

SCHOOL DISTRICT
OF
FREEHOLD TOWNSHIP
OF MONMOUTH COUNTY

FREEHOLD TOWNSHIP SCHOOL DISTRICT

FREEHOLD, NEW JERSEY

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

of the

Freehold Township School District
of Monmouth County

Freehold, New Jersey

For the Fiscal Year Ended June 30, 2014

Prepared by

Freehold Township School District
of Monmouth County Board of Education
Finance Department

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INTRODUCTORY SECTION



Freehold Township Schools

Ross Kasun, Ed.D., Superintendent of Schools

732-462-8400 ext. 8807 ♦ 732-761-1809 fax

rkasun@freeholdtpw.k12.nj.us

*"...preparing all students to
be responsible citizens and
life long learners."*

November 26, 2014

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

Dear Board Members:

The comprehensive annual financial report of the Freehold 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 (Board). To the best of our knowledge and belief, the data presented in this report are accurate in all material respects, and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter OMB 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Freehold Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Freehold Township School District Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, as well as special education for youngsters with disabilities. The District completed the 2013-2014 fiscal year with an enrollment of 4050 students, which is 105 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District.

Average Daily Enrollment

<u>Fiscal</u> <u>Year</u>	<u>Student</u> <u>Enrollment</u>	<u>Percent</u> <u>Change</u>
1992-93	2,785	3.57%
1993-94	2,880	3.41%
1994-95	3,037	5.45%
1995-96	3,217	5.93%
1996-97	3,290	2.27%
1997-98	3,375	2.58%
1998-99	3,734	10.63%
1999-00	3,898	4.39%
2000-01	4,085	4.79%
2002-02	4,347	6.41%
2002-03	4,452	2.42%
2003-04	4,565	1.03%
2004-05	4,635	1.02%
2005-06	4,658	1.01%
2006-07	4,595	1.35%
2007-08	4,651	1.20%
2008-09	4,521	-2.80%
2009-10	4,500	-0.05%
2010-11	4,375	-2.80%
2011-12	4,276	-2.26%
2012-13	4,155	-2.83%
2013-14	4,050	-2.53%

2) ECONOMIC CONDITION AND OUTLOOK: The economic climate in the State of Jersey continues to be slow in recovering from the recession. The District saw an increase in state aid of \$85,144 bringing its state aid to \$4.2 million. However, for Freehold Township, this is still \$1.6 million less than 2009-2010 levels of state aid. The District was able to manage its funds such that it produced additional fund balance to be used in subsequent years. As of this writing the economic situation in the state is slowly improving.

3) MAJOR INITIATIVES: The school district completed projects including major site improvements to the Clifton Barkalow School and Early Childhood Center Campuses in the form of parking lots and driveways to alleviate traffic issues.

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Executive County Superintendent of Schools for 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 cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2014.

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

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Readers should refer to the Management's Discussion and Analysis for a summary of the financial statements in relation to the prior year.

8) DEBT ADMINISTRATION: At June 30, 2014, the District's outstanding debt issues included \$48,250,000 of general obligation bonds (Note 9).

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

10) RISK MANAGEMENT: The District maintains a comprehensive insurance program, including (but not limited to) blanket building and contents property insurance, general liability, auto liability, umbrella liability, and workers compensation. In addition, the District purchases special coverage such as boiler and machinery, sports accident, and student trip insurances. Annual reviews of the entire program are done in order to evaluate potential insurance changes.

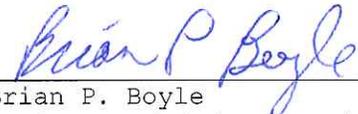
11) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, L.L.P. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1997 and the related OMB Circular A-133 and State Treasury Circular Letter OMB 04-04. The auditor's 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: We would like to express our appreciation to the members of the Freehold Township School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Ross Kasun
Superintendent of Schools



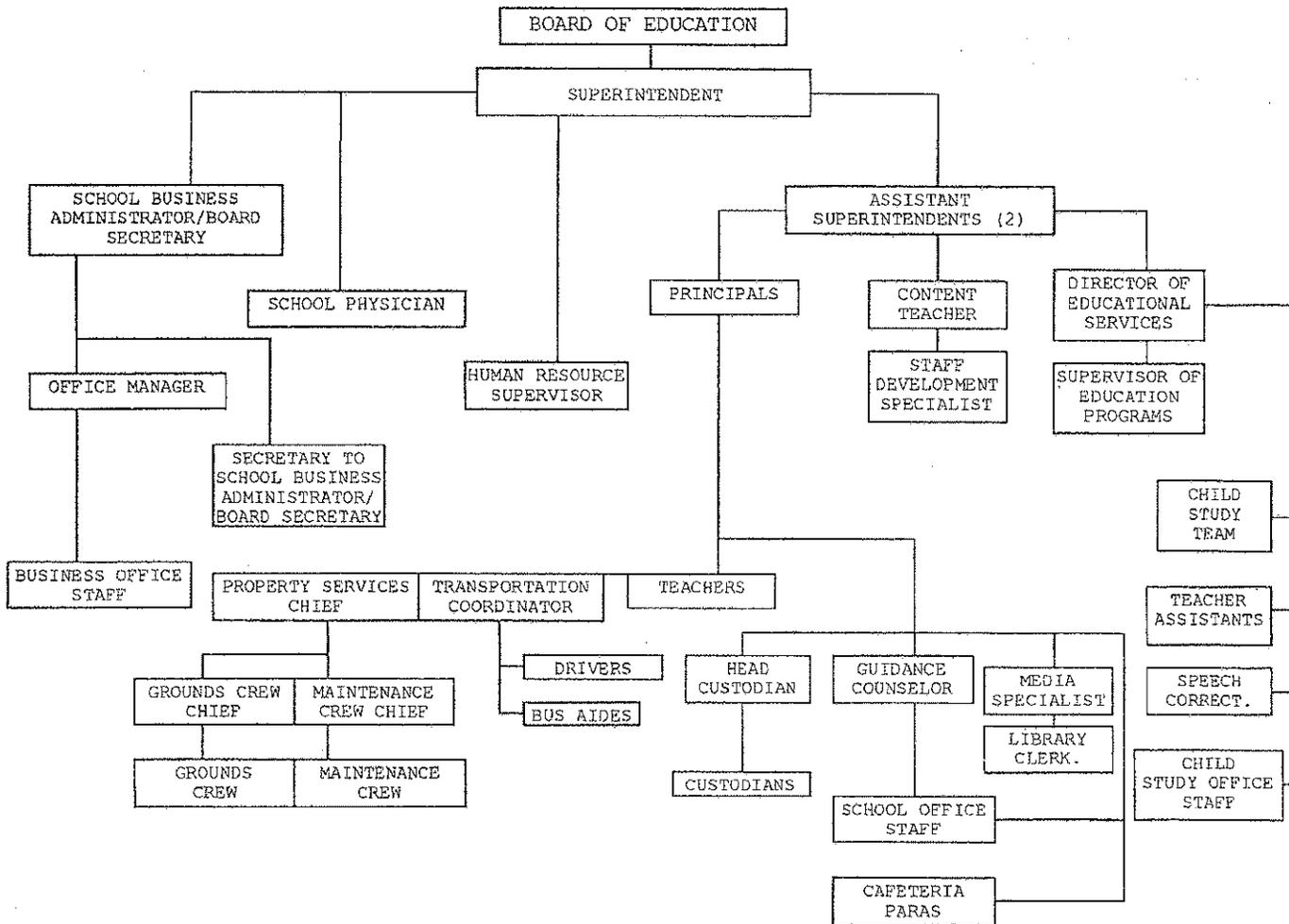
Brian P. Boyle
Business Administrator/Board Secretary

POLICY

FREEHOLD TOWNSHIP BOARD OF EDUCATION

ADMINISTRATION
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Organizational Chart

1110 ORGANIZATIONAL CHART



Adopted: 28 November 2000



FREEHOLD TOWNSHIP SCHOOL DISTRICT

FREEHOLD, NEW JERSEY

Roster of Officials

June 30, 2014

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Kay Poklemba-Holtz, President	2016
Christopher Marion, Vice President	2016
Michelle Lambert	2015
Jennifer Patten	2015
Michael Amoroso	2015
Daniel DiBlasio	2014
Vincent Bruno	2017
Jason Levy	2016
Mindy Willie	2017
 <u>Other Officials</u>	
Ross Kasun, Superintendent	
Brian P. Boyle, Board Secretary/School Business Administrator	
Michael Gross, Attorney	

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Consultants and Advisors

Architect

Fraytak Veisz Hopkins Duthie PC
1515 Lower Ferry Road
P.O. Box 7371
Trenton, NJ 08628

Audit Firm

Jump, Perry and Company, L.L.P.
12 Lexington Avenue
Toms River, NJ 08754

Attorney

Michael Gross, Esq.
Kenney, Gross, Kovats, & Parton
130 Maple Avenue/Bldg 8
P.O. Box 8610
Red Bank, NJ 07701

Official Depository

Provident Bank
4331 Route 9 North
Freehold, NJ 07728

FINANCIAL SECTION

JUMP, PERRY AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

12 LEXINGTON AVENUE · TOMS RIVER, NJ · 08753 · PHONE (732) 240-7377 · FAX (732) 505-8307 · WEBSITE: jumpcpa.com

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Freehold Township School District
County of Monmouth
Freehold, 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 Freehold Township School District County of Monmouth, State of New Jersey, as of and for the 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Freehold Township School District County of Monmouth, 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 Freehold Township Board of Education's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, and New Jersey OMB Circular 04-04, (*Audits of States, Local Governments, and Non-Profit Organizations*), and is also not a required part of the basic financial statements.

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

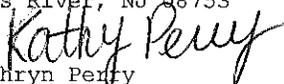
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2014, on our consideration of the Freehold Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Freehold Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

JUMP, PERRY AND COMPANY, L.L.P.
Toms River, NJ 08753


Kathryn Perry
Licensed Public School Accountant
No. CS 20CS00226400

Toms River, New Jersey
November 18, 2014

REQUIRED SUPPLEMENTARY INFORMATION – PART I

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Management Discussion and Analysis

For the year ended June 30, 2014

The Management Discussion and Analysis (MD&A) of the Freehold 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 starting on page 1 of the Introductory Section, and the School Board's financial statements found in the District-Wide Financial Statements Section starting on page 21, and the notes thereto.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2013-2014 fiscal year include the following:

In total, net assets decreased \$1,541,053 which represents a 10.77% decrease from 2013.

The total assets of governmental activities decreased by \$2,161,364. Cash and cash equivalents decreased by \$2,075,285; receivables increased by \$61,300; and capital assets decreased by \$147,379.

Total liabilities of governmental activities decreased by \$488,337, as accounts payable increased by \$230,303, other current liabilities increased \$3,071, unearned revenue increased by \$78,735 and non-current liabilities (sick leave reimbursement and bonds payable) decreased by \$800,446.

General revenues accounted for \$68,731,982 in revenue or 91.59% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$6,314,109 or 8.41% of the total revenues of \$75,046,091.

Total spending for all programs was \$76,587,144, including a charge of \$2,567,974 for depreciation. Expenses in the amount of \$6,314,109 were offset by specific charges for services and grants or contributions. General revenues (primarily local tax levy and state aid) of \$68,731,982 were adequate to provide for the balance of these programs, exclusive of the charge for depreciation.

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 Exhibits A-1 and A-2 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 financial statements start with Exhibit B-1. 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 Project Fund. The remaining statement: Statement of Fiduciary Net Assets 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 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 DISTRICT AS A WHOLE

Table I provides a summary of the School Board's net assets as of June 30, 2014 and 2013.

Table I
Statement of Net Assets
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>	Percentage of Change <u>2013-2014</u>
ASSETS			
Cash and cash equivalents	\$6,670,010	\$8,722,006	-23.53%
Receivables	1,330,589	1,238,612	7.43%
Inventory	11,432	7,231	58.10%
Other Assets	-	-	
Due from other funds	-	-	
Capital Assets	<u>57,512,165</u>	<u>57,660,527</u>	-0.26%
Total assets	<u>65,524,196</u>	<u>67,628,376</u>	-3.11%
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	<u>562,983</u>	<u>608,232</u>	-7.44%
Total deferred outflows of resources	<u>562,983</u>	<u>608,232</u>	-7.44%
LIABILITIES			
Accounts payable	671,315	437,108	53.58%
Unearned revenue	190,761	112,026	70.28%
Other current liabilities	3,071	-	
Noncurrent liabilities:			
Due within one year	1,958,016	1,688,720	15.95%
Due beyond one year	<u>49,135,859</u>	<u>50,205,601</u>	-2.13%
Total liabilities	<u>51,959,022</u>	<u>52,443,455</u>	-0.92%
DEFERRED INFLOWS OF RESOURCES			
Deferred premium on refunding	<u>1,363,378</u>	<u>1,487,321</u>	-8.33%
Total deferred inflows of resources	<u>1,363,378</u>	<u>1,487,321</u>	-8.33%
NET POSITION			
Invested in capital assets, net of related debt	3,485,807	5,877,206	-40.69%
Restricted for:			
Capital projects	719,126	704,021	2.15%
Debt service	-	-	
Other purposes	4,855,061	7,082,329	-31.45%
Unrestricted	<u>3,704,785</u>	<u>642,276</u>	476.82%
Total net assets	<u>\$12,764,779</u>	<u>\$14,305,832</u>	-10.77%

Total assets decreased by \$2,104,180. Unrestricted net assets are the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements of the School Board. These assets increased by \$3,062,509 due to a decrease in current liabilities, a decrease in deferred inflows of resources and a decrease in restricted net assets.

Total liabilities decreased by \$484,433. This was due to a decrease in non-current liabilities beyond one year. The district continued to see the benefits in paying down long-term debt in 2014.

Table II
Changes in Net Assets
For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>	Percentage of Change <u>2013-2014</u>
REVENUE			
Program revenue:			
Charges for services	\$1,094,925	\$1,010,605	8.34%
Federal, state and local aid-restricted	5,219,184	5,622,835	-7.18%
General revenue:			
Local tax levy	61,955,434	60,759,588	1.97%
Federal and State aid-unrestricted	5,022,916	4,815,481	4.31%
State and local aid-restricted	1,372,291	1,354,625	1.30%
Other general revenue	<u>381,341</u>	<u>418,828</u>	-8.95%
Total revenues	<u>75,046,091</u>	<u>73,981,962</u>	1.44%
FUNCTION/PROGRAM EXPENSES			
Instruction:			
Regular instruction	19,419,697	17,928,224	8.32%
Special instruction	8,387,187	8,099,430	3.55%
Other instruction	1,405,281	1,351,171	4.00%
Support services:			
Instruction	1,264,988	1,468,708	-13.87%
Health services	690,829	624,192	10.68%
Other support services	6,089,565	5,844,845	4.19%
Educational media services	443,356	465,749	-4.81%
Instructional staff training	65,385	72,206	-9.45%
General administration	859,196	849,568	1.13%
School administration	2,105,775	2,035,946	3.43%
Central services	766,629	733,475	4.52%
Admin info technology	728,490	725,710	0.38%
Operations and maintenance	7,810,239	7,093,740	10.10%
Security	21,975	-	
Student transportation services	3,814,473	3,466,345	10.04%

Unallocated employee benefits	14,810,078	15,084,741	-1.82%
Non-budgeted expenditures	4,938,450	5,355,028	-7.78%
Special schools	16,514	6,634	148.93%
Transfer to Charter School	-	-	
Business type activities	896,916	1,027,533	-12.71%
Interest on long-term debt	<u>2,052,121</u>	<u>1,967,046</u>	4.33%
Total expenses	<u>\$76,587,144</u>	<u>\$74,200,291</u>	3.22%
Increase (decrease) in net assets	<u><u>(\$1,541,053)</u></u>	<u><u>(\$218,329)</u></u>	

Table II shows the changes in net assets for fiscal year 2014 as compared to fiscal year 2013. This table categorizes total revenue generated by the School Board between program and general revenue, and total expenditures between instruction, support services and special extraordinary items.

The slight tax levy increase was primarily due to increases in staffing and employee salaries. The increase in federal and state aid is due to an increase in formula state aid.

The 8.97% decrease in other general revenue reflects decreases in miscellaneous revenues such as fees and book fines.

Instructional costs rose as a result of additional staff and negotiated salary increases for instructional staff.

Unallocated employee benefits saw decreases due to an increase in employees' contributions towards health insurance costs.

THE SCHOOL BOARD'S FUNDS

The School Board uses funds to control and manage money for particular purposes. The funds' basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Federal Government, 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 year ended June 30, 2014, it reported combined net assets of \$12,764,779 which is a decrease of \$1,541,053. The Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Exhibit B-3, presents the reader with a detailed explanation of the decrease in fund balance for the fiscal year.

GENERAL FUND BUDGETING HIGHLIGHTS

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 Section C of the CAFR, entitled Budgetary Comparison Schedules. The School Board generally does better than had been budgeted in its General Fund since it uses conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

The General Fund finished the fiscal year approximately \$3,472,506 less than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$130,490 worse than expected due to the pro-ration of extraordinary aid from the State of New Jersey. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The expenditures were held in check due to fiscal prudence by the administration to slow the rate of spending. At the same time, general supplies were purchased at better prices than expected due to the district joining other schools in cooperative bidding. The district participated in a co-op for energy consumption. Employees increased their contributions to health benefits as required by law.

The results show a decrease in fund balance mainly due to payment of obligations made in 2013 and carried over into 2014. The beginning fund balance, capital reserve and maintenance reserve for the 2013-2014 fiscal year all show decreases.

CAPITAL ASSETS

At June 30, 2014 the School Board had approximately \$58 Million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. 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. Table III below shows the book value of capital assets at the end of the 2014 and 2013 fiscal years.

Table III
Capital Assets (net of accumulated depreciation)
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>	Percentage of Change <u>2014-2013</u>
Site and site improvements	\$2,079,919	\$2,079,919	
Land, buildings and building improvements	52,416,259	54,529,809	-3.88%
Furniture, vehicles and equipment	834,490	811,183	2.87%
Construction in progress	<u>2,173,980</u>	<u>231,116</u>	840.64%
	<u>\$57,504,648</u>	<u>\$57,652,027</u>	-0.26%

During the current fiscal year, \$477,731 of fixed assets was capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

The School Board anticipates that capital additions for the 2014-2015 fiscal year will be comparable to the current year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the 2013-2014 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 9.9% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 90.1% of total revenue is from local tax levy.

