

# **Comprehensive Annual Financial Report**

**of the**

**Matawan-Aberdeen Regional School District**

**County of Monmouth**

**Aberdeen, New Jersey**

**For the Fiscal Year Ended June 30, 2015**

**Prepared by**

**Matawan-Aberdeen Regional, Board of Education  
Finance Department**



## TABLE OF CONTENTS

	<b>Page</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1-6
Roster of Officials	7
Consultants and Advisors	8
Organizational Chart	9
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	10-12
<b>REQUIRED SUPPLEMENTARY INFORMATION - Part I</b>	13
Management's Discussion and Analysis (Unaudited)	14-22
<b>BASIC FINANCIAL STATEMENTS</b>	23
A. District-Wide Financial Statements:	24
A-1 Statement of Net Position	25
A-2 Statement of Activities	26
B. Major Fund Financial Statements:	27
Governmental Funds:	
B-1 Balance Sheet	28-29
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	30
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Other Funds:	32
Propriety Funds:	
B-4 Statement of Net Position	33
B-5 Statement of Revenues, Expenses, and Changes in Net Position	34
B-6 Statement of Cash Flows	35
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	36
B-8 Statement of Changes in Fiduciary Net Position	37
<b>Notes to the Financial Statements</b>	38-81

**TABLE OF CONTENTS (Continued)**

	<b>Page</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION - Part II</b>	82
C. Budgetary Comparison Schedules:	83
C-1 General Fund	84-95
C-1A Education Jobs Fund	N/A
C-2 Special Revenue Fund	96
C-3 Budget to GAAP Reconciliation	97
<b>REQUIRED SUPPLEMENTARY INFORMATION - Part III</b>	98
L. Schedules Related to Accounting and Reporting for Pension (GASB 68)	99
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System – Last Ten Years	100
L-2 Schedule of the District's Contributions – Public Employees Retirement System – Last Ten Years	101
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability Teachers Pension and Annuity Fund – Last Ten Years	102
L-4 Schedules Related to Accounting and Reporting for Pension (GASB 68) Note to RSI III for the Fiscal Year Ended June 30, 2015	103
<b>OTHER SUPPLEMENTARY INFORMATION</b>	104
D. School Level Schedules	N/A
E. Special Revenue Fund:	105
E-1 Combining Schedule of Revenues and Expenditures - Budgetary Basis	106-108
E-2 Demonstrably Effective Program Aid Schedule of Expenditures - Budgetary Basis	N/A
E-3 Early Childhood Program Aid Schedule of Expenditures - Budgetary Basis	N/A
E-4 Distance Learning Network Aid Schedule of Expenditures - Budgetary Basis	N/A
E-5 Instructional Supplement Aid Schedule of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund	109
F-1 Summary Statement of Project Expenditures – Budgetary Basis	110
F-2 Summary Statement of Revenues, Expenditures and Changes In Fund Balance – Budgetary Basis	111
F-2a Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Cambridge Park Elementary - HVAC Building Upgrades – Controls	112
F-2b Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Matawan High School – Boiler & Fire Alarm System Replacement	113

## TABLE OF CONTENTS (Continued)

	Page
F. Capital Projects Fund (Continued)	
F-2c Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Matawan Ave. Middle School – Boiler & Fire Alarm System Replacement	114
F-2d Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Cliffwood Middle School – HVAC Ventilators, Fire Alarm & Stair Tower Fire Door Replacement	115
F-2e Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Lloyd Road Elementary School – HVAC Ventilators, Fire Alarm & Stair Tower Fire Door Replacement	116
F-2f Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Ravine Drive Elementary School – Fire Alarm System Replacement	117
F-2g Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Strathmore Elementary School – Fire Alarm System Replacement	118
G. Proprietary Funds	N/A
Enterprise Fund:	
G-1 Combining Statement of Net Position	N/A
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-3 Combining Statement of Cash Flows	N/A
H. Fiduciary Fund	119
H-1 Combining Statement of Fiduciary Net Position	120
H-2 Combining Statement of Changes in Fiduciary Net Position	121
H-3 Schedule of Receipts and Disbursements - Student Activity Agency Fund	122
H-4 Schedule of Receipts and Disbursements - Payroll Agency Fund	123
H-5 Schedule of Receipt and Disbursements - Other Agency Funds	N/A
I. Long-Term Debt	124
I-1 Schedule of Serial Bonds	125
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund	126

