,204	1,766,532
Pupil Transportation	1,567,695	1,532,676	1,555,919	1,571,411	1,567,145	1,674,803	1,738,099	1,289,267	1,346,240	1,252,111
Unallocated Benefits	8,404,046	8,770,162	7,438,511	7,464,995	6,724,875	6,120,153	4,944,642	6,689,637	5,579,484	5,078,884
Interest on Long-Term Debt	649,623	689,450	711,223	750,347	706,185	894,829	931,868	969,121	990,685	1,054,212
Unallocated Amortization of Bond Costs	(57,320)	(46,408)	(46,408)	(46,408)	(11,602)	-	-	-	-	-
Unallocated Increase/(Decrease) in Compensated Absences	(58,409)	237,100	32,820	(291,255)	(136,473)	298,566	-	(160,007)	(132,880)	51,829
Reduction of Capital Leases, Net	-	-	-	-	-	-	-	-	-	-
Unallocated Depreciation	1,316,968	1,382,197	1,338,337	1,259,936	1,106,158	1,118,672	-	1,137,280	1,083,603	914,968
Total Governmental Activities Expenses	33,429,843	32,951,696	31,815,572	31,813,672	30,856,503	30,050,045	27,570,611	28,298,640	26,323,191	24,946,574
Business-Type Activities:										
Food Service	834,720	762,263	750,556	713,328	673,557	632,967	761,649	560,091	515,135	437,112
Total Business-Type Activities Expense	834,720	762,263	750,556	713,328	673,557	632,967	761,649	560,091	515,135	437,112
Total District Expenses	\$ 34,264,563	\$ 33,713,959	\$ 32,566,128	\$ 32,527,000	\$ 31,530,060	\$ 30,683,012	\$ 28,332,260	\$ 28,858,731	\$ 26,838,326	\$ 25,383,686

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

	FISCAL YEAR ENDING JUNE 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Program Revenues:</b>										
Governmental Activities:										
Grants & Contributions	\$ 763,850	\$ 832,852	\$ 813,634	\$ 1,175,569	\$ 948,712	\$ 788,781	\$ 2,719,058	\$ 908,529	\$ 912,901	\$ 931,777
Total Governmental Activities	763,850	832,852	813,634	1,175,569	948,712	788,781	2,719,058	908,529	912,901	931,777
<b>Business-Type Activities:</b>										
Charges for Services:										
Grants & Contributions	485,635	377,003	363,369	332,451	309,796	280,531	265,558	194,465	301,423	141,488
Food Service	366,073	356,662	362,642	375,255	372,824	387,102	406,904	380,381	177,034	270,552
Batting Cages	1,530	-	-	-	-	-	-	-	-	-
Bridge Program	3,900	-	-	-	-	-	-	-	-	-
Total Business Type Activities	857,138	733,665	726,011	707,706	682,620	667,633	672,462	574,846	478,457	412,040
<b>Total District Program Revenues</b>	<b>\$ 1,620,988</b>	<b>\$ 1,566,517</b>	<b>\$ 1,539,645</b>	<b>\$ 1,883,275</b>	<b>\$ 1,631,332</b>	<b>\$ 1,456,414</b>	<b>\$ 3,391,520</b>	<b>\$ 1,483,375</b>	<b>\$ 1,391,358</b>	<b>\$ 1,343,817</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (32,665,993)	\$ (32,118,844)	\$ (31,001,938)	\$ (30,638,103)	\$ (29,907,791)	\$ (29,261,264)	\$ (24,851,553)	\$ (27,390,111)	\$ (25,410,290)	\$ (24,014,797)
Business-Type Activities	22,418	(28,598)	(24,545)	(5,622)	9,063	34,666	(89,187)	14,755	(36,678)	(25,072)
<b>Total District-Wide Net Expense</b>	<b>\$ (32,643,575)</b>	<b>\$ (32,147,442)</b>	<b>\$ (31,026,483)</b>	<b>\$ (30,643,725)</b>	<b>\$ (29,898,728)</b>	<b>\$ (29,226,598)</b>	<b>\$ (24,940,740)</b>	<b>\$ (27,375,356)</b>	<b>\$ (25,446,968)</b>	<b>\$ (24,039,869)</b>
<b>General Revenues &amp; Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 26,342,922	\$ 26,456,346	\$ 26,462,541	\$ 26,681,262	\$ 24,432,893	\$ 23,733,551	\$ 23,067,288	\$ 21,843,362	\$ 19,006,349	\$ 17,177,256
Taxes Levied for Debt Service	1,898,675	1,890,425	1,885,473	1,856,718	1,914,874	1,905,673	1,894,474	1,886,374	1,876,474	1,088,288
Unrestricted Grants & Contributions	4,753,511	5,098,756	4,491,449	3,620,614	3,993,955	4,576,501	2,665,462	5,175,958	4,253,953	4,031,259
Restricted State Aid	-	-	-	-	-	-	1,195,474	-	-	-
Tuition Received	-	-	-	-	-	-	135,557	-	1,946	43,017
Miscellaneous Income	514,165	571,385	479,993	421,158	201,386	551,189	75,692	96,368	120,325	186,231
Revaluation of Capital Assets	-	-	-	-	-	(52,756)	-	-	(19,811)	-
Total Governmental Activities	33,509,273	34,016,912	33,319,456	32,579,752	30,543,108	30,714,158	29,033,947	29,002,062	25,239,236	22,526,051