The \$3,629,137 in unrestricted net assets for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.); the School Board would have \$3,629,137 left.

The 2013-2014 budget was adopted based in part on the state education aid the School Board anticipated receiving. The State of New Jersey increased state aid for the 13-14 school year by \$85,144 over the 12-13 school year. However, the economic climate is such that this was not truly an increase but a partial restoration of the amount that was cut in 2010-2011. Future decreases in local revenue and state education aid will place an additional financial burden on the Township of Freehold.

The School Board anticipates an increase in costs for the 2014-2015 fiscal year. This includes additional staff, higher salaries and increases in health benefit rates. If the School Board were to experience a significant increase in costs for these items with no appreciable increase in state aid for future budgets, the School Board would be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

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 Brian P. Boyle, School Business Administrator/Board Secretary, at the Freehold Township Schools Board of Education, 384 West Main Street, Freehold, New Jersey 07728, or e-mail at bboyle@freeholdtp.k12.nj.us.

BASIC FINANCIAL STATEMENTS

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,612,462	\$ 57,548	\$ 6,670,010
Receivables - other	165,864	-	165,864
Receivables - state	962,380	2,051	964,431
Receivables - federal	154,035	46,259	200,294
Inventory	-	11,432	11,432
Capital assets, non-depreciable	4,253,899	-	4,253,899
Capital assets, depreciable, net:	53,250,749	7,517	53,258,266
Total assets	<u>65,399,389</u>	<u>124,807</u>	<u>65,524,196</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	562,983	-	562,983
Total deferred outflows of resources	<u>562,983</u>	<u>-</u>	<u>562,983</u>
LIABILITIES			
Accounts payable	629,673	41,642	671,315
Other liabilities	3,071	-	3,071
Unearned revenue	190,761	-	190,761
Noncurrent liabilities:			
Due within one year	1,958,016	-	1,958,016
Due beyond one year	49,135,859	-	49,135,859
Total liabilities	<u>51,917,380</u>	<u>41,642</u>	<u>51,959,022</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred premium on refunding	1,363,378	-	1,363,378
Total deferred inflows of resources	<u>1,363,378</u>	<u>-</u>	<u>1,363,378</u>
NET POSITION			
Net investment in capital assets	3,478,290	7,517	3,485,807
Restricted for:			
Debt service	-	-	-
Capital projects	719,126	-	719,126
Other purposes	4,855,061	-	4,855,061
Unrestricted	3,629,137	75,648	3,704,785
Total net position	<u>\$ 12,681,614</u>	<u>\$ 83,165</u>	<u>\$ 12,764,779</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 19,419,697	\$ 180,214	\$ -	\$ -	\$ (19,239,483)	\$ -	\$ (19,239,483)
Special schools instruction	8,387,187	-	-	-	(8,387,187)	-	(8,387,187)
Other special instruction	1,405,281	-	-	-	(1,405,281)	-	(1,405,281)
Support services and undistributed costs:							
Instruction	1,264,988	-	-	-	(1,264,988)	-	(1,264,988)
Health services	690,829	-	-	-	(690,829)	-	(690,829)
Other support services	6,089,565	-	-	-	(6,089,565)	-	(6,089,565)
Educational media services	443,356	-	-	-	(443,356)	-	(443,356)
Instruction staff training	65,385	-	-	-	(65,385)	-	(65,385)
General administrative services	859,196	-	-	-	(859,196)	-	(859,196)
School administrative services	2,105,775	-	-	-	(2,105,775)	-	(2,105,775)
Central services	766,629	-	-	-	(766,629)	-	(766,629)
Admin info technology	728,490	-	-	-	(728,490)	-	(728,490)
Allowed maintenance for school facilities	1,127,647	-	-	-	(1,127,647)	-	(1,127,647)
Other operation & maintenance of plant	6,482,772	-	-	-	(6,482,772)	-	(6,482,772)
Care and upkeep of grounds	199,820	-	-	-	(199,820)	-	(199,820)
Security	21,975	-	-	-	(21,975)	-	(21,975)
Student transportation services	3,814,473	245,249	-	-	(3,569,224)	-	(3,569,224)
Unallocated employee benefits	14,810,078	-	-	-	(14,810,078)	-	(14,810,078)
Non-budgeted expenditures	4,938,450	-	4,938,450	-	-	-	-
Special schools	16,514	-	-	-	(16,514)	-	(16,514)
Transfer to Charter school	-	-	-	-	-	-	-
Interest expense	2,052,121	-	-	-	(2,052,121)	-	(2,052,121)
Total governmental activities	75,690,228	425,463	4,938,450	-	(70,326,315)	-	(70,326,315)
Business-type activities:							
Food service	896,916	669,462	280,734	-	-	53,280	53,280
Total business-type activities	896,916	669,462	280,734	-	-	53,280	53,280
Total primary government	\$ 76,587,144	\$ 1,094,925	\$ 5,219,184	\$ -	\$ (70,326,315)	\$ 53,280	\$ (70,273,035)
General revenues:							
Taxes:							
Property taxes levied for general purpose					58,589,742	-	58,589,742
Taxes levied for debt service					3,365,692	-	3,365,692
Federal and state aid - not restricted					5,022,916	-	5,022,916
Federal and state aid -restricted					11,894	-	11,894
State aid - restricted					1,360,397	-	1,360,397
Miscellaneous income					379,823	-	379,823
Investment earnings					1,518	-	1,518
Total general revenues, special items, extraordinary items and transfers					68,731,982	-	68,731,982
Change in net position					(1,594,333)	53,280	(1,541,053)
Net position—beginning					14,275,947	29,885	14,305,832
Net position—ending					\$ 12,681,614	83,165	\$ 12,764,779

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2014

Exhibit B-1

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,825,808	\$ 45,245	\$ -	\$ -	\$ 1,871,053
Cash on hand with fiscal agent	5,001	-	-	-	5,001
Investments	3,375,027	-	-	-	3,375,027
Capital reserve	1,081,764	-	-	-	1,081,764
Receivables, net	16,601	12,327	-	-	28,928
Due from other funds	-	-	570,440	-	570,440
Receivables - State	962,380	-	-	-	962,380
Receivables - Federal	-	154,035	-	-	154,035
Total assets	\$ 7,266,581	\$ 211,607	\$ 570,440	\$ -	\$ 8,048,628
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	575,516	54,157	-	-	629,673
Interfund payable	570,440	-	-	-	570,440
Deferred revenue	36,382	154,379	-	-	190,761
Due to grantor	-	3,071	-	-	3,071
Total liabilities	1,182,338	211,607	-	-	1,393,945
Fund Balances:					
Restricted for:					
Unexpended additional spending proposal	-	-	-	-	-
Capital reserve account	148,686	-	-	-	148,686
Maintenance reserve account	926,867	-	-	-	926,867
Emergency reserve account	608,280	-	-	-	608,280
Excess surplus	-	-	-	-	-
Excess surplus -- designated for Subsequent year's expenditures	-	-	-	-	-
Committed to:					
Other purposes	819,673	-	-	-	819,673
Assigned to:					
Debt service fund	-	-	-	-	-
Designated by the BOE for subsequent year'	2,500,241	-	-	-	2,500,241
Capital projects fund	-	-	570,440	-	570,440
Other purposes	-	-	-	-	-
Unassigned to:					
General fund	1,080,496	-	-	-	1,080,496
Total Fund balances	6,084,243	-	570,440	-	6,654,683
Total liabilities and fund balances	\$ 7,266,581	\$ 211,607	\$ 570,440	\$ -	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$97,313,555 and the accumulated depreciation is \$39,808,907.	57,504,648
Bond issuance costs are being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$734,748.	562,983
Bond premium is being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$1,611,264.	(1,363,378)
Cash held in depository account for the unspent funds of master equipment lease that is not reported in this fund financial statement, but is presented in the statement of net assets.	279,617
Unexpended portion of equipment lease that is not reported in this fund financial statement, but is presented in the statement of net assets.	136,936
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.	(51,093,875)
Net position of governmental activities	\$ 12,681,614

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	GAAP Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 58,589,742	\$ -	\$ -	\$ 3,365,692	\$ 61,955,434
Tuition charges	180,214	-	-	-	180,214
Interest on investments	-	-	-	-	-
Interest earned on capital reserve funds	1,518	-	-	-	1,518
Transportation fees	245,249	-	-	-	245,249
Miscellaneous	193,731	186,092	-	-	379,823
Total - Local Sources	<u>59,210,454</u>	<u>186,092</u>	<u>-</u>	<u>3,365,692</u>	<u>62,762,238</u>
State sources	9,961,366	1,865	-	35,121	9,998,352
Federal sources	11,894	1,323,411	-	-	1,335,305
Total revenues	<u>\$ 69,183,714</u>	<u>\$ 1,511,368</u>	<u>\$ -</u>	<u>\$ 3,400,813</u>	<u>\$ 74,095,895</u>
EXPENDITURES					
Current:					
Regular instruction	\$ 18,158,399	\$ 1,261,298	\$ -	\$ -	\$ 19,419,697
Special education instruction	8,387,187	-	-	-	8,387,187
Other special instruction	1,405,281	-	-	-	1,405,281
Support services and undistributed costs:					
Instruction	1,264,988	-	-	-	1,264,988
Health services	690,829	-	-	-	690,829
Other support services	5,839,495	250,070	-	-	6,089,565
Educational media services	443,356	-	-	-	443,356
Instruction staff training	65,385	-	-	-	65,385
General administrative services	859,196	-	-	-	859,196
School administrative services	2,105,775	-	-	-	2,105,775
Allowed maintenance for school facilities	1,127,647	-	-	-	1,127,647
Other operation & maintenance of plant	4,093,162	-	-	-	4,093,162
Care and upkeep of grounds	199,820	-	-	-	199,820
Security	21,975	-	-	-	21,975
Student transportation services	3,814,473	-	-	-	3,814,473
Central services	766,629	-	-	-	766,629
Admin info technology	728,490	-	-	-	728,490
Unallocated employee benefits	14,703,141	-	-	-	14,703,141
Non-budgeted expenditures	4,938,450	-	-	-	4,938,450
Special schools	16,514	-	-	-	16,514
Transfer to charter school	-	-	-	-	-
Debt service:					
Principal	-	-	-	1,270,000	1,270,000
Interest and other charges	-	-	-	2,130,815	2,130,815
Capital outlay	2,296,167	-	-	-	2,296,167
Total expenditures	<u>71,926,359</u>	<u>1,511,368</u>	<u>-</u>	<u>3,400,815</u>	<u>76,838,542</u>
Excess (Deficiency) of revenues over expenditures	<u>(2,742,645)</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(2,742,647)</u>
OTHER FINANCING SOURCES (USES)					
Bond refunding	-	-	-	-	-
New bonds issued	-	-	-	-	-
Premium and costs for bond issuance	-	-	-	-	-
Transfer in	-	-	570,440	2	570,442
Transfers out	(570,442)	-	-	-	(570,442)
Total other financing sources and uses	<u>(570,442)</u>	<u>-</u>	<u>570,440</u>	<u>2</u>	<u>-</u>
Net change in fund balances	(3,313,087)	-	570,440	-	(2,742,647)
Fund balance—July 1	9,397,330	-	-	-	9,397,330
Fund balance—June 30	<u>\$ 6,084,243</u>	<u>\$ -</u>	<u>\$ 570,440</u>	<u>\$ -</u>	<u>\$ 6,654,683</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2014

Total net change in fund balances - governmental funds (from B-2) **\$ (2,742,647)**

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	(2,567,974)	
	Capital outlays	<u>2,420,595</u>	(147,379)

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed.

	Accumulated depreciation on capital assets sold or retired during the fiscal year ended June 30, 2014	-	
	Cost basis of capital assets sold or retired during the fiscal year ended June 30, 2014	<u>-</u>	-

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. 1,270,000

Unexpended portion of equipment lease that is not reported in this fund financial statement, but is presented in the statement of net assets. 136,936

Cash held in depository account for the unspent funds of master equipment lease that is not reported in this fund financial statement, but is presented in the statement of net assets. 279,617

In the Statement of Activities, the amortization of bond issuance costs is recorded as interest expense. In the governmental funds, the amortization is not recorded. (45,249)

Capital leases are an other financing source in the Governmental Funds; however, the acquisition increases long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities. (629,617)

In the Statement of Activities, the amortization of bond premium is recorded as a reduction to interest expense. In the governmental funds, the amortization is not recorded. 123,943

In the Statement of Activities, the principal payments on capital leases are recorded as a reduction in the long-term liability. In the governmental funds, the payments is an expenditure. 267,000

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid. This year, sick leave was increased by \$106,937. (106,937)

Change in net position of governmental activities **\$ (1,594,333)**

Freehold Township School District
Statement of Net Position
Proprietary Funds
June 30, 2014

		Business-type-activities- Enterprise Funds Food Service
ASSETS		
Current assets:		
Cash and cash equivalents	\$	57,548
Investments		-
Accounts receivable - State		2,051
Account receivable - Federal		46,259
Interfund receivable		-
Other receivables		-
Inventories		11,432
Total current assets		117,290
Noncurrent assets:		
Restricted cash and cash equivalents		-
Furniture, machinery & equipment		121,731
Less accumulated depreciation		(114,214)
Total noncurrent assets		7,517
Total assets	\$	124,807
LIABILITIES		
Current liabilities:		
Accounts payable	\$	41,642
Deposits payable		-
Compensated absences		-
Total current liabilities		41,642
Noncurrent liabilities:		
Compensated absences		-
Total noncurrent liabilities		-
Total liabilities		41,642
NET POSITION		
Invested in capital assets net of related debt		7,517
Contributed capital		-
Restricted for:		
Capital projects		-
Unrestricted		75,648
Total net position		83,165
Total liabilities and net position	\$	124,807

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2014

		Business-type Activities - Enterprise Fund
		Food Service
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$	404,745
Daily sales - non-reimbursable programs		264,717
Special functions		-
Community service activities		-
Transportation fees from other LEA's within the state		-
Deductions from employees' salaries		-
Miscellaneous		-
Total operating revenues		<u>669,462</u>
Operating expenses:		
Cost of sales		299,841
Salaries		365,019
Employee benefits		72,221
Purchased property service		-
Other purchased professional services		102,226
Cleaning, repair and maintenance services		-
Rentals		-
Other purchased services:		
Contracted services (between home and school)		-
Contracted services (other than between home and school)		-
Contracted services (special education students) - vendors		-
Contracted services (special education students) - joint agreements		-
Insurance		-
General supplies		56,626
Depreciation		983
Total Operating Expenses		<u>896,916</u>
Operating income (loss)		<u>(227,454)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program		9,502
Federal sources:		
National school lunch program		211,570
Special milk program		2,921
Food distribution program		56,741
Interest and investment revenue		-
Miscellaneous expense		-
Total nonoperating revenues (expenses)		<u>280,734</u>
Change in net position		<u>53,280</u>
Total net position—beginning		<u>29,885</u>
Total net position—ending	\$	<u><u>83,165</u></u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Food Services Enterprise Fund
 Statement of Cash Flows
 for the Fiscal Year ended June 30, 2014

	Food Service
Cash Flows from Operating Activities:	
Receipts from customers and other funds	669,462
Payments to employees	(365,019)
Payments for employee benefits	(72,221)
Payments to suppliers	(402,249)
Net cash used for operating activities	(170,027)
Cash Flows from Noncapital Financing Activities	
State sources	8,239
Federal sources	185,077
Net cash provided by noncapital financing activities	193,316
Cash Flows from Capital and Related Financing Activities	
Purchases of fixed assets	-
Net cash used for capital and related financing activities	-
Net increase in cash and cash equivalents	23,289
Balances-beginning of the year	34,259
Balances-end of the year	57,548
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (227,454)
Adjustments to reconcile operating loss to cash used by operating activities:	
Depreciation	983
Federal commodities	56,741
Change in assets and liabilities:	
Decrease (increase) in interfund receivable	-
Decrease (increase) in accounts receivable	-
Decrease (increase) in inventory	(4,201)
Increase (decrease) in accounts payable	3,904
Total adjustments	57,427
Net cash used by operating activities	\$ (170,027)

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2014

	Unemployment Compensation Trust	Student Activity	Agency Fund	Total
ASSETS				
Cash and cash equivalents	\$ 434,887	\$ 37,569	\$ 445,400	\$ 917,856
Intergovernmental accounts receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	<u>\$ 434,887</u>	<u>\$ 37,569</u>	<u>\$ 445,400</u>	<u>\$ 917,856</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	-	445,400	445,400
Payable to student groups	-	37,569	-	37,569
Interfund payable	-	-	-	-
Other current liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>37,569</u>	<u>445,400</u>	<u>482,969</u>
NET POSITION				
Held in trust for unemployment claims and other purposes	434,887	-	-	434,887
Reserved for scholarships	-	-	-	-
Total net position	<u>434,887</u>	<u>-</u>	<u>-</u>	<u>434,887</u>
Total liabilities and net position	<u>\$ 434,887</u>	<u>\$ 37,569</u>	<u>\$ 445,400</u>	<u>\$ 917,856</u>

See accompanying notes to financial statements.

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2014

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions:	
Plan members	\$ 316,275
Other	-
Total contributions	<u>316,275</u>
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	391
Dividends	-
Less investment expense	-
Net investment earnings	<u>391</u>
Total additions	<u>316,666</u>
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	62,313
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	<u>62,313</u>
Change in net position	254,353
Net position—beginning of the year	<u>180,534</u>
Net position—end of the year	<u><u>\$ 434,887</u></u>

See accompanying notes to financial statements.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2014

1. Summary of Significant Accounting Policies

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

a. Reporting Entity

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

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The district-wide financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include a preschool, elementary schools, and middle schools located in Freehold. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

b. Basis of Presentation

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

The School District adopted the newly implemented Governmental Accounting Standard requiring the reporting of deferred outflows, deferred inflows, and net position. The term Net Assets will no longer be used and will be replaced with Net Position. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position. Items previously classified as assets and liabilities but not meeting that definition have then been reviewed for categorization as deferred outflows or deferred inflows. Items not classified as either an asset, deferred outflow, liability or deferred inflow have been charged to the Statement of Revenues, Expenses, and Changes in Net Position in the current year.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

GASB to be Implemented in the 2015 Fiscal Year: In June, 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27 ("GASB No. 68). The primary objective of this Statement is to improve 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 interperiod equity, and creating additional transparency. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. The requirements of this Statement are effective for financial statements for periods ending on or after June 30, 2015. the district has not completed the process of evaluating the impact that will result from adopting GASB No. 68.

