

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

Bayville, New Jersey  
County of Ocean

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**BAYVILLE, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Prepared by**

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



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**INTRODUCTORY SECTION**

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# BERKELEY TOWNSHIP SCHOOL DISTRICT

53 CENTRAL PARKWAY  
BAYVILLE, NEW JERSEY 08721-2414

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Business Administrator/Board Secretary

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December 4, 2015

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

Dear Board Members:

The Comprehensive Annual Financial Report ("CAFR") of the Berkeley Township School District for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education of Berkeley Township. To the best of my knowledge and belief, the data as presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis and the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations," and New Jersey OMB's Circular(s) 04-04 and/or 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aids." Information related to this single audit, including the auditor's reports on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels PS through 6. These include regular programs, as well as Special Education for children with special needs. The District completed the 2014-2015 fiscal year with an average daily enrollment of 2,103 students. The following details the changes in the student average daily enrollment of the District over the last ten years.

## AVERAGE DAILY ENROLLMENT

Fiscal Year	Average Daily Student Enrollment	Percent Change
2005 – 2006	1,908.5	0.15%
2006 – 2007	1,907.6	(0.04%)
2007 – 2008	1,948.0	2.12%
2008 – 2009	1,974.0	1.33%
2009 – 2010	2,015.0	2.08%
2010 – 2011	2,036.0	1.04%
2011 - 2012	2,021.6	(0.71%)
2012 – 2013	2,056.9	1.75%
2014 – 2015	2,102.9	2.24%

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

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

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

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

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

Since 1980 local school budgets had been rejected by the voters in the vast majority of the annual school elections. For budgets beginning with the 2012-2013 school year, voter approval is no longer required if the tax levy increase is below "CAP" or 2%. The 2014-2015 budget was within that "CAP," therefore voter approval was not needed.

In recognition of the impact residential developments had on the school system, a Special Election was held on March 12, 2002. Township voters approved the issuance of \$24,430,100 in bonds to fund the local share of a \$33,491,000 building project. The project included additions and renovations to the three existing schools and construction of a new elementary school for grades 5 and 6. The remaining \$9,510,900 was funded by a grant from the New Jersey Economic Development Authority. The Bond sale closed on August 1, 2002. Construction was completed in 2005. Included in the 2014-15 Budgeted Appropriations is a line item "Assessment for Debt Service on SDA Funding." The assessment is paid to the State by a reduction in the State Aid paid to the District.

In April, 2010 the Board of Education issued Revenue Refunding Bonds for \$16,760,000. The results of this refunding created an economic gain with a net present value savings on interest expense of \$754,972. On October 29, 2012, Super Storm Sandy hit the Jersey Shore. It had a devastating effect on many of the homes located throughout the Township. The resulting uninhabitable residences have had a negative impact on the total ratables for the Township as well as unexpected costs related to repairs and clean up.

For municipalities and school districts with decreased revenues that were directly related to Super Storm Sandy, FEMA provided Community Disaster Loans (CDL). These loans have the potential of being forgiven. The Berkeley Township School District has drawn \$365,211 in fiscal years 2014 and 2015 totaling \$730,422.

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

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

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

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

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

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

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

The District had added additional computer labs at each of the PK-4 schools in preparation for the new state PARCC testing. Bandwidth has also been increased from 200 Mbps to 500 Mbps for this initiative. 980 Chrome Books have been purchased to date for testing purposes. Additional Network Switches, access points, and WiFi were added in every classroom to make a more suitable PARCC testing environment. The PARCC tests were successfully administered for the first time in 2014-15.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

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

**8) DEBT ADMINISTRATION:** At June 30, 2015, the District's outstanding debt includes \$495,246 of compensated absences payable, \$13,025,000 of bonds outstanding, \$121,121 of capital leases payable and \$730,422 of community disaster loans payable.

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

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

11) **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C., was selected by the Berkeley Township Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U. S. Office of Management and Budget Circular A-133, "Audits of State, Local Government, non-profit organizations, and State Treasury OMB Circular(s) 04-04 and/or 15-08," "Single Audit Policy for Receipts of Federal Grants, State Grants and State Aid Payments." 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.

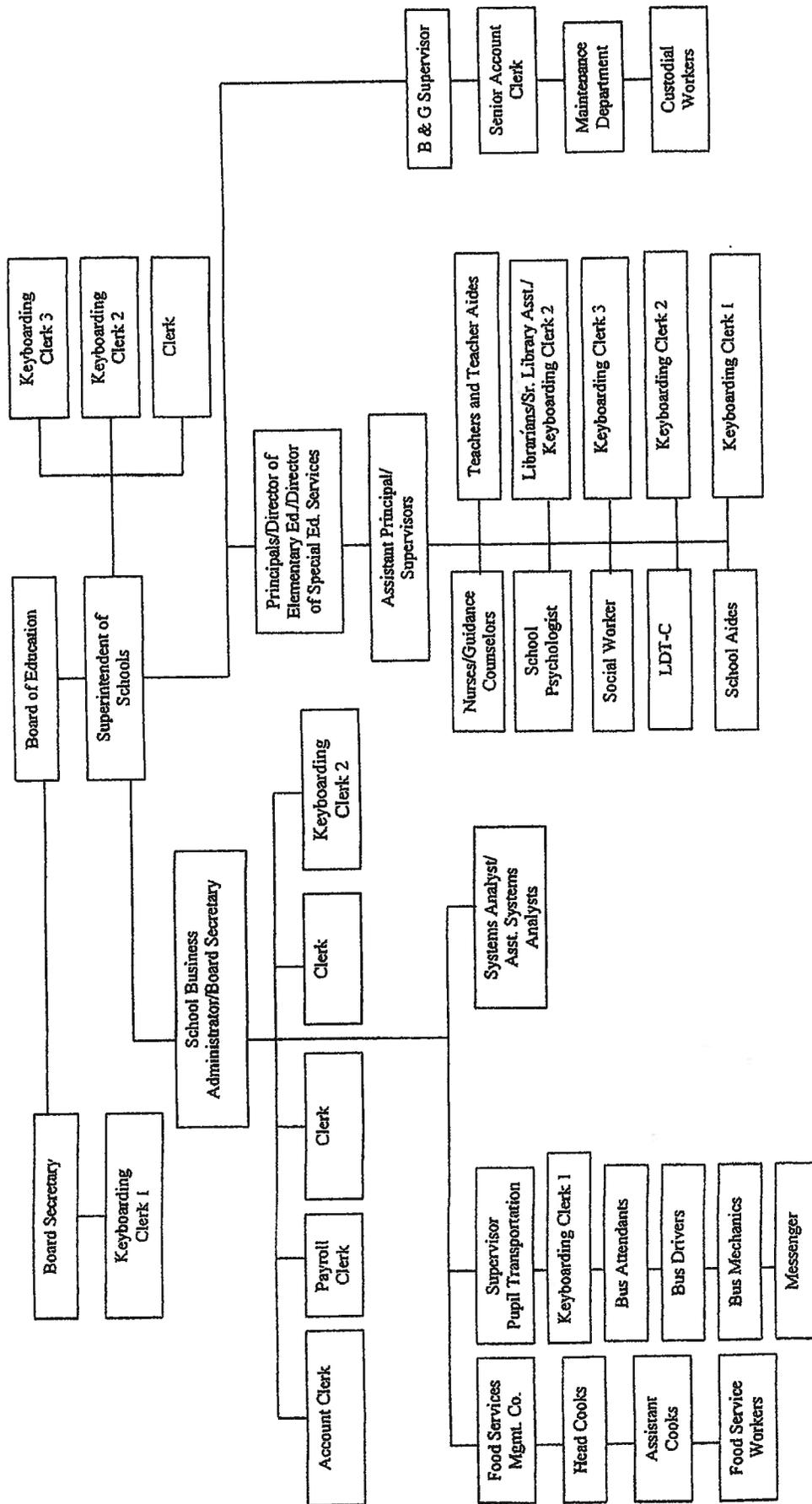
12) **ACKNOWLEDGMENTS:** I would like to express my appreciation to the Business Office staff and Superintendent's staff and to those municipal, county and state personnel who contributed their time and respective expertise in providing statistical information for the compilation of this report and as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

Prepared by and Respectfully Submitted:

A handwritten signature in black ink, appearing to read 'Laura Venter', is written over a horizontal line.

Laura Venter, CPA, RSBA  
Business Administrator/Board Secretary

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

**ROSTER OF OFFICIALS**

**JUNE 30, 2015**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Mr. Louis J. Tuminaro, President	2015
Mr. Edward Cammarato, Vice President	2016
Mr. Keith Fisher	2015
Mr. Thomas Guarascio	2017
Mrs. Noriko Kowalewski	2017
Mr. John MacMoyle	2016
Mr. Patrick Mooney	2015
Mr. Steve Pellechia	2016
Mr. David Ytreboe	2017

**OTHER OFFICIALS**

Dr. James D. Roselli, Superintendent of Schools

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

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

53 Central Parkway  
Bayville, New Jersey 08721-2496

**CONSULTANTS AND ADVISORS**

**ATTORNEY**

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

**AUDIT FIRM**

Frank B. Holman, III, CPA, PSA  
Holman Frenia Allison, P.C.  
680 Hooper Avenue  
Building B, Suite 201  
Toms River, New Jersey 08753

**OFFICIAL DEPOSITORY**

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

**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Berkeley Township Board of Education  
County of Ocean  
Bayville, New Jersey 08721

### 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 Berkeley Township Board of Education, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

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

## **Emphasis of Matter**

### ***Change in Accounting Principle***

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

## **Other Matters**

### ***Required Supplementary Information***

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

### ***Other Information***

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

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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2015 on our consideration of the Berkeley 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 Berkeley Township Board of Education's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Toms River, New Jersey  
December 4, 2015

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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

**(UNAUDITED)**

The Management's Discussion and Analysis (MD&A) of the Berkeley Township Board of Education provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2015. It should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal, which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

The MD&A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – "*Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments*" issued in June 1999 that is now being required by the New Jersey State Department of Education. Comparative information between the current fiscal year (2014–2015) and the prior fiscal year (2013–2014) is required and is presented in the MD&A.

As described in Note 20 to the financial statements, "Prior Period Adjustment/Restatement of Net Position", the District has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of \$10,142,056, as indicated in Note 20 to the financial statements. Prior year balances reflected in MD&A have been updated, for comparison purposes, to reflect the change where indicated.

**FINANCIAL HIGHLIGHTS**

**Government-wide Financial Analysis**

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$13,544,226 on June 30, 2015. Total Net Position increased \$182,774 from June 30, 2014. The following table provides a summary of net assets relating to the District's governmental and business-type activities for the years ended June 30, 2015 and 2014:

## Net Position

	June 30, 2015			June 30, 2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 7,671,327	\$ 69,135	\$ 7,740,462	\$ 7,205,115	\$ 60,102	\$ 7,265,217
Capital assets, net	31,099,363	160,303	31,259,666	32,209,569	169,905	32,379,474
Total assets	38,770,690	229,438	39,000,128	39,414,684	230,007	39,644,691
Deferred outflow of resources	1,737,352	-	1,737,352	1,117,546	-	1,117,546
Long-term liabilities	25,690,349	-	25,690,349	26,520,403	-	26,520,403
Other liabilities	746,781	141,094	887,875	287,307	138,662	425,969
Total liabilities	26,437,130	141,094	26,578,224	26,807,710	138,662	26,946,372
Deferred inflow of resources	615,030	-	615,030	-	-	-
Invested in capital assets, net	17,953,242	160,303	18,113,545	17,810,211	169,905	17,980,116
Restricted	7,139,245	-	7,139,245	6,624,847	-	6,624,847
Unrestricted	(11,636,605)	(71,959)	(11,708,564)	(10,710,538)	(78,560)	(10,789,098)
	<u>\$ 13,455,882</u>	<u>\$ 88,344</u>	<u>\$ 13,544,226</u>	<u>\$ 13,724,520</u>	<u>\$ 91,345</u>	<u>\$ 13,815,865</u>

Current assets increased mainly due to an increase in cash and cash equivalents.

Capital assets decreased mainly due to depreciation expense of \$1,498,916 offset by additions/deletions of \$388,710.

Current liabilities increased mainly due to the recording of the 2016 pension payment accrual.

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

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

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

## Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2013
<b>Revenue</b>						
Program Revenue:						
Charges for Services	\$ -	\$ -	\$ 389,463	\$ 371,503	\$ 389,463	\$ 371,503
Operating Grants	4,422,606	763,850	399,345	485,635	4,821,951	1,249,485
General Revenues:						
Property Taxes	28,252,360	28,241,597	-	-	28,252,360	28,241,597
Federal & State Aid Not Restricted to Specific Purposes	2,430,648	4,753,511	-	-	2,430,648	4,753,511
Tuition	147,841	-	-	-	147,841	-
Services Provided to Other LEA's	177,880	265,629	-	-	177,880	265,629
Miscellaneous	172,808	221,031	17,838	-	190,646	221,031
Investment Earnings	10,790	27,505	239	540	11,029	28,045
<b>Total Revenues</b>	<b>35,614,933</b>	<b>34,273,123</b>	<b>806,885</b>	<b>857,678</b>	<b>36,421,818</b>	<b>35,130,801</b>
<b>Expenses</b>						
Instructional Services	12,496,556	12,290,287	-	-	12,496,556	12,290,287
Support Services	20,828,665	19,172,965	809,886	834,720	21,638,551	20,007,685
Unallocated Depreciation	1,498,916	1,316,968	-	-	1,498,916	1,316,968
Interest on Long-Term Liabilities	605,021	649,623	-	-	605,021	649,623
<b>Total Expenses</b>	<b>35,429,158</b>	<b>33,429,843</b>	<b>809,886</b>	<b>834,720</b>	<b>36,239,044</b>	<b>34,264,563</b>
<b>Change in Net Position</b>	<b>\$ 185,775</b>	<b>\$ 843,280</b>	<b>\$ (3,001)</b>	<b>\$ 22,958</b>	<b>\$ 182,774</b>	<b>\$ 866,238</b>

### USING THE ANNUAL REPORT

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

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

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

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

## THE SCHOOL BOARD'S FUNDS

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

As the School Board completed the fiscal years ending June 30, 2015 and 2014, it reported combined fund balances of \$7,580,265 and \$7,079,625 respectively, which is a current year increase of \$500,640. The reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds (Exhibit B-2) to the Statement of Activities (Exhibit A-2) presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

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

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

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

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets:

At June 30, 2015 and 2014, the School Board had approximately \$32 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year and depreciation of depreciable assets for the year. The schedule below shows the net book value of general capital assets at the end of each year:

Capital Assets at:	June 30, 2015	June 30, 2014
Site & Improvements	\$2,485,972	\$2,485,972
Building & Building Improvements	41,764,684	41,764,684
Machinery & Equipment	<u>5,406,870</u>	<u>5,018,160</u>
Total Capital Assets	49,657,526	49,268,816
Accumulated Depreciation	<u>(18,558,163)</u>	<u>(17,059,247)</u>
	<u>\$ 31,099,363</u>	<u>\$ 32,209,569</u>

During the current fiscal year \$388,710 of fixed assets were capitalized as additions with no deletions. Increases in capital assets were offset by depreciation expense of \$1,498,916 for the year.

## Debt Administration:

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

<b>Governmental</b>	<b>Balance 6/30/14</b>	<b>Issued/(Retired)/ Adjustments</b>	<b>Balance 6/30/15</b>	<b>Due Within One Year</b>
Net Pension Liability	\$ 10,142,056	\$ 178,181	\$10,320,237	--
Compensated Absences Payable	477,755	17,491	495,246	--
Bonds Payable	14,325,000	(1,300,000)	13,025,000	\$ 1,360,000
Obligation Under Capital Leases	74,358	46,763	121,121	36,988
Bond Premium	1,136,023	(137,700)	998,323	--
Community Disaster Loan Program	<u>365,211</u>	<u>365,211</u>	<u>730,422</u>	<u>--</u>
Total	<u>\$ 26,520,403</u>	<u>\$ (830,054)</u>	<u>\$25,690,349</u>	<u>\$ 1,396,988</u>

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

## GENERAL FUND BUDGETARY HIGHLIGHTS

### Original to Final Budget

Original Appropriations as compared to the Final Budget stayed relatively constant throughout the Budget.

### Budget to Actual

Total regular instruction increased by \$243,608 mainly due to additional instructional salaries.

Unallocated Benefits – Employee Benefits decreased by \$741,785 in part due to the reduction of PERS Liability with the remainder resulting from favorable health insurance renewals.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the 2014–2015 school year, the School Board was able to sustain its budget through the Township tax levy, state education aid and local revenue sources. Only 20% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 80% of the total revenue is from the Township tax levy.

## CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

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

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**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**BERKELEY TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL JUNE 30, 2015
Cash & Cash Equivalents	\$ 7,465,057	\$ -	\$ 7,465,057
Receivables - State	114,595	28,007	142,602
Receivables - Other Governments	75,931	22,998	98,929
Inventory	-	18,130	18,130
Due from Other Funds	15,744	-	15,744
Capital Assets, Net (Note 6)	31,099,363	160,303	31,259,666
<b>Total Assets</b>	<b>38,770,690</b>	<b>229,438</b>	<b>39,000,128</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Outflows Related to Pensions	1,154,599	-	1,154,599
Deferred Loss on Refunding	582,753	-	582,753
<b>Total Deferred Outflow of Resources</b>	<b>1,737,352</b>	<b>-</b>	<b>1,737,352</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>40,508,042</b>	<b>229,438</b>	<b>40,737,480</b>
<b>LIABILITIES</b>			
Cash Deficit	-	79,183	79,183
Accounts Payable	17,292	30,075	47,367
Accrued Interest Payable	157,401	-	157,401
Due to Other Funds	-	15,744	15,744
Unearned Revenue	73,770	16,092	89,862
PERS Pension Payable	498,318	-	498,318
Noncurrent Liabilities (Note 8):			
Due Within One Year	1,396,988	-	1,396,988
Due Beyond One Year	24,293,361	-	24,293,361
<b>Total Liabilities</b>	<b>26,437,130</b>	<b>141,094</b>	<b>26,578,224</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflows Related to Pensions	615,030	-	615,030
<b>Total Deferred Inflow of Resources</b>	<b>615,030</b>	<b>-</b>	<b>615,030</b>
<b>Total Liabilities and Deferred Inflow of Resources</b>	<b>27,052,160</b>	<b>141,094</b>	<b>27,193,254</b>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	17,953,242	160,303	18,113,545
Restricted For:			
Other Purposes	7,139,245	-	7,139,245
Unrestricted	(11,636,605)	(71,959)	(11,708,564)
<b>Total Net Position</b>	<b>\$ 13,455,882</b>	<b>\$ 88,344</b>	<b>\$ 13,544,226</b>

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

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

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL JUNE 30, 2015
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 7,332,300	\$ -	\$ -	\$ -	(7,332,300)	\$ (7,332,300)
Special School Instruction	4,054,069	-	679,630	-	(3,374,439)	(3,374,439)
Other Special Instruction	1,056,857	-	-	-	(1,056,857)	(1,056,857)
Other Instruction	53,330	-	-	-	(53,330)	(53,330)
Support Services & Undistributed Costs:						
Tuition	189,425	-	-	-	(189,425)	(189,425)
Student & Instruction Related Services	2,874,147	-	101,061	-	(2,773,086)	(2,773,086)
General Administrative Services	622,710	-	-	-	(622,710)	(622,710)
School Administrative Services	1,470,546	-	-	-	(1,470,546)	(1,470,546)
Central Services	404,402	-	-	-	(404,402)	(404,402)
Administrative Information Technology	323,209	-	-	-	(323,209)	(323,209)
Plant Operations & Maintenance	3,281,659	-	-	-	(3,281,659)	(3,281,659)
Pupil Transportation	1,629,219	-	-	-	(1,629,219)	(1,629,219)
Unallocated Benefits	12,095,470	-	5,646,717	-	(6,448,753)	(6,448,753)
Unallocated Amortization of Bond Costs	(57,320)	-	-	-	57,320	57,320
Unallocated Depreciation Expense & Prior Year Fixed Asset Adjustments, Excluding Direct Depreciation Expenses to Programs	1,498,916	-	-	-	(1,498,916)	(1,498,916)
Interest Expense	605,021	-	-	-	(605,021)	(605,021)
Total Governmental Activities	37,433,960	-	6,427,408	-	(31,006,552)	(31,006,552)
Business-Type Activities:						
Food Service	795,084	373,533	388,793	10,552	-	(22,206)
Batting Cages	7,191	6,200	-	-	-	(991)
Tech Expo	1,689	3,500	-	-	-	1,811
Bridge Program	5,922	6,230	-	-	-	308
Total Business-Type Activities	809,886	389,463	388,793	10,552	-	(21,078)

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

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

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			TOTAL JUNE 30, 2015
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
Total Primary Government	\$ 38,243,846	\$ 389,463	\$ 6,816,201	\$ 10,552	(31,006,552)	(21,078)	(31,027,630)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					26,342,923	-	26,342,923
Taxes Levied for Debt Service					1,909,437	-	1,909,437
Federal & State Aid Not Restricted					2,430,648	-	2,430,648
Tuition					147,841	-	147,841
Services Provided Other LEA's					177,880	-	177,880
Miscellaneous Income					172,808	17,838	190,646
Investment Earnings					10,790	239	11,029
Total General Revenues					31,192,327	18,077	31,210,404
Change In Net Position					185,775	(3,001)	182,774
Net Position, Beginning, as restated (See Note 20)					13,270,107	91,345	13,361,452
Net Position, Ending					\$ 13,455,882	\$ 88,344	\$ 13,544,226

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## B. Fund Financial Statements

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## Governmental Funds

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

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	<u>TOTAL</u> JUNE 30, 2015
Cash & Cash Equivalents	\$ 4,519,865	\$ -	\$ -	\$ 4,519,865
Due from Other Funds	15,744	-	-	15,744
Tax Levy Receivable	-	-	2	2
Receivables from:				
Federal	-	70,589	-	70,589
State	114,595	-	-	114,595
Other	5,340	-	-	5,340
Reserved Cash & Cash Equivalents:				
Capital Reserve	1,526,877	-	-	1,526,877
Maintenance Reserve	1,159,953	-	-	1,159,953
Emergency Reserve	262,583	-	-	262,583
<b>Total Assets</b>	<b><u>\$ 7,604,957</u></b>	<b><u>\$ 70,589</u></b>	<b><u>\$ 2</u></b>	<b><u>\$ 7,675,548</u></b>
<b>LIABILITIES &amp; FUND BALANCES</b>				
Liabilities:				
Cash Deficit	\$ -	\$ 4,219	\$ 2	\$ 4,221
Accounts Payable	17,292	-	-	17,292
Unearned Revenue	7,400	66,370	-	73,770
<b>Total Liabilities</b>	<b><u>24,692</u></b>	<b><u>70,589</u></b>	<b><u>2</u></b>	<b><u>95,283</u></b>
Fund Balances:				
Restricted for:				
Capital Reserve Account	1,526,877	-	-	1,526,877
Maintenance Reserve Account	1,159,953	-	-	1,159,953
Emergency Reserve Account	262,583	-	-	262,583
Excess Surplus	1,338,040	-	-	1,338,040
Excess Surplus Designated for Subsequent Year's Expenditures	1,675,795	-	-	1,675,795
Committed for:				
Other Purposes	1,175,997	-	-	1,175,997
Unassigned	441,020	-	-	441,020
<b>Total Fund Balances</b>	<b><u>7,580,265</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>7,580,265</u></b>
<b>Total Liabilities &amp; Fund Balances</b>	<b><u>\$ 7,604,957</u></b>	<b><u>\$ 70,589</u></b>	<b><u>\$ 2</u></b>	

Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$49,657,526 and the accumulated depreciation is \$18,558,163.	31,099,363
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	539,569
Loss on early extinguishment of debt is recorded when incurred in the governmental funds but are deferred and recognized in the statement of activities, net of accumulated amortization	582,753
Accrual of bond and lease interest and PERS pension payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(655,719)
Long-term liabilities, including net pension liability, bonds payable, compensated absences payable, bond premium and capital leases are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Illustrative Note 8)	<u>(25,690,349)</u>
Net Position of Governmental Activities	<u><u>\$ 13,455,882</u></u>

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

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

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL JUNE 30, 2015
Revenues:				
Local Tax Levy	\$ 26,342,923	\$ -	\$ 1,909,437	\$ 28,252,360
Interest on Investments	10,790	-	-	10,790
Tuition	147,841	-	-	147,841
Services Provided Other LEA's	177,880	-	-	177,880
Miscellaneous	131,946	40,862	-	172,808
Total Local Sources	26,811,380	40,862	1,909,437	28,761,679
State Sources	5,078,438	-	-	5,078,438
Federal Sources	78,553	739,829	-	818,382
Total Revenues	31,968,371	780,691	1,909,437	34,658,499
Expenditures:				
Current:				
Regular Instruction	7,332,300	-	-	7,332,300
Special Education Instruction	3,374,439	679,630	-	4,054,069
Other Special Instruction	1,056,857	-	-	1,056,857
Other Instructional Programs	53,330	-	-	53,330
Support Services & Undistributed Costs - Current:				
Tuition	189,425	-	-	189,425
Student & Instruction Related Services	2,726,323	101,061	-	2,827,384
General Administrative	622,710	-	-	622,710
School Administrative Services	1,470,546	-	-	1,470,546
Central Services	404,402	-	-	404,402
Administrative Information Technology	323,209	-	-	323,209
Plant Operations & Maintenance	2,958,646	-	-	2,958,646
Pupil Transportation	1,629,219	-	-	1,629,219
Unallocated Benefits	6,294,332	-	-	6,294,332
Nonbudgeted Expenditures	2,685,481	-	-	2,685,481
Debt Service:				
Principal	-	-	1,300,000	1,300,000
Interest	-	-	609,437	609,437
Capital Outlay	711,723	-	-	711,723
Total Expenditures	31,832,942	780,691	1,909,437	34,523,070
Other Financing Sources/(Uses):				
Community Disaster Loan	365,211	-	-	365,211
Total Other Financing Sources/(Uses)	365,211	-	-	365,211
Excess/(Deficiency) of Revenues Over/(Under) Expenditures				
Fund Balance - July 1	500,640	-	-	500,640
Fund Balance - July 1	7,079,625	-	-	7,079,625
Fund Balance - June 30	\$ 7,580,265	\$ -	\$ -	\$ 7,580,265

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

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

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 500,640

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

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

Depreciation Expense	(1,498,916)	
Capital Outlays & Capital Lease Additions	711,723	
Adjustment in Capital Assets	<u>(323,013)</u>	(1,110,206)

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. 1,300,000

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

Unfunded TPAF Pension Expense	(2,961,236)	
State Share of Unfunded TPAF Pension Expense	2,961,236	
Pension Expense - PERS Contribution - 2015	454,413	
Pension Expense	<u>(591,343)</u>	(136,930)

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

Issuance of Community Disaster Loan	(365,211)	
Issuance of Capital Leases	<u>(91,891)</u>	(457,102)

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

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

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 45,128

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

Prior Year	161,817	
Current Year	<u>(157,401)</u>	4,416

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

Prior Year	477,755	
Current Year	<u>(495,246)</u>	(17,491)

Change in Net Position of Governmental Activities \$ 185,775

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

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## Proprietary Funds

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**BERKELEY TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				TOTAL
	FOOD SERVICE	BATTING CAGES	TECH EXPO	BRIDGE PROGRAM	JUNE 30, 2015
<b>ASSETS</b>					
Current Assets:					
Cash & Cash Equivalents	\$ -	\$ 931	\$ 1,811	\$ 10,598	\$ 13,340
Account Receivable:					
State	633	-	-	-	633
Federal	28,007	-	-	-	28,007
Other	22,365	-	-	-	22,365
Inventories	18,130	-	-	-	18,130
Total Current Assets	69,135	931	1,811	10,598	82,475
Noncurrent Assets:					
Furniture, Machinery & Equipment	361,210	18,065	-	-	379,275
Less: Accumulated Depreciation	(214,757)	(4,215)	-	-	(218,972)
Total Noncurrent Assets	146,453	13,850	-	-	160,303
Total Assets	215,588	14,781	1,811	10,598	242,778
<b>LIABILITIES</b>					
Current Liabilities:					
Cash Deficit	92,523	-	-	-	92,523
Accounts Payable	30,075	-	-	-	30,075
Due To Other Funds	-	15,744	-	-	15,744
Unearned Revenue	5,802	-	-	10,290	16,092
Total Current Liabilities	128,400	15,744	-	10,290	154,434
<b>NET POSITION</b>					
Invested in Capital Assets Net of Related Debt	146,453	13,850	-	-	160,303
Unrestricted	(59,265)	(14,813)	1,811	308	(71,959)
Total Net Position	\$ 87,188	\$ (963)	\$ 1,811	\$ 308	\$ 88,344

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				TOTAL
	FOOD SERVICE	BATTING CAGES	TECH EXPO	BRIDGE PROGRAM	JUNE 30, 2015
Operating Revenues:					
Charges for Services:					
Daily Sales - Reimbursable Programs	\$ 221,912	\$ -	\$ -	\$ -	\$ 221,912
Daily Sales - Nonreimbursable Programs	151,621	6,200	3,500	6,230	167,551
<b>Total Operating Revenues</b>	<b>373,533</b>	<b>6,200</b>	<b>3,500</b>	<b>6,230</b>	<b>389,463</b>
Operating Expenses:					
Cost of Sales	525,754	-	-	-	525,754
Salaries & Benefits	212,835	1,737	-	5,813	220,385
Professional Services	3,373	-	-	-	3,373
General Supplies	36,280	2,142	1,689	109	40,220
Depreciation	16,842	3,312	-	-	20,154
<b>Total Operating Expenses</b>	<b>795,084</b>	<b>7,191</b>	<b>1,689</b>	<b>5,922</b>	<b>809,886</b>
Operating Loss	(421,551)	(991)	1,811	308	(420,423)
Nonoperating Revenues/(Expenses):					
State Sources:					
State School Lunch Program	8,009	-	-	-	8,009
Federal Sources:					
National School Lunch Program	287,879	-	-	-	287,879
National School Breakfast Program	63,695	-	-	-	63,695
U.S.D.A. Commodities	29,210	-	-	-	29,210
Profit Guarantee	17,838	-	-	-	17,838
Fixed Assets Contributed	10,552	-	-	-	10,552
Interest & Investment Revenue	239	-	-	-	239
<b>Total Nonoperating Revenues/(Expenses)</b>	<b>417,422</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>417,422</b>
Change in Net Position	(4,129)	(991)	1,811	308	(3,001)
Total Net Position - Beginning	91,317	28	-	-	91,345
<b>Total Net Position - Ending</b>	<b>\$ 87,188</b>	<b>\$ (963)</b>	<b>\$ 1,811</b>	<b>\$ 308</b>	<b>\$ 88,344</b>

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				TOTAL
	FOOD SERVICE	BATTING CAGES	TECH EXPO	BRIDGE PROGRAM	JUNE 30, 2015
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 373,740	\$ 6,200	\$ 3,500	\$ 6,230	\$ 389,670
Payments to Employees & Benefits	(212,347)	(1,737)	-	(1,543)	(215,627)
Payments to Suppliers	(606,497)	(2,142)	(1,689)	(109)	(610,437)
Net Cash Provided/(Used) by Operating Activities	(445,104)	2,321	1,811	4,578	(436,394)
Cash Flows From Noncapital Financing Activities:					
State Sources	8,109	-	-	-	8,109
Federal Sources	355,872	-	-	-	355,872
Net Cash Provided/(Used) by Noncapital Financing Activities	363,981	-	-	-	363,981
Cash Flows From Capital & Related Financing Activities:					
Purchases of Fixed Assets	-	(2,321)	-	-	(2,321)
Net Cash Provided/(Used) by Capital & Related Financing Activities	-	(2,321)	-	-	(2,321)
Cash Flows From Investing Activities:					
Interest & Dividends	239	-	-	-	239
Net Cash Provided/(Used) by Investing Activities	239	-	-	-	239
Net Increase/(Decrease) in Cash & Cash Equivalents					
Balances - Beginning of Year	(80,884)	-	1,811	4,578	(74,495)
Balances - End of Year	(11,639)	931	-	6,020	(4,688)
Balances - End of Year	\$ (92,523)	\$ 931	\$ 1,811	\$ 10,598	\$ (79,183)

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

Operating Loss	\$ (421,551)	\$ (991)	\$ 1,811	\$ 308	\$ (420,423)
Adjustments to Reconcile Operating Loss to Net Cash Provided/(Used) by Operating Activities:					
U.S.D.A. Commodities	29,210	-	-	-	29,210
Depreciation & Net Amortization	16,842	3,312	-	-	20,154
(Increase) Decrease in Inventories	(2,751)	-	-	-	(2,751)
(Increase)/Decrease in Accounts Receivable	207	-	-	-	207
Increase (Decrease) in Accounts Payable	(67,549)	-	-	-	(67,549)
Increase (Decrease) Unearned Revenue	488	-	-	4,270	4,758
Total Adjustments	(23,553)	3,312	-	4,270	(15,971)
Net Cash Provided/(Used) by Operating Activities	\$ (445,104)	\$ 2,321	\$ 1,811	\$ 4,578	\$ (436,394)

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

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Fiduciary Fund

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

	PRIVATE PURPOSE	AGENCY	TOTAL
ASSETS	UNEMPLOYMENT COMPENSATION TRUST	PAYROLL FUND	JUNE 30, 2015
Cash & Cash Equivalents	\$ 695,275	\$ 17,846	\$ 713,121
Accounts Receivable	-	2,749	2,749
Total Assets	695,275	20,595	715,870
<b>LIABILITIES</b>			
Payroll Deductions & Withholdings	-	20,595	20,595
Total Liabilities	-	20,595	20,595
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims & Other Purposes	695,275	-	695,275
Total Net Position	\$ 695,275	\$ -	\$ 695,275

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

ADDITIONS	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST	TOTAL JUNE 30, 2015
Investment Earnings:		
Interest	\$ 903	\$ 903
Net Investment Earnings	903	903
Total Additions	903	903
DEDUCTIONS		
Unemployment Claims	-	-
Total Deductions	-	-
Change in Net Position	903	903
Net Position - Beginning of the Year	694,372	694,372
Net Position - End of the Year	\$ 695,275	\$ 695,275

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

**Note 1. Summary of Significant Accounting Policies**

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

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

**A. Reporting Entity**

The Berkeley Township Board of Education is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members' terms expire each year. The District provides a full range of educational services appropriate to grade levels PK through 6. These include regular, as well as special education for handicapped youngsters. The Berkeley Township Board of Education has an approximate enrollment at June 30, 2015 of 2,091 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**B. Component Units**

GASB Statement No.14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The District had no component units as of for the year ended June 30, 2015.