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

	FISCAL YEAR ENDING JUNE 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Business-Type Activities:</b>										
Loss on Disposal of Asset	-	-	-	-	(2,170)	-	-	-	-	-
Contract Budget Guarantee	-	-	-	-	63,240	-	-	-	-	-
Investment Earnings	540	213	354	703	370	908	1,488	492	1,127	1,133
<b>Total Business-Type Activities</b>	<b>540</b>	<b>213</b>	<b>354</b>	<b>703</b>	<b>61,440</b>	<b>908</b>	<b>1,488</b>	<b>492</b>	<b>1,127</b>	<b>1,133</b>
<b>Total District-Wide</b>	<b>\$ 33,509,813</b>	<b>\$ 34,017,125</b>	<b>\$ 33,319,810</b>	<b>\$ 32,580,455</b>	<b>\$ 30,604,548</b>	<b>\$ 30,715,066</b>	<b>\$ 29,035,435</b>	<b>\$ 29,002,554</b>	<b>\$ 25,240,363</b>	<b>\$ 22,527,184</b>
<b>Change in Net Position:</b>										
Governmental Activities	\$ 843,280	\$ 1,898,068	\$ 2,317,518	\$ 1,941,649	\$ 635,317	\$ 1,452,894	\$ 4,182,394	\$ 1,611,951	\$ (171,054)	\$ (1,488,746)
Business-Type Activities	22,958	(28,385)	(24,191)	(4,919)	70,503	35,574	(87,699)	15,247	(35,551)	(23,939)
<b>Total District</b>	<b>\$ 866,238</b>	<b>\$ 1,869,683</b>	<b>\$ 2,293,327</b>	<b>\$ 1,936,730</b>	<b>\$ 705,820</b>	<b>\$ 1,488,468</b>	<b>\$ 4,094,695</b>	<b>\$ 1,627,198</b>	<b>\$ (206,605)</b>	<b>\$ (1,512,685)</b>

Source: District CAFR, Schedule A-2

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

	FISCAL YEAR ENDING JUNE 30, 2011									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund:										
Restricted	\$ 5,657,157	\$ 4,917,510	\$ 4,220,761	\$ 2,521,961	\$ 3,196,263	\$ 3,489,005	\$ 3,284,597	\$ 1,552,648	\$ 1,036,147	\$ 1,757,092
Committed	967,690	984,177	972,679	-	-	-	-	-	-	-
Assigned	-	-	284,552	1,660,813	-	-	-	-	-	-
Unreserved	454,778	493,830	552,428	562,318	592,187	827,577	407,234	1,065,221	354,161	316,531
<b>Total General Fund</b>	<b>\$ 7,079,625</b>	<b>\$ 6,395,517</b>	<b>\$ 6,030,420</b>	<b>\$ 4,745,092</b>	<b>\$ 3,788,450</b>	<b>\$ 4,316,582</b>	<b>\$ 3,691,831</b>	<b>\$ 2,617,869</b>	<b>\$ 1,390,308</b>	<b>\$ 2,073,623</b>
All Other Governmental Funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 22,194	\$ 211,900	\$ 79,388	\$ 315,948	\$ 404,423	\$ -
Unreserved, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	(17,335)	(12,596)	(12,596)	(12,598)
Capital Projects Fund	-	-	-	-	-	-	-	-	157,370	1,208,051
Debt Service Fund	-	-	-	-	-	2	2	2	2	1
<b>Total All Other Governmental Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,194</b>	<b>\$ 211,902</b>	<b>\$ 62,055</b>	<b>\$ 303,354</b>	<b>\$ 549,199</b>	<b>\$ 1,195,454</b>