The district-wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These statements report financial information of the District as a whole excluding the fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported through taxes and user fees, from business-type activities, generally financed in whole or in part with fees charged to external customers.

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

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide detail of the governmental, proprietary and fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in Governmental Accounting Standards. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

The District reports the following governmental funds:

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

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

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

Special Revenue Fund: The special revenue fund is used to account for the proceeds of specific revenue from state and federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

The District reports the following proprietary fund:

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

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

The District reports the following proprietary fund (continued)

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

Depreciation of all 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:

Equipment	5-20 Years
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Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Payroll Agency Fund and Unemployment Compensation Insurance Trust Fund.

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

District-wide, proprietary, and fiduciary fund financial statements: The district-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. The tax revenues are recognized in the year for which they are levied (see Note 1.c.). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all requirements have been satisfied.

Governmental fund financial statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

c. Property Taxes

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

d. 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 not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6a:23-1.2.

All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2014 were insignificant.

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.

e. Encumbrances

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

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

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

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

f. Cash, Cash Equivalents and Investments

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

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

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.

g. Tuition Receivable

Tuition charges were established by the District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

h. Tuition Payable

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

i. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods are recorded as an expenditure during the year of purchase.

Inventories in the enterprise funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

j. Short-Term Interfund Receivables/Payables

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

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

k. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Estimated Asset Class</u>	<u>Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & computer equipment	5-10
Instructional equipment	10
Grounds equipment	15

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

l. Compensated Absences

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences.

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

m. Unearned/Deferred Revenue

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

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

n. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Bonds are recognized as a liability on the fund financial statements when due.

o. Deferred Outflows/Inflows of Resources

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

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

p. Net Position

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

q. Fund Balance Resources

Governmental Accounting Standards established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the use of the resources reported in governmental funds. Fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. Nonspendable - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed - includes amounts that can be spent only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. Assigned - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned - includes all spendable amounts not contained in the other classifications

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

r. Revenues - Exchange and Non-exchange Transactions

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

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

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

s. Operating Revenues and Expenses

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

t. Management Estimates

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

2. Cash and Cash Equivalents and Investments

Operating cash, in the form of Negotiable Order of Withdrawal ("NOW") accounts, is held in the District's name by a commercial banking institution. At June 30, 2014, the carrying amount of the District's deposits was \$7,587,866 and the bank balance was \$7,913,236. Of the bank balance, \$250,000 was insured with Federal Deposit Insurance.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

2. Cash and Cash Equivalents and Investments (continued)

Pursuant to Government Accounting Standards, the District's NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are uncollateralized (securities not pledged to be depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2014, all of the District's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The District does not have a policy for custodial credit risk.

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with GUDPA. 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.

3. Investments

Pursuant to the Enabling Act, the funds of the District may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the District may approve.

New Jersey Asset and Rebate Management Program - The Program has been established as a joint investment trust, (the "Trust"), by local governmental units in the State of New Jersey, (the "State"), consistent with the Interlocal Services Act, constituting Chapter 208 of the Pamphlet Laws of 1973 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (N.J.S.A. 40:8A-1 et seq.), (the "Interlocal Services Act"), to make available to counties, municipalities, school districts, authorities, or other political subdivisions of the State, and where applicable, any bond trustee acting on behalf of such local government, a convenient method for investing and accounting for surplus cash and tax exempt debt proceeds. The Program seeks to invest tax-exempt bond and note proceeds in compliance with arbitrage management and rebate requirements of the Internal Revenue Code of 1986, as amended. The Program also provides for record keeping, depository and arbitrage rebate calculation.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

3. Investments (continued)

As of June 30, 2014, the District had \$5,001 on deposit with the New Jersey Asset and Rebate Management Program.

Pursuant to the Enabling Act, the funds of the District may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the District may approve.

In order to maximize liquidity, the District utilized the New Jersey Cash Management Fund ("NJCMF") as its sole investment. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At June 30, 2014, the District's balance was \$5,991,938.

Custodial Credit Risk: Pursuant to Government Accounting Standards, the NJCMF, which is a pooled investment, is exempt from custodial credit risk disclosure. The District does not have a policy for custodial credit risk.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. Government Accounting Standards, require that disclosure be made as to the credit rating of all debt security investments except for obligations of U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

Interest Rate Risk: The District does not have a policy to limit interest rate risk. The average maturity of the District's sole investment, the NJCMF, is less than one year.

4. Capital Reserve Account

A capital reserve account was established by the District during fiscal year 2001-2002 in which it deposited \$100,000 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.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

4. Capital Reserve Account (continued)

Funds placed in the capital reserve account are restricted to capital projects in the District's Long Range Facilities Plan, ("LRFP"). Upon submission of the LRFP to the department, a district may deposit funds 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 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, 2013	\$ 704,021
Interest earnings	1,518
Deposits	
Approved at June 2014 meeting	150,206
Transfer of unspent funds	99,381
Withdrawal approved May 2014 meeting	236,000
Withdrawal approved June 2014 meeting	570,440
Ending balance, June 30, 2014	<u>\$ 148,686</u>

The June 30, 2014 LRFP balance of local support costs of uncompleted capital projects is \$6,342,498. There were withdrawals from the capital reserve in the amount of \$806,440 for DOE approved facilities projects.

5. Maintenance Reserve Account

A maintenance Reserve Account was established by the Freehold Township School District for the accumulation of funds for use as maintenance of Capital Projects 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.

Funds placed in the Maintenance Reserve Account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP). Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The 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-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2014.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

5. Maintenance Reserve Account (Continued)

The activity of the Maintenance Reserve for the June 30, 2013 to June 30, 2014 fiscal year is as follows:

Balance, June 30, 2013	\$	1,500,000
Add:		
Interest		837
Less:		
Budgeted transfer out		<u>(573,970)</u>
Balance, June 30, 2014	\$	<u><u>926,867</u></u>

6. Emergency Reserve Account

An Emergency Reserve Account was established by the Freehold Township School District for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Emergency Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

The activity of the Emergency Reserve for the June 30, 2013 to June 30, 2014 fiscal year is as follows:

Balance, June 30, 2013	\$	607,935
Add:		
Interest		<u>345</u>
Balance, June 30, 2014	\$	<u><u>608,280</u></u>

7. Receivables

Receivables at June 30, 2014, consisted of accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows:

	Governmental Fund Financial Statements	District-Wide financial Statements
State Aid	\$ 962,380	964,431
Federal Aid	154,035	200,294
Interfunds	570,440	-
Other	<u>28,928</u>	<u>165,864</u>
Gross Receivables	1,715,783	1,330,589
Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u><u>\$ 1,715,783</u></u>	<u><u>1,330,589</u></u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

8. Capital Assets

Capital assets consisted of the following at June 30, 2014:

	Beginning Balance	Additions	Retirements	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Capital assets that are not being depreciated:				
Site and site Improvements	\$ 2,079,919	-	-	\$ 2,079,919
Construction in progress	231,116	2,014,257	(71,393)	2,173,980
Total capital assets not being depreciated	<u>2,311,035</u>	<u>2,014,257</u>	<u>(71,393)</u>	<u>4,253,899</u>
Building and building Improvements	76,136,729	23,900	-	76,160,629
Machinery and equipment	16,445,196	453,831	-	16,899,027
Totals at historical cost	<u>\$92,581,925</u>	<u>477,731</u>	<u>-</u>	<u>\$93,059,656</u>
Less accumulated depreciation for :				
Building and Improvements	(21,606,920)	(2,137,450)	-	(23,744,370)
Equipment	(15,634,013)	(430,524)	-	(16,064,537)
Total accumulated depreciation	<u>(37,240,933)</u>	<u>(2,567,974)</u>	<u>-</u>	<u>(39,808,907)</u>
Total capital assets being depr. Net of accumulated depreciation	<u>55,340,992</u>	<u>(2,090,243)</u>	<u>-</u>	<u>53,250,749</u>
Government activities capital assets, net	<u>\$57,652,027</u>	<u>(75,986)</u>	<u>(71,393)</u>	<u>\$57,504,648</u>
BUSINESS-TYPE ACTIVITIES:				
Equipment	\$121,731	-	-	\$121,731
Less: accumulated depr.	(113,231)	(983)	-	(114,214)
Business-type activities capital assets, net	<u>\$8,500</u>	<u>(983)</u>	<u>-</u>	<u>\$7,517</u>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$	-
Special schools instruction		-
Other support - students		-
General administration		-
School administration		-
Business services		-
Operations and maintenance		2,567,974
Total depreciation expense		<u>\$2,567,974</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

9. Non-current Liabilities

During the fiscal year ended June 30, 2014 the following changes occurred in the non-current liabilities:

	<u>Balance</u> <u>6-30-13</u>	<u>Increases/ (Decreases)</u>	<u>Balance</u> <u>6-30-14</u>	<u>Due Within</u> <u>One Year</u>
Bonds payable	\$49,520,000	(1,270,000)	48,250,000	1,370,000
Obligations under capital leases	776,000	362,617	1,138,617	399,606
Compensated absences payable	<u>1,598,321</u>	<u>106,937</u>	<u>1,705,258</u>	<u>188,410</u>
	<u>\$51,894,321</u>	<u>(800,446)</u>	<u>51,093,875</u>	<u>1,958,016</u>

a. Bonds Payable

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

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

<u>Year ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	1,370,000	2,087,340	3,457,340
2016	1,470,000	2,034,865	3,504,865
2017	1,730,000	1,973,440	3,703,440
2018	1,900,000	1,902,484	3,802,484
2019	2,030,000	1,825,571	3,855,571
2020-2024	12,610,000	7,678,456	20,288,456
2025-2029	18,795,000	4,248,763	23,043,763
2030-2032	<u>8,345,000</u>	<u>741,126</u>	<u>9,086,126</u>
	<u>\$48,250,000</u>	<u>22,492,045</u>	<u>70,742,045</u>

b. Bonds Authorized But Not Issued

As of June 30, 2014 the District had no authorized but not issued bonds.

c. Capital Leases:

The District is leasing equipment under a capital lease. The capital lease is for five years. The following is a schedule of the remaining future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2014:

<u>Year ending June 30,</u>	
2015	\$ 427,525
2016	255,715
2017	255,620
2018	136,300
2019	<u>135,576</u>
Total minimum lease payments	1,210,736
Less: Amounts representing interest	(72,119)
Present value of lease payments	<u>1,138,617</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

10. Pension Plans

Description of Systems:

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

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

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan.

Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

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

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

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

10. Pension Plans (continued)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/14	\$ 975,530	100%	\$ 0
6/30/13	1,005,663	100	0
6/30/12	1,855,517	100	0

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

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/14	\$2,851,267	100%	\$ 0
6/30/13	3,378,128	100	0
6/30/12	2,428,357	100	0

During the fiscal year ended June 30, 2014, the State of New Jersey contributed \$2,851,267 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,087,183 during 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 general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with governmental accounting standards.

11. 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 of 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, 2013, 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 Chapter 62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

11. Post-Retirement Benefits (continued)

The State is also responsible for the cost attributable to P.L. 1992, c.126 which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

12. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards.

District employees are granted varying amounts of sick leave in accordance with the districts personnel policy. District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. Upon separation the District shall pay the employee for unused sick leave in accordance with the Districts' agreements with the various employees. Vacation days not used during the year may only be carried forward with approval from the Superintendent.

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

13. Deferred Compensation

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

Lincoln Financial
The Variable Annuity Life Insurance Co.
AXA Equitable Life Insurance Co.
Great American Financial Resources, Inc.
Metlife Resources
Security Benefit Corp.
Legend Equities Corporation

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

14. Risk Management

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

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

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

<u>District Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013-2014	\$316,275	\$391	\$62,313	\$434,887
2012-2013	154,905	204	160,852	180,534
2011-2012	405,511	489	342,054	186,277

15. Interfund Receivables and Payables

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ -	\$570,440
Special Revenue Fund	-	-
Capital Projects Fund	570,440	-
Debt Service Fund	-	-
Enterprise Fund	-	-
Trust and Agency Fund	-	-
	<u>\$570,440</u>	<u>\$570,440</u>

16. Inventory

Inventory in the Food Service Fund at June 30, 2014 consisted of the following:

Food	\$ 8,230
Supplies	<u>3,202</u>
	<u>\$11,432</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

17. Contingent Liabilities

Grant Programs

The school district participates in federal awards and state financial assistance grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

18. Fund Balances

General Fund - Of the \$6,084,243 General Fund balance at June 30, 2014, \$819,673 of encumbrances is committed to other purposes, \$148,686 is restricted for capital reserve, \$926,867 is restricted for maintenance reserve, \$608,280 is restricted for the emergency reserve, \$- is restricted for excess surplus for subsequent year expenditures, \$2,500,241 has been classified as assigned fund balance designated for subsequent year expenditures, \$- is restricted for excess surplus and \$1,080,496 is unassigned.

19. 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 balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is \$-. The excess fund balance at June 30, 2013 was \$-. Pursuant to the provisions of Executive Order No. 14, \$- of that amount was approved by the Commissioner of the Department of Education for withdrawal to address any budget shortfall in the general fund account group due to the 2013-14 withholding of state aid.

20. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2014. The school district files tax returns in the U.S. federal jurisdiction and various states. The school district has no open year prior to June 30, 2011.

21. Subsequent Events

Management has evaluated subsequent events through November 18, 2014, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 58,589,742	\$ -	\$ 58,589,742	\$ 58,589,742	\$ -
Tuition	168,527	-	168,527	180,214	11,687
Transportation Fees from Other LEAs	25,050	-	25,050	245,249	220,199
Interest earned on capital reserve funds	353	-	353	1,518	1,165
Miscellaneous	281,815	-	281,815	193,731	(88,084)
Total - local sources	59,065,487	-	59,065,487	59,210,454	144,967
State sources:					
Transportation aid	300,655	-	300,655	300,655	-
Special education aid	2,597,902	-	2,597,902	2,597,902	-
Extraordinary aid	1,145,948	-	1,145,948	840,418	(305,530)
Non public transportation aid	-	-	-	41,521	41,521
Other state aids	1	-	1	357	356
Equalization aid	1,140,072	-	1,140,072	1,140,072	-
Categorical security aid	84,658	-	84,658	84,658	-
TPAF pension (on-behalf - Non-budgeted)	-	-	-	2,851,267	2,851,267
TPAF social security (reimbursed - Non-budgeted)	-	-	-	2,087,183	2,087,183
Total state sources	5,269,236	-	5,269,236	9,944,033	4,674,797
Federal Sources:					
Medicaid Reimbursement	23,698	-	23,698	11,894	(11,804)
Total federal sources	23,698	-	23,698	11,894	(11,804)
Total revenues	64,358,421	-	64,358,421	69,166,381	4,807,960
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Preschool/Kindergarten - Salaries of teachers	1,539,651	(61,060)	1,478,591	1,478,591	-
Grades 1-5 - Salaries of teachers	8,166,936	880,285	9,047,221	9,047,221	-
Grades 6-8 - Salaries of teachers	5,911,051	38,483	5,949,534	5,935,341	14,193
Grades 9-12 - Salaries of teachers	-	-	-	-	-
Regular Programs - Home Instruction:					
Salaries of teachers	23,697	-	23,697	19,166	4,531
Purchased professional-educational services	16,000	4,083	20,083	13,861	6,222
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	263,889	2,978	266,867	266,867	-
Purchased professional-educational services	5,000	(5,000)	-	-	-
Purchased professional technical services	89,058	(4,244)	84,814	77,887	6,927
Other purchased services (400-500 series)	79,225	29,469	108,694	86,708	21,986
General supplies	1,190,924	18,351	1,209,275	1,086,696	122,579
Textbooks	105,280	52,364	157,644	145,241	12,403
Other objects	1,300	-	1,300	820	480
TOTAL REGULAR PROGRAMS - INSTRUCTION	17,392,011	955,709	18,347,720	18,158,399	189,321
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of teachers	244,948	107,074	352,022	352,022	-
Other salaries for instruction	262,545	175,521	438,066	438,066	-
Other Furch. Serv. (400-500 series)	-	-	-	-	-
General supplies	11,400	117	11,517	9,994	1,523
Textbooks	-	-	-	-	-
Learning and/or Language Disabilities:	518,893	282,712	801,605	800,082	1,523
Auditory Impairments:					
Salaries of teachers	357	(357)	-	-	-
Other salaries for instruction	-	-	-	-	-
Auditory Impairments:	357	(357)	-	-	-
Behavioral Disabilities:					
Salaries of teachers	170,473	(115,453)	55,020	55,020	-
Other salaries for instruction	115,285	1,967	117,252	116,902	350
General supplies	9,000	-	9,000	3,120	5,880
Behavioral Disabilities:	294,758	(113,486)	181,272	175,042	6,230
Multiple Disabilities:					
Salaries of teachers	466,167	(187,556)	278,611	278,155	456
Other salaries for instruction	285,955	(226,039)	59,916	59,668	248
General supplies	15,900	47	15,947	8,424	7,523
Multiple Disabilities:	768,022	(413,548)	354,474	346,247	8,227