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

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

**C. Government-Wide Financial Statements**

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

**D. Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

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

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

**E. Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**F. Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Net Position. The District’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements.

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

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

**G. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

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

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

**G. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

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

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

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

**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 major proprietary funds:

**Food Service Fund** – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

**Batting Cage Fund** – This fund accounts for the revenues and expenses pertaining to the District’s batting cages operations.

**Bridge Program Fund** – This fund accounts for the revenues and expenses pertaining to the District’s summer camp operations.

**Tech Expo Fund** – This fund accounts for the revenues and expenses pertaining to the operations of the District’s exhibition on technology.

Additionally, the District reports the following major fiduciary funds:

**Private Purpose Trust Funds** - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

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

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

**G. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

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

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**H. 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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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.

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

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

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

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

**I. 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 assigned 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 a reduction of the accounts receivables or as unearned revenue 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.

**J. Cash and Cash Equivalents**

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

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

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

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

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

**J. Cash and Cash Equivalents (continued)**

*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.

**K. Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2015 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**L. Inventories**

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

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

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

**N. Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Machinery & Equipment	5 – 20 Years
Buildings & Other Improvements	10 – 50 Years

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

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

**O. Compensated Absences**

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

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

**P. Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the District is eligible to realize the revenue.

**Q. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

**R. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**S. Fund Balance**

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

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

**S. Fund Balance (continued)**

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2015.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

**T. Net Position**

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

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

**U. Bond Premiums, Discounts and Issuance Costs**

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

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

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

**U. Bond Premiums, Discounts and Issuance Costs (continued)**

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

**V. Deferred Loss on Refunding Debt**

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

**W. Deferred Outflows and Deferred Inflows of Resources**

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

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

**X. Pensions**

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

**Y. Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

For the year ended June 30, 2015, the District implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27) and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of the Statements requires the District to report as an asset and/or a liability its portion of the collective net pension's asset and liability of the New Jersey Public Employees' Retirement System (PERS). The implementation of the Statements also requires the District to report a deferred outflow and/or inflow for the effect of the net change in the District's proportion of the collective net pension asset and/or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. Also included as a deferred outflow is the District contributions to the pension system subsequent to the measurement date.

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

**Y. Impact of Recently Issued Accounting Principles (continued)**

Recently Issued and Adopted Accounting Pronouncements

The District has adopted and implemented all current standards of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2015.

GASB has issued Statement No. 72, *Fair Value Measurement and Application*, effective for the year ending June 30, 2016

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*, effective for the year ending June 30, 2018. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans.

GASB has issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for the year ending June 30, 2016.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

**Z. Subsequent Events**

The District has evaluated subsequent events occurring after June 30, 2015 through the date of December 4, 2015, which is the date the financial statements were available to be issued.

**Note 2. Cash Deposits and Investments**

**A. Cash Deposits**

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

As of June 30, 2015, the District’s bank balance was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 250,000
Uninsured and Uncollateralized	445,275
Collateralized in the District's Name	
Under GUDPA	7,888,558
Total	\$ 8,583,833

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

**Note 2. Cash Deposits and Investments (continued)**

**B. Investments**

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

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentrations - The District places no limit in the amount the District may invest in any one issuer

The District did not hold any investments at June 30, 2015.

**Note 3. Reserve Accounts**

**A. Capital Reserve**

A capital reserve account was established by the Berkeley Township Board of Education by inclusion of \$1,000 on June 30, 1994 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant

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

**Note 3. Reserve Accounts (continued)**

**A. Capital Reserve (continued)**

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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$1,525,071
Interest Earnings	<u>1,806</u>
Ending Balance June 30, 2015	<u><u>\$ 1,526,877</u></u>

The June 30, 2015 LRFP balance of local support costs of uncompleted capital projects at June 30, 2015 is \$32,379,413.

**B. Maintenance Reserve**

A maintenance reserve account was established by the Berkeley Township Board of Education by inclusion of \$300,000 on June 17, 2008 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Beginning Balance, July 1, 2014	\$ 858,651
Withdrawals:	
Approved in the 2015 Budget	(700,000)
Deposits:	
Interest Earnings	1,302
Resolution Dated June 16, 2015	<u>1,000,000</u>
Ending Balance, June 30, 2015	<u><u>\$ 1,159,953</u></u>

**C. Emergency Reserve**

An emergency reserve account was established by the Berkeley Township Board of Education by inclusion of \$250,000 on June 17, 2008 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

**Note 3. Reserve Accounts (continued)**

**C. Emergency Reserve (continued)**

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

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

Beginning Balance, July 1, 2014	\$	262,242
Interest Earnings		341
Ending Balance, June 30, 2015	\$	262,583

**Note 4. Accounts Receivable**

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Proprietary Fund</b>	<b>Total</b>
Intergovernmental	\$ 114,595	\$ 70,589	\$ 28,640	\$ 213,824
Other	5,340	-	22,365	27,705
Total	\$ 119,935	\$ 70,589	\$ 51,005	\$ 241,529

**Note 5. Transfers to Capital Outlay**

During the year ending June 30, 2015, the District made no transfers to capital outlay.

**Note 6. Capital Assets**

The schedule on the following page is a summary of the general capital assets for the fiscal year ended June 30, 2015:

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

**Note 6. Capital Assets**

	<u>June 30, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2015</u>
Capital Assets Not Being Depreciated:				
Site & Improvements	\$ 2,485,972	\$ -	\$ -	\$ 2,485,972
Capital Assets Being Depreciated:				
Building & Building Improvements	41,764,684	-	-	41,764,684
Machinery and Equipment	5,018,160	711,723	(323,013)	5,406,870
Total Capital Assets Being:				
Depreciated	46,782,844	711,723	(323,013)	47,171,554
Less Accumulated Depreciation	(17,059,247)	(1,498,916)	-	(18,558,163)
Total Capital Assets Being				
Depreciated, Net	29,723,597	(787,193)	(323,013)	28,613,391
Total	<u>\$ 32,209,569</u>	<u>\$ (787,193)</u>	<u>\$ (323,013)</u>	<u>\$ 31,099,363</u>

The following is a summary of proprietary fund type capital assets at June 30, 2015:

	<u>June 30, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2015</u>
Machinery & Equipment	\$ 368,723	\$ 10,552	\$ -	\$ 379,275
Less:				
Accumulated Depreciation	(198,818)	(20,154)	-	(218,972)
Capital Assets, Net	<u>\$ 169,905</u>	<u>\$ (9,602)</u>	<u>\$ -</u>	<u>\$ 160,303</u>

Depreciation expense was charged to governmental functions/programs as follows:

<b>Governmental Activities:</b>	
Unallocated	<u>\$ 1,498,916</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,498,916</u>

**Note 7. Interfund Receivables, Payables and Transfers**

Individual fund receivables/payables balances at June 30, 2015 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 15,744	\$ -
Batting Cage Fund	<u>-</u>	<u>15,744</u>
	<u>\$ 15,744</u>	<u>\$ 15,744</u>

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

**Note 7. Interfund Receivables, Payables and Transfers (continued)**

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The District made no interfund transfers as of June 30, 2015.

**Note 8. Long-Term Obligations**

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

	Balance 06/30/14	Issued	Retired/ Adjusted	Balance 06/30/15	Due Within One Year
Governmental Activities:					
Net Pension Liability	\$ 10,142,056	\$ 178,181	\$ -	\$ 10,320,237	\$ -
Compensated Absences Payable	477,755	17,491	-	495,246	-
Bonds Payable	14,325,000	-	(1,300,000)	13,025,000	1,360,000
Obligations Under Capital Leases	74,358	91,891	(45,128)	121,121	36,988
Bond Premium	1,136,023	-	(137,700)	998,323	-
Community Disaster Loan Payable	365,211	365,211	-	730,422	-
<b>Total</b>	<b>\$ 26,520,403</b>	<b>\$ 652,774</b>	<b>\$ (1,482,828)</b>	<b>\$ 25,690,349</b>	<b>\$ 1,396,988</b>

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences and capital leases are liquidated by the general fund.

**A. Bonds Payable**

The voters of the municipality through referendums authorize bonds in accordance with state law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. At June 30, 2015, bonds payable consisted of the following individual issues:

**2010 Bonds**

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

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

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

**A. Bonds Payable (continued)**

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

<b>Fiscal Year Ending, June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 1,360,000	\$ 564,600	\$ 1,924,600
2017	1,415,000	515,900	1,930,900
2018	1,495,000	450,225	1,945,225
2019	1,575,000	377,413	1,952,413
2020	1,660,000	304,625	1,964,625
2021-2023	5,520,000	419,387	5,939,387
<b>Total</b>	<b>\$ 13,025,000</b>	<b>\$ 2,632,150</b>	<b>\$ 15,657,150</b>

**B. Bonds Authorized But Not Issued**

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

**C. Capital Leases**

The District is leasing capital items and equipment under capital leases. All capital leases are for terms of varying years, usually three to five. Interest rates range from 5.34% to 13.00%. Assets acquired through capital leases for the year ended June 30, 2015 totaled \$91,891.

The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2015:

<b>Year Ending June 30,</b>	<b>Amount</b>
2016	\$ 42,248
2017	38,676
2018	20,800
2019	20,800
2020	10,400
Total Minimum Lease Payments	<u>132,924</u>
Less:	
Amount Representing Interest	(11,803)
Present Value of Lease Payments	<u>\$ 121,121</u>

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

**Note 9. Pension Obligations**

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

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

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

The following represents the membership tiers for PERS:

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

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

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal

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

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

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

cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**Three-Year Trend Information for PERS**

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/15	\$ 454,413	100%	\$ 10,320,237
06/30/14	399,845	100%	10,142,056
06/30/13	412,534	100%	-0-

**Components of Net Pension Liability** - At June 30, 2015, the District reported a liability of \$10,320,237 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was 0.05512%, which was an increase of 0.00205 from its proportion measured as of June 30, 2013.

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

	<u>06/30/15</u> July 1, 2014	<u>06/30/14</u> July 1, 2013
Actuarial valuation date		
Deferred Outflows of Resources	\$ 1,154,599	\$ 454,413
Deferred Inflows of Resources	\$ 615,030	\$ -
Net Pension Liability	\$ 10,320,237	\$ 10,142,056
District's portion of the Plan's total Net Pension Liability	0.05512%	0.05307%

**Pension Expense and Deferred Outflows/Inflows of Resources** - For the year ended June 30, 2015, the District recognized pension expense of \$591,343. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 324,524	\$ -
Net difference between projected and actual earnings on pension plan investments	-	615,030
Changes in proportion and differences between District contributions and proportionate share of contributions	331,757	-
District contributions subsequent to the measurement date	<u>498,318</u>	<u>-</u>
Total	<u>\$ 1,154,599</u>	<u>\$ 615,030</u>

\$498,318 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,		
2016	\$	(6,263)
2017		(6,263)
2018		(6,263)
2019		(6,263)
2020		(6,263)
Thereafter		<u>72,566</u>
Total	\$	<u>41,251</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

**Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	4.39% <u>1% Decrease</u>	5.39% Current <u>Discount Rate</u>	6.39% <u>1% Increase</u>
District's proportionate share of the net pension liability	\$ 12,983,209	\$ 10,320,237	\$ 8,084,017

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

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

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

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

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

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

The following represents the membership tiers for TPAF:

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

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

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

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

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

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

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

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

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

Year Funding	Post-Retirement Medical & Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/15	\$ 1,761,255	100%	\$-0-
06/30/14	1,414,082	100%	-0-
06/30/13	1,781,043	100%	-0-

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

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

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

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

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

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

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

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

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

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

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

**C. Defined Contribution Retirement Program (DCRP)**

The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

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

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

**C. Defined Contribution Retirement Program (DCRP) (continued)**

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2015, the District did not apply forfeitures to reduce the District's pension expense.

**Note 10. Post-Retirement Benefits**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 103,432 retirees receiving post-retirement medical benefits, and the state contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

**Note 11. Risk Management**

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

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

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

**Note 11. Risk Management (continued)**

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

Fiscal Year	Board Transfer	Interest Earned	Amount Reimbursed	Ending Balance
2014-2015	\$ -	\$ 903	\$ -	\$ 695,275
2013-2014	-	2,392	-	694,372
2012-2013	250,000	1,894	4,123	691,980

**Note 12. Contingencies**

State and Federal Grantor Agencies

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

Pending Litigation

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

**Note 13. Economic Dependency**

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

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

**Note 14. Deferred Compensation**

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

Lincoln Investment  
Valic

AXA Equitable  
MetLife

**Note 15. Compensated Absences**

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$495,246.

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

**Note 16. Calculation of Excess Surplus**

In accordance with *N.J.S.A.18A:7F-7*, as amended by *P.L. 2004, c.73 (S1701)*, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District has excess fund balance of \$1, 338,040 at June 30, 2015.

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

**Note 17: Deficit Unrestricted Net Position**

As reflected on Exhibit A-1, Statement of Net Position, a deficit in unrestricted net position of \$(11,636,605) existed as of June 30, 2015 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

**Note 18. Fund Balance**

**General Fund** – Of the \$7,580,265 General Fund fund balance at June 30, 2015, \$1,526,877 has been reserved in the Capital Reserve Account; \$1,159,953 has been reserved in the Maintenance Reserve Account; \$262,583 has been reserved in the Emergency Reserve Account; \$1,675,795 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; \$1,338,040 has been restricted for current year excess surplus; \$1,175,997 has been reserved for encumbrances; and \$441,020 is unassigned.

**Note 19. FEMA Community Disaster Loan (CDL)**

General Fund – The District applied for and received a CDL in response to the devastating effects on the property tax ratable base of the municipality due to Superstorm Sandy in October 2012. The District was approved for \$5,000,000 total loan with an interest rate of 1.375%. The District chose to withdraw \$365,211 as a reduction of the tax levy assessed for the 2014-2015 school year. The cumulative amount of principal and interest accrued through June 30, 2015 is \$730,422 and \$10,641 respectively. This loan is subject to FEMA review in 2016 and may be fully or partially cancelled based upon FEMA's calculation of the revenue loss that the district experienced over the specified period. The loan matures in 2018.

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

**Note 20. Prior Period Adjustment/Restatement of Net Position**

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

	<b>Governmental Activities</b>
Net Position as previously reported at June 30, 2014	\$ 23,412,163
Prior period adjustment - Implementation of GASB #68:	
Net Pension Liability (Measurement date as of June 30, 2013)	\$ (10,142,056)
Pension Payable at June 30, 2015	(454,413)
Deferred Outflows (District contributions made during fiscal year 2014)	454,413
Total prior period adjustment	(10,142,056)
Net Position as restated, July 1, 2014	\$ 13,270,107

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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

	ACCOUNT NUMBERS	JUNE 30, 2015				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Revenues:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210	\$ 26,342,922	\$ -	\$ 26,342,922	\$ 26,342,923	\$ 1
Tuition from Individuals	10-1310	70,000	-	70,000	78,682	8,682
Tuition from LEAs	10-1320	-	-	-	69,159	69,159
Interest	10-1500	24,500	-	24,500	7,341	(17,159)
Interest Earned on Emergency Reserve	10-1XXX	100	-	100	341	241
Interest Earned on Maintenance Reserve	10-1XXX	200	-	200	1,302	1,102
Interest Earned on Capital Reserve	10-1XXX	200	-	200	1,806	1,606
Services Provided Other LEA's	10-1950	198,500	-	198,500	177,880	(20,620)
Miscellaneous	10-1990	40,000	-	40,000	131,946	91,946
<b>Total Local Sources</b>		<b>26,676,422</b>	<b>-</b>	<b>26,676,422</b>	<b>26,811,380</b>	<b>134,958</b>
<b>State Sources:</b>						
Categorical Transportation Aid	10-3121	786,353	-	786,353	786,353	-
Categorical Special Education Aid	10-3132	1,132,766	-	1,132,766	1,132,766	-
Categorical Security Aid	10-3177	295,958	-	295,958	295,958	-
Additional Extraordinary Aid - Prior Year	10-3131	-	-	-	725	725
Extraordinary Aid	10-3131	-	-	-	60,181	60,181
Nonpublic Transportation	10-3190	-	-	-	8,004	8,004
Adjustment Aid	10-3178	72,495	-	72,495	72,495	-
PARCC Readiness Aid	10-317X	21,150	-	21,150	21,150	-
Per Pupil Growth Aid	10-317X	21,150	-	21,150	21,150	-
<b>Nonbudgeted:</b>						
On-Behalf TPAF Pension Contribution	10-3901	-	-	-	680,679	680,679
On-Behalf TPAF Medical Contribution	10-3901	-	-	-	1,080,576	1,080,576
Reimbursed TPAF Social Security	10-3902	-	-	-	924,226	924,226
<b>Total State Sources</b>		<b>2,329,872</b>	<b>-</b>	<b>2,329,872</b>	<b>5,084,263</b>	<b>2,754,391</b>
<b>Federal Sources:</b>						
Medicaid Reimbursement	10-4200	42,866	-	42,866	78,553	35,687
<b>Total Federal Sources:</b>		<b>42,866</b>	<b>-</b>	<b>42,866</b>	<b>78,553</b>	<b>35,687</b>
<b>Total Revenues</b>		<b>29,049,160</b>	<b>-</b>	<b>29,049,160</b>	<b>31,974,196</b>	<b>2,925,036</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
Kindergarten	11-110-100-101	1,037,428	(30,355)	1,007,073	937,531	69,542
Grades 1 - 5	11-120-100-101	4,810,365	(15,028)	4,795,337	4,729,309	66,028
Grades 6 - 8	11-130-100-101	962,377	-	962,377	956,297	6,080
<b>Regular Programs - Home Instruction</b>						
Salaries of Teachers	11-150-100-101	25,000	-	25,000	17,331	7,669
<b>Purchased Professional -</b>						
Educational Services	11-150-100-320	4,000	-	4,000	2,984	1,016
<b>Regular Programs - Undistributed Instruction</b>						
<b>Purchased Professional -</b>						
Educational Services	11-190-100-320	32,000	(200)	31,800	5,550	26,250
Other Purchased Services	11-190-100-500	6,800	(40)	6,760	1,210	5,550
General Supplies	11-190-100-610	623,198	115,483	738,681	634,544	104,137
Textbooks	11-190-100-640	16,990	6,848	23,838	22,404	1,434
Other Objects	11-190-100-890	57,750	(25,245)	32,505	25,140	7,365
<b>Total Regular Programs - Instructor</b>		<b>7,575,908</b>	<b>51,463</b>	<b>7,627,371</b>	<b>7,332,300</b>	<b>295,071</b>