Source: District CAFR, Schedule B-1

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Revenues:</b>										
Tax Levy	\$ 28,241,597	\$ 28,346,771	\$ 28,348,014	\$ 28,537,980	\$ 26,347,767	\$ 25,639,224	\$ 24,961,762	\$ 23,729,736	\$ 20,882,823	\$ 18,265,544
Tuition Charges	\$ 168,419	-	-	-	-	-	-	-	1,946	43,017
Interest	27,505	22,674	20,386	43,471	42,369	85,980	135,557	-	-	-
Miscellaneous	486,660	548,711	459,607	377,687	159,017	465,209	75,692	151,784	120,325	186,231
State Sources	4,691,526	5,066,885	4,385,634	3,604,441	4,018,217	4,642,124	5,889,489	5,428,591	4,511,979	4,288,188
Federal Sources	825,835	864,723	919,449	1,191,742	924,450	723,158	690,505	600,423	654,875	674,848
<b>Total Revenue</b>	<b>34,441,542</b>	<b>34,849,764</b>	<b>34,133,090</b>	<b>33,755,321</b>	<b>31,491,820</b>	<b>31,555,695</b>	<b>31,753,005</b>	<b>29,910,534</b>	<b>26,171,948</b>	<b>23,457,828</b>
<b>Expenditures:</b>										
Instruction:										
Regular Instruction	7,445,934	7,126,529	7,797,326	7,347,415	7,406,861	6,930,715	7,919,773	7,532,797	7,267,436	7,532,391
Special Education										
Instruction	3,814,426	3,742,079	3,515,551	3,697,106	3,541,021	3,428,691	2,630,615	2,634,824	2,351,485	2,300,946
Other Special Instruction	989,410	1,042,934	1,022,455	940,783	1,003,431	1,066,476	699,749	799,949	655,633	623,890
Other Instruction	40,517	24,162	29,135	63,208	60,988	147,696	257,560	178,125	172,446	161,143
Support Services:										
Student & Instruction										
Related Services	3,344,773	3,188,827	3,176,730	3,254,469	3,493,258	2,970,454	2,750,823	2,834,973	2,604,102	2,538,403
School Administrative										
Services	1,137,381	1,174,579	1,081,050	1,092,882	1,080,519	1,111,250	1,083,011	546,896	1,046,788	471,902
General & Business										
Administration Services	1,370,664	1,301,547	1,226,445	1,132,296	1,071,127	1,226,545	1,268,553	1,401,337	1,309,965	1,199,363
Plant Operations &										
Maintenance	3,496,792	2,982,312	3,192,649	3,236,095	3,249,017	3,507,333	3,103,143	2,444,441	2,048,204	1,766,532
Pupil Transportation	1,567,695	1,532,676	1,535,919	1,571,411	1,567,145	1,674,803	1,738,099	1,509,776	1,346,240	1,252,111
Unallocated Benefits	8,404,046	8,770,162	7,438,511	7,464,995	6,724,875	6,120,153	6,979,231	6,689,637	5,579,484	5,078,884
Capital Outlay	612,332	1,708,435	946,518	1,163,495	1,096,542	691,308	595,311	469,746	1,243,262	16,218,624
Debt Service:										
Principal	1,240,000	1,195,000	1,155,000	1,095,000	1,045,000	995,000	945,000	900,000	855,000	50,000
Interest & Other Charges	658,675	695,425	730,473	761,720	869,874	910,673	949,474	986,374	1,021,473	1,039,573
<b>Total Expenditures</b>	<b>34,122,645</b>	<b>34,484,667</b>	<b>32,847,762</b>	<b>32,820,875</b>	<b>32,209,658</b>	<b>30,781,097</b>	<b>30,920,342</b>	<b>28,928,875</b>	<b>27,501,518</b>	<b>40,233,762</b>
<b>Excess (Deficiency) of Revenues</b>	<b>318,897</b>	<b>365,097</b>	<b>1,285,328</b>	<b>934,446</b>	<b>(717,838)</b>	<b>774,598</b>	<b>832,663</b>	<b>981,659</b>	<b>(1,329,570)</b>	<b>(16,775,934)</b>
<b>Over/(Under) Expenditures</b>										

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Other Financing Sources/(Uses):</b>										
Proceeds from Borrowing	-	-	-	-	-	-	-	-	-	690,385
Transfers in	-	-	-	-	-	-	-	57	16,153	135,326
Transfers Out	-	-	-	-	-	-	-	-	(16,153)	(135,326)
<b>Total Other Financing Sources/ (Uses)</b>	-	-	-	-	-	-	-	57	-	690,385
<b>Net Change in Fund Balances</b>	\$ 318,897	\$ 365,097	\$ 1,285,328	\$ 934,446	\$ (717,838)	\$ 774,598	\$ 832,663	\$ 981,716	\$ (1,329,570)	\$ (16,085,549)
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	5.7%	5.8%	5.9%	5.9%	6.2%	6.3%	6.2%	6.6%	7.1%	4.5%

Source: District CAFR, Schedule B-2

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION	INTERLOCAL SERVICES	PRIOR YEAR REFUNDS	MISCELLANEOUS	TOTAL
2014	\$ 27,505	\$ 169,192	\$ 263,996	\$ 169,085	\$ 52,805	\$ 682,583
2013	22,674	117,766	254,000	127,718	11,441	533,599
2012	20,386	-	303,797	-	148,899	473,082
2011	43,471	-	269,965	-	52,650	366,086
2010	26,079	-	-	55,672	67,934	149,685
2009	81,016	4,964	-	-	289,781	375,761
2008	135,557	-	-	5,643	17,729	158,929
2007	90,014	-	-	4,197	2,100	96,311
2006	75,157	-	-	43,415	1,753	120,325
2005	32,465	43,017	-	-	18,440	93,922

Source: District records

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	COMMUNICATION EQUIPMENT	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	TOTAL ASSESSED VALUE	TOTAL DIRECT SCHOOL TAX RATE
2014	\$ 127,151,900	\$ 4,586,354,860	\$ 688,600	\$ 23,300	\$ 294,670,400	\$ 24,462,500	\$ 58,553,100	\$ 5,768,219	\$ 5,097,672,879	\$ 1,274,373,100	\$ 3,823,299,779	0.554
2013	123,862,500	4,586,855,260	688,600	23,300	318,920,400	24,764,900	58,647,000	6,571,500	5,120,333,460	1,272,461,000	3,847,872,460	0.553
2012	132,153,900	4,599,782,500	688,600	23,300	324,561,400	24,742,200	58,796,400	6,397,133	5,147,145,433	1,270,623,100	3,876,522,333	0.550
2011	142,705,500	4,597,514,300	688,600	22,700	344,374,200	28,114,500	59,170,800	8,476,005	5,181,066,605	1,269,044,700	3,912,021,905	0.551
2010	46,338,500	2,488,096,590	270,800	22,700	128,273,700	11,119,200	24,630,200	3,574,672	2,702,326,362	813,157,300	1,889,169,062	0.975
2009	49,607,700	2,469,451,190	270,800	22,700	122,003,200	10,646,400	24,630,200	3,292,475	2,679,924,665	811,068,500	1,868,856,165	0.939
2008	49,339,700	2,447,836,590	270,800	22,700	119,958,300	11,321,600	24,756,300	3,462,676	2,656,968,666	809,607,400	1,847,361,266	0.902
2007	50,968,900	2,421,249,640	270,800	21,500	116,946,700	11,358,700	24,746,400	3,923,144	2,629,485,784	806,116,550	1,823,369,234	0.801
2006	50,153,250	2,396,731,790	270,800	20,800	118,269,500	11,358,700	24,746,400	4,837,667	2,606,388,907	786,616,600	1,819,772,307	0.712
2005	53,657,050	2,360,530,990	270,800	20,100	109,369,500	11,358,700	24,746,400	5,637,528	2,565,591,068	785,278,700	1,780,312,368	0.633