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of teachers	\$ 4,110,620	\$ 182,237	\$ 4,292,857	\$ 4,292,857	\$ -
Other salaries for instruction	1,187,837	84,883	1,272,720	1,272,720	-
General supplies	22,797	-	22,797	22,781	16
Total Resource Room/Resource Center	5,321,254	267,120	5,588,374	5,588,358	16
Autism:					
Salaries of teachers	239,239	100,626	339,865	263,274	76,591
Other salaries for instruction	254,659	48,897	303,556	303,556	-
General supplies	22,450	1,288	23,738	9,213	14,525
Total Autism	516,348	150,811	667,159	576,043	91,116
Preschool Disabilities - Part Time					
Salaries of teachers	274,197	(12,081)	262,116	262,116	-
Other salaries for instruction	229,700	56,135	285,835	281,677	4,158
Purchased technical services	500	-	500	-	500
Other purchased services (400-500 series)	475	-	475	-	475
General supplies	2,460	772	3,232	2,157	1,075
Total Preschool Disabilities - Part Time	507,332	44,826	552,158	545,950	6,208
Preschool Disabilities - Full Time					
Salaries of teachers	182,512	(19,491)	163,021	163,021	-
Other salaries for instruction	193,351	(2,880)	190,471	190,358	113
General supplies	3,040	1,686	4,726	2,086	2,640
Total Preschool Disabilities - Full Time	378,903	(20,685)	358,218	355,465	2,753
TOTAL SPECIAL EDUCATION - INSTRUCTION	8,305,867	197,393	8,503,260	8,387,187	116,073
Basic Skills/Remedial - Instruction					
Salaries of teachers	894,425	11,248	905,673	880,351	25,322
General Supplies	12,670	-	12,670	7,420	5,250
Total Basic Skills/Remedial - Instruction	907,095	11,248	918,343	887,771	30,572
Bilingual Education - Instruction					
Salaries of teachers	213,802	(21,612)	192,190	192,190	-
Other purchased services (400-500 series)	9,000	-	9,000	2,400	6,600
General Supplies	19,050	991	20,041	18,514	1,527
Total Bilingual Education - Instruction	241,852	(20,621)	221,231	213,104	8,127
School-Spon. Cocurricular Activities - Instruction					
Salaries	115,873	-	115,873	115,873	-
Supplies and materials	2,000	(406)	1,594	634	960
Other objects	4,000	(553)	3,447	3,017	430
Total School-Spon. Cocurricular Actvts. - Instruction	121,873	(959)	120,914	119,524	1,390
School-Spon. Athletics - Instruction					
Salaries	113,056	30,689	143,745	143,745	-
Purchased services (300-500 series)	28,000	-	28,000	19,728	8,272
Supplies and materials	28,000	-	28,000	17,473	10,527
Total School-Spon. Cocurricular Actvts. - Instruction	169,056	30,689	199,745	180,946	18,799
Other Instructional Programs - Instruction					
Supplies and materials	5,600	500	6,100	3,936	2,164
Total Other Instructional Programs - Instruction	5,600	500	6,100	3,936	2,164
Total Instruction	27,143,354	1,173,959	28,317,313	27,950,867	366,446
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - regular	-	-	-	-	-
Tuition to other LEAs within the state - special	111,042	-	111,042	96,698	14,344
Tuition to Co. Voc. School Distr. - regular	-	-	-	-	-
Tuition to Co. Voc. School Distr. - Special	-	-	-	-	-
Tuition to CSSD & Reg Day School	-	-	-	-	-
Tuition to Priv. Sch. For Handic. in state	1,776,004	(159,591)	1,616,413	1,168,290	448,123
Tuition to Priv. Sch. For Handic. Out of state	-	-	-	-	-
Tuition - State Facilities	-	-	-	-	-
Tuition - Other	-	-	-	-	-
Total Undistributed Expenditures - Instruction:	1,887,046	(159,591)	1,727,455	1,264,988	462,467
Undist. Expend. - Health Services					
Salaries	599,345	44,079	643,424	638,804	4,620
Purchased professional and technical services	17,000	-	17,000	16,007	993
Other Purchd. Serv. (400-500 series)	11,660	-	11,660	7,696	3,964
Supplies and materials	32,895	285	33,180	28,322	4,858
Other objects	500	-	500	-	500
Total Undistributed Expenditures - Health Services	661,400	44,364	705,764	690,829	14,935

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Support Serv - Students Related Service					
Salaries	\$ 845,177	\$ (20,984)	\$ 824,193	\$ 822,618	\$ 1,575
Purchased professional - educational services	119,000	128	119,128	84,879	34,249
Supplies and materials	10,000	-	10,000	4,585	5,415
Total Undist. Expend. - Other Support Serv - Students	974,177	(20,856)	953,321	912,082	41,239
Undist. Expend. - Other Support Services - Students - Extraordinary Services					
Salaries	333,149	(25,181)	307,968	305,717	2,251
Purchased Prof. Ed. Services	15,000	4,484	19,484	13,439	6,045
Supplies and materials	11,090	8,101	19,191	14,858	4,333
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	359,239	(12,596)	346,643	334,014	12,629
Undist. Expend. - Other Support Serv Students-Regular					
Salaries of other professional staff	637,315	10,405	647,720	647,720	-
Salaries of secretarial and clerical assistants	113,398	(1,396)	112,002	112,002	-
Purchased professional - educational services	2,000	(2,000)	-	-	-
Other purchased prof. and tech. services	-	3,300	3,300	3,300	-
Supplies and materials	13,250	3,844	17,094	11,664	5,430
Total Undist. Expend. - Other Support Serv - Students-Regular	765,963	14,153	780,116	774,686	5,430
Undist. Expend. - Other Support Serv - Students-Special					
Salaries of other professional staff	2,152,172	(5,722)	2,146,450	2,146,450	-
Salaries of secretarial and clerical assistants	237,588	7,893	245,481	245,481	-
Purchased Prof. Ed. Services	65,000	31,255	96,255	71,942	24,313
Other purchased services (400-500 series)	19,873	2,236	22,109	8,279	13,830
Supplies and materials	62,000	6	62,006	57,380	4,626
Other objects	6,000	-	6,000	5,415	585
Total Undist. Expend. - Other Supp Services - Students-Special	2,542,633	35,668	2,578,301	2,534,947	43,354
Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr					
Salaries of supervisor of instruction	1,096,494	(31,235)	1,065,259	1,050,932	14,327
Other Salaries	124,385	41,300	165,685	163,955	1,730
Other purchased services (400-500)	29,534	44,711	74,245	54,343	19,902
Travel	-	1,625	1,625	459	1,166
Supplies and materials	19,175	(1,526)	17,649	9,804	7,845
Other objects	38,200	(1,017)	37,183	4,273	32,910
Total Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr	1,307,788	53,858	1,361,646	1,283,766	77,880
Undist. Expend. - Educational Media Services/School Library					
Salaries	416,864	(23,875)	392,989	392,989	-
Supplies and materials	54,950	(3,015)	51,935	50,367	1,568
Total Undist. Expend. - Educational Media Services/School Library	471,814	(26,890)	444,924	443,356	1,568
Undist. Expend. - Instruction Staff Training Services					
Salaries of other professional staff	59,811	174	59,985	59,985	-
Purchased professional - educational services	34,000	(10,000)	24,000	1,000	23,000
Other purchased services (400-500)	3,000	-	3,000	-	3,000
Supplies and materials	4,400	-	4,400	4,400	-
Total Undist. Expend. - Instruction Staff Training Services	101,211	(9,826)	91,385	65,385	26,000
Undist. Expend. - Support Service - General Administration					
Salaries	438,765	(8,635)	430,130	412,525	17,605
Legal services	105,125	13,211	118,336	58,839	59,497
Audit Fees	30,600	-	30,600	30,600	-
Architectural/Engineering Services	55,000	100,338	155,338	129,616	25,722
Other purchased professional services	13,500	1,200	14,700	2,541	12,159
Purchased technical services	20,884	-	20,884	8,109	12,775
Communications/Telephone	124,300	6,004	130,304	84,627	45,677
BOE Other purchased services	12,000	(437)	11,563	7,061	4,502
Other purchased services (400-500 series)	69,851	6,572	76,423	76,423	-
General supplies	28,000	2,098	30,098	10,329	19,769
BOE In-House Training/Meeting Supplies	200	-	200	-	200
Miscellaneous expenditures	34,820	437	35,257	11,763	23,494
BOE membership dues and fees	30,000	-	30,000	26,763	3,237
Total Undist. Expend. - Support Service - General Administration	963,045	120,788	1,083,833	859,196	224,637
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	1,297,484	(38,734)	1,258,750	1,239,616	19,134
Salaries of secretarial and clerical assistants	729,584	24,721	754,305	754,145	160
Purchased professional and technical services	3,000	-	3,000	-	3,000
Other purchased services (400-500 series)	57,412	(4,218)	53,194	32,805	20,389
Supplies and materials	70,285	4,935	75,220	62,215	13,005
Other objects	20,415	-	20,415	16,994	3,421
Total Undist. Expend. - Support Service - School Administration	2,178,180	(13,296)	2,164,884	2,105,775	59,109

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Central Services					
Salaries	\$ 667,347	\$ 15,709	\$ 683,056	\$ 680,956	\$ 2,100
Purchased professional services	13,770	-	13,770	8,820	4,950
Purchased technical services	46,938	16,116	63,054	53,600	9,454
Misc. Purchased Services	7,900	-	7,900	1,947	5,953
Supplies and materials	26,800	655	27,455	8,448	19,007
Miscellaneous expenditures	43,725	10,485	54,210	12,858	41,352
Total Undist. Expend. - Central Services	806,480	42,965	849,445	766,629	82,816
Undist.- Admin. Info. Technology					
Salaries	247,750	66,575	314,325	310,562	3,763
Purchased technical services	183,750	6,725	190,475	180,087	10,388
Other Purchased Services	195,058	382	195,440	170,005	25,435
Supplies and materials	64,000	75,239	139,239	67,836	71,403
Total Undist. Expend - Admin. Info. Technology	690,558	148,921	839,479	728,490	110,989
Undist. Expend. - Allowed Maintenance for School Facilities					
Salaries	442,880	(47,989)	394,891	392,435	2,456
Cleaning, repair and maintenance services	866,738	89,355	956,093	585,717	370,376
Travel	-	1,050	1,050	400	650
General supplies	159,400	4,529	163,929	149,095	14,834
Total Undist. Expend. - Allowed Maintenance for School Facilities	1,469,018	46,945	1,515,963	1,127,647	388,316
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries	2,004,048	62,604	2,066,652	1,994,952	71,700
Purchased professional and technical services	6,100	-	6,100	75	6,025
Cleaning, repair and maintenance services	31,750	2,090	33,840	18,701	15,139
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt	85,932	3,597	89,529	88,869	660
Other purchased property services	61,100	-	61,100	60,603	497
Misc Purchased Services	5,000	-	5,000	402	4,598
Insurance	319,324	(27,018)	292,306	241,191	51,115
General supplies	156,070	25,088	181,158	179,604	1,554
Energy (electricity)	1,556,750	(378,706)	1,178,044	1,164,883	13,161
Other objects	3,500	-	3,500	400	3,100
Energy (natural gas)	330,000	55,000	385,000	343,482	41,518
Total Undist Expend-Other Operation & Maint Of Plant	4,559,574	(257,345)	4,302,229	4,093,162	209,067
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	169,284	(31,186)	138,098	134,961	3,137
Cleaning, repair and maintenance services	77,425	9,969	87,394	43,401	43,993
General supplies	30,950	(6,996)	23,954	21,458	2,496
Total Undist Expend-Care & Upkeep of Grounds	277,659	(28,213)	249,446	199,820	49,626
Security					
Purchased Professional and Technical Services	15,000	14,840	29,840	21,975	7,865
Total Security	15,000	14,840	29,840	21,975	7,865
Undist. Expend. - Student Transportation Services					
Salaries of non-instructional aides	-	-	-	-	-
Salaries-pupil transport(between home & school)-Regular	1,349,704	90,709	1,440,413	1,424,876	15,537
Salaries-pupil transport (between home & school)-Special	577,810	98,047	675,857	675,857	-
Salaries-pupil transport(other than home & school)-Regular	6,994	(5,001)	1,993	-	1,993
Other purchased professional and technical services	15,200	2,170	17,370	8,652	8,718
Cleaning, repair and maintenance services	350,000	110,589	460,589	460,589	-
Salaries-pupil transport(bet home & school)-Nonpublic	-	-	-	-	-
Rental Payments - School Busses	57,006	(56,700)	306	-	306
Lease purchase payments - School buses	150,411	3,096	153,507	153,507	-
Contract Svc (btw Home & Sch.) - Vendors	11,000	510	11,510	10,800	710
Contract Svc (other btw home & Sch.) - Vendors	-	-	-	-	-
Contract Svc (btw home & Sch.) - Joint Agreements	-	-	-	-	-
Contract Svc (other btw home & Sch.) - Vendors	-	-	-	-	-
Contract Svc (Regular students) - ESCs & CTSAs	170,000	56,762	226,762	103,370	123,392
Contract Svc (Spl. Ed. Students) - ESCs & CTSAs	700,000	50,065	750,065	574,184	175,881
Contract Svc - Aid in Lieu Pymts - NonPub Sch	72,000	-	72,000	56,886	15,114
General supplies	6,500	-	6,500	414	6,086
Misc Purchased Serv - Transportation	38,923	1,327	40,250	39,953	297
transportation supplies	420,000	(60,830)	359,170	300,599	58,571
Other objects	7,500	1,875	9,375	4,786	4,589
Total Undist. Expend. - Student Transportation Services	3,933,048	292,619	4,225,667	3,814,473	411,194

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED EMPLOYEE BENEFITS					
Group insurance	\$ 14,000	\$ -	\$ 14,000	\$ 11,574	\$ 2,426
Social security contributions	794,289	266,009	1,060,298	1,060,298	-
Other retirement contributions - regular	1,127,905	(152,300)	975,605	975,530	75
Unemployment Compensation	277,000	(2,300)	274,700	270,000	4,700
Workmen's compensation	428,915	6,933	435,848	435,848	-
Health benefits	12,862,283	(656,159)	12,206,124	11,747,365	458,759
Tuition reimbursement	162,500	(60,700)	101,800	101,770	30
Other employee benefits	277,964	(168,330)	109,634	100,756	8,878
TOTAL UNALLOCATED EMPLOYEE BENEFITS	15,944,856	(766,847)	15,178,009	14,703,141	474,868
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	2,851,267	(2,851,267)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	2,087,183	(2,087,183)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	4,938,450	(4,938,450)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	15,944,856	(766,847)	15,178,009	19,641,591	(4,463,582)
TOTAL UNDISTRIBUTED EXPENDITURES	39,908,689	(480,339)	39,428,350	41,662,811	(2,234,461)
TOTAL GENERAL CURRENT EXPENSE	67,052,043	693,620	67,745,663	69,613,678	(1,868,015)
CAPITAL OUTLAY					
Interest	353	-	353	-	353
Equipment					
Regular Programs - Instruction:					
Grades 1-5	-	-	-	-	-
Grades 6-8	-	-	-	-	-
Grades 9-12	-	-	-	-	-
Home Instruction	12,000	-	12,000	5,602	6,398
Auditory Impairments	-	-	-	-	-
School - Sponsored and other instructional program	-	-	-	-	-
Undistributed expenditures - Instruction	-	-	-	-	-
Undistributed expenditures-Support services-Child Study Teams	-	-	-	-	-
Undistributed expenditures-Support services-Related & Extra	-	-	-	-	-
Undistributed expenditures - General administration	-	-	-	-	-
Undistributed expenditures - Central services	-	21,696	21,696	21,690	6
Undistributed expenditures - Admin Info Tech	-	65,990	65,990	65,990	-
Undistributed expenditures - Custodial services	-	-	-	-	-
Undistributed expenditures - Care and upkeep of grounds	-	8,000	8,000	7,960	40
Undistributed expenditures - Student Trans - Non Inst. Equip	-	28,000	28,000	28,000	-
Undistributed expenditures - Other Support Svc	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-
Business & Other Support Services	-	-	-	-	-
Total Equipment	12,000	123,686	135,686	129,242	6,444
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	101,527	101,527	73,407	28,120
Construction Services	-	2,334,301	2,334,301	1,981,546	352,755
Infrastructure	-	-	-	-	-
Assessment for Debt Service on SDA Funding	177,011	(51,140)	125,871	111,972	13,899
Total Facilities Acquisition and Construction Services	177,011	2,384,688	2,561,699	2,166,925	394,774
TOTAL CAPITAL OUTLAY	189,364	2,508,374	2,697,738	2,296,167	401,571

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of teachers	\$ 16,514	\$ -	\$ 16,514	\$ 16,514	\$ -
General Supplies	500	-	500	-	500
Total Summer School - Instruction	<u>17,014</u>	<u>-</u>	<u>17,014</u>	<u>16,514</u>	<u>500</u>
TOTAL SPECIAL SCHOOLS	<u>17,014</u>	<u>-</u>	<u>17,014</u>	<u>16,514</u>	<u>500</u>
Transfer of funds to Charter Schools	-	-	-	-	-
TOTAL EXPENDITURES	<u>67,258,421</u>	<u>3,201,994</u>	<u>70,460,415</u>	<u>71,926,359</u>	<u>(1,465,944)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(2,900,000)</u>	<u>(3,201,994)</u>	<u>(6,101,994)</u>	<u>(2,759,978)</u>	<u>(3,342,016)</u>
Other Financing Sources/ (Uses):					
Transfer to capital projects from capital reserve	-	(570,440)	(570,440)	(570,440)	-
Transfer out of capital reserve	-	-	-	-	-
Transfer to debt service	-	-	-	(2)	2
Total Other Financing Sources:	<u>-</u>	<u>(570,440)</u>	<u>(570,440)</u>	<u>(570,442)</u>	<u>2</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures & Other Financing Sources (Uses)	<u>(2,900,000)</u>	<u>(3,772,434)</u>	<u>(6,672,434)</u>	<u>(3,330,420)</u>	<u>(3,342,014)</u>
Fund Balance, July 1	9,809,668	-	9,809,668	9,809,668	-
Fund Balance, June 30	<u>\$ 6,909,668</u>	<u>\$ (3,772,434)</u>	<u>\$ 3,137,234</u>	<u>6,479,248</u>	<u>\$ (3,342,014)</u>
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				148,686	
Maintenance reserve				926,867	
Emergency reserve				608,280	
Excess surplus-current year				-	
Excess surplus - designated for subsequent year's expenditures				-	
Committed Fund Balance:					
Other purposes				-	
Year-end encumbrances				819,673	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				2,500,241	
Unrestricted/undesignated fund balance				<u>\$ 1,475,501</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				\$ 6,479,248	
Last state aid payment not recognized on GAAP basis				(395,005)	
Fund balance per governmental funds (GAAP) - B-1				<u>6,084,243</u>	
Restricted fund balances				5,003,747	
Unrestricted fund balances				1,080,496	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 6,084,243</u>	