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

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Special Education:</b>						
<b>Learning and/or Language Disabilities:</b>						
Salaries of Teachers	11-204-100-101	1,039,637	56,309	1,095,946	1,075,346	20,600
Other Salaries for Instruction	11-204-100-106	394,570	(35,338)	359,232	359,232	-
General Supplies	11-204-100-610	10,000	22,966	32,966	32,965	1
Textbooks	11-204-100-640	140,000	(13,271)	126,729	126,729	-
<b>Total Learning and/or Language Disabilities</b>		<b>1,584,207</b>	<b>30,666</b>	<b>1,614,873</b>	<b>1,594,272</b>	<b>20,601</b>
<b>Behavioral Disabilities:</b>						
Salaries of Teachers	11-209-100-101	46,835	14,318	61,153	60,118	1,035
Other Salaries for Instruction	11-209-100-106	33,580	23	33,603	29,833	3,770
Purchased Professional - Educational Services	11-209-100-320	-	575	575	-	575
General Supplies	11-209-100-610	7,000	(2,518)	4,482	4,469	13
Other Objects	11-209-100-890	-	750	750	533	217
<b>Total Behavioral Disabilities</b>		<b>87,415</b>	<b>13,148</b>	<b>100,563</b>	<b>94,953</b>	<b>5,610</b>
<b>Multiple Disabilities:</b>						
Salaries of Teachers	11-212-100-101	126,419	567	126,986	126,986	-
Other Salaries for Instruction	11-212-100-106	79,797	16,057	95,854	95,854	-
General Supplies	11-212-100-610	6,000	(100)	5,900	5,010	890
Other Objects	11-212-100-890	750	30	780	757	23
<b>Total Multiple Disabilities</b>		<b>212,966</b>	<b>16,554</b>	<b>229,520</b>	<b>228,607</b>	<b>913</b>
<b>Resource Room/Resource Center</b>						
Salaries of Teachers	11-213-100-101	962,272	(135,184)	827,088	789,050	38,038
Other Salaries for Instruction	11-213-100-106	24,659	19,610	44,269	44,047	222
General Supplies	11-213-100-610	5,000	(157)	4,843	4,843	-
<b>Total Resource Room</b>		<b>991,931</b>	<b>(115,731)</b>	<b>876,200</b>	<b>837,940</b>	<b>38,260</b>
<b>Autism:</b>						
Salaries of Teachers	11-214-100-101	152,669	56,451	209,120	209,061	59
Other Salaries for Instruction	11-214-100-106	144,661	(37,152)	107,509	107,508	1
Purchased Professional- Services	11-214-100-320	10,000	(575)	9,425	3,368	6,057
General Supplies	11-214-100-610	5,000	(836)	4,164	4,007	157
Other Objects	11-214-100-800	750	342	1,092	960	132
<b>Total Autism</b>		<b>313,080</b>	<b>18,230</b>	<b>331,310</b>	<b>324,904</b>	<b>6,406</b>
<b>Preschool Disabilities - Part Time:</b>						
Salaries of Teachers	11-215-100-101	218,763	(6,572)	212,191	193,040	19,151
Other Salaries for Instruction	11-215-100-106	87,248	12,175	99,423	99,257	166
General Supplies	11-215-100-610	-	1,475	1,475	1,466	9
<b>Total Preschool Disabilities - Part-Time</b>		<b>306,011</b>	<b>7,078</b>	<b>313,089</b>	<b>293,763</b>	<b>19,326</b>
<b>Total Special Education</b>		<b>3,495,610</b>	<b>(30,055)</b>	<b>3,465,555</b>	<b>3,374,439</b>	<b>91,116</b>
<b>Basic Skills/Remedial:</b>						
Salaries of Teachers	11-230-100-101	966,044	23,250	989,294	988,522	772
<b>Total Basic Skills/Remedial</b>		<b>966,044</b>	<b>23,250</b>	<b>989,294</b>	<b>988,522</b>	<b>772</b>

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

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Bilingual Education - Instruction:</b>						
Salaries	11-240-100-101	68,335	-	68,335	68,335	-
<b>Total Bilingual Education - Instruction</b>		<b>68,335</b>	<b>-</b>	<b>68,335</b>	<b>68,335</b>	<b>-</b>
<b>School Sponsored Cocurricular Activities:</b>						
Salaries	11-401-100-100	10,025	21,523	31,548	28,817	2,731
Supplies & Materials	11-401-100-600	1,750	1,800	3,550	782	2,768
<b>Total School Sponsored Cocurricular Activities</b>		<b>11,775</b>	<b>23,323</b>	<b>35,098</b>	<b>29,599</b>	<b>5,499</b>
<b>Before/After School Programs - Instruction</b>						
Salaries	11-421-100-100	12,277	-	12,277	11,194	1,083
Purchased Services	11-421-100-300	5,000	40	5,040	4,900	140
Supplies and Materials	11-421-100-600	1,000	(40)	960	137	823
Other Objects	11-421-100-800	7,500	-	7,500	7,500	-
<b>Total Before/After School Programs - Instructor</b>		<b>25,777</b>	<b>-</b>	<b>25,777</b>	<b>23,731</b>	<b>2,046</b>
<b>Total - Instruction</b>		<b>12,143,449</b>	<b>67,981</b>	<b>12,211,430</b>	<b>11,816,926</b>	<b>394,504</b>
<b>Undistributed Expenditures:</b>						
<b>Instruction:</b>						
Tuition to Other LEA's -State Special	11-000-100-562	28,288	41,508	69,796	69,021	775
Tuition to CSSD & Reg. Day Schools	11-000-100-565	158,101	(30,327)	127,774	22,081	105,693
Tuition to Private Schools for the Handicapped - State	11-000-100-566	164,464	(8,533)	155,931	66,017	89,914
Tuition - State Facilities	11-000-100-568	32,306	-	32,306	32,306	-
<b>Total Undistributed Expenditures - Instruction</b>		<b>383,159</b>	<b>2,648</b>	<b>385,807</b>	<b>189,425</b>	<b>196,382</b>
<b>Attendance &amp; Social Work Services:</b>						
Salaries	11-000-211-100	2,300	-	2,300	2,300	-
<b>Total Attendance &amp; Social Work Services</b>		<b>2,300</b>	<b>-</b>	<b>2,300</b>	<b>2,300</b>	<b>-</b>
<b>Health Services:</b>						
Salaries	11-000-213-100	263,672	18,873	282,545	282,545	-
Purchased Professional & Technical Services	11-000-213-300	9,900	-	9,900	9,250	650
Supplies and Materials	11-000-213-600	6,000	16,420	22,420	22,420	-
<b>Total Health Services</b>		<b>279,572</b>	<b>35,293</b>	<b>314,865</b>	<b>314,215</b>	<b>650</b>
<b>Other Support Services - Speech, OT, PT &amp; Related</b>						
Salaries	11-000-216-100	561,161	832	561,993	561,993	-
General Supplies	11-000-216-600	2,000	-	2,000	1,794	206
Purchased Prof. Ed. Services	11-000-216-320	103,800	(832)	102,968	71,582	31,386
<b>Total Other Support Services - Students - Related Services</b>		<b>666,961</b>	<b>-</b>	<b>666,961</b>	<b>635,369</b>	<b>31,592</b>

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

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Other Support Services - Students - Extraordinary:</b>						
Salaries	11-000-217-110	304,278	52,569	356,847	356,847	-
Purchased Professional Services	11-000-217-320	49,560	(2,886)	46,674	26,680	19,994
General Supplies	11-000-217-600	9,000	(1,770)	7,230	1,991	5,239
Other Objects	11-000-217-890	-	938	938	938	-
<b>Total Other Support Services - Students - Extraordinary</b>		<b>362,838</b>	<b>48,851</b>	<b>411,689</b>	<b>386,456</b>	<b>25,233</b>
<b>Other Support Services - Students - Regular:</b>						
Salaries of Other Professional Staff						
	11-000-218-104	298,861	-	298,861	298,861	-
Supplies & Materials						
	11-000-218-600	-	75	75	75	-
<b>Total Other Support Services - Students - Regular</b>		<b>298,861</b>	<b>75</b>	<b>298,936</b>	<b>298,936</b>	<b>-</b>
<b>Other Support Services - Students - Special Services</b>						
Salaries of Other Professional Staff						
	11-000-219-104	618,426	(45,612)	572,814	497,628	75,186
Salaries of Secretarial & Clerical Assistants						
	11-000-219-105	118,840	-	118,840	118,840	-
Purchased Professional Education Service						
	11-000-219-320	7,925	42,560	50,485	44,985	5,500
Supplies & Materials						
	11-000-219-600	3,250	-	3,250	2,903	347
<b>Total Other Support Services - Students - Special Services</b>		<b>748,441</b>	<b>(3,052)</b>	<b>745,389</b>	<b>664,356</b>	<b>81,033</b>
<b>Improvement of Instruction Services/Other Support Services - Instruction Staff:</b>						
Salaries of Secretarial & Clerical Assistants						
	11-000-221-105	28,730	(1,081)	27,649	27,649	-
Purchased Prof Ed Services						
	11-000-221-320	18,400	-	18,400	-	18,400
Supplies and Materials						
	11-000-221-600	1,900	3,027	4,927	2,309	2,618
Other Objects						
	11-000-221-800	550	200	750	423	327
<b>Total Improvement of Instruction Services/Other Support Services - Instructional Staff</b>		<b>49,580</b>	<b>2,146</b>	<b>51,726</b>	<b>30,381</b>	<b>21,345</b>
<b>Educational Media Services/School Library:</b>						
Salaries						
	11-000-222-100	355,563	3,698	359,261	359,145	116
Purchased Professional & Technical Services						
	11-000-222-300	3,000	(200)	2,800	2,800	-
Supplies and Materials						
	11-000-222-600	23,000	(786)	22,214	21,641	573
<b>Total Educational Media Services/School Library</b>		<b>381,563</b>	<b>2,712</b>	<b>384,275</b>	<b>383,586</b>	<b>689</b>
<b>Instructional Staff Training Services:</b>						
Purchased Professional - Educational Staff						
	11-000-223-320	9,000	-	9,000	-	9,000
Other Purchased Services						
	11-000-223-500	16,800	(1,782)	15,018	10,724	4,294
<b>Total Instructional Staff Training Services</b>		<b>25,800</b>	<b>(1,782)</b>	<b>24,018</b>	<b>10,724</b>	<b>13,294</b>

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

	ACCOUNT NUMBERS	JUNE 30, 2015				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Support Services General Administration:</b>						
Salaries	11-000-230-100	278,332	15,935	294,267	279,575	14,692
Legal Services	11-000-230-331	35,000	3,800	38,800	26,308	12,492
Audit Fees	11-000-230-332	30,000	22,875	52,875	24,375	28,500
Architectural/Engineering Services	11-000-230-334	50,000	(10,234)	39,766	5,884	33,882
Other Purchased Professional Services	11-000-230-339	25,000	(25,000)	-	-	-
Purchased Technical Services	11-000-230-340	6,100	-	6,100	4,040	2,060
Communications/Telephone	11-000-230-530	93,770	37,776	131,546	113,927	17,619
Other Purchased Services (400-500 Series)	11-000-230-585	11,660	-	11,660	2,082	9,578
Other Purchasing Services	11-000-230-XXX	160,500	1,275	161,775	140,793	20,982
General Supplies	11-000-230-610	4,500	-	4,500	1,624	2,876
BOE In-House Training - Meeting Supplies	11-000-230-630	1,500	-	1,500	451	1,049
Judgments Against School District	11-000-230-820	25,000	-	25,000	6,047	18,953
Miscellaneous Expenditures	11-000-230-890	5,500	-	5,500	4,400	1,100
BOE Membership Dues & Fees	11-000-230-895	14,000	-	14,000	13,204	796
<b>Total Support Services General Administration</b>		<b>740,862</b>	<b>46,427</b>	<b>787,289</b>	<b>622,710</b>	<b>164,579</b>
<b>Support Services School Administration:</b>						
Salaries of Principals & Assistant Principals	11-000-240-103	1,096,864	416	1,097,280	1,072,194	25,086
Salaries of Secretarial & Clerical Assistants	11-000-240-105	341,815	4,904	346,719	346,640	79
Other Salaries	11-000-240-110	5,756	-	5,756	4,220	1,536
Purchased Professional & Technical Services	11-000-240-300	34,162	631	34,793	34,793	-
Supplies & Materials	11-000-240-600	18,000	(3,067)	14,933	12,699	2,234
Other Objects	11-000-240-800	1,600	-	1,600	-	1,600
<b>Total Support Services School Administration</b>		<b>1,498,197</b>	<b>2,884</b>	<b>1,501,081</b>	<b>1,470,546</b>	<b>30,535</b>
<b>Central Services:</b>						
Salaries	11-000-251-100	359,234	(887)	358,347	356,081	2,266
Purchased Professional Services	11-000-251-330	32,825	-	32,825	30,363	2,462
Miscellaneous Purchased Services	11-000-251-580	5,200	(1,450)	3,750	3,721	29
Supplies & Materials	11-000-251-610	32,050	(1,013)	31,037	9,823	21,214
Miscellaneous Expenditures	11-000-251-890	6,450	-	6,450	4,414	2,036
<b>Total Central Services</b>		<b>435,759</b>	<b>(3,350)</b>	<b>432,409</b>	<b>404,402</b>	<b>28,007</b>
<b>Administrative Information Technology</b>						
Salaries	11-000-252-100	158,213	5,268	163,481	163,329	152
Purchased Technical Services	11-000-252-340	66,626	4,676	71,302	71,302	-
Other Purchased Services	11-000-252-580	1,000	-	1,000	694	306
Supplies and Materials	11-000-252-610	87,500	1,577	89,077	87,884	1,193
<b>Total Administrative Information Technology</b>		<b>313,339</b>	<b>11,521</b>	<b>324,860</b>	<b>323,209</b>	<b>1,651</b>
<b>Required Maintenance for School Facilities:</b>						
Salaries	11-000-261-100	359,027	-	359,027	350,334	8,693
Cleaning, Repair & Maintenance Services	11-000-261-420	308,500	84,749	393,249	242,206	151,043
Travel	11-000-261-580	1,000	970	1,970	1,770	200
General Supplies	11-000-261-610	136,450	48,323	184,773	144,664	40,109
Other Objects	11-000-261-800	14,175	(175)	14,000	12,737	1,263
<b>Total Allowable Maintenance For School Facilities</b>		<b>819,152</b>	<b>133,867</b>	<b>953,019</b>	<b>751,711</b>	<b>201,308</b>