Source: Abstract of Ratables "Assessed Value by Classification"

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

@ = Revaluation

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		TOTAL DIRECT	OVERLAPPING RATES					TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL		TOWNSHIP OF BERKELEY	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE		
2014	0.554	0.382	0.936	0.567	0.353	0.039	0.012	1.907	
2013	0.553	0.384	0.937	0.532	0.341	0.038	0.014	1.862	
2012	0.550	0.367	0.917	0.508	0.336	0.038	0.014	1.813	
2011	0.551	0.370	0.921	0.505	0.341	0.038	0.014	1.819	
2010	0.975	0.667	1.642	0.969	0.636	0.071	0.029	3.347	
2009	0.957	0.657	1.614	0.916	0.638	0.071	0.029	3.268	
2008	0.939	0.638	1.577	0.841	0.603	0.069	0.027	3.117	
2007	0.902	0.650	1.552	0.746	0.577	0.060	0.023	2.958	
2006	0.801	0.699	1.500	0.675	0.576	0.058	0.021	2.830	
2005	0.712	0.697	1.409	0.645	0.564	0.058	0.018	2.694	

Source: Abstract of Ratables, Breakdown of General Tax Rate

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND TEN YEARS AGO**

TAXPAYER	FOR YEAR ENDED DECEMBER 31, 2013		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Hovchild Partnership LLC	\$34,976,300	1	0.69%
RK Creek LLC	\$28,289,800	2	0.55%
Arlington Beach	\$21,167,800	3	0.42%
Quaker Malls	\$17,721,200	4	0.35%
Baywick Plaza	\$15,000,000	5	0.29%
Berkeley Healthcare Assoc	\$11,500,000	6	0.23%
NJ Pulverizing Co.	\$11,500,000	7	0.23%
Shar-A-Dee Apartments	\$8,759,600	8	0.17%
Bay HSE c/o Bank NJ?NY Corp Trust	\$8,691,700	9	0.17%
Millers Camp Inc	\$8,521,400	10	0.17%
Total	<u>\$166,127,800</u>		<u>3.26%</u>

TAXPAYER	FOR YEAR ENDED DECEMBER 31, 2003		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Hovchild Sr Citizen Complex	\$14,242,000	1	0.56%
Hidden Creek Apts	\$13,452,000	2	0.53%
Baywick Plaza	\$6,660,400	3	0.26%
NJ Pulverizing	\$6,142,200	4	0.24%
Verizon	\$5,637,528	5	0.22%
Quaker Mills	\$5,480,900	6	0.22%
Midway East	\$5,331,700	7	0.21%
Berkeley Healthcare	\$5,200,000	8	0.20%
Bayridge housing	\$4,817,500	9	0.19%
Arlington Beach Co.	\$3,323,400	10	0.13%
Total	<u>\$70,287,628</u>		<u>2.76%</u>

Source: Municipal Tax Assessor and Treasurer

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

YEAR ENDED December 31,	TAXES LEVIED FOR THE YEAR	COLLECTED WITHIN THE FISCAL		COLLECTIONS IN SUBSEQUENT YEARS
		YEAR OF THE LEVY	PERCENTAGE OF LEVY	
		AMOUNT		
2013	97,194,773	94,123,418	96.84%	3,218,000
2012	95,308,308	91,638,938	96.15%	2,434,000
2011	93,298,408	90,359,508	96.85%	2,434,000
2010	94,204,501	91,378,366	97.00%	1,646,000
2009	90,426,522	87,713,726	97.00%	1,582,000
2008	87,578,591	85,914,598	98.10%	1,335,000
2007	82,792,753	81,327,321	98.23%	1,300,000
2006	78,363,792	76,983,206	98.24%	1,125,000
2005	74,193,873	72,999,611	98.39%	1,046,150
2004	69,858,340	68,770,246	98.44%	1,025,000

Source: Municipal Tax Collector, Abstract of Ratables "Receipts from Delinquent Taxes"

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

FISCAL YEAR ENDED JUNE 30,	<u>GOVERNMENTAL ACTIVITIES</u>			PER CAPITA PERSONAL INCOME	% OF PERSONAL INCOME
	GENERAL OBLIGATION BONDS	CAPITAL LEASES *	TOTAL DISTRICT		
2014	\$14,325,000	74,358	14,399,358	N/A	N/A
2013	15,565,000	112,486	15,677,486	N/A	N/A
2012	16,760,000	82,705	16,842,705	43,200	0.26%
2011	17,915,000	137,463	18,052,463	41,986	0.23%
2010	19,010,000	188,764	19,198,764	40,611	0.21%
2009	20,635,100	194,771	20,829,871	40,510	0.19%
2008	21,630,100	316,218	21,946,318	41,275	0.19%
2007	22,575,100	265,893	22,840,993	40,302	0.18%
2006	23,475,100	486,402	23,961,502	38,029	0.16%
2005	24,330,100	850,676	25,180,776	35,901	0.14%