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ 368,599	\$ 173,782	\$ 542,381	\$ 186,092	\$ (356,289)
State sources	2,582	459	3,041	1,865	(1,176)
Federal sources	903,338	334,978	1,238,316	1,234,110	(4,206)
Total Revenues	1,274,519	509,219	1,783,738	1,422,067	(361,671)
EXPENDITURES					
Instruction:					
Salaries of teachers	664,714	62,494	727,208	726,738	470
Other salaries for instruction	-	-	-	-	-
Purchased professional services	-	184,822	184,822	182,857	1,965
Textbooks	2,582	(1,485)	1,097	-	1,097
Miscellaneous expense	-	-	-	-	-
General supplies	368,599	283,014	651,613	295,130	356,483
Total instruction	1,035,895	528,845	1,564,740	1,204,725	360,015
Support services:					
Other professional staff salaries	238,624	(210,177)	28,447	28,447	-
Secretarial/clerical salaries	-	-	-	-	-
Personal services - employee benefits	-	46,883	46,883	46,883	-
Purchased professional - educational services	-	-	-	-	-
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	92,001	92,001	92,001	-
Travel	-	38,005	38,005	36,349	1,656
Miscellaneous purchased services (400-500 series)	-	1,735	1,735	1,735	-
Miscellaneous expenditures	-	-	-	-	-
Supplies & materials	-	11,927	11,927	11,927	-
Total support services	238,624	(19,626)	218,998	217,342	1,656
EXPENDITURES (CONT'D):					
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-
Total expenditures	1,274,519	509,219	1,783,738	1,422,067	361,671
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	1,274,519	509,219	1,783,738	1,422,067	361,671
Excess (deficiency) of revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation to governmental funds statements (GAAP)				\$ -	\$ -
Last state aid payment not recognized on GAAP basis				\$ -	\$ -
Fund balance per governmental funds (GAAP)				\$ -	\$ -

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 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-1]	\$ 69,166,381	[C-2]	\$ 1,422,067
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		89,301
The 2012-13 last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GAAP 33).		412,338		-
The 2013-14 last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GAAP 33).		(395,005)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 69,183,714	[B-2]	\$ 1,511,368
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 71,926,359	[C-2]	\$ 1,422,067
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-		89,301
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 71,926,359	[B-2]	\$ 1,511,368

OTHER SUPPLEMENTARY INFORMATION

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Title I Part A 13/14	Title I Part A 12/13	Title II Part A 13/14	Title II Part A 12/13	Title III 13/14	Title III 12/13
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	<u>137,339</u>	<u>13,075</u>	<u>44,619</u>	<u>11,902</u>	<u>13,610</u>	<u>1,902</u>
Total revenues	<u><u>137,339</u></u>	<u><u>13,075</u></u>	<u><u>44,619</u></u>	<u><u>11,902</u></u>	<u><u>13,610</u></u>	<u><u>1,902</u></u>
Expenditures:						
Instruction:						
Salaries of teachers	88,915	-	26,015	-	1,000	-
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-
General supplies	17,861	5,338	2,141	-	9,985	1,902
Tuition	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total instruction	<u>106,776</u>	<u>5,338</u>	<u>28,156</u>	<u>-</u>	<u>10,985</u>	<u>1,902</u>
Support services:						
Other support services - students - special:						
Other professional staff salaries	-	-	-	3,772	1,225	-
Secretarial/Clerical salaries	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-
Other purchased professional services	-	-	-	-	-	-
Purchased technical services	-	-	-	-	-	-
Employee benefits	30,563	7,487	1,990	-	206	-
Travel	-	250	14,473	8,130	1,194	-
Miscellaneous purchased services	-	-	-	-	-	-
General supplies	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total other support services - students - special	<u>30,563</u>	<u>7,737</u>	<u>16,463</u>	<u>11,902</u>	<u>2,625</u>	<u>-</u>
Total support services	<u>30,563</u>	<u>7,737</u>	<u>16,463</u>	<u>11,902</u>	<u>2,625</u>	<u>-</u>
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u><u>\$ 137,339</u></u>	<u><u>\$ 13,075</u></u>	<u><u>\$ 44,619</u></u>	<u><u>\$ 11,902</u></u>	<u><u>\$ 13,610</u></u>	<u><u>\$ 1,902</u></u>

(continued on next page)

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2014

(Continued from prior page)

	Immigrant Title III 13/14	Immigrant Title III 12/13	IDEA-Part B-Basic Reg Prog 13/14	IDEA-Part B-Basic Reg Prog 12/13	IDEA-Part B-Preschool Reg Prog 13/14	IDEA-Part B-Preschool Reg Prog 12/13
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	5,619	428	870,374	63,558	38,025	33,659
Total revenues	5,619	428	870,374	63,558	38,025	33,659
Expenditures:						
Instruction:						
Salaries of teachers	-	-	586,244	-	24,564	-
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	-	-	167,283	9,100	5,000	-
General supplies	5,619	428	7,129	16,124	8,461	33,659
Tuition	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total instruction	5,619	428	760,656	25,224	38,025	33,659
Support services:						
Other support services - students - special:						
Other professional staff salaries	-	-	23,450	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-
Other purchased professional services	-	-	-	-	-	-
Purchased technical services	-	-	64,979	27,022	-	-
Employee benefits	-	-	3,790	2,847	-	-
Travel	-	-	12,302	-	-	-
Miscellaneous purchased services	-	-	-	1,735	-	-
General supplies	-	-	5,197	6,730	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total other support services - students - special	-	-	109,718	38,334	-	-
Total support services	-	-	109,718	38,334	-	-
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	-	-	-	-	-	-
Total expenditures	\$ 5,619	\$ 428	\$ 870,374	\$ 63,558	\$ 38,025	\$ 33,659

(continued on next page)

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2014

(Continued from prior page)

	Nonpublic Technology 13/14	Nonpublic Nursing 13/14	Local 13/14	Total 2014
Revenues:				
Local sources	\$ -	\$ -	\$ 186,092	\$ 186,092
State sources	391	1,474	-	1,865
Federal sources	-	-	-	1,234,110
Total revenues	<u>391</u>	<u>1,474</u>	<u>186,092</u>	<u>1,422,067</u>
Expenditures:				
Instruction:				
Salaries of teachers	-	-	-	726,738
Other salaries/instruction	-	-	-	-
Purchased professional services	-	1,474	-	182,857
General supplies	391	-	186,092	295,130
Tuition	-	-	-	-
Textbooks	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total instruction	<u>391</u>	<u>1,474</u>	<u>186,092</u>	<u>1,204,725</u>
Support services:				
Other support services - students - special:				
Other professional staff salaries	-	-	-	28,447
Secretarial/Clerical salaries	-	-	-	-
Purchased professional services	-	-	-	-
Other purchased professional services	-	-	-	-
Purchased technical services	-	-	-	92,001
Employee benefits	-	-	-	46,883
Travel	-	-	-	36,349
Miscellaneous purchased services	-	-	-	1,735
General supplies	-	-	-	11,927
Miscellaneous expenses	-	-	-	-
Total other support services - students - special	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,342</u>
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,342</u>
Equipment:				
Regular programs instruction	-	-	-	-
Non-instructional equipment	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 391</u>	<u>\$ 1,474</u>	<u>\$ 186,092</u>	<u>\$ 1,422,067</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund

Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2014

Revenues and Other Financing Sources

State Sources - SCC Grant	\$	-
Bond proceeds and transfers		-
Contribution from private source		-
Transfer from capital reserve		570,440
Transfer from capital outlay		-
Total revenues		570,440

Expenditures and Other Financing Uses

Purchased professional and technical services		-
Land and improvements		-
Construction services		-
Equipment purchases		-
Total expenditures		-

Excess (deficiency) of revenues over (under) expenditures

570,440

Fund balance - beginning

-

Fund balance - ending

\$ 570,440

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund

Exhibit F-1a

Additions and Renovations to various Schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Errickson Middle School - Security Enhancements
From Inception and for the Year Ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ 28,420
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	44,280	44,280	44,280
Transfer from capital outlay	-	-	-	-
Total revenues	-	44,280	44,280	72,700
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	22,700
Land and improvements	-	-	-	-
Construction services	-	-	-	50,000
Equipment purchases	-	-	-	-
Total expenditures	-	-	-	72,700
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ 44,280	\$ 44,280	\$ -

Additional project information:

Project Number	1660-025-14-1006-G04
Grant Date	1/6/2013
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 71,049
Additional Authorized Cost	1,651
Revised Authorized Cost	\$ 72,700

Percentage Increase over Original Authorized Cost	2.3%
Percentage Completion	0%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Additions and Renovations for various schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Barkalow Middle School - Security Enhancements
From Inception and for the Year Ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ 31,215
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	75,382	75,382	75,382
Transfer from capital outlay	-	-	-	-
Total revenues	<u>-</u>	<u>75,382</u>	<u>75,382</u>	<u>106,597</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	16,597
Land and improvements	-	-	-	-
Construction services	-	-	-	90,000
Equipment purchases	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,597</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 75,382</u>	<u>\$ 75,382</u>	<u>\$ -</u>

Additional project information:

Project Number	1660-023-14-1004-G04
Grant Date	1/6/2014
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 78,038
Additional Authorized Cost	\$ 28,559
Revised Authorized Cost	\$ 106,597

Percentage Increase over Original Authorized Cost	26.8%
Percentage Completion	0%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Additions and Renovations for various schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Applegate Elementary School - Security Enhancements
From Inception and for the Year Ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ 28,420
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	44,307	44,307	44,307
Transfer from capital outlay	-	-	-	-
Total revenues	<u>-</u>	<u>44,307</u>	<u>44,307</u>	<u>72,727</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	21,727
Land and improvements	-	-	-	-
Construction services	-	-	-	51,000
Equipment purchases	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,727</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 44,307</u>	<u>\$ 44,307</u>	<u>\$ -</u>

Additional project information:

Project Number	1660-021-14-1003-G04
Grant Date	1/6/2014
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 71,049
Additional Authorized Cost	1,678
Revised Authorized Cost	\$ 72,727

Percentage Increase over Original Authorized Cost	2.3%
Percentage Completion	0%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Additions and Renovations for various schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Donovan Elementary School - Security Enhancements
From Inception and for the Year Ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ 23,184
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	55,594	55,594	55,594
Transfer from capital outlay	-	-	-	-
Total revenues	-	55,594	55,594	78,778
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	16,778
Land and improvements	-	-	-	-
Construction services	-	-	-	62,000
Equipment purchases	-	-	-	-
Total expenditures	-	-	-	78,778
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ 55,594	\$ 55,594	\$ -

Additional project information:

Project Number	1660-026-14-1007-G04
Grant Date	1/6/2014
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 57,959
Additional Authorized Cost	\$ 20,819
Revised Authorized Cost	\$ 78,778
Percentage Increase over Original Authorized Cost	26.4%
Percentage Completion	0.0%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund

Exhibit F-1e

Additions and Renovations to various Schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Eisenhower Middle School - Security Enhancements
From Inception and for the Year Ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ 22,329
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	95,754	95,754	95,754
Transfer from capital outlay	-	-	-	-
Total revenues	-	95,754	95,754	118,083
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	23,083
Land and improvements	-	-	-	-
Construction services	-	-	-	95,000
Equipment purchases	-	-	-	-
Total expenditures	-	-	-	118,083
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ 95,754	\$ 95,754	\$ -

Additional project information:

Project Number	1660-024-14-1005-G04
Grant Date	1/6/2014
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 55,823
Additional Authorized Cost	62,260
Revised Authorized Cost	\$ 118,083

Percentage Increase over Original Authorized Cost	52.7%
Percentage Completion	0.0%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Additions and Renovations for various schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Early Childhood Learning Center - Security Enhancements
From Inception and for the Year Ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ 10,626
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	46,409	46,409	46,409
Transfer from capital outlay	-	-	-	-
Total revenues	-	46,409	46,409	57,035
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	11,035
Land and improvements	-	-	-	-
Construction services	-	-	-	46,000
Equipment purchases	-	-	-	-
Total expenditures	-	-	-	57,035
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ 46,409	\$ 46,409	\$ -

Additional project information:

Project Number	1660-070-14-1009-G04
Grant Date	1/6/2014
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 26,566
Additional Authorized Cost	30,469
Revised Authorized Cost	\$ 57,035

Percentage Increase over Original Authorized Cost	53.4%
Percentage Completion	0.0%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund

Exhibit F-1g

Additions and Renovations to various Schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Catina Elementary School - Security Enhancements
From Inception and for the Year Ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ 13,300
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	20,714	20,714	20,714
Transfer from capital outlay	-	-	-	-
Total revenues	-	20,714	20,714	34,014
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	5,014
Land and improvements	-	-	-	-
Construction services	-	-	-	29,000
Equipment purchases	-	-	-	-
Total expenditures	-	-	-	34,014
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ 20,714	\$ 20,714	\$ -

Additional project information:

Project Number	1660-020-14-1002-G04
Grant Date	1/6/2014
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 33,250
Additional Authorized Cost	764
Revised Authorized Cost	\$ 34,014

Percentage Increase over Original Authorized Cost	2.2%
Percentage Completion	0%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund

Exhibit F-1h

Additions and Renovations to various Schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Clifton T. Barkalow Middle School - Boiler/Asbestos
From Inception and for the Year Ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ 187,694
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	188,000	188,000	188,000
Transfer from capital outlay	-	-	-	-
Total revenues	-	188,000	188,000	375,694
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	17,694
Land and improvements	-	-	-	-
Construction services	-	-	-	358,000
Equipment purchases	-	-	-	-
Total expenditures	-	-	-	375,694
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ 188,000	\$ 188,000	\$ -

Additional project information:

Project Number	1660-023-14-1001-G04
Grant Date	1/6/2014
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 469,235
Additional Authorized Cost	(93,541)
Revised Authorized Cost	\$ 375,694

Percentage Increase over Original Authorized Cost	-24.9%
Percentage Completion	0%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Enterprise Fund
Statement of Net Position
June 30, 2014

	Food Service
Assets:	
Current assets:	
Cash and cash equivalents	\$ 57,548
Accounts receivable:	
State	2,051
Federal	46,259
Interfunds	-
Other	-
Inventories	11,432
Total current assets	117,290
Fixed assets:	
Equipment	121,731
Accumulated depreciation	(114,214)
Total fixed assets	7,517
Total assets	124,807
Liabilities and Net Position:	
Liabilities:	
Accounts payable	41,642
Deferred revenue	-
Total liabilities	41,642
Net position:	
Invested in capital assets, net of related debt	7,517
Restricted for other purposes	-
Contributed capital	-
Unrestricted net position	75,648
Total net position	83,165
Total liabilities and net position	\$ 124,807

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Food Services Enterprise Fund
 Statement of Revenues, Expenses and
 Changes in Net Position
 for the Fiscal Year ended June 30, 2014

	Food Service
Operating revenues:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 404,745
Special milk program	-
Total-daily sales-reimbursable programs	404,745
Daily sales non-reimbursable programs	264,717
Total operating revenues	669,462
Operating expenses:	
Salaries	365,019
Employee benefits	72,221
Purchased property	-
Other purchased services	102,226
Supplies and materials	56,626
Depreciation	983
Cost of sales	299,841
Total operating expenses	896,916
Operating loss	(227,454)
Nonoperating revenues:	
State sources:	
State school lunch program	9,502
Federal sources:	
National school lunch program	211,570
National School Breakfast program	2,921
U.S.D.A. commodities	56,741
Total nonoperating revenues	280,734
Change in net position	53,280
Total net position beginning	29,885
Total net position ending	\$ 83,165

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Food Services Enterprise Fund
 Statement of Cash Flows
 for the Fiscal Year ended June 30, 2014

	Food Service
Cash Flows from Operating Activities:	
Receipts from customers and other funds	\$ 669,462
Payments to employees	(365,019)
Payments for employee benefits	(72,221)
Payments to suppliers	(402,249)
Net cash provided by (used for) operating activities	(170,027)
Cash Flows from Noncapital Financing Activities	
State sources	8,239
Federal sources	185,077
Operating subsidies	-
Net cash provided by (used for) noncapital financing activities	193,316
Cash Flows from Capital and Related Financing Activities	
Purchases of fixed assets	-
Net cash provided by (used for) capital and related financing activities	-
Net increase (decrease) in cash and cash equivalents	23,289
Balances-beginning of the year	34,259
Balances-end of the year	57,548
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating loss	\$ (227,454)
Adjustments to reconcile operating loss to cash provided by (used for) operating activities:	
Depreciation	983
Federal commodities	56,741
Change in assets and liabilities:	
Decrease (increase) in interfund receivable	-
Decrease (increase) in accounts receivable	-
Decrease (increase) in inventory	(4,201)
Increase (decrease) in accounts payable	3,904
Total adjustments	57,427
Net cash provided by (used for) operating activities	\$ (170,027)

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Agency Fund Assets and Liabilities
Fiduciary Funds
June 30, 2014

	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Agency Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 434,887	\$ 37,569	\$ 445,400	\$ 917,856
Intergovernmental Accounts Receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	<u>434,887</u>	<u>37,569</u>	<u>445,400</u>	<u>917,856</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	-	445,400	445,400
Payable to student groups	-	37,569	-	37,569
Interfund payable	-	-	-	-
Other current liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>37,569</u>	<u>445,400</u>	<u>482,969</u>
NET POSITION				
Held in trust for unemployment claims and other purposes	434,887	-	-	434,887
Reserved for scholarships	-	-	-	-
Total net position	<u>434,887</u>	<u>-</u>	<u>-</u>	<u>434,887</u>
Total liabilities and net position	<u>\$ 434,887</u>	<u>\$ 37,569</u>	<u>\$ 445,400</u>	<u>\$ 917,856</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2014

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ 316,275
Other	-
Total Contributions	316,275
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	391
Dividends	-
Less investment expense	-
Net investment earnings	391
Total additions	316,666
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	62,313
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	62,313
Change in net position	254,353
Net position—beginning of the year	180,534
Net position—end of the year	\$ 434,887

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2014</u>
Clifton T. Barkalow School	\$ 13,215	\$ 47,301	\$ 51,210	\$ 9,306
Dwight D. Eisenhower School	47,234	49,081	68,052	28,263
Total all schools	<u>\$ 60,449</u>	<u>\$ 96,382</u>	<u>\$ 119,262</u>	<u>\$ 37,569</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of receipts and disbursements
For the Fiscal Year ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2014</u>
Payroll deductions and withholdings	\$ 333,355	46,331,275	46,219,230	\$ 445,400
Total	<u>\$ 333,355</u>	<u>46,331,275</u>	<u>46,219,230</u>	<u>\$ 445,400</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Long-Term Debt
 Statement of Serial Bonds
 June 30, 2014

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2014</u>
			<u>Date</u>	<u>Amount</u>					
Refunding of Additions and Renovations Bond issue (original issue 7/15/97)	3/9/2005	\$ 7,255,000	1/15/2018	45,000	4.250%	7,255,000	-	-	7,255,000
			1/15/2019	45,000	4.250%				
			1/15/2020	50,000	4.250%				
			1/15/2021	50,000	4.250%				
			1/15/2022	50,000	4.250%				
			1/15/2023	55,000	4.250%				
			1/15/2024	55,000	4.250%				
			1/15/2025	60,000	4.250%				
			1/14/2026	1,595,000	4.250%				
			1/15/2027	1,670,000	4.375%				
			1/15/2028	1,745,000	4.375%				
			1/15/2029	1,835,000	4.500%				