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

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Other Operation &amp; Maintenance of Plant Services:</b>						
Salaries	11-000-262-100	848,692	-	848,692	815,422	33,270
Cleaning, Repair & Maintenance Services	11-000-262-420	27,500	(5,965)	21,535	13,965	7,570
Other Purchased Property Services	11-000-262-490	46,500	5,000	51,500	47,999	3,501
Insurance	11-000-262-520	200,000	(5,752)	194,248	168,666	25,582
Travel	11-000-262-580	-	350	350	252	98
General Supplies	11-000-262-610	80,100	-	80,100	80,035	65
Energy (Natural Gas)	11-000-262-621	305,400	5,000	310,400	164,175	146,225
Energy (Electricity)	11-000-262-622	550,000	(10,000)	540,000	414,917	125,083
<b>Total Operation &amp; Maintenance of Plant Services:</b>		<b>2,058,192</b>	<b>(11,367)</b>	<b>2,046,825</b>	<b>1,705,431</b>	<b>341,394</b>
<b>Undistributed Expenditures - Care &amp; Upkeep of Grounds:</b>						
Purchased Professional and Technical Services	11-000-263-300	149,500	48,636	198,136	122,943	75,193
General Supplies	11-000-263-610	31,500	10,138	41,638	28,017	13,621
<b>Total Undistributed Expenditures - Care &amp; Upkeep of Grounds</b>		<b>181,000</b>	<b>58,774</b>	<b>239,774</b>	<b>150,960</b>	<b>88,814</b>
<b>Security:</b>						
Salaries	11-000-266-100	113,325	313	113,638	113,638	-
Other Purchased Services	11-000-266-300	185,400	-	185,400	155,968	29,432
Cleaning, Repair, & Maintenance Services	11-000-266-420	5,000	-	5,000	-	5,000
General Supplies	11-000-266-610	7,400	86,904	94,304	80,938	13,366
<b>Total Security</b>		<b>311,125</b>	<b>87,217</b>	<b>398,342</b>	<b>350,544</b>	<b>47,798</b>
<b>Student Transportation Services:</b>						
Salaries of Non-Instructional Aides	11-000-270-107	143,929	25,932	169,861	169,861	-
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	766,787	(86,998)	679,789	675,885	3,904
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	227,753	50,631	278,384	278,384	-
Salaries for Pupil Transportation (Other than Between Home & School)	11-000-270-162	4,800	3,439	8,239	8,239	-
Other Purchased Professional & Technical Services	11-000-270-390	9,210	(1,000)	8,210	6,104	2,106
Cleaning, Repair & Maintenance Services	11-000-270-420	5,000	-	5,000	1,787	3,213
Contracted Services - Jointure Agreements - (Special Education)	11-000-270-515	96,800	(29,602)	67,198	67,194	4
Contracted Services - ESC's & CTSA's - (Special Education Students)	11-000-270-518	32,500	39,412	71,912	67,787	4,125
Contracted Services - Aid in Lieu	11-000-270-503	44,200	-	44,200	42,432	1,768
Travel	11-000-270-580	1,500	(755)	745	481	264
Miscellaneous Purchased Services - Transportation	11-000-270-593	95,000	5,752	100,752	100,752	-
General Supplies	11-000-270-610	3,460	-	3,460	3,263	197
Transportation Supplies	11-000-270-615	351,500	(1,834)	349,666	193,433	156,233
Miscellaneous Expenditures	11-000-270-800	12,280	3,310	15,590	13,617	1,973
<b>Total Student Transportation Services</b>		<b>1,794,719</b>	<b>8,287</b>	<b>1,803,006</b>	<b>1,629,219</b>	<b>173,787</b>

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

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Unallocated Benefits Employee Benefits						
Group Insurance	11-000-291-210	850	-	850	-	850
Social Security Contributions	11-000-291-220	430,000	16,396	446,396	446,396	-
Other Retirement Contributions - PERS	11-000-291-241	547,295	-	547,295	454,413	92,882
Other Retirement Contributions - Regular	11-000-291-249	8,000	10,108	18,108	17,700	408
Unemployment Compensation	11-000-291-250	120,172	-	120,172	76,810	43,362
Workman's Compensation	11-000-291-260	330,000	(1,598)	328,402	309,127	19,275
Health Benefits	11-000-291-270	5,419,800	(97,857)	5,321,943	4,937,623	384,320
Tuition Reimbursement	11-000-291-280	20,000	14,495	34,495	34,491	4
Other Employee Benefits	11-000-291-290	160,000	(3,079)	156,921	17,772	139,149
<b>Total Unallocated Benefits - Employee Benefits</b>		<b>7,036,117</b>	<b>(61,535)</b>	<b>6,974,582</b>	<b>6,294,332</b>	<b>680,250</b>
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	680,679	(680,679)
On-Behalf TPAF Medical Contributions		-	-	-	1,080,576	(1,080,576)
Reimbursed TPAF Social Security		-	-	-	924,226	(924,226)
<b>Total Undistributed Expenditures</b>		<b>18,387,537</b>	<b>359,616</b>	<b>18,747,153</b>	<b>19,304,293</b>	<b>(557,140)</b>
<b>Total Expenditures - Current Expense</b>		<b>30,530,986</b>	<b>427,597</b>	<b>30,958,583</b>	<b>31,121,219</b>	<b>(162,636)</b>
Capital Outlay:						
Equipment:						
Undistributed Expenditures:						
Administrative Information Technology	12-000-252-730	13,550	15,683	29,233	27,658	1,575
Required Maintenance for School Facilities	12-000-261-730	700,000	257,184	957,184	212,185	744,999
Custodial Services	12-000-262-730	-	7,001	7,001	7,001	-
Care & Upkeep of Grounds	12-000-263-730	9,000	(9,000)	-	-	-
Student Transportation - Non- Instructional Equipment	12-000-270-732	3,000	-	3,000	2,921	79
School Buses - Regular	12-000-270-733	-	285,318	285,318	285,318	-
School Buses - Special	12-000-270-734	74,312	(16,093)	58,219	58,219	-
<b>Total Equipment</b>		<b>799,862</b>	<b>540,093</b>	<b>1,339,955</b>	<b>593,302</b>	<b>746,653</b>
Facilities Acquisition & Construction Services:						
Other Objects	12-000-400-800	118,421	-	118,421	118,421	-
<b>Total Facilities Acquisition &amp; Construction Services</b>		<b>118,421</b>	<b>-</b>	<b>118,421</b>	<b>118,421</b>	<b>-</b>
<b>Total Capital Outlay</b>		<b>918,283</b>	<b>540,093</b>	<b>1,458,376</b>	<b>711,723</b>	<b>746,653</b>
<b>Total Expenditures</b>		<b>31,449,269</b>	<b>967,690</b>	<b>32,416,959</b>	<b>31,832,942</b>	<b>584,017</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditure:		(2,400,109)	(967,690)	(3,367,799)	141,254	3,509,053
Other Financing Sources/(Uses):						
Community Disaster Loan		365,211	-	365,211	365,211	-
<b>Total Other Financing Sources/(Uses)</b>		<b>365,211</b>	<b>-</b>	<b>365,211</b>	<b>365,211</b>	<b>-</b>

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

ACCOUNT NUMBERS	JUNE 30, 2015				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(2,034,898)	(967,690)	(3,002,588)	506,465	3,509,053
Fund Balances, July 1	7,283,914	-	7,283,914	7,283,914	-
Fund Balances, June 30	<u>\$ 5,249,016</u>	<u>\$ (967,690)</u>	<u>\$ 4,281,326</u>	<u>\$ 7,790,379</u>	<u>\$ 3,509,053</u>

**RECAPITULATION OF BUDGET TRANSFERS**

Prior-Year Roll Over Encumbrances	<u>\$ 967,690</u>
	<u><u>\$ 967,690</u></u>

**RECAPITULATION OF FUND BALANCE**

Restricted Fund Balance:	
Capital Reserve	\$ 1,526,877
Maintenance Reserve	1,159,953
Emergency Reserve	262,583
Excess Surplus	1,338,040
Excess Surplus Designated for Subsequent Year's Expenditures	1,675,795
Committed Fund Balance:	
Year-end Encumbrances	1,175,997
Unassigned Fund Balance	<u>651,134</u>
Subtotal	<u>7,790,379</u>
Reconciliation to Governmental Fund Statements (GAAP)	
Last State Aid Payment Not Recognized on GAAP Basis	<u>(210,114)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 7,580,265</u></u>

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

	JUNE 30, 2015				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>REVENUES</b>					
Local Sources	\$ -	\$ 97,687	\$ 97,687	\$ 59,449	\$ (38,238)
State Sources	-	-	-	-	-
Federal Sources	602,108	137,721	739,829	739,829	-
<b>Total Revenues</b>	<b>602,108</b>	<b>235,408</b>	<b>837,516</b>	<b>799,278</b>	<b>(38,238)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	165,000	30,234	195,234	195,234	-
Purchased Professional Services (300 Series)	-	-	-	-	-
Tuition	356,525	92,415	448,940	448,940	-
General Supplies	20,315	32,405	52,720	48,618	4,102
Miscellaneous	-	5,999	5,999	5,425	574
<b>Total Instruction</b>	<b>541,840</b>	<b>161,053</b>	<b>702,893</b>	<b>698,217</b>	<b>4,676</b>
Support Services:					
Salaries	-	-	-	-	-
Personal Services - Employee Benefits	42,268	1,412	43,680	43,680	-
Purchased Professional - Educational Services	-	62,700	62,700	29,138	33,562
Travel	18,000	3,428	21,428	21,428	-
Supplies & Materials, Equipment	-	6,815	6,815	6,815	-
<b>Total Support Services</b>	<b>60,268</b>	<b>74,355</b>	<b>134,623</b>	<b>101,061</b>	<b>33,562</b>
Capital Outlay					
Instructional Equipment	-	-	-	-	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>602,108</b>	<b>235,408</b>	<b>837,516</b>	<b>799,278</b>	<b>38,238</b>
<b>Total Outflows</b>	<b>602,108</b>	<b>235,408</b>	<b>837,516</b>	<b>799,278</b>	<b>38,238</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 31,974,196	\$ 799,278
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	204,289	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(210,114)	-
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	9,545
Current Year	-	(28,132)
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 31,968,371	\$ 780,691
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 31,832,942	\$ 799,278
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	-	9,545
Current Year	-	(28,132)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 31,832,942	\$ 780,691

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

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.055%	0.053%
District's proportionate share of the net pension liability (asset)	\$ 10,320,237	\$ 10,142,056
District's covered-employee payroll	\$ 4,345,256	\$ 3,938,548
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	237.51%	257.51%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 454,413	\$ 399,845
Contributions in relation to the contractually required contribution	<u>454,413</u>	<u>399,845</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	4,345,256	3,938,548
Contributions as a percentage of covered-employee payroll	10.46%	10.15%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.127%	0.129%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 67,681,768	\$ 65,378,394
District's covered-employee payroll	\$ 13,175,202	\$ 12,750,769
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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**BERKELEY TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Teachers' Pension and Annuity Fund (TPAF)**

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

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

**Public Employees' Retirement System (PERS)**

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

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

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**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**BERKELEY TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(With Comparative Totals for June 30, 2014)**

	<u>NO CHILD LEFT BEHIND</u>	<u>IDEA-B</u>	<u>IDEA-B</u>	<u>STEM</u>	
	TITLE I	TITLE II-A	BASIC	PRESCHOOL	GRANT
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ 9,883
Federal Sources	204,281	62,142	448,940	24,139	-
<b>Total Revenues</b>	<b>\$ 204,281</b>	<b>\$ 62,142</b>	<b>\$ 448,940</b>	<b>\$ 24,139</b>	<b>\$ 9,883</b>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 157,700	\$ 28,000	\$ -	\$ -	\$ -
Purchased Professional Services (300 Series)	-	-	-	-	-
General Supplies	5,377	1,400	-	19,139	9,883
Tuition	-	-	448,940	-	-
Miscellaneous	-	-	-	5,000	-
<b>Total Instruction</b>	<b>163,077</b>	<b>29,400</b>	<b>448,940</b>	<b>24,139</b>	<b>9,883</b>
Support Services:					
Other Professional Staff Salaries	-	-	-	-	-
Purchased Professional Services	350	2,000	-	-	-
Employee Benefits	36,400	7,280	-	-	-
Travel	4,454	16,647	-	-	-
Miscellaneous	-	6,815	-	-	-
<b>Total Support Services</b>	<b>41,204</b>	<b>32,742</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital Outlay					
Instructional Equipment	-	-	-	-	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 204,281</b>	<b>\$ 62,142</b>	<b>\$ 448,940</b>	<b>\$ 24,139</b>	<b>\$ 9,883</b>

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(With Comparative Totals for June 30, 2014)**

	CAMP PAW	SAFETY	PLAYGROUND	POTTER CREEK CRUSADERS	ART
Revenues:					
Local Sources	\$ 6,595	\$ 26,788	\$ 9,673	\$ 5,029	\$ 1,042
Federal Sources	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 6,595</b>	<b>\$ 26,788</b>	<b>\$ 9,673</b>	<b>\$ 5,029</b>	<b>\$ 1,042</b>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 6,534	\$ -	\$ -	\$ 3,000	\$ -
Purchased Professional Services (300 Series)	-	-	-	-	-
Travel	-	-	-	-	-
General Supplies	61	-	9,673	2,029	1,042
Tuition	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total Instruction</b>	<b>6,595</b>	<b>-</b>	<b>9,673</b>	<b>5,029</b>	<b>1,042</b>
Support Services:					
Other Professional Staff Salaries	-	-	-	-	-
Purchased Professional Services	-	26,788	-	-	-
Employee Benefits	-	-	-	-	-
Travel	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total Support Services</b>	<b>-</b>	<b>26,788</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital Outlay					
Instructional Equipment	-	-	-	-	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 6,595</b>	<b>\$ 26,788</b>	<b>\$ 9,673</b>	<b>\$ 5,029</b>	<b>\$ 1,042</b>

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(With Comparative Totals for June 30, 2014)**

	CLASS TRIP	TARGET BOOKS	ANTI BULLYING	2015	2014
<b>Revenues:</b>					
Local Sources	\$ 425	\$ 14	\$ -	\$ 59,449	\$ 8,904
Federal Sources	-	-	327	739,829	764,329
<b>Total Revenues</b>	<b>\$ 425</b>	<b>\$ 14</b>	<b>\$ 327</b>	<b>\$ 799,278</b>	<b>\$ 773,233</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 195,234	\$ 226,171
Purchased Professional Services (300 Series)	-	-	-	-	5,400
General Supplies	-	14	-	48,618	44,895
Tuition	-	-	-	448,940	419,441
Miscellaneous	425	-	-	5,425	7,620
<b>Total Instruction</b>	<b>425</b>	<b>14</b>	<b>-</b>	<b>698,217</b>	<b>703,527</b>
<b>Support Services:</b>					
Other Professional Staff Salaries	-	-	-	-	2,431
Purchased Professional Services	-	-	-	29,138	8,068
Employee Benefits	-	-	-	43,680	36,535
Travel	-	-	327	21,428	13,049
Miscellaneous	-	-	-	6,815	9,623
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>327</b>	<b>101,061</b>	<b>69,706</b>
<b>Capital Outlay</b>					
Instructional Equipment	-	-	-	-	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 425</b>	<b>\$ 14</b>	<b>\$ 327</b>	<b>\$ 799,278</b>	<b>\$ 773,233</b>

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F. Capital Projects Fund

Not Applicable

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## G. Proprietary Funds

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Enterprise Funds

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

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				2015
	FOOD SERVICE	BATTING CAGES	TECH EXPO	BRIDGE PROGRAM	
<b>Current Assets:</b>					
Cash & Cash Equivalents	\$ -	\$ 931	\$ 1,811	\$ 10,598	\$ 13,340
<b>Accounts Receivable:</b>					
State	633	-	-	-	633
Federal	28,007	-	-	-	28,007
Local	22,365	-	-	-	22,365
Inventories	18,130	-	-	-	18,130
<b>Total Current Assets</b>	<b>69,135</b>	<b>931</b>	<b>1,811</b>	<b>10,598</b>	<b>82,475</b>
<b>Noncurrent Assets:</b>					
Furniture, Machinery & Equipment	361,210	18,065	-	-	379,275
Less: Accumulated Depreciation	(214,757)	(4,215)	-	-	(218,972)
<b>Total Noncurrent Assets</b>	<b>146,453</b>	<b>13,850</b>	<b>-</b>	<b>-</b>	<b>160,303</b>
<b>Total Assets</b>	<b>215,588</b>	<b>14,781</b>	<b>1,811</b>	<b>10,598</b>	<b>242,778</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Cash Deficit	92,523	-	-	-	92,523
Accounts Payable	30,075	-	-	-	30,075
Due To Other Funds	-	15,744	-	-	15,744
Unearned Revenue	5,802	-	-	10,290	16,092
<b>Total Current Liabilities</b>	<b>128,400</b>	<b>15,744</b>	<b>-</b>	<b>10,290</b>	<b>154,434</b>
<b>NET POSITION</b>					
Invested in Capital Assets, Net of Related Debt	146,453	13,850	-	-	160,303
Unrestricted	(59,265)	(14,813)	1,811	308	(71,959)
<b>Total Net Position</b>	<b>\$ 87,188</b>	<b>\$ (963)</b>	<b>\$ 1,811</b>	<b>\$ 308</b>	<b>\$ 88,344</b>

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				2015
	FOOD SERVICE	BATTING CAGES	TECH EXPO	BRIDGE PROGRAM	
Operating Revenues:					
Charges for Services:					
Daily Sales - Reimbursable Programs	\$ 221,912	\$ -	\$ -	\$ -	\$ 221,912
Daily Sales - Nonreimbursable Programs	151,621	6,200	3,500	6,230	167,551
<b>Total Operating Revenues</b>	<b>373,533</b>	<b>6,200</b>	<b>3,500</b>	<b>6,230</b>	<b>389,463</b>
Operating Expenses:					
Cost of Sales - Sodexo	525,754	-	-	-	525,754
Salaries & Benefits	212,835	1,737	-	5,813	220,385
Professional Services	3,373	-	-	-	3,373
General Supplies/Misc	36,280	2,142	1,689	109	40,220
Depreciation	16,842	3,312	-	-	20,154
<b>Total Operating Expenses</b>	<b>795,084</b>	<b>7,191</b>	<b>1,689</b>	<b>5,922</b>	<b>809,886</b>
<b>Operating Loss</b>	<b>(421,551)</b>	<b>(991)</b>	<b>1,811</b>	<b>308</b>	<b>(420,423)</b>
Nonoperating Revenues/(Expenses):					
State Sources:					
State School Lunch Program	8,009	-	-	-	8,009
Federal Sources:					
National School Lunch Program	287,879	-	-	-	287,879
National School Breakfast Program	63,695	-	-	-	63,695
U.S.D.A. Commodities	29,210	-	-	-	29,210
Profit Guarantee	17,838	-	-	-	17,838
Fixed Assets Contributed	10,552	-	-	-	10,552
Interest & Investment Revenue	239	-	-	-	239
<b>Total Nonoperating Revenues/(Expenses)</b>	<b>417,422</b>			<b>-</b>	<b>417,422</b>
<b>Change in Net Position</b>	<b>(4,129)</b>	<b>(991)</b>	<b>1,811</b>	<b>308</b>	<b>(3,001)</b>
<b>Total Net Position - Beginning</b>	<b>91,317</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>91,345</b>
<b>Total Net Position - Ending</b>	<b>\$ 87,188</b>	<b>\$ (963)</b>	<b>\$ 1,811</b>	<b>\$ 308</b>	<b>\$ 88,344</b>