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

\* Exhibit I-1, I-2, I-3; CAFR

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(Dollars in Thousands, Except per Capita)**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA PERSONAL INCOME
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2014	\$14,325,000	N/A	14,325,000	N/A	N/A
2013	15,565,000	N/A	15,565,000	N/A	N/A
2012	16,760,000	N/A	16,760,000	N/A	43,200
2011	17,915,000	N/A	17,915,000	N/A	41,986
2010	19,010,000	N/A	20,635,100	N/A	40,611
2009	20,635,100	N/A	20,635,100	N/A	40,510
2008	21,630,100	N/A	21,630,100	N/A	41,275
2007	22,575,100	N/A	22,575,100	N/A	40,302
2006	23,475,100	N/A	23,475,100	N/A	38,029
2005	24,330,100	N/A	24,330,100	N/A	35,901

Sources: District records, Per Capita Personal income - NJ Dept of Labor

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2014**

GOVERNMENTAL UNIT	ESTIMATED PERCENTAGE APPLICABLE	DEBT OUTSTANDING
<b><u>Overlapping Debts:</u></b>		
Berkeley Township		\$36,237,844
Berkeley Township Sewerage Authority		8,541,646
Berkeley Township Municipal Utilities Authority		10,023,681
Central Regional School District		4,637,801
Ocean County Utilities Authority		10,992,084
County of Ocean		<u>23,385,704</u>
Subtotal, Overlapping Debt		93,818,760
Berkeley Township Board of Education Direct Debt		<u>14,325,000</u>
Total Direct & Overlapping Debt		<u><u>\$108,143,760</u></u>

Sources: Township of Berkeley, Annual Debt Statement as of December 31, 2013  
Debt outstanding data provided by each governmental unit.

**NOTE** - Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Berkeley Township. This process recognizes that, when considering the District's ability to issue and repay Long-Term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

**a.** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another government unit's taxable value that is within the District's boundaries and dividing it by each unit's total

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	\$132,936,829	139,483,856	147,207,363	153,818,595	157,612,361	155,095,981	102,000,841	127,891,047	153,013,543	151,565,881
Total Net Debt Applicable to Limit	14,325,000	15,565,000	16,760,000	17,915,000	19,010,000	20,635,100	21,630,100	22,575,100	23,475,100	24,330,100
Legal Debt Margin	<u>\$118,611,829</u>	<u>123,918,856</u>	<u>130,447,363</u>	<u>135,903,595</u>	<u>138,602,361</u>	<u>134,460,881</u>	<u>80,370,741</u>	<u>105,315,947</u>	<u>129,538,443</u>	<u>127,235,781</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	10.78%	11.16%	11.39%	11.65%	12.06%	13.30%	21.21%	17.65%	15.34%	16.05%

**Legal Debt Margin Calculation for Fiscal Year 2014**

Equalized Valuation Basis	
2013	\$5,105,690,023
2012	5,268,660,581
2011	<u>5,578,068,902</u>
	<u>\$15,952,419,506</u>
Average Equalized Valuation of Taxable Property	<u>\$5,317,473,169</u> A-3
Debt Limit (2.5 % of A-3)	\$132,936,829
Net Bonded School Debt	<u>14,325,000</u>
Legal Debt Margin	<u>\$118,611,829</u>

**Source:** Equalized valuation bases were obtained from the Annual Debt Statement, Township of Berkeley

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

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (b)	UNEMPLOYMENT RATE (c)
2013	N/A	N/A	12.9%
2012	41,498	43,200	15.6%
2011	41,455	41,986	14.9%
2010	41,331	40,611	14.2%
2009	42,975	40,510	14.0%
2008	42,783	41,275	6.8%
2007	42,656	40,302	5.3%
2006	42,493	38,029	6.0%
2005	42,345	35,901	5.5%

**Source:**

a Population information provided by the NJ Dept of Labor and Workforce Development

b Per Capita Personal income - NJ Dept of Labor

c Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

	2013		PERCENTAGE OF TOTAL EMPLOYMENT
	EMPLOYEES	RANK	
Berkeley Township Board of Education	347	1	2.65%
Township of Berkeley	327	2	2.50%
Central Regional Board of Education	325	3	2.49%
Ocean County Utilities Authority	275	4	2.10%
Hovnanian	250	5	1.91%
Perlmart	240	6	1.84%
Crystal Lake	220	7	1.68%
Tallwoods	200	8	1.53%
Ocean Mental Health	149	9	1.14%
Urner Barry publications	62	10	0.47%
Total	<u>2,395</u>		<u>18.32%</u>
Total Labor Force	<u>13,071</u>		

**2003 DATA NOT AVAILABLE**

Source: Ocean County Department of Economic Development and Tourism;  
The Township of Berkeley, Official Statements