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Long-Term Debt
 Statement of Serial Bonds
 June 30, 2014

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2014</u>
			<u>Date</u>	<u>Amount</u>					
(Continued from prior page)									
Refunding School Bonds Series 2006 (original issue 2/15/02)	2/15/06	\$ 31,035,000	2/15/2015	550,000	5.000%				
			2/15/2016	625,000	5.000%				
			2/15/2017	855,000	4.000%				
			2/15/2018	940,000	4.000%				
			2/15/2019	1,030,000	4.000%				
			2/15/2020	1,130,000	4.125%				
			2/15/2021	1,235,000	4.125%				
			2/15/2022	1,350,000	4.200%				
			2/15/2023	1,475,000	4.200%				
			2/15/2024	1,615,000	4.750%				
			2/15/2025	1,765,000	4.750%				
			2/15/2026	1,935,000	4.250%				
			2/15/2027	2,105,000	4.300%				
			2/15/2028	2,290,000	4.375%				
			2/15/2029	2,495,000	4.375%				
			2/15/2030	2,655,000	4.375%				
			2/15/2031	2,785,000	4.375%				
			2/15/2032	2,905,000	4.375%	30,225,000		485,000	29,740,000
Refunding of Additions and Renovations Bond issue (original issue 7/15/97)	4/17/2012	12,130,000	7/15/2014	820,000	3.000%				
			7/15/2015	845,000	3.000%				
			7/15/2016	875,000	4.000%				
			7/15/2017	915,000	4.000%				
			7/15/2018	955,000	4.000%				
			7/15/2019	1,000,000	4.000%				
			7/15/2020	1,050,000	4.500%				
			7/15/2021	1,105,000	5.000%				
			7/15/2022	1,165,000	5.000%				
			7/15/2023	1,225,000	5.000%				
			7/15/2024	1,300,000	5.000%	12,040,000	-	785,000	11,255,000
						<u>\$ 49,520,000</u>	<u>\$ -</u>	<u>\$ 1,270,000</u>	<u>\$ 48,250,000</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Obligations Under Capital Leases
 Year Ended June 30, 2014

<u>Purpose</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original</u>		<u>Interest Rate</u>	<u>Balance 06/30/13</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 06/30/14</u>
			<u>Principal</u>	<u>Interest</u>					
Equipment	11/10/2009	5 Years	\$ 776,000	\$ 81,709	2.00%	\$ 330,000	-	161,000	\$ 169,000
Equipment	10/20/2011	5 Years	\$ 544,000	\$ 56,253	2.00%	446,000	-	106,000	340,000
Equipment	9/24/2013	5 Years	\$ 350,000	\$ 49,644	various	-	350,000	-	350,000
Equipment	6/25/2014	5 Years	\$ 279,617	\$ 8,084	1.37%	-	279,617	-	279,617
						<u>\$ 776,000</u>	<u>629,617</u>	<u>267,000</u>	<u>\$ 1,138,617</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative Final to Actual)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,365,692	\$ -	\$ 3,365,692	\$ 3,365,692	\$ -
State Sources:					
Debt Service Aid Type II	35,121	-	35,121	35,121	-
Total - State Sources	35,121	-	35,121	35,121	-
Total Revenues	3,400,813	-	3,400,813	3,400,813	-
EXPENDITURES:					
Regular Debt Service:					
Interest	2,130,815	-	2,130,815	2,130,815	-
Redemption of Principal	1,270,000	-	1,270,000	1,270,000	-
Total Regular Debt Service	3,400,815	-	3,400,815	3,400,815	-
Total expenditures	3,400,815	-	3,400,815	3,400,815	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2)	-	(2)	(2)	-
Other Financing Sources (uses):					
Bond premium	-	-	-	-	-
Bond refunding costs	-	-	-	-	-
Prepaid interest	-	-	-	-	-
Payoff old bonds	-	-	-	-	-
Issue new bonds	-	-	-	-	-
Operating transfer in	-	-	-	2	2
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(2)	-	(2)	-	2
Fund Balance, July 1	2	-	2	-	(2)
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ (2)	-	\$ (2)	\$ -	\$ 2

STATISTICAL SECTION

**Freehold Township School District
Statistical Section**

<u>Contents</u>	<u>Pages</u>
<p>Financial Trends</p> <p>These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	86-91
<p>Revenue Capacity</p> <p>These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	92-95
<p>Debt Capacity</p> <p>These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the</p>	96-99
<p>Demographic and Economic Information</p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	100-101
<p>Operating Information</p> <p>These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</p>	102-107

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.*

Freehold Township School District
 Net Assets/ Position by Component
 Last Ten Fiscal Years
 UNAUDITED
 (accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Invested in capital assets, net of related debt	\$ 8,626,932	\$ 10,362,081	\$ 9,193,571	\$ 7,708,309	\$ 7,018,996	\$ 7,154,586	\$ 6,462,294	\$ 6,435,070	\$ 5,868,706	\$ 3,478,290
Restricted	4,626,377	4,130,962	6,424,392	7,018,644	6,594,534	6,503,398	4,260,324	7,834,549	7,786,350	5,574,187
Unrestricted	(78,523)	36,859	111,167	702,906	985,150	170,580	2,965,858	125,150	620,891	3,629,137
Total governmental activities net assets/position	\$ 13,174,786	\$ 14,529,902	\$ 15,729,130	\$ 15,429,859	\$ 14,598,680	\$ 13,828,564	\$ 13,688,476	\$ 14,394,769	\$ 14,275,947	\$ 12,681,614
Business-type activities										
Invested in capital assets, net of related debt	\$ 4,059	\$ 1,528	\$ 1,169	\$ 16,335	\$ 12,462	\$ 16,540	\$ 15,450	\$ 10,950	\$ 8,500	\$ 7,517
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	49,881	92,106	94,995	82,419	62,010	73,576	85,189	118,442	21,385	75,648
Total business-type activities net assets/position	\$ 53,940	\$ 93,634	\$ 96,164	\$ 98,754	\$ 74,472	\$ 90,116	\$ 100,639	\$ 129,392	\$ 29,885	\$ 83,165
District-wide										
Invested in capital assets, net of related debt	\$ 8,630,991	\$ 10,363,609	\$ 9,194,740	\$ 7,724,644	\$ 7,031,458	\$ 7,171,126	\$ 6,477,744	\$ 6,446,020	\$ 5,877,206	\$ 3,485,807
Restricted	4,626,377	4,130,962	6,424,392	7,018,644	6,594,534	6,503,398	4,260,324	7,834,549	7,786,350	5,574,187
Unrestricted	(28,642)	128,965	206,162	785,325	1,047,160	244,156	3,051,047	243,592	642,276	3,704,785
Total district net assets/position	\$ 13,228,726	\$ 14,623,536	\$ 15,825,294	\$ 15,528,613	\$ 14,673,152	\$ 13,918,680	\$ 13,788,115	\$ 14,524,161	\$ 14,305,832	\$ 12,764,779

Freehold Township School District
Changes in Net Assets/Position
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
Instruction										
Regular	\$ 16,406,075	\$ 17,212,141	\$ 16,781,066	\$ 17,121,314	\$ 17,411,815	\$ 18,325,288	\$ 16,766,651	\$ 16,967,321	\$ 17,928,224	\$ 19,419,697
Special education	3,824,396	3,916,987	4,280,593	5,151,862	6,138,006	6,764,491	6,618,571	7,760,459	8,099,430	8,387,187
Other special education	938,616	1,086,846	857,762	1,132,928	1,178,085	1,051,618	935,634	1,118,409	1,351,171	1,405,281
Support Services:										
Instruction	1,770,605	2,058,265	2,572,438	2,472,231	2,975,952	2,707,378	2,510,459	2,154,962	1,468,708	1,264,988
Health services	582,447	510,633	549,783	668,865	738,305	748,168	607,047	636,295	624,192	690,829
Other support services	3,947,967	3,826,431	3,808,856	4,527,393	4,842,689	5,255,099	4,936,401	5,058,531	5,844,845	6,089,565
Educational media services	665,894	691,143	661,682	747,457	775,884	785,885	563,301	479,578	465,749	443,356
Instruction staff training	165,790	273,857	182,465	136,513	105,659	57,940	60,687	76,656	72,206	65,385
General administration	761,878	798,491	822,372	874,137	938,678	906,972	783,530	788,052	849,568	859,196
School administrative services	1,743,121	1,823,902	1,760,649	1,905,401	1,892,484	1,905,909	1,891,199	1,975,788	2,035,946	2,105,775
Central services	679,064	692,457	659,966	711,611	732,698	762,903	716,620	739,690	733,475	766,629
Plant operations and maintenance	6,975,418	6,462,881	7,101,527	7,503,164	7,047,418	6,748,566	7,467,048	6,746,080	6,868,380	7,610,419
Care & upkeep of grounds	-	-	-	-	-	269,162	301,312	274,790	225,360	199,820
Security	-	-	-	-	-	-	-	-	-	21,975
Administrative information technology	573,883	645,476	816,708	710,567	762,397	687,139	522,942	561,690	725,710	728,490
Pupil transportation	2,987,588	2,604,881	3,646,404	4,729,358	4,498,296	4,006,569	3,475,591	3,372,461	3,466,345	3,814,473
Special schools	176,131	278,000	300,000	177,658	17,236	18,793	15,266	8,812	6,634	16,514
Interest on long-term debt	2,784,267	2,736,766	2,454,446	2,505,772	2,476,754	2,442,392	2,400,591	2,381,534	1,967,046	2,052,121
Unallocated employee benefits	9,117,279	9,812,499	10,319,400	12,231,548	13,004,256	13,859,389	14,809,335	14,713,885	15,084,741	14,810,078
Non-budgeted expenditures	2,991,780	3,227,460	3,340,257	5,206,363	3,250,119	3,511,005	3,509,504	4,283,874	5,355,028	4,938,450
Total governmental activities expenses	<u>57,092,199</u>	<u>58,659,116</u>	<u>60,916,374</u>	<u>68,514,142</u>	<u>68,786,731</u>	<u>70,814,666</u>	<u>68,891,689</u>	<u>70,115,893</u>	<u>73,172,758</u>	<u>75,690,228</u>
Business-type activities:										
Food service	936,346	1,011,892	1,034,551	1,058,446	1,066,717	1,027,458	936,407	956,840	1,027,533	896,916
Total business-type activities expense	<u>936,346</u>	<u>1,011,892</u>	<u>1,034,551</u>	<u>1,058,446</u>	<u>1,066,717</u>	<u>1,027,458</u>	<u>936,407</u>	<u>956,840</u>	<u>1,027,533</u>	<u>896,916</u>
Total district expenses	<u>\$ 58,028,545</u>	<u>\$ 59,671,008</u>	<u>\$ 61,950,925</u>	<u>\$ 69,572,588</u>	<u>\$ 69,853,448</u>	<u>\$ 71,842,124</u>	<u>\$ 69,828,096</u>	<u>\$ 71,072,733</u>	<u>\$ 74,200,291</u>	<u>\$ 76,587,144</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 50,618	\$ 3,359	\$ -	\$ -	\$ 70,615	\$ 196,205	\$ 30,328	\$ 164,972	\$ 350,386	\$ 180,214
Pupil transportation	-	-	-	-	-	-	-	-	-	245,249
Operating grants and contributions	2,991,780	3,227,460	3,340,257	5,206,363	3,250,119	3,511,005	3,509,504	4,283,874	5,355,028	4,938,450
Total governmental activities program revenues	<u>3,042,398</u>	<u>3,230,819</u>	<u>3,340,257</u>	<u>5,206,363</u>	<u>3,320,734</u>	<u>3,707,210</u>	<u>3,539,832</u>	<u>4,448,846</u>	<u>5,705,414</u>	<u>5,363,913</u>

Freehold Township School District
Changes in Net Assets/Position
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services										
Food service	816,480	862,485	837,340	837,999	817,453	787,844	724,798	735,708	660,219	669,462
Operating grants and contributions	177,273	189,101	199,741	223,037	224,982	255,258	222,141	249,885	267,807	280,734
Total business type activities program rev	993,753	1,051,586	1,037,081	1,061,036	1,042,435	1,043,102	946,939	985,593	928,026	950,196
Total district program revenues	\$ 4,036,151	\$ 4,282,405	\$ 4,377,338	\$ 6,267,399	\$ 4,363,169	4,750,312	4,486,771	5,434,439	6,633,440	6,314,109
Net (Expense)/Revenue										
Governmental activities	\$ (54,049,801)	\$ (55,428,297)	\$ (57,576,117)	\$ (63,307,779)	\$ (65,465,997)	\$ (67,107,456)	\$ (65,351,857)	\$ (65,667,047)	\$ (67,467,344)	\$ (70,326,315)
Business-type activities	57,407	39,694	2,530	2,590	(24,282)	15,644	10,532	28,753	(99,507)	53,280
Total district-wide net expense	\$ (53,992,394)	\$ (55,388,603)	\$ (57,573,587)	\$ (63,305,189)	\$ (65,490,279)	\$ (67,091,812)	\$ (65,341,325)	\$ (65,638,294)	\$ (67,566,851)	\$ (70,273,035)
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purpc	\$ 42,315,455	\$ 46,409,730	\$ 49,976,081	\$ 52,264,040	\$ 53,012,064	\$ 55,482,188	\$ 55,482,188	\$ 56,734,169	\$ 57,446,816	\$ 58,589,742
Taxes levied for debt service	3,327,435	3,218,058	3,144,916	3,263,588	3,329,353	3,364,984	3,405,674	3,449,149	3,312,772	3,365,692
Unrestricted grants and contributions	5,588,987	5,553,022	5,445,882	5,588,942	6,550,587	5,148,181	3,750,186	4,409,843	4,815,481	5,022,916
Restricted federal and state aid	-	-	-	-	-	-	-	190,864	4,644	11,894
Payments in lieu of taxes	1,401,717	1,321,020	945,493	1,357,330	1,380,082	2,059,711	2,322,181	1,363,672	1,349,981	1,360,397
Investment earnings	118,686	239,933	361,229	370,205	156,725	41,493	18,692	15,245	1,639	1,518
Miscellaneous income	136,417	41,650	61,744	164,403	206,007	240,783	232,848	210,398	417,189	379,823
Total governmental activities	52,888,697	56,783,413	59,935,345	63,008,508	64,634,818	66,337,340	65,211,769	66,373,340	67,348,522	68,731,982
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-	-	-
Total district-wide	\$ 52,888,697	\$ 56,783,413	\$ 59,935,345	\$ 63,008,508	\$ 64,634,818	\$ 66,337,340	\$ 65,211,769	\$ 66,373,340	\$ 67,348,522	\$ 68,731,982
Change in Net Assets/Position										
Governmental activities	\$ (1,161,104)	\$ 1,355,116	\$ 2,359,228	\$ (299,271)	\$ (831,179)	\$ (770,116)	\$ (140,088)	\$ 706,293	\$ (118,822)	\$ (1,594,333)
Business-type activities	57,407	39,694	2,530	2,590	(24,282)	15,644	10,532	28,753	(99,507)	53,280
Total district	\$ (1,103,697)	\$ 1,394,810	\$ 2,361,758	\$ (296,681)	\$ (855,461)	\$ (754,472)	\$ (129,556)	\$ 735,046	\$ (218,329)	\$ (1,541,053)

Freehold Township School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 2,756,568	\$ 3,289,001	\$ 6,097,183	\$ 7,448,760	\$ 6,267,325	\$ 6,098,783	\$ 5,124,013	\$ 7,622,450	\$ 7,786,350	\$ 5,003,747
Unreserved	1,013,042	1,061,881	1,086,334	1,128,349	2,173,000	1,306,080	2,123,205	1,699,768	1,610,980	1,080,496
Total general fund	<u>\$ 3,769,610</u>	<u>\$ 4,350,882</u>	<u>\$ 7,183,517</u>	<u>\$ 8,577,109</u>	<u>\$ 8,440,325</u>	<u>\$ 7,404,863</u>	<u>\$ 7,247,218</u>	<u>\$ 9,322,218</u>	<u>\$ 9,397,330</u>	<u>\$ 6,084,243</u>
All Other Governmental Funds										
Reserved	\$ 1,869,809	\$ 841,961	\$ 327,209	\$ 327,209	\$ 327,209	\$ 404,615	\$ 1,237,000	\$ 212,101	\$ -	\$ 570,440
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,869,809</u>	<u>\$ 841,961</u>	<u>\$ 327,209</u>	<u>\$ 327,209</u>	<u>\$ 327,209</u>	<u>\$ 404,615</u>	<u>\$ 1,237,000</u>	<u>\$ 212,101</u>	<u>\$ -</u>	<u>\$ 570,440</u>