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				2015
	FOOD SERVICE	BATTING CAGES	TECH EXPO	BRIDGE PROGRAM	
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 373,740	\$ 6,200	\$ 3,500	\$ 6,230	\$ 389,670
Payments to Employees & Benefits	(212,347)	(1,737)	-	(1,543)	(215,627)
Payments to Suppliers	(606,497)	(2,142)	(1,689)	(109)	(610,437)
Net Cash Provided/(Used) by Operating Activities	<u>(445,104)</u>	<u>2,321</u>	<u>1,811</u>	<u>4,578</u>	<u>(436,394)</u>
Cash Flows From Noncapital Financing Activities:					
State Sources	8,109	-	-	-	8,109
Federal Sources	355,872	-	-	-	355,872
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>363,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>363,981</u>
Cash Flows From Capital & Related Financing Activities:					
Purchases of Fixed Assets	-	(2,321)	-	-	(2,321)
Net Cash Provided/(Used) by Capital & Related Financing Activities	<u>-</u>	<u>(2,321)</u>	<u>-</u>	<u>-</u>	<u>(2,321)</u>
Cash Flows From Investing Activities:					
Interest & Dividends	239	-	-	-	239
Net Cash Provided/(Used) by Investing Activities	<u>239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>239</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(80,884)	-	1,811	4,578	(74,495)
Balances - Beginning of Year	(11,639)	931	-	6,020	(4,688)
Balances - End of Year	<u>\$ (92,523)</u>	<u>\$ 931</u>	<u>\$ 1,811</u>	<u>\$ 10,598</u>	<u>\$ (79,183)</u>

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

Operating Loss	\$ (421,551)	\$ (991)	\$ 1,811	\$ 308	\$ (420,423)
Adjustments to Reconcile Operating Loss to Net Cash Provided/(Used) by Operating Activities:					
U.S.D.A. Commodities	29,210	-	-	-	29,210
Depreciation Expense	16,842	3,312	-	-	20,154
(Increase)/Decrease in Inventories	(2,751)	-	-	-	(2,751)
(Increase)/Decrease in Accounts Receivable	207	-	-	-	207
Increase/(Decrease) in Accounts Payable	(67,549)	-	-	-	(67,549)
Increase/(Decrease) in Unearned Revenue	488	-	-	4,270	4,758
Total Adjustments	<u>(23,553)</u>	<u>3,312</u>	<u>-</u>	<u>4,270</u>	<u>(15,971)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (445,104)</u>	<u>\$ 2,321</u>	<u>\$ 1,811</u>	<u>\$ 4,578</u>	<u>\$ (436,394)</u>

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Internal Service Fund

Not Applicable

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## H. Fiduciary Fund

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

ASSETS	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST	AGENCY PAYROLL FUND	2015
Cash & Cash Equivalents	\$ 695,275	\$ 17,846	\$ 713,121
Accounts Receivable	-	2,749	2,749
Total Assets	<u>695,275</u>	<u>20,595</u>	<u>715,870</u>
<b>LIABILITIES</b>			
Payroll Deductions & Withholdings	-	20,595	20,595
Total Liabilities	<u>-</u>	<u>20,595</u>	<u>20,595</u>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims & Other Purposes	<u>695,275</u>	-	<u>695,275</u>
Total Net Position	<u>\$ 695,275</u>	<u>\$ -</u>	<u>\$ 695,275</u>

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

ADDITIONS	<u>PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST</u>	2015
Contributions:		
District	\$           -	\$           -
Total Contributions	<u>                  -</u>	<u>                  -</u>
Investment Earnings:		
Interest	<u>                  903</u>	<u>                  903</u>
Net Investment Earnings	<u>                  903</u>	<u>                  903</u>
Total Additions	<u>                  903</u>	<u>                  903</u>
DEDUCTIONS		
Unemployment Claims	<u>                  -</u>	<u>                  -</u>
Total Deductions	<u>                  -</u>	<u>                  -</u>
Change in Net Position	903	903
Net Position - Beginning of the Year	<u>694,372</u>	<u>694,372</u>
Net Position - End of the Year	<u>\$   695,275</u>	<u>\$   695,275</u>

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 19,801	\$ 20,697,858	\$ 20,699,813	\$ 17,846
Accounts Receivable	542	2,749	542	2,749
Total Assets	<u>\$ 20,343</u>	<u>\$ 20,700,607</u>	<u>\$ 20,700,355</u>	<u>\$ 20,595</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	<u>\$ 20,343</u>	<u>\$ 20,700,607</u>	<u>\$ 20,700,355</u>	<u>\$ 20,595</u>
Total Liabilities	<u>\$ 20,343</u>	<u>\$ 20,700,607</u>	<u>\$ 20,700,355</u>	<u>\$ 20,595</u>

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## I. Long-Term Debt

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**BERKELEY TOWNSHIP BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
JUNE 30, 2015**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS DATE	ANNUAL PAYMENTS AMOUNT	INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2014	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2015
2010 Refunding Issue	3/25/2010	\$ 16,760,000	10/1/2015	\$ 1,360,000	3.000%	\$ 14,325,000	\$ 1,300,000	\$ 13,025,000
			10/1/2016	1,415,000	4.000%			
			10/1/2017	1,495,000	5.000%			
			10/1/2018	1,575,000	4.500%			
			10/1/2019	1,660,000	4.500%			
			10/1/2020	1,745,000	4.500%			
			10/1/2021	1,835,000	5.000%			
			10/1/2022	1,940,000	5.000%			
Total						\$ 14,325,000	\$ 1,300,000	\$ 13,025,000

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
JUNE 30, 2015**

SERIES	INTEREST RATE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2014	ISSUED	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2015
6- Xerox Copiers	11.00%	\$74,185	\$ 16,110	\$ -	\$ 16,110	\$ -
Savin Copier	6.32%	16,214	1,862	-	1,862	-
4 - Savin Copiers	5.34%	77,295	56,386	-	18,960	37,426
6 - Savin Copiers	5.00%	91,891	-	91,891	8,196	83,695
Total			\$ 74,358	\$ 91,891	\$ 45,128	\$ 121,121

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	JUNE 30, 2015		JUNE 30, 2014		VARIANCE POSITIVE/ (NEGATIVE)	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET		
<b>Revenues:</b>						
Local Sources:						
Local Tax Levy	\$ -	\$ 1,909,437	\$ -	\$ 1,898,675	\$ -	\$ 1,898,675
Total Revenues	1,909,437	1,909,437	1,909,437	1,898,675	-	1,898,675
<b>Expenditures:</b>						
Regular Debt Service:						
Interest	609,437	609,437	609,437	658,675	-	658,675
Redemption of Principal	1,300,000	1,300,000	1,300,000	1,240,000	-	1,240,000
Total Regular Debt Service	1,909,437	1,909,437	1,909,437	1,898,675	-	1,898,675
Total Expenditures	1,909,437	1,909,437	1,909,437	1,898,675	-	1,898,675
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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**STATISTICAL SECTION (Unaudited)**

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### Financial Trend Information

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>FISCAL YEAR ENDING JUNE 30.</b>										
<b>Governmental Activities:</b>										
Invested in Capital Assets, Net of										
Related Debt	\$ 17,953,242	\$ 17,810,211	\$ 17,410,609	\$ 14,323,623	\$ 15,736,503	\$ 15,078,336	\$ 13,456,845	\$ 12,495,827	\$ 12,253,762	\$ 11,800,787
Restricted	7,139,245	6,624,847	5,901,687	5,477,992	3,986,680	3,010,992	3,329,751	3,017,264	1,463,992	1,295,610
Unrestricted	(11,636,605)	(1,022,895)	(642,477)	2,013,070	(226,016)	(533,810)	133,605	(45,784)	696,052	(294,542)
<b>Total Governmental Activities</b>	<b>\$ 13,455,882</b>	<b>\$ 23,412,163</b>	<b>\$ 22,669,819</b>	<b>\$ 21,814,685</b>	<b>\$ 19,497,167</b>	<b>\$ 17,555,518</b>	<b>\$ 16,920,201</b>	<b>\$ 15,467,307</b>	<b>\$ 14,413,806</b>	<b>\$ 12,801,855</b>
<b>Business-Type Activities:</b>										
Invested in Capital Assets, Net of										
Related Debt	\$ 160,303	\$ 169,905	\$ 91,716	\$ 96,235	\$ 101,192	\$ 112,301	\$ 71,197	\$ 80,377	\$ 87,302	\$ -
Unrestricted	(71,959)	(78,560)	(23,329)	537	19,771	13,581	(15,818)	(60,572)	20,202	4,955
<b>Total Business-Type Activities</b>	<b>\$ 88,344</b>	<b>\$ 91,345</b>	<b>\$ 68,387</b>	<b>\$ 96,772</b>	<b>\$ 120,963</b>	<b>\$ 125,882</b>	<b>\$ 55,379</b>	<b>\$ 19,805</b>	<b>\$ 20,202</b>	<b>\$ 4,955</b>
<b>District-Wide:</b>										
Invested in Capital Assets, Net of										
Related Debt	\$ 18,113,545	\$ 17,980,116	\$ 17,502,325	\$ 14,419,858	\$ 15,837,695	\$ 15,190,637	\$ 13,528,042	\$ 12,576,204	\$ 12,341,064	\$ 11,800,787
Restricted	7,139,245	6,624,847	5,901,687	5,477,992	3,986,680	3,010,992	3,329,751	3,017,264	1,463,992	1,295,610
Unrestricted	(11,708,564)	(1,101,455)	(665,806)	2,013,607	(206,245)	(520,229)	117,787	(106,356)	716,254	(289,587)
<b>Total District Net Position</b>	<b>\$ 13,544,226</b>	<b>\$ 23,503,508</b>	<b>\$ 22,738,206</b>	<b>\$ 21,911,457</b>	<b>\$ 19,618,130</b>	<b>\$ 17,681,400</b>	<b>\$ 16,975,580</b>	<b>\$ 15,487,112</b>	<b>\$ 14,521,310</b>	<b>\$ 12,806,810</b>

Source: District CAFR, Schedule A-1

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 7,332,300	\$ 7,445,934	\$ 7,126,529	\$ 7,797,326	\$ 7,347,415	\$ 7,406,861	\$ 6,930,715	\$ 7,919,773	\$ 7,532,797	\$ 7,267,436
Special Education	4,054,069	3,814,426	3,742,079	3,515,551	3,697,106	3,541,021	3,428,691	2,630,615	2,634,824	2,351,485
Other Special Education	1,056,857	989,410	-	1,022,455	940,783	1,003,431	1,066,476	699,749	799,949	655,633
Other Instruction	53,330	40,517	24,162	29,135	63,208	60,988	147,696	257,560	178,125	172,446
Support Services:										
Tuition	189,425	381,845	385,128	391,112	534,653	643,203	647,093	606,887	728,590	580,808
Student & Instruction Related										
Services	2,874,147	2,924,800	2,833,481	2,730,859	2,668,515	2,844,048	2,201,914	2,143,936	2,106,383	2,023,294
School Administrative Services	1,470,546	1,137,381	1,174,579	1,081,050	1,092,882	1,080,519	1,111,250	1,083,011	546,896	1,046,788
General & Business Administrative										
Services	1,350,321	1,370,664	1,301,547	1,226,445	1,132,296	1,071,127	1,226,545	858,718	1,401,337	1,309,965
Plant Operations & Maintenance	3,281,659	3,502,263	3,799,014	3,011,237	3,627,788	3,249,017	3,182,642	3,755,753	2,444,441	2,048,204
Pupil Transportation	1,629,219	1,567,695	1,532,676	1,535,919	1,571,411	1,567,145	1,674,803	1,738,099	1,289,267	1,346,240
Unallocated Benefits	12,095,470	8,345,637	9,007,262	7,392,103	7,173,740	6,588,402	6,418,719	4,944,642	6,529,630	5,446,604
Interest on Long-Term Debt	605,021	649,623	689,450	711,223	750,347	706,185	894,829	931,868	969,121	990,685
Unallocated Amortization of										
Bond Costs	(57,320)	(57,320)	(46,408)	(46,408)	(46,408)	(11,602)	-	-	-	-
Unallocated Depreciation	1,498,916	1,316,968	1,382,197	1,338,337	1,259,936	1,106,158	1,118,672	-	1,137,280	1,083,603
Total Governmental Activities	37,433,960	33,429,843	32,951,696	31,736,344	31,813,672	30,856,503	30,050,045	27,570,611	28,298,640	26,323,191
Expenses:										
Business-Type Activities:										
Food Service	795,084	829,318	762,263	750,556	713,328	673,557	632,967	761,649	560,091	515,135
Batting Cages	7,191	1,502	-	-	-	-	-	-	-	-
Tech Expo	1,689	-	-	-	-	-	-	-	-	-
Bridge Program	5,922	3,900	-	-	-	-	-	-	-	-
Total Business-Type Activities	809,886	834,720	762,263	750,556	713,328	673,557	632,967	761,649	560,091	515,135
Expense										
Total Government-Wide Expenses	\$ 38,243,846	\$ 34,264,563	\$ 33,713,959	\$ 32,486,900	\$ 32,527,000	\$ 31,530,060	\$ 30,683,012	\$ 28,332,260	\$ 28,858,731	\$ 26,838,326

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Program Revenues:</b>										
Governmental Activities:										
Grants & Contributions	\$ 6,427,408	\$ 3,089,390	\$ 832,852	\$ 813,634	\$ 1,175,569	\$ 948,712	\$ 788,781	\$ 2,719,058	\$ 908,529	\$ 912,901
Total Governmental Activities	6,427,408	763,850	832,852	813,634	1,175,569	948,712	788,781	2,719,058	908,529	912,901
<b>Business-Type Activities:</b>										
Charges for Services:										
Grants & Contributions	399,345	485,635	377,003	363,369	332,451	309,796	280,531	265,558	194,465	301,423
Food Service	373,533	366,073	356,662	362,642	375,255	372,824	387,102	406,904	380,381	177,034
Batting Cages	6,200	1,530	-	-	-	-	-	-	-	-
Tech Expo	3,500	-	-	-	-	-	-	-	-	-
Bridge Program	6,230	3,900	-	-	-	-	-	-	-	-
Total Business Type Activities	788,808	857,138	733,665	726,011	707,706	682,620	667,633	672,462	574,846	478,457
<b>Total Government-Wide Program Revenues</b>	<b>\$ 7,216,216</b>	<b>\$ 1,620,988</b>	<b>\$ 1,566,517</b>	<b>\$ 1,539,645</b>	<b>\$ 1,883,275</b>	<b>\$ 1,631,332</b>	<b>\$ 1,456,414</b>	<b>\$ 3,391,520</b>	<b>\$ 1,483,375</b>	<b>\$ 1,391,358</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$(31,006,552)	\$(32,665,993)	\$(32,118,844)	\$(31,001,938)	\$(30,638,103)	\$(29,907,791)	\$(29,261,264)	\$(24,851,553)	\$(27,390,111)	#####
Business-Type Activities	(21,078)	22,418	(28,598)	(24,545)	(5,622)	9,063	34,666	(89,187)	14,755	(36,678)
<b>Total Government-Wide Net Expense</b>	<b>\$(31,027,630)</b>	<b>\$(32,643,575)</b>	<b>\$(32,147,442)</b>	<b>\$(31,026,483)</b>	<b>\$(30,643,725)</b>	<b>\$(29,898,728)</b>	<b>\$(29,226,598)</b>	<b>\$(24,942,740)</b>	<b>\$(27,375,356)</b>	<b>#####</b>
<b>General Revenues &amp; Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 26,342,923	\$ 26,342,922	\$ 26,456,346	\$ 26,462,541	\$ 26,681,262	\$ 24,432,893	\$ 23,733,551	\$ 23,067,288	\$ 21,843,362	\$ 19,006,349
Taxes Levied for Debt Service	1,909,437	1,898,675	1,890,425	1,885,473	1,856,718	1,914,874	1,905,673	1,894,474	1,886,374	1,876,474
Unrestricted Grants & Contributions	2,430,648	2,427,971	5,098,756	4,491,449	3,620,614	3,993,955	4,576,501	2,665,462	5,175,958	4,253,953
Restricted State Aid	-	-	-	-	-	-	-	1,195,474	-	-
Tuition Received	147,841	-	-	-	-	-	-	135,557	-	1,946
Miscellaneous Income	361,478	514,165	571,385	479,993	421,158	201,386	551,189	75,692	96,368	120,325
Revaluation of Capital Assets	-	-	-	-	-	-	(52,756)	-	-	(19,811)
Total Governmental Activities	31,192,327	33,509,273	34,016,912	33,319,456	32,579,752	30,543,108	30,714,158	29,033,947	29,002,062	25,239,236