## TABLE OF CONTENTS (Continued)

	Page
<b>STATISTICAL SECTION - UNAUDITED</b>	
J-1 Net Position by Component	127
J-2 Changes in Net Position	128-130
J-3 Fund Balances – Governmental Funds	131
J-4 Changes in Fund Balances – Governmental Funds	132
J-5 General Fund Other Local Revenue by Source	133
J-6 Assessed Value and Actual Value of Taxable Property	134-135
J-7 Direct and Overlapping Property Tax Rates	136
J-8 Principal Property Tax Payers – Current Year and Nine Years Ago	137
J-9 Property Tax Levies and Collections	138
J-10 Ratios of Outstanding Debt by Type	139
J-11 Ratios of Net Bonded Debt Outstanding	140
J-12 Direct and Overlapping Governmental Activities Debt	141
J-13 Legal Debt Margin Information	142
J-14 Demographic and Economic Statistics	143
J-15 Principal Employers – Current Year and Ten Years Ago	144
J-16 Full-Time Equivalent District Employees by Function/Program	145
J-17 Operating Statistics	146
J-18 School Building Information	147
J-19 Schedule of Required Maintenance	148
J-20 Insurance Schedule	149
<b>SINGLE AUDIT SECTION</b>	
K-1 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards	150-151
K-2 Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal and State Financial Assistance Program and on Internal Control Over Compliance in Accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04	152-153
K-3 Schedule of Expenditures of Federal Awards, Schedule A	154
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	155
K-5 Notes to the Schedules of Expenditures of Awards and State Financial Assistance	156-157
K-6 Schedule of Findings and Questioned Costs	158-162
K-7 Schedule of Prior Audit Findings	163

**INTRODUCTORY SECTION**

*Matawan-Aberdeen Regional School District*  
OFFICE OF THE ASSISTANT SUPERINTENDENT FOR BUSINESS/BOARD SECRETARY

Joseph G. Majka, J.D.  
Superintendent of Schools

One Crest Way, Aberdeen, New Jersey 07747  
(732)705-4016 Fax (732)290-0553  
[pdegeorge@marsd.org](mailto:pdegeorge@marsd.org)

Patrick S. DeGeorge  
Assistant Superintendent for Business/  
Board Secretary

November 23, 2015

Honorable President and  
Members of the Board of Education  
Matawan-Aberdeen Regional School District  
Aberdeen, New Jersey 07747

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report of the Matawan-Aberdeen Regional School District for the fiscal year ended June 30, 2015 is hereby submitted. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Matawan-Aberdeen Regional School District Board of Education. To the best of our knowledge and belief, the data presented in the auditor's 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 of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report 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 1996 Single Audit Act and the U. S. Office of Management and Budget Circular A- 133, Audits of State and Local Governments, and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

#### 1. REPORTING ENTITY AND ITS SERVICES

Matawan-Aberdeen Regional School District is an independent reporting entity within the criteria adopted by G.A.S.B. (Governmental Accounting Standards Board) established by Statement No. 14. All funds of the District are included in this report. The Matawan-Aberdeen Regional School Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-K through 12. These include regular, vocational and special needs students in and out of District. The District provides a variety of after school activities which include band, chorus, and computer club, interscholastic and extra-curricular activities. The District provides transportation for children required by law and also provides subscription busing, which allows the District to charge parents.

The District completed the 2014-2015 fiscal year with an enrollment of 3,824 students. The following details the changes in the student enrollment of the District over a five year period.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	3,824	1.08%
2013-2014	3,783	(1.52%)
2012-2013	3,842.5	(2.21%)
2011-2012	3,929.5	1.50%
2010-2011	3,871.5	0.30%

## 2. ECONOMIC CONDITION AND OUTLOOK:

The Township of Aberdeen and the Borough of Matawan are located in the center of New Jersey, in the northern part of Monmouth County and are halfway between New York and Philadelphia. Within a forty-five minute drive to the north and east is the Manhattan Borough in New York City. Taking a westerly route, the semi-rural areas of New Jersey are a similar drive away. These municipalities are located near one of New Jersey’s largest commercial/industrial areas as well as close proximity to plane, highway, and public transportation access.