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

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction:										
Regular	109	107	109	114	113	111	113	112	106	110
Special Education, teachers/aides	91	87	80	53	52	53	52	52	49	49
Support Services:										
Student & Instruction Related Services	42.8	46	50	86	93	89	94	91	92	86
General Administration	5.8	4.8	3	4	4	4	5	5	4	3
School Administration	17	16	17	17	15	16	15	15	15	15
Business Administrative Services	6	6	6	6	6	6	6	6	6	6
Technical Administrative Services	3	3	2	2	2	2	1	1	1	1
Plant Operations/Maint, Lunchrm aides	31.6	32.5	26.5	31	27	27	29	27	28	24
Pupil Transportation	34.5	33.5	44	38	37	37	33	31	26	28
<b>Total</b>	<b>341</b>	<b>336</b>	<b>338</b>	<b>351</b>	<b>349</b>	<b>345</b>	<b>348</b>	<b>340</b>	<b>327</b>	<b>322</b>

**Source:** District Personnel Records

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
OPERATING STATISTICS  
LAST NINE FISCAL YEARS**

SCHOOL YEAR	ENROLLMENT	OPERATING EXPENDITURES		PUPIL CHANGE	TEACHING STAFF (b)	PUPIL TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
		(a)	(a)							
2014	2,110	\$29,266,711	13,870	0.36%	178	11.9	2,112	2,004.0	0.03	94.9%
2013	2,039	28,180,062	13,821	-0.28%	176	11.6	2,057	1,941.7	0.01	94.9%
2012	2,012	27,885,851	13,860	-4.18%	179	11.2	2,022	1,918.2	(0.00)	94.6%
2011	2,017	29,173,545	14,464	-0.06%	180	11.2	2,036	1,925.8	0.01	94.7%
2010	2,016	29,177,946	14,473	-5.49%	170	11.9	2,015	1,907.0	0.02	94.9%
2009	2,010	30,781,097	15,314	8.17%	170	11.8	1,974	1,874.6	0.02	94.7%
2008	1,945	27,536,776	14,158	5.06%	165	11.8	1,948	1,845.6	0.02	94.7%
2007	1,921	25,888,127	13,476	7.24%	156	12.3	1,908	1,807.0	(0.00)	94.8%
2006	1,915	24,065,888	12,567	4.28%	156	12.2	1,909	1,810.2	-	95.0%

**Sources:** District records

**Note:** Enrollment based on annual October District count.

a. Operating expenditures equal total expenditures less debt service and capital outlay.(Sch B-2)less nonbudgeted expenditures

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).

Note: This schedule does not contain 10 years of information, shown for only years since adoption in fiscal year 2005.

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2014	2013	2012	2011	2010	2009	2008	2007
Bayville Elementary (Org. 1926 Add: 1951,1959,1969,2003):								
Square Feet	73,369	73,369	73,369	73,369	73,369	73,369	73,369	73,369
Capacity (Students)	600	600	600	600	600	600	600	600
Enrollment	415	450	374	408	430	434	457	449
Berkeley Twp. Elementary (2003)								
Square Feet	102,830	102,830	102,830	102,830	102,830	102,830	102,830	102,830
Capacity (Students)	800	800	800	800	800	800	800	800
Enrollment	571	543	522	545	536	535	529	550
Clara B. Worth Elementary (Org. 1962 Add: 1984&2003):								
Square Feet	81,258	81,258	81,258	81,258	81,258	81,258	81,258	81,258
Capacity (Students)	845	845	845	845	845	845	845	845
Enrollment	623	600	605	580	587	583	489	495
H&M Potter Elementary (Org. 1974 Add: 1984&2003):								
Square Feet	88,424	88,424	88,424	88,424	88,424	88,424	88,424	88,424
Capacity (Students)	725	725	725	725	725	725	725	725
Enrollment	501	462	520	484	461	458	433	427

Number of Schools at June 30, 2014:  
Elementary = 4

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

Note: This schedule does not contain 10 years of information, shown for only years since adoption in fiscal year 2006

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

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

	BAYVILLE ELEMENTARY	CLARA B. WORTH ELEMENTARY	H & M POTTER ELEMENTARY 0570-030-R01	BERKELEY TOWNSHIP ELEMENTARY SCHOOL	OTHER	TOTAL
2014	248,773	275,522	299,820	348,667	28,882	1,201,664
2013	186,504	206,558	224,773	261,393	21,653	900,881
2012	249,993	276,874	304,601	350,377	29,023	1,210,868
2011	195,154	216,138	235,199	273,517	22,657	942,665
2010	235,610	260,944	283,957	330,219	27,354	1,138,084
2009	277,594	307,442	334,555	389,061	8,606	1,317,258
2008	148,992	165,013	179,565	208,820	17,298	719,688
2007	118,426	131,160	142,727	165,980		558,293
2006	99,151	109,812	119,496	138,965		467,424
2005	125,966	139,511	151,814	176,547		417,291

Source: District records, M-1, sch C-1 Actual total 11-000-261-XXX

**INSURANCE SCHEDULE  
JUNE 30, 2014**

	LIMITS	DEDUCTIBLE
<b>School Package Policy (1):</b>		
Real and Personal Property	350,000,000	5,000
Extra Expense	50,000,000	5,000
Valuable Papers/Records	10,000,000	5,000
Demolition, Inc Cost of Construction	10,000,000	N/A
Pollutant Clean Up	250,000	5,000
Flood Zone A & V	10,000,000	500,000
Terrorism	1,000,000	
Earthquake	50,000,000	
Theft, Disapperance, Destruction	25,000	500
General Liability	31,000,000	1,000
Automobile Liability	31,000,000	1,000
School Board Legal Liability	11,000,000	5,000
Workers' Compensation	2,000,000	N/A
Board Accident Policy	5,000 Medical/10,000 Death	
<b>Surety Bonds (1):</b>		
Treasurer	250,000	1,000
Board Secretary	25,000	500