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Business-Type Activities:										
Loss on Disposal of Asset	-	-	-	-	-	(2,170)	-	-	-	-
Contract Budget Guarantee	17,838	-	-	-	-	63,240	-	-	-	-
Investment Earnings	239	540	213	354	703	370	908	1,488	492	1,127
Total Business-Type Activities	18,077	540	213	354	703	61,440	908	1,488	492	1,127
Total Government-Wide	\$ 31,210,404	\$ 33,509,813	\$ 34,017,125	\$ 33,319,810	\$ 32,580,455	\$ 30,604,548	\$ 30,715,066	\$ 29,035,435	\$ 29,002,554	\$ 25,240,363
Change in Net Position:										
Governmental Activities	\$ 185,775	\$ 843,280	\$ 1,898,068	\$ 2,317,518	\$ 1,941,649	\$ 635,317	\$ 1,452,894	\$ 4,182,394	\$ 1,611,951	\$ (171,054)
Business-Type Activities	(3,001)	22,958	(28,385)	(24,191)	(4,919)	70,503	35,574	(87,699)	15,247	(35,551)
Total Government-Wide	\$ 182,774	\$ 866,238	\$ 1,869,683	\$ 2,293,327	\$ 1,936,730	\$ 705,820	\$ 1,488,468	\$ 4,094,695	\$ 1,627,198	\$ 206,605

Source: District CAFR, Schedule A-2

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

	FISCAL YEAR ENDING JUNE 30, 2011									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Fund:</b>										
Restricted	\$ 5,963,248	\$ 5,657,157	\$ 4,917,510	\$ 4,220,761	\$ 2,521,961	\$ 3,196,263	\$ 3,489,005	\$ 3,284,597	\$ 1,552,648	\$ 1,036,147
Committed	1,175,997	967,690	984,177	972,679	-	-	-	-	-	-
Assigned	-	-	-	284,552	1,660,813	-	-	-	-	-
Unreserved	441,020	454,778	493,830	552,428	562,318	592,187	827,577	407,234	1,065,221	354,161
<b>Total General Fund</b>	<b>\$ 7,580,265</b>	<b>\$ 7,079,625</b>	<b>\$ 6,395,517</b>	<b>\$ 6,030,420</b>	<b>\$ 4,745,092</b>	<b>\$ 3,788,450</b>	<b>\$ 4,316,582</b>	<b>\$ 3,691,831</b>	<b>\$ 2,617,869</b>	<b>\$ 1,390,308</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,194	\$ 211,900	\$ 79,388	\$ 315,948	\$ 404,423
Unreserved, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	(17,335)	(12,596)	(12,596)
Capital Projects Fund	-	-	-	-	-	-	-	-	-	157,370
Debt Service Fund	-	-	-	-	-	-	2	2	2	2
<b>Total All Other Governmental Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,194</b>	<b>\$ 211,902</b>	<b>\$ 62,055</b>	<b>\$ 303,354</b>	<b>\$ 549,199</b>

Source: District CAFR, Schedule B-1

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues:</b>										
Tax Levy	\$ 28,252,360	\$ 28,241,597	\$ 28,346,771	\$ 28,348,014	\$ 28,537,980	\$ 26,347,767	\$ 25,639,224	\$ 24,961,762	\$ 23,729,736	\$ 20,882,823
Tuition Charges	147,841	168,419	-	-	-	-	-	-	-	1,946
Interest	10,790	27,505	22,674	20,386	43,471	42,369	85,980	135,557	-	-
Miscellaneous	350,688	486,660	548,711	459,607	377,687	159,017	465,209	75,692	151,784	120,325
State Sources	5,078,438	4,691,526	5,066,885	4,385,634	3,604,441	4,018,217	4,642,124	5,889,489	5,428,591	4,511,979
Federal Sources	818,382	825,835	864,723	919,449	1,191,742	924,450	723,158	690,505	600,423	654,875
<b>Total Revenue</b>	<b>34,658,499</b>	<b>34,441,542</b>	<b>34,849,764</b>	<b>34,133,090</b>	<b>33,755,321</b>	<b>31,491,820</b>	<b>31,555,695</b>	<b>31,753,005</b>	<b>29,910,534</b>	<b>26,171,948</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	7,332,300	7,445,934	7,126,529	7,797,326	7,347,415	7,406,861	6,930,715	7,919,773	7,532,797	7,267,436
Special Education	4,054,069	3,814,426	3,742,079	3,515,551	3,697,106	3,541,021	3,428,691	2,630,615	2,634,824	2,351,485
Other Special Instruction	1,056,857	989,410	1,042,934	1,022,455	940,783	1,003,431	1,066,476	699,749	799,949	655,633
Other Instruction	53,330	40,517	24,162	29,135	63,208	60,988	147,696	257,560	178,125	172,446
<b>Support Services:</b>										
Student & Instruction Related Services	3,016,809	3,344,773	3,188,827	3,176,730	3,254,469	3,493,258	2,970,454	2,750,823	2,834,973	2,604,102
School Administrative Services	1,470,546	1,137,381	1,174,579	1,081,050	1,092,882	1,080,519	1,111,250	1,083,011	546,896	1,046,788
General & Business Administration Services	1,350,321	1,370,664	1,301,547	1,226,445	1,132,296	1,071,127	1,226,545	1,268,553	1,401,337	1,309,965
Plant Operations & Maintenance	2,958,646	3,496,792	2,982,312	3,192,649	3,236,095	3,249,017	3,507,333	3,103,143	2,444,441	2,048,204
Pupil Transportation	1,629,219	1,567,695	1,532,676	1,535,919	1,571,411	1,567,145	1,674,803	1,738,099	1,509,776	1,346,240
Unallocated Benefits	8,979,813	8,404,046	8,770,162	7,438,511	7,464,995	6,724,875	6,120,153	6,979,231	6,689,637	5,579,484
Capital Outlay	711,723	612,332	1,708,435	946,518	1,163,495	1,096,542	691,308	595,311	469,746	1,243,262
<b>Debt Service:</b>										
Principal	1,300,000	1,240,000	1,195,000	1,155,000	1,095,000	1,045,000	995,000	945,000	900,000	855,000
Interest & Other Charges	609,437	658,675	695,425	730,473	761,720	869,874	910,673	949,474	986,374	1,021,473
<b>Total Expenditures</b>	<b>34,523,070</b>	<b>34,122,645</b>	<b>34,484,667</b>	<b>32,847,762</b>	<b>32,820,875</b>	<b>32,209,658</b>	<b>30,781,097</b>	<b>30,920,342</b>	<b>28,928,875</b>	<b>27,501,518</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>135,429</b>	<b>318,897</b>	<b>365,097</b>	<b>1,285,328</b>	<b>934,446</b>	<b>(717,838)</b>	<b>774,598</b>	<b>832,663</b>	<b>981,659</b>	<b>(1,329,570)</b>

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Other Financing Sources/(Uses):</b>										
Community Disaster Loan	365,211	365,211	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	57	16,153
Transfers Out	-	-	-	-	-	-	-	-	-	(16,153)
<b>Total Other Financing Sources/ (Uses)</b>	<b>365,211</b>	<b>365,211</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 500,640</b>	<b>\$ 684,108</b>	<b>\$ 365,097</b>	<b>\$ 1,285,328</b>	<b>\$ 934,446</b>	<b>\$ (717,838)</b>	<b>\$ 774,598</b>	<b>\$ 832,663</b>	<b>\$ 981,716</b>	<b>\$ (1,329,570)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>5.6%</b>	<b>5.7%</b>	<b>5.8%</b>	<b>5.9%</b>	<b>5.9%</b>	<b>6.2%</b>	<b>6.3%</b>	<b>6.2%</b>	<b>6.6%</b>	<b>7.1%</b>

Source: District CAFR, Schedule B-2

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION	INTERLOCAL SERVICES	PRIOR YEAR REFUNDS	MISCELLANEOUS	TOTAL
2015	\$ 10,790	\$ 147,841	\$ 177,880	\$ -	\$ 131,946	\$ 468,457
2014	27,505	169,192	263,996	169,085	52,805	682,583
2013	22,674	117,766	254,000	127,718	11,441	533,599
2012	20,386	-	303,797	-	148,899	473,082
2011	43,471	-	269,965	-	52,650	366,086
2010	26,079	-	-	55,672	67,934	149,685
2009	81,016	4,964	-	-	289,781	375,761
2008	135,557	-	-	5,643	17,729	158,929
2007	90,014	-	-	4,197	2,100	96,311
2006	75,157	-	-	43,415	1,753	120,325

Source: District records

<b>Revenue Capacity Information</b>
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<p>Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.</p>
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**BERKELEY TOWNSHIP BOARD OF EDUCATION  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	COMMUNICATION EQUIPMENT	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	TOTAL ASSESSED VALUE	TOTAL DIRECT SCHOOL TAX RATE
2015	\$ 149,897,200	\$ 4,565,575,860	\$ 688,600	\$ 23,300	\$ 291,170,700	\$ 24,462,500	\$ 57,997,000	\$ 4,196,262	\$ 5,094,011,422	\$ 1,274,856,100	\$ 3,819,155,322	0.555
2014	\$ 127,151,900	\$ 4,586,354,860	\$ 688,600	\$ 23,300	\$ 294,670,400	\$ 24,462,500	\$ 58,553,100	\$ 5,768,219	\$ 5,097,672,879	\$ 1,274,373,100	\$ 3,823,299,779	0.554
2013	\$ 123,862,500	\$ 4,586,855,260	\$ 688,600	\$ 23,300	\$ 318,920,400	\$ 24,764,900	\$ 58,647,000	\$ 6,571,500	\$ 5,120,333,460	\$ 1,272,461,000	\$ 3,847,872,460	0.553
2012	\$ 132,153,900	\$ 4,599,782,500	\$ 688,600	\$ 23,300	\$ 324,561,400	\$ 24,742,200	\$ 58,796,400	\$ 6,397,133	\$ 5,147,145,433	\$ 1,270,623,100	\$ 3,876,522,333	0.550
2011	\$ 142,705,500	\$ 4,597,514,300	\$ 688,600	\$ 22,700	\$ 344,374,200	\$ 28,114,500	\$ 59,170,800	\$ 8,476,005	\$ 5,181,066,605	\$ 1,269,044,700	\$ 3,912,021,905	0.551
2010	\$ 46,338,500	\$ 2,488,096,590	\$ 270,800	\$ 22,700	\$ 128,273,700	\$ 11,119,200	\$ 24,630,200	\$ 3,574,672	\$ 2,702,326,362	\$ 813,157,300	\$ 1,889,169,062	0.975
2009	\$ 49,607,700	\$ 2,469,451,190	\$ 270,800	\$ 22,700	\$ 122,003,200	\$ 10,646,400	\$ 24,630,200	\$ 3,292,475	\$ 2,679,924,665	\$ 811,068,500	\$ 1,868,856,165	0.939
2008	\$ 49,339,700	\$ 2,447,836,590	\$ 270,800	\$ 22,700	\$ 119,958,300	\$ 11,321,600	\$ 24,756,300	\$ 3,462,676	\$ 2,656,968,666	\$ 809,607,400	\$ 1,847,361,266	0.902
2007	\$ 50,968,900	\$ 2,421,249,640	\$ 270,800	\$ 21,500	\$ 116,946,700	\$ 11,358,700	\$ 24,746,400	\$ 3,923,144	\$ 2,629,485,784	\$ 806,116,550	\$ 1,823,369,234	0.801
2006	\$ 50,153,250	\$ 2,396,731,790	\$ 270,800	\$ 20,800	\$ 118,269,500	\$ 11,358,700	\$ 24,746,400	\$ 4,837,667	\$ 2,606,388,907	\$ 786,616,600	\$ 1,819,772,307	0.712

Source: Abstract of Ratables "Assessed Value by Classification"

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation  
 @ = Revaluation

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		TOWNSHIP OF BERKELEY		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT		OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
2015	0.555	0.383	0.938	0.610	0.357	0.038	0.012	1.955
2014	0.554	0.382	0.936	0.567	0.353	0.039	0.012	1.907
2013	0.553	0.384	0.937	0.532	0.341	0.038	0.014	1.862
2012	0.550	0.367	0.917	0.508	0.336	0.038	0.014	1.813
2011	0.551	0.370	0.921	0.505	0.341	0.038	0.014	1.819
2010	0.975	0.667	1.642	0.969	0.636	0.071	0.029	3.347
2009	0.957	0.657	1.614	0.916	0.638	0.071	0.029	3.268
2008	0.939	0.638	1.577	0.841	0.603	0.069	0.027	3.117
2007	0.902	0.650	1.552	0.746	0.577	0.060	0.023	2.958
2006	0.801	0.699	1.500	0.675	0.576	0.058	0.021	2.830

Source: Abstract of Ratables, Breakdown of General Tax Rate

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

TAXPAYER	FOR YEAR ENDED DECEMBER 31, 2015		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Hovchild Partnership LLC	\$34,976,300	1	0.69%
RK Creek LLC	\$28,289,800	2	0.55%
Arlington Beach	\$18,457,400	3	0.36%
Quaker Malls	\$17,721,200	4	0.35%
Baywick Plaza	\$15,000,000	5	0.29%
Berkeley Healthcare Assoc	\$11,500,000	6	0.23%
NJ Pulverizing Co.	\$11,500,000	7	0.23%
Shar-A-Dee Apartments	\$8,759,600	8	0.17%
Bay HSE c/o Bank NJ?NY Corp Trust	\$8,691,700	9	0.17%
Millers Camp Inc	\$8,521,400	10	0.17%
Total	<u>\$163,417,400</u>		<u>3.21%</u>

TAXPAYER	FOR YEAR ENDED DECEMBER 31, 2005		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
RK Creek LLC	\$13,452,000	1	0.53%
Hovchild Sr Citizen Complex	\$12,451,500	2	0.49%
Quaker Mills	\$7,376,800	3	0.29%
Baywick Plaza	\$6,660,400	4	0.26%
Berkeley Healthcare	\$5,200,000	5	0.20%
Verizon	\$4,837,667	6	0.19%
Bay HSE c/o Bank NY/NJ Corp	\$4,817,500	7	0.19%
NJ Pulverizing Co	\$4,743,400	8	0.19%
Midway East Inc & Citta at Midway	\$4,404,000	9	0.17%
Esplanade at Ocean Pointe LLC	\$3,446,600	10	0.14%
Total	<u>\$67,389,867</u>		<u>2.65%</u>

Source: Municipal Tax Assessor and Treasurer

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

YEAR ENDED December 31,	TAXES LEVIED FOR THE YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2015	99,570,329	96,214,809	96.63%	2,886,180
2014	97,194,773	94,123,418	96.84%	3,218,000
2013	95,308,308	91,638,938	96.15%	2,434,000
2012	93,298,408	90,359,508	96.85%	2,434,000
2011	94,204,501	91,378,366	97.00%	1,646,000
2010	90,426,522	87,713,726	97.00%	1,582,000
2009	87,578,591	85,914,598	98.10%	1,335,000
2008	82,792,753	81,327,321	98.23%	1,300,000
2007	78,363,792	76,983,206	98.24%	1,125,000
2006	74,193,873	72,999,611	98.39%	1,046,150
2005	69,858,340	68,770,246	98.44%	1,025,000

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

### Debt Capacity Information

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

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

FISCAL YEAR ENDED JUNE 30,	<u>GOVERNMENTAL ACTIVITIES</u>			PER CAPITA PERSONAL INCOME	% OF PERSONAL INCOME
	GENERAL OBLIGATION BONDS	CAPITAL LEASES *	TOTAL DISTRICT		
2015	\$ 13,025,000	\$ 121,121	\$ 13,146,121	N/A	N/A
2014	14,325,000	74,358	14,399,358	N/A	N/A
2013	15,565,000	112,486	15,677,486	\$ 43,214	0.26%
2012	16,760,000	82,705	16,842,705	43,016	0.26%
2011	17,915,000	137,463	18,052,463	42,121	0.23%
2010	19,010,000	188,764	19,198,764	40,689	0.21%
2009	20,635,100	194,771	20,829,871	40,612	0.19%
2008	21,630,100	316,218	21,946,318	41,347	0.19%
2007	22,575,100	265,893	22,840,993	40,368	0.18%
2006	23,475,100	486,402	23,961,502	38,094	0.16%

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

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

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA PERSONAL INCOME
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2015	\$ 13,025,000	N/A	\$ 13,025,000	N/A	N/A
2014	14,325,000	N/A	14,325,000	N/A	N/A
2013	15,565,000	N/A	15,565,000	N/A	\$ 43,214
2012	16,760,000	N/A	16,760,000	N/A	43,016
2011	17,915,000	N/A	17,915,000	N/A	42,121
2010	19,010,000	N/A	20,635,100	N/A	40,689
2009	20,635,100	N/A	20,635,100	N/A	40,612
2008	21,630,100	N/A	21,630,100	N/A	41,347
2007	22,575,100	N/A	22,575,100	N/A	40,368
2006	23,475,100	N/A	23,475,100	N/A	38,094

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2015**

GOVERNMENTAL UNIT	ESTIMATED PERCENTAGE APPLICABLE	DEBT OUTSTANDING
<b><u>Overlapping Debts:</u></b>		
Berkeley Township		\$ 38,020,228
Berkeley Township Sewerage Authority		7,541,952
Berkeley Township Municipal Utilities Authority		10,621,828
Central Regional School District		4,956,028
Ocean County Utilities Authority		9,753,520
County of Ocean		<u>25,514,344</u>
Subtotal, Overlapping Debt		96,407,900
Berkeley Township Board of Education Direct Debt		<u>13,025,000</u>
Total Direct & Overlapping Debt		<u><u>\$ 109,432,900</u></u>

Sources: Township of Berkeley, Annual Debt Statement as of December 31, 2014  
Debt outstanding data provided by each governmental unit.