These municipalities are almost completely developed and are primarily residential communities. The Garden State Parkway, which passes through the District, provides access to all parts of the State because of its connections with the New Jersey Turnpike, which is in close proximity. A station operated by the New Jersey Transit located in the Borough of Matawan provides commercial and mass transit rail service.

There is an active degree of participation by parents and community members with the school system including making the facilities available for the recreation programs, Boys Scouts and Girls Scouts.

## 3. MAJOR INITIATIVES

The district engaged in and expanded upon several major initiatives to improve student achievement during the **2014-2015** school year, in the following areas:

- **Curriculum, programs, and student support**
  - Began to align the science curriculum in grades K-12 to the Next Generation Science Standards
  - Increased non-fiction classroom libraries as part of the Guided Reading Program
  - Increased course offerings for the HS Biomedical (STEM) Academy to include a new “Introduction to Engineering Course” and revised the Academy requirements to allow for greater flexibility in course selection and pathways, and instituted additional academic supports for struggling students.
  - Increased investments in educational technology, improving wired and wireless infrastructure and expanding use of classroom and personal electronic devices such as additional chrome book and lap tops in preparation for PARCC testing, and refurbished desktop computers in classrooms.
  - Instituted a new Peer/Civic Leadership Course for high school seniors that includes opportunities for community service projects
  - Expanded the Summer Literacy Program to include Title 1 students who utilized Scholastic programs, including Read180 and iRead.

- Expanded the summer program to include a pilot STEM Academy for 2nd grade G&T/Enrichment students
- Established a G&T/Enrichment Committee to examine K-12 G&T programming which lead to the development of a comprehensive K-12 G&T/Enrichment program implementation plan that was presented to and approved by the Board of Education
- Expanded partnerships with local colleges and universities to include Rider University and The College of New Jersey (TCNJ) for curricular supports in the area of science
- Enhanced the district's technology curriculum to include formalized keyboarding instruction and PARCC preparation activities.
- Implemented a District Evaluation Advisory Committee (DEAC) and School Improvement Panels (SciPs) in accordance with AchieveNJ.
- **Assessments for targeting instruction:**
  - Expanded use of the DRA2 for determining reading readiness and levels
  - Expanded the use of Performance Matters to include the utilization of the on-line and off-line testing platform and the scan engine feature to allow for question by question item analysis.
  - Formed a committee which recommended the implementation of the Star Renaissance Assessment to replace the NWEA beginning with the 2015-2016 school year.
- **Community partnerships and communication**
  - Updated and expanded school and district web pages
  - Continued with established partnerships, including Monmouth University, Rider University, and The College of NJ
- **Special education initiatives**
  - Continue to return students to district programs within Least Restrictive Environments; savings re-invested in Special Services programs, materials, supplies and personnel
  - Continued partnership with the Bay Area YMCA Partnership to provide our special needs students with meaningful, enriching opportunities during the school day and on weekends and holidays. The membership includes entry and participation for those aids and/or parents.
  - Targeted reduction of pull-out resource in favor of in-class resource with appropriate support and co-teacher training
  - Expanded Structured Learning Experience program to provide more work sites and more varied experiences for students eligible for the SLE program
  - Added second full time behaviorist position to support students with behavioral needs
  - Physical education continues to be offered to all special education and vocational students at high school. Challenger PE, which is designed for inclusion and structures peer support is offered at the High School and Middle School.
  - A new Introduction to Algebra course was developed for identified students at the high school level.
- **Expanded In-District Professional Development Academy Program**
  - Created meaningful and targeted professional development opportunities taking place on five full day staff development days
  - Created meaningful and targeted professional development opportunities to support our district initiatives and to improve learning and increasing student achievement
  - Continued in-district, teacher-initiated opportunities in Master Teacher Academy
  - Expanded opportunities for district staff to attend meaningful and targeted out of district workshops and turnkey information to colleagues

- **Test Scores**

- Student Achievement data related to student performance on the spring 2015 PARCC has not yet been provided to districts. In addition, District Annual Progress Targets have replaced Adequate Yearly Progress.
- The district places student achievement as its number one goal. We are continuing to expand targeted professional development opportunities for all staff designed to improve learning. The district continued to provide students with an online practice resource integrated into instructional assessment (Study Island) and online text-related resources, opportunities for targeted assistance during the school day and after school, and workshops for families.
- In 2014-2015, NWEA Measures of Progress assessment was in place for grades 1 through 8, and district staff began aligning assessments and student achievement data in our data management system (Performance Matters) to collect and analyze multiple measures of student performance in order to guide instruction.
- The district also improved articulation and instruction through the state's AchieveNJ initiative, using the Danielson Framework for Teaching and Teachscape to develop a common language for effective practices and target professional development. Evaluators continued to engage in recalibration activities to ensure inter-rate reliability.