(1) - New Jersey School Insurance Group

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  
Berkeley Township  
County of Ocean  
Bayville, 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 and business-type activities, each major fund and the aggregate remaining fund information of the Berkeley Township Board of Education, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Berkeley Township Board of Education's basic financial statements, and have issued our report thereon dated October 21, 2014.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Frank B. Holman, III.  
Public School Accountant  
Certified Public Accountant  
No. 783

Toms River, New Jersey  
October 21, 2014



HOLMAN | FRENIA  
ALLISON, P.C.

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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  
Berkeley Township  
County of Ocean  
Bayville, New Jersey

#### **Report on Compliance for Each Major Federal and State Program**

We have audited Berkeley Township Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey 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, 2014. Berkeley Township 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 Berkeley Township 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; 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 Berkeley Township Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Federal and State Program**

In our opinion, Berkeley Township Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

### **Report on Internal Control Over Compliance**

Management of Berkeley Township Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Berkeley Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 and 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 Berkeley Township Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Frank B. Holman, III.  
Public School Accountant  
Certified Public Accountant  
No. 783

Toms River, New Jersey  
October 21, 2014

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**BERKELEY TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2013	CASH RECEIVED	BUDGETARY EXPENDITURES	UNEARNED REVENUE AT JUNE 30, 2014	(ACCOUNTS RECEIVABLE; JUNE 30, 2014	DUE TO GRANTOR JUNE 30, 2014
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>										
Food Distribution Program(Commodity	10.550	N/A	42,676	7/1/13-6/30/14	\$ -	\$ 42,676	(42,676)	\$ -	\$ -	\$ -
National School Lunch Program	10.555	5120-201-372573-63	266,935	7/1/12-6/30/13	(20,659)	20,659	-	-	-	-
National School Lunch Program	10.555	5120-201-372573-63	297,473	7/1/13-6/30/14	-	271,166	(297,473)	-	(26,307)	-
National Performance Based Lunch	10.555	5120-201-372573-63	9,281	7/1/12-6/30/13	(775)	775	-	-	-	-
National School Breakfast Program	10.553	5120-201-372573-63	60,501	7/1/12-6/30/13	(5,038)	5,038	-	-	-	-
National School Breakfast Program	10.553	5120-201-372573-63	62,396	7/1/13-6/30/14	-	56,398	(62,396)	-	(5,998)	-
Total U.S. Department of Agriculture					(26,472)	396,712	(402,545)	-	(32,305)	-
<b>U.S. DEPARTMENT OF LABOR PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>										
Medical Assistance Program (SEMI)	93.778	N/A	70,889	7/1/13-6/30/14	-	70,889	(70,889)	-	-	-
Total U.S. Department of Labor					-	70,889	(70,889)	-	-	-
<b>U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY-THROUGH NEW JERSEY STATE POLICE:</b>										
Community Disaster Loan Program	97.030	N/A	5,000,000	7/1/13-6/30/14	-	365,211	(365,211)	-	-	-
Total U.S. Federal Emergency Management Agency					-	365,211	(365,211)	-	-	-
<b>U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>										
Title I	84.010A	NCLB-0320-07	206,265	9/12/13-8/31/14	-	197,564	(204,935)	-	(7,371)	-
Title I	84.010A	NCLB-0320-07	242,804	9/12/12-8/31/13	(18,186)	18,186	-	-	-	-
Title II A	84.367A	NCLB-0320-07	57,257	9/12/13-8/31/14	-	51,410	(52,307)	-	(897)	-
Title II A	84.367A	NCLB-0320-07	56,994	9/12/12-8/31/13	(4,632)	4,632	-	-	-	-
I.D.E.A. Part B, Basic Regular	84.027A	FT316007	419,441	9/12/13-8/31/14	-	457,640	(473,583)	-	(15,943)	-
I.D.E.A. Part B, Basic Regular	84.027A	FT316007	440,696	9/12/12-8/31/13	(208,071)	208,071	-	-	-	-
I.D.E.A. Preschool	84.173A	PS316007	23,900	9/12/13-8/31/14	-	28,557	(33,504)	-	(4,947)	-
I.D.E.A. Preschool	84.173A	PS316007	24,999	9/12/12-8/31/13	(12,544)	12,544	-	-	-	-
Anti-Bullying Bill of Rights Act	N/A	N/A	815	9/12/12-8/31/13	(815)	815	-	-	-	-
Total U.S. Department of Education					(244,248)	979,419	(764,329)	-	(29,158)	-
Total Federal Financial Assistance					\$ (270,720)	\$ 1,812,231	\$ (1,602,974)	\$ -	\$ (61,463)	\$ -