Freehold Township School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax levy	\$ 45,642,890	\$ 49,627,788	\$ 53,120,997	\$ 55,527,628	\$ 56,341,417	\$ 58,847,172	\$ 58,887,862	\$ 60,183,318	\$ 60,759,588	\$ 61,955,434
Tuition charges	50,618	3,359	-	-	70,615	74,213	5,110	121,431	244,773	180,214
Interest earnings	118,686	239,933	361,229	370,205	156,725	41,493	18,692	15,245	1,639	1,518
Miscellaneous	136,417	41,650	61,744	164,403	206,007	240,783	232,848	210,398	417,189	379,823
Transportation fees	-	-	-	-	-	121,992	25,218	43,541	105,613	245,249
State sources	8,642,106	8,851,059	8,639,099	11,020,925	10,078,133	8,807,607	7,817,815	8,740,386	10,216,029	9,998,352
Federal sources	1,340,378	1,250,443	1,092,533	1,131,710	1,102,655	1,911,290	1,764,056	1,507,867	1,309,105	1,335,305
Total revenue	55,931,095	60,014,232	63,275,602	68,214,871	67,955,552	70,044,550	68,751,601	70,822,186	73,053,936	74,095,895
Expenditures										
Instruction										
Regular Instruction	16,406,075	17,212,141	16,781,066	17,121,314	17,411,815	18,325,288	16,766,651	16,967,321	17,928,224	19,419,697
Special education instruction	3,824,396	3,916,987	4,280,593	5,151,862	6,138,006	6,764,491	6,618,571	7,760,459	8,099,430	8,387,187
Other special instruction	938,616	1,086,846	857,762	1,132,928	1,178,085	1,051,618	935,634	1,118,409	1,351,171	1,405,281
Support Services:										
Tuition	1,770,605	2,058,265	2,572,438	2,472,231	2,975,952	2,707,378	2,510,459	2,154,962	1,468,708	1,264,988
Student & inst. related services	1,414,131	1,475,633	1,393,930	1,552,835	1,619,848	1,591,993	1,231,035	1,192,529	1,162,147	1,199,570
General administration	761,878	798,491	822,372	874,137	938,678	906,972	783,530	788,052	849,568	859,196
School administrative services	1,743,121	1,823,902	1,760,649	1,905,401	1,892,484	1,905,909	1,891,199	1,975,788	2,035,946	2,105,775
Central services	679,064	692,457	659,966	711,611	732,698	762,903	716,620	739,690	733,475	766,629
Admin. information technology	573,883	645,476	816,708	710,567	762,397	687,139	522,942	561,690	725,710	728,490
Plant operations and maintenance	4,361,519	4,820,800	5,113,975	5,209,977	5,455,180	5,189,461	5,038,583	4,547,690	4,546,489	5,220,809
Pupil transportation	4,138,229	4,167,716	4,273,704	4,089,304	3,982,569	3,923,154	3,475,591	3,372,461	3,466,345	3,814,473
Other Support Services	3,947,967	3,826,431	3,808,856	4,527,393	4,842,689	5,255,099	4,936,401	5,058,531	5,844,845	6,089,565
Care & upkeep of grounds	-	-	-	-	-	269,162	301,312	274,790	225,360	199,820
Security	-	-	-	-	-	-	-	-	-	21,975
Employee benefits	9,181,772	9,879,042	10,369,255	12,023,947	12,999,174	13,911,739	14,686,799	14,397,301	15,061,040	14,703,141
Non-budgeted expenditures	2,991,780	3,227,460	3,340,257	5,206,363	3,250,119	3,511,005	3,509,504	4,283,874	5,355,028	4,938,450
Transfer to charter school	176,131	-	-	-	-	-	-	17,026	-	-
Special Schools	176,131	278,000	300,000	177,658	17,236	18,793	15,266	8,812	6,634	16,514
Capital outlay	5,530,269	1,211,792	613,817	640,054	515,727	805,185	688,248	1,060,584	975,065	2,296,167
Debt service:										
Principal	595,000	31,458,000	750,000	820,000	915,000	985,000	1,060,000	1,150,000	1,310,000	1,270,000
Interest and other charges	2,782,960	2,659,369	2,442,371	2,493,697	2,464,679	2,430,317	2,388,516	2,342,116	2,045,740	2,130,815
Total expenditures	61,993,527	91,238,808	60,957,719	66,821,279	68,092,336	71,002,606	68,076,861	69,772,085	73,190,925	76,838,542
Excess (Deficiency) of revenues over (under) expenditures	(6,062,432)	(31,224,576)	2,317,883	1,393,592	(136,784)	(958,056)	674,740	1,050,101	(136,989)	(2,742,647)
Other Financing sources (uses)										
Proceeds from borrowing	7,255,000	31,035,000	-	-	-	-	-	(13,310,000)	-	-
Proceeds from refunding	-	-	-	-	-	-	-	12,130,000	-	-
Payments to escrow agent	(6,978,769)	-	-	-	-	-	-	-	-	-
State school building aid - Section 15 gra	-	-	-	-	-	-	-	-	-	-
Premium and costs for bond issuance	(125,442)	(178,042)	-	-	-	-	-	1,180,000	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	570,442
Transfers out	-	-	-	-	-	-	-	-	-	(570,442)
Costs of issuance	(150,789)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	30,856,958	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (6,062,432)	\$ (367,618)	\$ 2,317,883	\$ 1,393,592	\$ (136,784)	\$ (958,056)	\$ 674,740	\$ 1,050,101	\$ (136,989)	\$ (2,742,647)
Debt service as a percentage of noncapital expenditures	6.0%	37.90%	5.29%	5.01%	5.00%	4.87%	5.12%	5.08%	4.65%	4.56%
Source: District records										
Note: Noncapital expenditures are total expenditures less capital outlay. Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005. Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services										

Freehold Township School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	<u>Sale of Capital Assets</u>	<u>Donations</u>	<u>Rentals</u>	<u>Prior Year Refunds</u>	<u>Sale and Leaseback of Textbooks</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2005	-	-	-	-	-	135,559	135,559
2006	-	-	-	-	-	41,650	41,650
2007	-	-	-	-	-	49,583	49,583
2008	-	-	-	-	-	72,945	72,945
2009	-	-	-	-	-	165,928	165,928
2010	-	-	-	-	-	155,267	155,267
2011	-	-	-	-	-	172,515	172,515
2012	-	-	-	-	-	108,823	108,823
2013	-	-	-	-	-	191,295	191,295
2014	69,300	-	81,539	-	-	39,103	189,942

Source: District records

Freehold Township School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2005	51,833,800	2,021,577,700	15,765,400	2,077,500	634,523,200	75,334,300	30,958,400	2,832,070,300	-	57,693,210	2,889,763,510	1.546	4,177,454,308
2006	66,615,000	2,096,875,500	15,635,600	1,779,600	636,922,000	78,428,200	30,958,400	2,927,214,300	-	48,144,874	2,975,359,174	1.634	4,663,434,469
2007	65,790,600	2,146,671,100	15,123,200	1,726,900	642,767,600	79,946,600	30,948,600	2,982,974,600	-	42,025,816	3,025,000,416	1.722	5,391,727,021
2008	49,811,400	2,205,318,600	14,730,600	1,764,500	633,230,100	71,697,200	30,948,600	3,007,501,000	-	36,970,360	3,044,471,360	1.791	6,037,954,660
2009	43,886,000	2,245,621,400	14,932,600	1,700,500	644,466,200	74,628,300	30,165,900	3,055,400,900	-	32,780,996	3,088,181,896	1.792	6,539,260,827
2010	95,225,000	4,529,646,900	30,709,200	1,670,000	1,341,345,700	154,573,100	64,320,400	6,217,490,300	-	68,077,410	6,285,576,710	0.922	6,900,102,255
2011	79,832,500	4,549,534,600	30,233,300	1,654,900	1,291,205,600	154,573,100	61,500,000	6,168,534,000	-	49,220,887	6,217,754,887	0.936	6,647,432,225
2012	69,363,900	4,551,925,900	31,282,000	1,541,900	1,247,563,400	154,791,300	61,500,000	6,117,968,400	-	41,218,304	6,159,186,704	0.966	6,197,354,750
2013	67,931,000	4,548,659,400	32,524,700	1,509,700	1,245,930,300	156,782,100	61,500,000	6,114,837,200	-	-	6,114,837,200	0.983	5,873,438,863
2014	56,004,900	3,949,909,700	28,280,200	1,466,400	1,243,834,300	146,521,200	60,794,300	5,486,811,000	-	-	5,486,811,000	1.117	5,837,654,006

Source: District records and Monmouth County Board of Taxation

Freehold Township School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
UNAUDITED
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	<u>Freehold Township School District</u>			<u>Overlapping Rates</u>			<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u> ^a	<u>General Obligation Debt Service</u> ^b	<u>Total Direct</u>	<u>Freehold Regional School District</u>	<u>Freehold Township</u>	<u>Monmouth County</u>	
2005	1.430	0.115	1.545	0.597	0.389	0.541	3.161
2006	1.526	0.108	1.634	0.662	0.419	0.540	3.344
2007	1.619	0.104	1.723	0.700	0.439	0.541	3.438
2008	1.651	0.107	1.758	0.700	0.439	0.541	3.471
2009	1.684	0.107	1.791	0.707	0.475	0.523	3.497
2010	0.869	0.053	0.922	0.373	0.265	0.282	1.842
2011	0.882	0.054	0.936	0.39	0.28	0.286	1.892
2012	0.911	0.055	0.966	0.399	0.304	0.291	1.96
2013	0.929	0.054	0.983	0.411	0.324	0.292	2.01
2014	1.057	0.06	1.117	0.471	0.378	0.327	2.293

Source: District Records and Municipal Tax Collector

Freehold Township School District
Principal Property Tax Payers,
Current Year and Nine Years Ago
UNAUDITED

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Freemall Associates, LLC	\$ 315,292,500	1	5.75%	\$ 154,401,000	1	5.19%
Freehold Financing LLC Avalon Bay	45,393,900	2	0.83%	25,075,700	3	0.84%
Iron Mountain Info. Mgmt., LLC	44,595,700	3	0.81%	16,423,500	7	0.55%
Freemall Associates (Formerly Lowes Theater)	30,403,400	4	0.55%	12,557,600	10	0.42%
Center for Aging DBA/Applewood Estates	30,000,000	5	0.55%	19,489,500	6	0.66%
New Jersey Bell Telephone Co	25,254,900	6	0.46%	23,106,000	5	0.78%
Raintree Towne Center Assoc. LP	22,998,900	7	0.42%	14,500,000	8	0.49%
Freehold Shopping Associates	22,656,900	8	0.41%	-	0	0.00%
Wal-Mart Real Estate Business Trust	22,558,600	9	0.41%	-	0	0.00%
Macy's East, Inc.	21,984,700	10	0.40%	24,897,800	4	0.84%
Verizon				48,144,874	2	1.62%
Nordstrom				14,257,000	9	0.48%
Total	\$ 581,139,500		10.59%	352,852,974		11.87%

Source: District CAFR & Municipal Tax Assessor

Exhibit J-9

Freehold Township School District
 Property Tax Levies and Collections,
 Last Ten Fiscal Years
 UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	45,642,890	45,642,890	100.00%	-
2006	49,697,788	49,697,788	100.00%	-
2007	53,120,997	53,120,997	100.00%	-
2008	55,527,628	55,527,628	100.00%	-
2009	56,341,417	56,341,417	100.00%	-
2010	58,847,172	58,847,172	100.00%	-
2011	58,887,862	58,887,862	100.00%	-
2012	60,183,318	60,183,318	100.00%	-
2013	60,759,588	60,759,588	100.00%	-
2014	61,955,434	61,955,434	100.00%	-

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

Freehold Township School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Business- Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2005	56,953,000	n/a	2,764,792	n/a	n/a	59,717,792	0.00%	1,755
2006	56,530,000	n/a	979,535	n/a	n/a	57,509,535	0.00%	1,685
2007	55,780,000	n/a	-	n/a	n/a	55,780,000	0.00%	1,643
2008	56,120,000	n/a	-	n/a	n/a	56,120,000	0.00%	1,611
2009	55,205,000	n/a	-	n/a	n/a	55,205,000	0.00%	1,590
2010	54,220,000	n/a	776,000	n/a	n/a	54,996,000	0.00%	1,568
2011	53,160,000	n/a	641,000	n/a	n/a	53,801,000	0.00%	1,469
2012	52,010,000	n/a	1,031,000	n/a	n/a	53,041,000	0.00%	1,464
2013	49,520,000	n/a	776,000	n/a	n/a	50,296,000	0.00%	1,394
2014	48,250,000	n/a	1,155,617	n/a	n/a	49,405,617	0.00%	1,365

Source: District CAFR Schedules I-1, I-2

Freehold Township School District
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	56,953,000	-	56,953,000	1.91%	\$ 1,674
2006	56,530,000	-	56,530,000	1.87%	\$ 1,656
2007	55,780,000	-	55,780,000	1.83%	\$ 1,643
2008	56,120,000	-	56,120,000	1.82%	\$ 1,609
2009	55,205,000	-	55,205,000	0.88%	\$ 1,590
2010	54,220,000	-	54,220,000	0.87%	\$ 1,568
2011	53,160,000	-	53,160,000	0.86%	\$ 1,469
2012	52,010,000	-	52,010,000	0.85%	\$ 1,436
2013	49,520,000	-	49,520,000	0.81%	\$ 1,372
2014	48,250,000	-	48,250,000	0.88%	\$ 1,333

Freehold Township School District
 Ratios of Overlapping Governmental Activities Debt
 As of June 30, 2014
 UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Freehold Township	\$34,592,931	100.000%	\$34,592,931
Other debt			
Water Sewer System	11,720,000	100.000%	11,720,000
Freehold Regional High School	27,570,000	21.171%	5,836,930
Manasquan River Regional Sewerage Authority	7,400,388	38.700%	2,863,950
Monmouth County	441,364,985	5.317%	<u>23,466,626</u>
Subtotal, overlapping debt			78,480,437
Freehold Township School District Direct Debt			<u>48,250,000</u>
Total direct and overlapping debt			<u><u>\$ 126,730,437</u></u>

Sources: Freehold Township Finance Officer, Monmouth County Finance Office
 and Utility Authorities

**Freehold Township School District
Legal Debt Margin Information,
Last Ten Fiscal Years
UNAUDITED**

Legal Debt Margin Calculation for Fiscal Year 2014

		Equalized valuation basis	
	2014	\$	5,837,654,006
	2013		5,873,438,863
	2012		<u>6,197,354,750</u>
	[A]	<u>\$</u>	<u>17,908,447,619</u>
Average equalized valuation of taxable property		[A/3]	\$ 5,969,482,540
	of average	[B]	179,084,476 ^a
	Net bonded school debt	[C]	<u>49,520,000</u>
	Legal debt margin	[B-C]	<u>\$ 129,564,476</u>

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 125,420,943	\$ 142,326,158	\$ 160,931,162	\$ 179,689,425	\$ 194,773,177	\$ 135,475,345	\$ 199,751,382	\$ 192,723,907	\$ 179,084,476	\$ 179,084,476
Total net debt applicable to limit	<u>56,953,000</u>	<u>57,690,000</u>	<u>56,940,000</u>	<u>56,120,000</u>	<u>55,205,000</u>	<u>54,220,000</u>	<u>53,160,000</u>	<u>52,010,000</u>	<u>49,520,000</u>	<u>48,250,000</u>
Legal debt margin	<u>\$ 68,467,943</u>	<u>\$ 84,636,158</u>	<u>\$ 103,991,162</u>	<u>\$ 123,569,425</u>	<u>\$ 139,568,177</u>	<u>\$ 81,255,345</u>	<u>\$ 146,591,382</u>	<u>\$ 140,713,907</u>	<u>\$ 129,564,476</u>	<u>\$ 130,834,476</u>
Total net debt applicable to the limit as a percentage of debt limit	45.41%	40.53%	35.38%	31.23%	28.34%	40.02%	26.61%	26.99%	27.65%	26.94%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

**Freehold Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years
UNAUDITED**

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2005	33,863	-	-	3.1%
2006	33,953	-	-	3.5%
2007	33,953	-	-	3.3%
2008	34,875	-	-	4.1%
2009	34,730	-	-	4.2%
2010	34,589	-	-	7.5%
2011	36,184	-	-	7.7%
2012	36,219	-	-	8.2%
2013	36,806	-	-	7.0%
2014	36,184	-	-	5.0%

Source:

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

^b Personal income not available by municipality.

^c Per Capita Income not available by municipality

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

Freehold Township School District
 Principal Employers,
 Current Year and Nine Years Ago
 UNAUDITED

Employer	2014			2005		
	Employees	Rank (Optional)	Percentage of Total Employment ^b	Employees	Rank (Optional)	Percentage of Total Employment ^b
CentraState Medical Center	2,029	1	10.66%	1,748		
YMCA of Freehold	871	2	4.57%			
Center for Aging	553	3	2.90%	429		
Verizon	439	4	2.31%	426		
IVC Industrial Inc.	370	5	1.94%	302		
Garden State Consumer Credit	320	6	1.68%			
Macy's	318	7	1.67%	265		
iPlay America, LLC	246	8	1.29%			
Shore Point Distributing, Inc	230	9	1.21%			
Sam's Club	226	10	1.19%	250		
Asbury Park Press				507		
Nordstrom				323		
Nestle-Hills Coffee Co.				243		
Sears				225		
	<u>5,602</u>		<u>29.42%</u>	<u>4,718</u>		

Source: Freehold Township Official Statement

^b Total labor force provided by U.S. Department of Labor, Bureau of Labor Statistics

Freehold Township School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years
UNAUDITED

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction										
Regular	261	267	272	295	284	277	271	271	282	298
Special education	100	104	105	153	186	187	195	191	200	214
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services:	90	88	90	89	67	72	66	69	80	82
General administrative services	7	7	7	5	5	5	4	4	4	4
School administrative services	28	28	23	25	24	24	24	30	29	26
Business administrative services	15	15	15	16	16	17	14	14	15	14
Plant operations and maintenance	56	58	69	74	73	71	75	73	75	67
Pupil transportation	88	93	87	90	92	89	66	71	67	72
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Total	<u>645</u>	<u>660</u>	<u>668</u>	<u>747</u>	<u>747</u>	<u>742</u>	<u>715</u>	<u>723</u>	<u>752</u>	<u>777</u>

Source: District Personnel Records

Freehold Township School District
 Operating Statistics
 Last Ten Fiscal Years
 UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2005	4,635	54,558,214	11,771	13.69%	321	17:01	25:01	4,623	4,710	1.76%	94.28%
2006	4,653	55,328,818	11,891	1.02%	323	17:01	25:01	4,658	4,447	0.76%	95.50%
2007	4,652	57,463,173	12,352	3.88%	272	17:01	25:01	4,629	4,418	-0.62%	95.50%
2008	4,622	61,739,327	13,358	8.14%	332	17:01	24:01	4,622	4,428	-0.15%	95.80%
2009	4,512	62,143,910	13,773	3.11%	405	17:01	25:01	4,521	4,330	-2.23%	95.78%
2010	4,500	64,942,806	14,432	4.78%	341	17:01	24:01	4,500	4,312	-0.46%	95.82%
2011	4,375	61,778,766	14,121	-2.15%	338	17:01	25:01	4,365	4,170	-3.00%	95.53%
2012	4,276	62,963,967	14,725	4.28%	308	17:01	20:01	4,271	4,099	-2.15%	95.97%
2013	4,170	64,431,299	15,451	4.93%	353	17:01	16:01	4,155	3,970	-2.72%	95.55%
2014	4,042	66,902,931	16,552	7.13%	354	17:01	14:01	4,050	3,881	-2.53%	95.83%

Sources: District records and Schedules J-12, J-14

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1

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

**Freehold Township School District
School Building Information
Last Ten Fiscal Years
UNAUDITED**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
District Building^a										
Early Learning Center										
Early Childhood Learning Center (1936) ^b										
Square Feet	37,156	37,156	37156	37156	37156	37156	37156	37156	37156	37156
Capacity (students)	127	127	127	127	127	127	127	127	127	127
Enrollment ^b	0	84	75	79	83	83	101	115	121	114
Elementary										
Joseph J. Catena (1951)										
Square Feet	76,045	76,045	76,045	76,045	76,045	76,045	76,045	76,045	76,045	76,045
Capacity (students)	633	633	633	633	633	633	633	633	633	633
Enrollment	653	615	607	602	561	561	518	492	491	511
C. Richard Applegate (1972)										
Square Feet	81,963	81,963	81,963	81,963	81,963	81,963	81,963	81,963	81,963	81,963
Capacity (students)	606	606	606	606	606	606	606	606	606	606
Enrollment	557	544	542	509	544	544	531	539	541	487
Marshall W. Errickson (1972)										
Square Feet	78,130	78,130	78,130	78,130	78,130	78,130	78,130	78,130	78,130	78,130
Capacity (students)	698	698	606	606	606	606	606	606	606	606
Enrollment	668	627	542	611	561	561	546	526	502	468
Laura Donovan (1968)										
Square Feet	76,491	76,491	76,491	76,491	76,491	76,491	76,491	76,491	76,491	76,491
Capacity (students)	653	653	653	653	653	653	653	653	653	653
Enrollment	573	582	543	531	537	537	508	485	487	488
West Freehold (9/04)										
Square Feet	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Capacity (students)	636	636	636	636	636	636	636	636	636	636
Enrollment	587	606	603	595	582	582	553	532	516	522
Middle School										
Clifton T. Barkalow (1965)										
Square Feet	110,553	110,553	110,553	110,553	110,553	110,553	110,553	110,553	110,553	110,553
Capacity (students)	831	831	831	831	831	831	831	831	831	831
Enrollment	786	850	754	853	822	822	808	803	763	752
Dwight D. Eisenhower (1971)										
Square Feet	114,979	114,979	114,979	114,979	114,979	114,979	114,979	114,979	114,979	114,979
Capacity (students)	855	855	863	863	863	863	863	863	863	863
Enrollment	781	767	754	827	822	822	800	784	749	700
Other										
Transportation & Maintenance Offices										
Square Feet	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800

Number of Schools at June 30, 2014
 Early Learning Center = 1
 Elementary = 5
 Middle School = 2
 Other = 1

Source: District records, ASSA

^a 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 (ASSA). Only 7 years of data required to be kept.