### **Financial Highlights**

During the 2014-2015 school year the district deposited \$2,000,000 into the Capital Reserve Fund for a total amount of \$4,740,015.60. The district also deposited \$1,000,000 into the Maintenance Reserve Fund for a total amount of \$3,302,204.17. There was an Emergency Reserve Fund balance of \$502,138.30.

The District continues to engage in shared service opportunities with other local governments. With the Borough of Matawan and the Township of Aberdeen the District has shared services arrangements for landscaping, fuel, and busing for summer recreation programs. The District also has a shared services arrangement with the Hazlet and Keyport Boards of Education for refuse/recycling pick-ups. The District engages in several purchasing co-ops throughout the state for the purchase of school supplies and services. The District has an interlocal agreement for its School Resource Officer.

#### **4. INTERNAL ACCOUNTING CONTROLS:**

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (G.A.A.P.). An 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 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 program, as well as to determine that the District has complied with applicable laws and regulations.

## 5. BUDGETARY CONTROLS:

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

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

Budgetary controls are part of a school district's complete internal control structure. As noted in item 4, problems noted at the time the Business Administrator was hired have been fully addressed to the satisfaction of the district's independent auditor.

## 6. ACCOUNTING SYSTEM AND REPORTS:

A District's accounting records must reflect generally accepted principles, as promulgated by the Governmental Accounting Standards Board (G.A.S.B.). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 1.

An effective and efficient system of internal controls is essential to accurate, timely reporting of all relevant transactions on an accounting system and the resultant administrative and external reports generated from that system.

## 7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 1. 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.

The District utilizes Bank of America as its main depository for district funds. The District also deposits in the State of New Jersey Cash Management Account.

## 8. RISK MANAGEMENT:

The District maintains a comprehensive insurance program, including but not limited to blanket building and contents property insurance, general liability, automobile liability and comprehensive/collision, umbrella liability and worker's compensation. Annual reviews of the entire program are done in order to evaluate potential insurance changes. A schedule of insurance coverage is found in Schedule J-20.

## 9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board of Education selected the accounting firm of Suplee, Clooney

& Company. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A- 133 and New Jersey OMB's Circular 04-04. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of the report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Matawan-Aberdeen Regional School District Board of Education for its concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Dr. Joseph Majka  
Superintendent of Schools



Patrick S. DeGeorge  
Assistant Superintendent for Business/Board Secretary

**MATAWAN-ABERDEEN REGIONAL BOARD OF EDUCATION**

**ABERDEEN, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2015**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Anissa Esposito, President	2016
Jeff Delaney, Ed.D. Vice President	2016
Allison Friedman	2017
Kenneth Aitken	2015
Tara Martinez	2015
Kathleen Gentile	2015
Joelle Nappi	2016
Weymouth Brittingham	2017
Africa Nelson	2017

**Other Officials**

Dr. Enid Golden, Interim Superintendent of Schools

Dr. Karen Jones, Assistant Superintendent of Curriculum and Instruction

Patrick S. DeGeorge, School Business Administrator/Board Secretary

Brian Walsh, Director of Personnel

Kenneth Jannarone, Treasurer of School Monies

David B. Rubin, Esq., Board Counsel

**MATAWAN-ABERDEEN REGIONAL BOARD OF EDUCATION**

**ABERDEEN, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

**JUNE 30, 2015**

**Auditor/Audit Firm**

Suplee, Clooney and Company  
308 East Broad Street  
Westfield, New Jersey 07090-2122

**Attorney**

David B. Rubin, Esquire  
44 Bridge Street  
P.O. Box 4579  
Metuchen, New Jersey 08840

**Official Depository**

Bank of America  
140 Main Street  
Matawan, New Jersey 07747



**FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Matawan-Aberdeen Regional School District  
County of Monmouth  
Aberdeen, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Matawan-Aberdeen Regional School District, County of Monmouth, New Jersey as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the provisions of U.S. Office of Management and Budget (OMB) *Circular A-133* "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey *OMB Circular 04-04* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

## SUPLEE, CLOONEY & COMPANY

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

### **Opinion**

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 Matawan-Aberdeen Regional School District, County of Monmouth, 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 19 to the basic financial statements, in 2015, the District adopted Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement 68). Our opinions are 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 and budgetary comparison information in Exhibit C-1 through C-3 and the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 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.