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2013	CASH RECEIVED	BUDGETARY EXPENDITURES	UNEARNED REVENUE AT JUNE 30, 2014	(ACCOUNTS RECEIVABLE) JUNE 30, 2014	DUE TO GRANTOR JUNE 30, 2014	MEMO ONLY	
										BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>State Department of Education:</b>											
<b>General Fund:</b>											
Transportation Aid	14-495-034-5120-014	\$ 786,353	7/1/13-6/30/14	\$ -	\$ 786,353	\$ (786,353)	-	\$ -	-	\$ (70,225)	\$ 786,353
Special Education Categorical Aid	14-495-034-5120-089	1,132,766	7/1/13-6/30/14	-	1,132,766	(1,132,766)	-	-	-	(101,160)	1,132,766
Security Aid	14-495-034-5120-084	295,958	7/1/13-6/30/14	-	295,958	(295,958)	-	-	-	(26,430)	295,958
Adjustment Aid	14-495-034-5120-085	72,495	7/1/13-6/30/14	-	72,495	(72,495)	-	-	-	(6,474)	72,495
Extraordinary Aid	14-495-034-5120-473	69,445	7/1/13-6/30/14	-	-	(69,445)	-	(69,445)	-	-	69,445
Extraordinary Aid	13-495-034-5120-473	101,963	7/1/12-6/30/13	(101,963)	101,963	-	-	-	-	-	-
Transportation Aid - Non-Public School Costs	14-495-034-5120-014	6,930.00	7/1/13-6/30/14	-	-	(6,930)	-	(6,930)	-	-	6,930
Transportation Aid - Non-Public School Costs	13-495-034-5120-014	8,178	7/1/12-6/30/13	(8,178)	8,178	-	-	-	-	-	-
On-Behalf Teacher Pension and Annuity Fund	14-100-034-5095-116	535,713	7/1/13-6/30/14	-	535,713	(535,713)	-	-	-	-	535,713
On-Behalf Teacher Post- Retirement Medical	14-100-034-5095-116	878,369	7/1/13-6/30/14	-	878,369	(878,369)	-	-	-	-	878,369
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	14-100-034-5095-002	911,458	7/1/13-6/30/14	-	866,121	(911,458)	-	(45,337)	-	-	911,458
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	13-100-034-5095-002	924,702	7/1/12-6/30/13	(45,551)	45,551	-	-	-	-	-	-
Total General Fund				<u>(155,692)</u>	<u>4,723,467</u>	<u>(4,689,487)</u>	-	<u>(121,712)</u>	-	<u>(204,289)</u>	<u>4,689,487</u>
<b>Enterprise Fund:</b>											
National School Lunch Program (State Share)	14-100-010-3350-021	8,290	7/1/13-6/30/14	-	7,557	(8,290)	-	(733)	-	-	8,290
National School Lunch Program (State Share)	13-100-010-3350-021	8,445	7/1/12-6/30/13	(619)	619	-	-	-	-	-	-
Total Enterprise Fund				<u>(619)</u>	<u>8,176</u>	<u>(8,290)</u>	-	<u>(733)</u>	-	-	<u>8,290</u>
Total State Financial Assistance				<u>\$ (156,311)</u>	<u>\$ 4,731,643</u>	<u>(4,697,777)</u>	<u>\$ -</u>	<u>\$ (122,445)</u>	<u>\$ -</u>	<u>\$ (204,289)</u>	<u>\$ 4,697,777</u>
<b>Less: Awards Not Subject to New Jersey OMB Circular 04-04:</b>											
On-Behalf Teacher Pension and Annuity Fund						535,713					
On-Behalf Teacher Post-Retirement Medical						878,369					
Total State Financial Assistance Subject to New Jersey OMB Circular 04-04						<u>\$ (3,283,695)</u>					

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2014**

**Note 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, Berkeley Township Board of Education. The Board of Education 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 schedule of expenditures of federal awards and state financial assistance.

**Note 2. Basis of Accounting**

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

**Note 3. Relationship to Basic Financial Statements**

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

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE (continued):  
FOR THE YEAR ENDED JUNE 30, 2014**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(1,378) for the general fund and \$460 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s basic financial statements on a GAAP basis as presented as follows:

	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ 70,889	\$ 4,682,622	\$ 4,753,511
Special Revenue Fund	754,946	8,904	763,850
Enterprise Fund	402,545	8,290	410,835
Total Financial Assistance	<u>\$ 1,228,380</u>	<u>\$ 4,699,816</u>	<u>\$ 5,928,196</u>

**Note 4. Relationship to Federal and State Financial Reports**

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

**Note 5. Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2014. 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, 2014.

**Note 6. Federal and State Loans Outstanding**

Berkeley Township Board of Education received a FEMA Community Disaster Loan in the amount of \$5,000,000. The district drew down \$365,211 in the fiscal year and has an outstanding balance of \$4,634,789 as of June 30, 2014.

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2014**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	None Reported

**Federal Awards**

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 510(A) of Circular A-133?	None Reported

**Identification of major programs:**

CFDA Number(s)	Name of Federal Program or Cluster
84.010A	Title I
97.030	Community Disaster Loan

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2014**

**Section I – Summary of Auditor’s Results (continued)**

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04	None Reported

**Identification of major programs:**

<b>GMIS Number(s)</b>	<b>Name of State Program</b>
14-495-034-5120-089	Categorical Special Education Aid
14-495-034-5120-084	Categorical Security Aid
14-495-034-5120-085	Adjustment Aid

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2014**

**Section II – Financial Statement Findings**

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

No Current Year Findings

**Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs**

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

No Current Year Findings

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
For the Fiscal Year Ended June 30, 2014**

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

No Prior Audit Findings