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 128,834,143	\$ 132,936,829	\$ 139,483,856	\$ 147,207,363	\$ 153,818,595	\$ 157,612,361	\$ 155,095,981	\$ 102,000,841	\$ 127,891,047	\$ 153,013,543
Total Net Debt Applicable to Limit	13,025,000	14,325,000	15,565,000	16,760,000	17,915,000	19,010,000	20,635,100	21,630,100	22,575,100	23,475,100
Legal Debt Margin	<u>\$ 115,809,143</u>	<u>\$ 118,611,829</u>	<u>\$ 123,918,856</u>	<u>\$ 130,447,363</u>	<u>\$ 135,903,595</u>	<u>\$ 138,602,361</u>	<u>\$ 134,460,881</u>	<u>\$ 80,370,741</u>	<u>\$ 105,315,947</u>	<u>\$ 129,538,443</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	10.11%	10.78%	11.16%	11.39%	11.65%	12.06%	13.30%	21.21%	17.65%	15.34%

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

Equalized Valuation Basis	
2012	\$ 5,268,660,581
2013	5,105,690,023
2014	<u>5,085,746,563</u>
	<u>\$ 15,460,097,167</u>
Average Equalized Valuation of Taxable Property	<u>\$ 5,153,365,722</u>
Debt Limit (2.5 % of A-3) Net Bonded School Debt	\$ 128,834,143 <u>13,025,000</u>
Legal Debt Margin	<u>\$ 115,809,143</u>

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

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## Demographic and Economic Information

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

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

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (b)	UNEMPLOYMENT RATE (c)
2015	N/A	N/A	N/A
2014	41,950	N/A	9.0%
2013	41,832	\$ 43,214	12.9%
2012	41,504	43,016	15.6%
2011	41,386	42,121	14.9%
2010	41,319	40,689	14.2%
2009	41,255	40,612	14.0%
2008	42,783	41,347	6.8%
2007	42,656	40,368	5.3%
2006	42,493	38,094	6.0%

**Source:**

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

b Per Capita Personal income - NJ Dept of Labor

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

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

	2015		PERCENTAGE OF TOTAL EMPLOYMENT
	EMPLOYEES	RANK	
Berkeley Township Board of Education	347	1	2.18%
Township of Berkeley	327	2	2.06%
Central Regional Board of Education	325	3	2.05%
Ocean County Utilities Authority	275	4	1.73%
Hovnanian	250	5	1.57%
Perlmart	240	6	1.51%
Crystal Lake	220	7	1.38%
Tallwoods	200	8	1.26%
Ocean Mental Health	149	9	0.94%
Urner Barry publications	62	10	0.39%
Total	<u>2,395</u>		<u>15.08%</u>
Total Labor Force	<u>15,887</u>		

**2005 DATA NOT AVAILABLE**

Source: Ocean County Department of Economic Development and Tourism;  
The Township of Berkeley, Official Statement, 2013

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### Operating Information

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

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

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction:										
Regular	115	109	107	109	114	113	111	113	112	106
Special Education, teachers/aides	91	91	87	80	53	52	53	52	52	49
Support Services:										
Student & Instruction Related Services	44.8	42.8	46	50	86	93	89	94	91	92
General Administration	5.8	5.8	4.8	3	4	4	4	5	5	4
School Administration	17	17	16	17	17	15	16	15	15	15
Business Administrative Services	6	6	6	6	6	6	6	6	6	6
Technical Administrative Services	3	3	3	2	2	2	2	1	1	1
Food Services	10	10	10	11	11	11	12	12	12	12
Plant Operations/Maint, Lunchrm aides	33.5	31.6	32.5	26.5	31	27	27	29	27	28
Pupil Transportation	39.5	34.5	33.5	44	38	37	37	33	31	26
<b>Total</b>	<b>366</b>	<b>351</b>	<b>346</b>	<b>349</b>	<b>362</b>	<b>360</b>	<b>357</b>	<b>360</b>	<b>352</b>	<b>339</b>

**Source:** District Personnel Records

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

SCHOOL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	PUPIL COST PER TEACHING STAFF (b)	PUPIL TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2015	2,091	\$29,211,782	13,970	11.7	2,103	1,984.8	(0.01)	94.4%
2014	2,110	\$29,266,711	13,870	11.9	2,112	2,004.0	0.03	94.9%
2013	2,039	28,180,062	13,821	11.6	2,057	1,941.7	0.01	94.9%
2012	2,012	27,885,851	13,860	11.2	2,022	1,918.2	(0.00)	94.6%
2011	2,017	29,173,545	14,464	11.2	2,036	1,925.8	0.01	94.7%
2010	2,016	29,177,946	14,473	11.9	2,015	1,907.0	0.02	94.9%
2009	2,010	30,781,097	15,314	11.8	1,974	1,874.6	0.02	94.7%
2008	1,945	27,536,776	14,158	11.8	1,948	1,845.6	0.02	94.7%
2007	1,921	25,888,127	13,476	12.3	1,908	1,807.0	(0.00)	94.8%

**Sources:** District records

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

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

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

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

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

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

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Bayville Elementary (Org. 1926 Add: 1951,1959,1969,2003):										
Square Feet	73,369	73,369	73,369	73,369	73,369	73,369	73,369	73,369	73,369	73,369
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	411	415	450	374	408	430	434	457	449	449
Berkeley Twp. Elementary (2003):										
Square Feet	102,830	102,830	102,830	102,830	102,830	102,830	102,830	102,830	102,830	102,830
Capacity (Students)	800	800	800	800	800	800	800	800	800	800
Enrollment	593	571	543	522	545	536	535	529	550	550
Clara B. Worth Elementary (Org. 1962 Add: 1984&2003):										
Square Feet	81,258	81,258	81,258	81,258	81,258	81,258	81,258	81,258	81,258	81,258
Capacity (Students)	845	845	845	845	845	845	845	845	845	845
Enrollment	545	623	600	605	580	587	583	489	495	495
H&M Potter Elementary (Org. 1974 Add: 1984&2003):										
Square Feet	88,424	88,424	88,424	88,424	88,424	88,424	88,424	88,424	88,424	88,424
Capacity (Students)	725	725	725	725	725	725	725	725	725	725
Enrollment	542	501	462	520	484	461	458	433	427	427

Number of Schools at June 30, 2015:  
Elementary = 4

Source: District Facilities Office

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

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

	BAYVILLE ELEMENTARY	CLARA B. WORTH ELEMENTARY	H & M POTTER ELEMENTARY 0570-030-R01	BERKELEY TOWNSHIP ELEMENTARY SCHOOL	OTHER	TOTAL
2015	155,622	172,355	187,555	218,111	18,068	751,711
2014	248,773	275,522	299,820	348,667	28,882	1,201,664
2013	186,504	206,558	224,773	261,393	21,653	900,881
2012	249,993	276,874	304,601	350,377	29,023	1,210,868
2011	195,154	216,138	235,199	273,517	22,657	942,665
2010	235,610	260,944	283,957	330,219	27,354	1,138,084
2009	277,594	307,442	334,555	389,061	8,606	1,317,258
2008	148,992	165,013	179,565	208,820	17,298	719,688
2007	118,426	131,160	142,727	165,980		558,293
2006	99,151	109,812	119,496	138,965		467,424

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

**INSURANCE SCHEDULE  
JUNE 30, 2015**

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

(1) - New Jersey School Insurance Group

Source: District records

**SINGLE AUDIT SECTION**

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## EXHIBIT K-1

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

Honorable President and Members  
of the Board of Education  
Berkeley Township Board of Education  
County of Ocean  
Bayville, New Jersey 08721

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Berkeley Township Board of Education, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Berkeley Township Board of Education's basic financial statements, and have issued our report thereon dated December 4, 2015.

#### **Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Toms River, New Jersey  
December 4, 2015



EXHIBIT K-2

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

Honorable President and Members  
of the Board of Education  
Berkeley Township Board of Education  
County of Ocean  
Bayville, New Jersey 08721

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

We have audited Berkeley Township Board of Education’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major federal and state programs for the year ended June 30, 2015. Berkeley Township Board of Education’s major federal and state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management’s Responsibility**

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

**Auditor’s Responsibility**

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

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

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

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

In our opinion, Berkeley Township Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

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

Management of Berkeley Township Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Berkeley Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Berkeley Township Board of Education's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Toms River, New Jersey  
December 4, 2015

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**BERKELEY TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	UNEARNED REVENUE AT JUNE 30, 2015	(ACCOUNTS RECEIVABLE; JUNE 30, 2015)	DUE TO GRANTOR JUNE 30, 2015
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:</b>										
Food Distribution Program (Commodities)	10.550	N/A	29,210	7/1/13-6/30/14	\$ -	\$ 29,210	\$(29,210)	\$ -	\$ -	\$ -
National School Lunch Program/PBL	10.555	5120-201-372573-63	287,879	7/1/14-6/30/15	-	265,239	(287,879)	-	(22,640)	-
National School Lunch Program/PBL	10.555	5120-201-372573-63	307,294	7/1/13-6/30/14	(26,307)	26,307	-	-	-	-
National School Breakfast Program	10.553	5120-201-372573-63	63,695	7/1/14-6/30/15	-	58,328	(63,695)	-	(5,367)	-
National School Breakfast Program	10.553	5120-201-372573-63	62,396	7/1/13-6/30/14	(5,998)	5,998	-	-	-	-
Total U.S. Department of Agriculture					(32,305)	385,082	(380,784)	-	(28,007)	-

<b>U.S. DEPARTMENT OF LABOR PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>										
Medical Assistance Program (SEMI)	93.778	N/A	78,553	7/1/14-6/30/15	-	78,553	(78,553)	-	-	-
Total U.S. Department of Labor					-	78,553	(78,553)	-	-	-

<b>U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY-THROUGH NEW JERSEY STATE POLICE:</b>										
Community Disaster Loan Program	97.030	N/A	1,094,389	7/1/14-6/30/15	-	365,211	(365,211)	-	-	-
Total U.S. Federal Emergency Management Agency					-	365,211	(365,211)	-	-	-

<b>U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:</b>										
Title I	84.010A	NCLB-0320-07	206,265	7/1/13-6/30/14	(7,371)	7,371	-	-	-	-
Title I	84.010A	NCLB-0320-07	204,281	7/1/14-6/30/15	-	186,886	(204,281)	-	(17,395)	-
Title II A	84.367A	NCLB-0320-07	57,257	7/1/13-6/30/14	(897)	897	-	-	-	-
Title II A	84.367A	NCLB-0320-07	62,142	7/1/14-6/30/15	-	57,047	(62,142)	-	(5,095)	-
I.D.E.A. Part B, Basic Regular	84.027A	FT316007	419,441	7/1/13-6/30/14	(15,943)	15,943	-	-	-	-
I.D.E.A. Part B, Basic Regular	84.027A	FT316007	448,940	7/1/14-6/30/15	-	409,884	(448,940)	-	(39,056)	-
I.D.E.A. Preschool	84.173A	PS316007	23,900	7/1/13-6/30/14	(4,947)	4,947	(159)	-	(159)	-
I.D.E.A. Preschool	84.173A	PS316007	23,980	7/1/14-6/30/15	-	15,096	(23,980)	-	(8,884)	-
Anti-Bullying Bill of Rights Act	N/A	N/A	327	7/1/13-6/30/14	-	327	(327)	-	-	-
Total U.S. Department of Education					(29,158)	698,398	(739,829)	-	(70,589)	-

Total Federal Financial Assistance					\$ (61,463)	\$ 1,527,244	\$ (1,564,377)	\$ -	\$ (98,596)	\$ -
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**BERKELEY TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	UNEARNED REVENUE AT JUNE 30, 2015	(ACCOUNTS RECEIVABLE) JUNE 30, 2015	DUE TO GRANTOR JUNE 30, 2015	MEMO ONLY	
										BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>State Department of Education:</b>											
<b>General Fund:</b>											
Transportation Aid	15-495-034-5120-014	\$ 786,353	7/1/14-6/30/15	\$ -	\$ 786,353	\$ (786,353)	\$ -	\$ -	\$ -	\$ (70,913)	\$ 786,353
Special Education Categorical Aid	15-495-034-5120-089	1,132,766	7/1/14-6/30/15	-	1,132,766	(1,132,766)	-	-	-	(102,158)	1,132,766
Security Aid	15-495-034-5120-084	295,958	7/1/14-6/30/15	-	295,958	(295,958)	-	-	-	(26,684)	295,958
Adjustment Aid	15-495-034-5120-085	72,495	7/1/14-6/30/15	-	72,495	(72,495)	-	-	-	(6,535)	72,495
Extraordinary Aid	14-495-034-5120-473	69,445	7/1/13-6/30/14	(69,445)	70,170	(725)	-	-	-	-	725
Extraordinary Aid	15-495-034-5120-473	60,181	7/1/14-6/30/15	-	-	(60,181)	-	(60,181)	-	-	60,181
Transportation Aid - Non-Public School Costs	14-495-034-5120-014	6,930	7/1/13-6/30/14	(6,930)	6,930	-	-	-	-	-	-
Transportation Aid - Non-Public School Costs	15-495-034-5120-014	8,004	7/1/14-6/30/15	-	-	(8,004)	-	(8,004)	-	-	8,004
PARCC Readiness Aid	15-495-034-5120-098	21,150	7/1/14-6/30/15	-	21,150	(21,150)	-	-	-	(1,912)	21,150
Per Pupil Growth Aid	15-495-034-5120-097	21,150	7/1/14-6/30/15	-	21,150	(21,150)	-	-	-	(1,912)	21,150
On-Behalf Teacher Pension and Annuity Fund	15-100-034-5095-116	680,679	7/1/14-6/30/15	-	680,679	(680,679)	-	-	-	-	680,679
On-Behalf Teacher Post- Retirement Medical	15-100-034-5095-116	1,080,576	7/1/14-6/30/15	-	1,080,576	(1,080,576)	-	-	-	-	1,080,576
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	14-100-034-5095-002	924,702	7/1/13-6/30/14	(45,337)	45,337	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	15-100-034-5095-002	924,226	7/1/14-6/30/15	-	877,816	(924,226)	-	(46,410)	-	-	924,226
<b>Total General Fund</b>				<b>(121,712)</b>	<b>5,091,380</b>	<b>(5,084,263)</b>	<b>-</b>	<b>(114,595)</b>	<b>-</b>	<b>(210,114)</b>	<b>5,084,263</b>
<b>Enterprise Fund:</b>											
National School Lunch Program (State Share)	14-100-010-3350-021	8,290	7/1/13-6/30/14	(733)	733	-	-	-	-	-	-
National School Lunch Program (State Share)	15-100-010-3350-021	8,009	7/1/14-6/30/15	-	7,376	(8,009)	-	(633)	-	-	8,009
<b>Total Enterprise Fund</b>				<b>(733)</b>	<b>8,109</b>	<b>(8,009)</b>	<b>-</b>	<b>(633)</b>	<b>-</b>	<b>-</b>	<b>8,009</b>
<b>Total State Financial Assistance</b>				<b>\$ (122,445)</b>	<b>\$ 5,099,489</b>	<b>(5,092,272)</b>	<b>\$ -</b>	<b>(115,228)</b>	<b>\$ -</b>	<b>(210,114)</b>	<b>\$ 5,092,272</b>
<b>Less: Awards Not Subject to New Jersey OMB Circular(s) 04-04 and/or 15-08:</b>											
On-Behalf Teacher Pension and Annuity Fund		680,679									
On-Behalf Teacher Post-Retirement Medical		1,080,576									
<b>Total State Financial Assistance Subject to New Jersey OMB Circular(s) 04-04 and/or 15-08</b>										<b>\$ (3,331,017)</b>	

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1. General**

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

**Note 2. Basis of Accounting**

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

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

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

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2015**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(5,825) for the general fund and \$(18,587) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ 78,553	\$ 5,078,438	\$ 5,156,991
Special Revenue Fund	739,829	-	739,829
Enterprise Fund	380,784	8,009	388,793
Total Financial Assistance	<u>\$ 1,199,166</u>	<u>\$ 5,086,447</u>	<u>\$ 6,285,613</u>

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

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

**Note 5. Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

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

Berkeley Township Board of Education received a FEMA Community Disaster Loan in the amount of \$5,000,000. The District drew down \$365,211 in the fiscal year and has drawn down a total of \$730,422 as of June 30, 2015. As of June 30, 2015, the District has an available balance remaining of \$4,269,578.

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

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

**Financial Statements**

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

**Federal Awards**

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

**Identification of major programs:**

CFDA Number(s)	Name of Federal Program or Cluster
84.027	I.D.E.A. Part B, Basic – Regular
84.173	I.D.E.A. Preschool

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

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

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

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular(s) 04-04 and/or 15-08, as applicable	None Reported

**Identification of major programs:**

<b>GMIS Number(s)</b>	<b>Name of State Program</b>
15-495-034-5120-014	Transportation Aid
15-495-034-5095-002	Reimbursed TPAF Social Security Contributions

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

**Section II – Financial Statement Findings**

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

No Current Year Findings

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

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 or New Jersey OMB's Circular(s) 04-04 and/or 15-08, as applicable.

No Current Year Findings

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

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, USOMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular(s) 04-04 and/or 15-08, as applicable.

No Prior Audit Findings