^b Prior to September 2004, the ECLC housed the West Freehold School. At the time of the ASSA in October 2004, the ECLC population was housed in the Joseph J. Catena & C. Richard Applegate Elementary Schools.

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years
UNAUDITED

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

* School Facilities Project # (s)	Joseph J. Catena Elementary N/A	C. Richard Applegate Elementary N/A	Clifton T. Barkalow Middle School N/A	Dwight D. Eisenhower Middle School N/A	Marshall W. Errickson Elementary N/A	Laura Donovan Elementary N/A	West Freehold Elementary N/A	Early Childhood Learning Center N/A	Total
2005	76,224	85,166	107,152	108,620	73,491	78,218	92,959	35,212	657,042
2006	105,558	96,671	132,076	141,880	92,678	91,544	104,792	60,297	825,496
2007	89,770	128,153	139,890	134,249	125,509	89,471	108,542	47,905	863,489
2008	104,125	112,229	151,348	157,436	106,980	104,736	123,233	50,876	910,965
2009	111,559	120,240	162,153	168,675	114,617	112,213	132,031	54,508	975,995
2010	99,851	107,622	145,136	150,974	102,589	100,437	118,175	48,788	873,572
2011	99,633	107,387	144,819	150,644	102,365	100,217	117,917	48,681	871,663
2012	90,719	97,779	131,862	137,166	93,206	91,251	107,367	44,326	793,676
2013	43,820	47,231	63,694	66,256	45,022	44,077	51,862	21,411	383,373
2014	128,893	138,923	187,348	194,884	132,427	129,649	152,546	62,977	1,127,647
Total School Facilities	<u>\$ 950,153</u>	<u>\$ 1,041,400</u>	<u>\$ 1,365,478</u>	<u>\$ 1,410,784</u>	<u>\$ 988,884</u>	<u>\$ 941,814</u>	<u>\$ 1,109,424</u>	<u>\$ 474,981</u>	<u>\$ 8,282,917</u>

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

Source: District records

**FREEHOLD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

Company	Type of Coverage	Coverage	Deductible
Insurance Company	Property		
	Blanket Building & Contents	\$ 169,109,901	\$ 5,000
	Business Income & Extra Exp.	5,000,000	
	Flood	5,000,000	
	Computer Equipment	3,000,000	
	Contractors Equipment	250,000	
	Equipment Breakdown (Blanket)		
	Per Breakdown	50,000,000	5,000
	Commercial Liability		
	Bodily Injury & Property Damage		
	Each Occurrence	1,000,000	
	General Aggregate	2,000,000	
	Products/Completed Operations	2,000,000	
	Damage to Premises Rented	1,000,000	
	Medical Payments	5,000	
	Personal & Advertising Inju	1,000,000	
	Employee Benefits Liability	1,000,000	
	Crime		
	Employee Theft	500,000	5,000
	Forgery or Alteration	100,000	
	Computer Fraud	50,000	1,000
	Business Auto		
	Combined Single Limit	1,000,000	
Personal Injury Protection	Statutory		
Medical Payments	5,000		
Uninsured & Underinsured	1,000,000		
Comprehensive Deductible	-	1,000	
Collision Deductible		1,000	

Source: District Records

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 INSURANCE SCHEDULE (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014
 UNAUDITED

Company	Type of Coverage	Coverage	Deductible
New Jersey School Boards Association Insurance Group	School Board Legal Limit of Liability	- 10,000,000	- 15,000
	Worker's Compensation		
	Section A	Statutory	
	Section B	200,000/200,000/200,000	
Chubb	Supplemental Worker's Compensation		
	Maximum Benefit Period	52 Weeks	
	Waiting Period	7 days	
McCloskey	Student Accident		
	Maximum Benefit	1,000,000	
Selective	Bonds		
	Business Adm./Board Sec'y.	320,000	
American Zurich Insurance Company	Environmental Policy		
	Each Incident	1,000,000	5,000
	Aggregate	2,000,000	
	Excess Umbrella		
	Limit of Liability	10,000,000	
	Retention	10,000	
Fireman's Insurance Fund	CAP Program		
	Each Occurrence	50,000,000	
	Aggregate	50,000,000	

Source: District Records

SINGLE AUDIT SECTION

JUMP, PERRY AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

12 LEXINGTON AVENUE · TOMS RIVER, NJ · 08753 · PHONE (732) 240-7377 · FAX (732) 505-8307 · WEBSITE: jumpcpa.com

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

The Honorable President and
Members of the Board of Education
Freehold Township School District
County of Monmouth
Freehold, New Jersey 07735

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 Division of Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Freehold Township School District in the County of Monmouth, State of New Jersey as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Board of Education of the Freehold Township School District's basic financial statements and have issued our report thereon dated November 18, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

JUMP, PERRY AND COMPANY, L.L.P.
Toms River, NJ 08753



Kathryn Perry
Licensed Public School Accountant
No. CS 20CS00226400

November 18, 2014

JUMP, PERRY AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

12 LEXINGTON AVENUE · TOMS RIVER, NJ · 08753 · PHONE (732) 240-7377 · FAX (732) 505-8307 · WEBSITE: jumpcpa.com

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 LETTER 04-04

The Honorable President and
Members of the Board of Education
Freehold Township School District
County of Monmouth
Freehold, New Jersey 08533

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Freehold Township School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and *New Jersey OMB Circular 04-04* that could have a direct and material effect on each of the Board of Education of the Freehold Township School District's major federal and state programs for the year ended June 30, 2014. The Board of Education of the Freehold Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Freehold Township School District'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* and New Jersey OMB Circular 04-04. Those standards, OMB Circular A-133, and New Jersey OMB 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Freehold Township School District'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 on the Board of Education of the Freehold Township School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Freehold Township School District, complied, in all material respects, with the 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 the Board of Education of the Freehold Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Freehold Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Freehold Township School District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 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 intended solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

JUMP, PERRY AND COMPANY, L.L.P.
Toms River, NJ 08753



Kathryn Perry
Licensed Public School Accountant
No. CS 20CS00226400

November 18, 2014

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2013	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior years' Balances	Deferred Revenue at June 30, 2014	(Accounts Receivable) at June 30, 2014	Due to Grantor at June 30, 2014
General Fund:											
U.S Department of Education Medical Assistance Program	93.778	9/1/13-8/31/14	\$ 11,894	\$ -	\$ -	\$ 11,894	\$ (11,894)	\$ -	\$ -	\$ -	\$ -
				-	-	11,894	(11,894)	-	-	-	-
U.S. Department of Agriculture Passed-through State Department of Education:											
Food Distribution Program	10.550	7/1/13-6/30/14	56,741	-	-	56,741	(53,095)	-	3,646	-	-
National School Breakfast Program	10.553	7/1/13-6/30/14	2,921	-	-	2,259	(2,921)	-	-	(662)	-
National School Lunch Program	10.555	7/1/13-6/30/14	211,570	-	-	165,973	(211,570)	-	-	(45,597)	-
National School Lunch Program	10.555	7/1/12-6/30/13	195,633	(16,845)	-	16,845	-	-	-	-	-
Total U.S. Department of Agriculture				(16,845)	-	241,818	(267,586)	-	3,646	(46,259)	-
U.S. Department of Education Passed-through State Department of Education:											
Title I	84.010	9/1/12-8/31/13	167,487	(12,408)	-	25,483	(13,075)	-	-	-	-
Title I	84.010	7/1/13-6/30/14	137,371	-	(32)	90,167	(137,339)	-	-	(47,172)	-
Title II Part A	84.367A	9/1/12-8/31/13	52,109	(6,573)	-	18,475	(11,902)	-	-	-	-
Title II Part A	84.367A	7/1/13-6/30/14	45,447	-	(828)	39,664	(44,619)	-	-	(4,955)	-
Title III	84.365A	9/1/12-8/31/13	19,651	(289)	-	2,191	(1,902)	-	-	-	-
Title III	84.365A	7/1/13-6/30/14	15,061	(1,451)	-	11,313	(13,610)	-	-	(2,297)	-
Title III Immigrant		9/1/12-8/31/13	10,253	-	-	428	(428)	-	-	-	-
Title III Immigrant		7/1/13-6/30/14	5,619	-	-	2,389	(5,619)	-	-	(3,230)	-
I.D.E.A. Part B Basic Regular	84.027	7/1/13-6/30/14	870,374	-	-	782,689	(870,374)	-	-	(87,685)	-
I.D.E.A. Part B Basic Regular	84.027	9/1/12-8/31/13	986,394	(319,780)	-	383,338	(63,558)	-	-	-	-
I.D.E.A. Part B Preschool	84.173	9/1/12-8/31/13	40,184	(541)	-	34,200	(33,659)	-	-	-	-
I.D.E.A. Part B Preschool	84.173	7/1/13-6/30/14	38,025	-	-	29,329	(38,025)	-	-	(8,696)	-
Total U.S. Department of Education				(341,042)	(860)	1,419,666	(1,234,110)	-	-	(154,035)	-
Total Expenditures of Federal Awards				\$ (357,887)	\$ (860)	\$ 1,673,378	\$ (1,513,590)	\$ -	\$ 3,646	\$ (200,294)	\$ -

See accompanying notes to schedules of expenditures.

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Awards
for the Fiscal Year ended June 30, 2014

<u>State Grantor/ Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance at June 30, 2013</u>	<u>Carryover Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Repayment of Prior Years' Balances</u>	<u>Deferred Revenue at June 30, 2014</u>	<u>(Accounts Receivable) at June 30, 2014</u>	<u>Due to Grantor at June 30, 2014</u>	<u>Budgetary Receivable</u>	<u>Total Expenditures</u>
State Department of Education													
General Fund:													
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	\$ 300,655	\$ -	\$ -	\$ 270,593	\$ (300,655)	\$ -	\$ -	\$ -	\$ -	\$ (30,062)	\$ 300,655
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	289,439	(28,943)	-	28,943	-	-	-	-	-	-	-
Special Education Aid	14-495-034-5120-011	7/1/13-6/30/14	2,597,902	-	-	2,344,235	(2,597,902)	-	-	-	-	(253,667)	2,597,902
Special Education Aid	13-495-034-5120-011	7/1/12-6/30/13	2,617,953	(273,017)	-	273,017	-	-	-	-	-	-	-
Equalization Aid	14-495-034-5120-008	7/1/13-6/30/14	1,140,072	-	-	1,037,262	(1,140,072)	-	-	-	-	(102,810)	1,140,072
Equalization Aid	13-495-034-5120-008	7/1/12-6/30/13	1,149,720	(103,764)	-	103,764	-	-	-	-	-	-	-
Security Aid	14-495-034-5120-022	7/1/13-6/30/14	84,658	-	-	76,192	(84,658)	-	-	-	-	(8,466)	84,658
Security Aid	13-495-034-5120-022	7/1/12-6/30/13	66,176	(6,614)	-	6,614	-	-	-	-	-	-	-
Extraordinary Aid	14-495-034-5120-044	7/1/13-6/30/14	840,418	-	-	-	(840,418)	-	-	(840,418)	-	-	840,418
Extraordinary Aid	13-495-034-5120-044	7/1/12-6/30/13	748,080	(748,080)	-	748,080	-	-	-	-	-	-	-
Anti-bullying		7/1/13-6/30/14	357	-	-	357	(357)	-	-	-	-	-	357
Nonpublic Transportation Aid	14-495-034-5120-089	7/1/13-6/30/14	19,853	-	-	19,854	(41,521)	-	-	(21,667)	-	-	41,521
Reimbursed TPAF Social Security Contribution	14-495-034-5095-002	7/1/13-6/30/14	2,087,183	-	-	1,986,888	(2,087,183)	-	-	(100,295)	-	-	2,087,183
Reimbursed TPAF Pension Contribution	13-495-034-5095-002	7/1/12-6/30/13	1,976,900	(94,178)	-	94,178	-	-	-	-	-	-	-
On-behalf TPAF Social Security Contribution	14-495-034-5095-001	7/1/13-6/30/14	2,851,267	-	-	2,851,267	(2,851,267)	-	-	-	-	-	2,851,267
Total General Fund				<u>(1,254,596)</u>	<u>-</u>	<u>9,841,244</u>	<u>(9,944,033)</u>	<u>-</u>	<u>-</u>	<u>(962,380)</u>	<u>-</u>	<u>(395,005)</u>	<u>9,944,033</u>
Enterprise Fund:													
State School Lunch Program	14-100-010-3360-067	7/1/13-6/30/14	9,502	-	-	7,451	(9,502)	-	-	(2,051)	-	-	9,502
State School Lunch Program	13-100-010-3360-067	7/1/12-6/30/13	9,053	(788)	-	788	-	-	-	-	-	-	-
				<u>(788)</u>	<u>-</u>	<u>8,239</u>	<u>(9,502)</u>	<u>-</u>	<u>-</u>	<u>(2,051)</u>	<u>-</u>	<u>-</u>	<u>9,502</u>
Debt Service Fund:													
Debt service aid	14-495-034-5120-017	7/1/13-6/30/14	35,121	-	-	35,121	(35,121)	-	-	-	-	-	35,121
				<u>-</u>	<u>-</u>	<u>35,121</u>	<u>(35,121)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,121</u>
Special Revenue Fund:													
N.J. Nonpublic Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	1,097	-	-	1,097	-	-	-	-	1,097	-	-
N.J. Non Public Nursing Aid		7/1/13-6/30/14	1,544	-	-	1,544	(1,474)	-	-	-	70	-	1,474
N.J. Nonpublic Technology Aid	14-100-034-5120-068	7/1/13-6/30/14	400	-	-	400	(391)	-	-	-	9	-	391
Chapter 192/193	14-100-034-5120-068	7/1/13-6/30/14	1,895	-	-	1,895	-	-	-	-	1,895	-	-
Total Special Revenue Fund				<u>-</u>	<u>-</u>	<u>4,936</u>	<u>(1,865)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,071</u>	<u>-</u>	<u>1,865</u>
Total Expenditures of State Awards				<u>\$ (1,255,384)</u>	<u>\$ -</u>	<u>\$ 9,889,540</u>	<u>\$ (9,990,521)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (964,431)</u>	<u>\$ 3,071</u>	<u>\$ (395,005)</u>	<u>\$ 9,990,521</u>

See accompanying notes to schedules of expenditures.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to the Schedules of Expenditures of Awards and Financial Assistance

June 30, 2014

1. General

The accompanying schedules of expenditures of awards present the activity of all federal awards and state financial assistance programs of the Board of Education, Freehold Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$17,333 for the general fund and \$89,301 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to the Schedules of Expenditures of Awards and Financial Assistance

3. Relationship to Basic Financial Statements (continued)

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
General Fund	\$ 11,894	9,961,366	-	\$9,973,260
Special Revenue Fund	1,323,411	1,865	-	1,325,276
Debt Service Fund	-	35,121	-	35,121
Food Service Fund	<u>271,232</u>	<u>9,502</u>	<u>-</u>	<u>280,734</u>
Total awards and financial assistance	<u>\$1,606,537</u>	<u>10,007,854</u>	<u>-</u>	<u>\$11,614,391</u>

4. Relationship to Federal and State Financial Reports

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

5. 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.

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section I --Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? _____ yes X no
- 2) Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards Section

Internal Control over major programs:

- 1) Material weakness(es) identified? _____ yes X no
- 3) Significant deficiency(ies) identified? _____ yes X none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA Part B Basic Regular - Cluster
84.173	IDEA Part B Basic Preschool - Cluster

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

Auditee qualified as low-risk auditee? X yes _____ no

FREEHOLD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section I --Summary of Auditor's Results (cont'd.)

State Awards Section

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

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

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

2) Significant deficiency(ies)
Identified? yes X none reported

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

Identification of major programs:

GMIS Number(s)

Name of State Program

495-034-5120-014

Transportation Aid

State Aid - Public (Cluster)

495-034-5120-089

Special Education Categorical Aid

495-034-5120-078

Equalization Aid

495-034-5120-084

Security Aid

Freehold Township School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

Section II - Financial Statement Findings

No matters were reported for the period ended June 30, 2014.

Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs

No matters were reported for the period ended June 30, 2014.

Freehold Township School District
Summary Schedule of Prior-Year Audit Findings
For the Fiscal Year Ended June 30, 2014

There were no prior year findings for the period ended June 30, 2013.