# SUPLEE, CLOONEY & COMPANY

## *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Matawan-Aberdeen Regional School District's basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

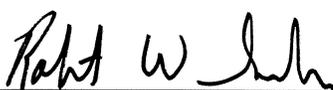
The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated November 23, 2015 on our consideration of the Matawan-Aberdeen Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Matawan-Aberdeen Regional School District's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 948

November 23, 2015

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

## Management's Discussion and Analysis

For the Year ended June 30, 2015

This section of the Matawan-Aberdeen Regional School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ended on June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements-Management's Discussion and Analysis-for the State and Local Governments* issued in June 1999. Certain comparative information between the current fiscal year (2014-2015) and the prior fiscal year (2013-2014) is required to be presented in the MD&A. In FY2015 the District implemented GASB 68 "Accounting and Financial Reporting for Pensions". Information necessary to restate the financial information provided for FY2014 was not available; therefore, the information has not been restated.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

**District-Wide Financial Statements.** The District-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private sector business.

The statement of net assets (A-1) presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities (A-2) presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**Fund Financial Statements.** A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, proprietary or fiduciary.

*Governmental funds* – are used to account for essentially the same functions reported as governmental activities in the District-wide financial statements. However, unlike the District-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the District-wide financial statements, it is useful to compare the information presented for governmental funds with similar statements. By so doing, readers may better understand the long-term impact of the District’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual government funds: the general fund, special revenue fund, capital projects fund and debt service fund. All are considered to be major funds. The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

*Proprietary funds* – The District maintains two proprietary fund types, and an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing the goods or services be financed through user charges. Included in the enterprise fund are the Food Services, Television Studio and Summer Theater operations. The basic proprietary fund statements can be found as Exhibits B-4 through B-6.

*Fiduciary funds* - are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the District-wide financial statement because the resources of those funds are not available to support the District's own programs. The District uses trust and agency funds to account for resources held for student activities and groups and for payroll transactions. The basic fiduciary fund statements can be found as Exhibit B-7.

**Notes to the Financial Statements.** The notes provide additional information that is essential for a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found after the fund statements in this report.

## **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2014-2015 fiscal year include the following:

On the District Wide Financial Statements:

In total, net assets increased \$3,292,774, which represents a 9 percent increase from 2014.

General revenues accounted for \$63,385,918 in revenue or 81 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$15,037,282 or 19 percent of total revenues.

The School District had \$75,140,864 in expenses; \$15,037,282 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$63,385,918 were adequate to provide for these programs.

On the Fund Financial Statements:

The General Fund local tax levy increased from 2013-2014 by \$942,099 to \$49,568,761 or 1.94 percent.

Among governmental funds, the General Fund had \$66,160,849 in revenues and \$65,246,059 in expenditures. The District also transferred \$2,601,000.00 of Capital Reserve Fund Balance from the General Fund to the Capital Projects Fund to fund the local portion of various capital projects. Overall the General Fund's fund balance decreased \$1,686,210 from 2014.

## District–Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District’s financial position. The following table provides a summary of net position:

**TABLE 1**  
**Net Position**

	2014-2015			2013-2014 (as Restated)		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
<b>ASSETS</b>						
Current & Other Assets	\$12,426,955	\$283,501	\$12,710,456	\$13,375,345	\$210,782	\$13,586,127
Capital Assets	57,188,367	30,370	57,218,737	54,810,565	34,938	54,845,503
<b>TOTAL ASSETS</b>	<b>69,615,322</b>	<b>313,871</b>	<b>69,929,192</b>	<b>68,185,910</b>	<b>245,720</b>	<b>68,431,629</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>						
Unamortized Premium on Refunding of Long-Term Debt Pension Related	588,415		588,415	630,607		630,607
	1,869,962		1,869,962			
<b>Total Deferred Outflow of Resources</b>	<b>2,458,377</b>		<b>2,458,377</b>	<b>630,607</b>		<b>630,607</b>
<b>LIABILITIES</b>						
Long-Term Liabilities	30,888,561		30,888,561	21,137,059		21,137,059
Other Liabilities	2,613,112	32,487	2,645,599	2,906,137	5,745	2,911,882
<b>TOTAL LIABILITIES</b>	<b>33,501,673</b>	<b>32,487</b>	<b>33,534,161</b>	<b>24,043,196</b>	<b>5,745</b>	<b>24,048,941</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Gain on Refunding of Long Term Debt Pension Related	269,234		269,234	288,539		288,539
	660,583		660,583			
<b>Total Deferred Inflow of Resources</b>	<b>929,817</b>		<b>929,817</b>	<b>288,539</b>		<b>288,539</b>
<b>NET POSITION</b>						
Invested in capital assets, net of related debt	37,599,133	30,370	37,629,503	34,718,497	34,938	34,753,435
Restricted	9,991,342		9,991,342	8,668,028		8,668,028
Unrestricted	(9,948,267)	251,014	(9,697,253)	1,098,257	205,037	1,303,294
<b>TOTAL NET POSITION</b>	<b>\$37,642,209</b>	<b>\$281,383</b>	<b>\$37,923,592</b>	<b>\$44,484,782</b>	<b>\$239,975</b>	<b>\$44,724,757</b>

The District’s combined net assets were \$37,923,592 on June 30, 2015. The Net Assets for June 30, 2014 have not been restated to reflect the District’s Net Pension Liability required by the implementation of GASB 68. The District’s investment in capital assets is shown net of any related debt used to acquire those assets.

The following table provides a summary of revenues and expenses for the District's governmental and business-type activities and the change in net position from the prior year:

**TABLE 2  
CHANGES IN NET ASSETS**

	2014-2015			2013-2014 (As Restated)		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$202,032	\$984,210	\$1,186,242	\$212,032	\$962,348	\$1,174,380
Operating Grants & Contributions	13,127,678	723,362	13,851,040	6,237,529	658,373	6,895,903
General Revenues						
Property Taxes	49,568,761		49,568,761	48,626,662		48,626,662
Grants (includes State Aid) and Entitlements	13,378,655		13,378,655	12,471,428		12,471,428
Other Revenues	438,502		438,502	341,192		341,192
Transfers and Other Adjustments	12,000		12,000	(8,135)	8,135	
	<u>76,727,628</u>	<u>1,707,572</u>	<u>78,435,200</u>	<u>67,880,709</u>	<u>1,628,856</u>	<u>69,509,565</u>
Expenses:						
Instruction	31,352,941		31,352,941	26,531,419		26,531,419
Support Services/Undistributed Costs	39,354,408		39,354,408	35,620,028		35,620,028
Interest on Long-Term Debt	964,919		964,919	715,420		715,420
Business-Type		1,666,164	1,666,164		1,559,885	1,559,885
Unallocated depreciation	1,803,994		1,803,994	1,755,146		1,755,146
Total Expenses	<u>73,476,262</u>	<u>1,666,164</u>	<u>75,142,426</u>	<u>64,622,013</u>	<u>1,559,885</u>	<u>66,181,898</u>
Change in Assets	3,251,366	41,408	3,292,774	3,258,696	68,971	3,327,667
Net Position July 1, (as restated)	<u>34,390,843</u>	<u>239,975</u>	<u>34,630,818</u>	<u>41,226,086</u>	<u>171,004</u>	<u>41,397,090</u>
Net Position June 30,	<u>\$37,642,209</u>	<u>\$281,383</u>	<u>\$37,923,592</u>	<u>\$44,484,782</u>	<u>\$239,975</u>	<u>\$44,724,757</u>

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

Also, as previously noted, the information for FY2014 has not been restated to reflect the effect of the District's implementation of GASB 68 and the related pension liability. Both revenues and expenses increased mainly as a result of the district recognizing a larger on-behalf TPAF contribution as a revenue and as an expense based upon the State's Actuarial report

Table 3 shows the total cost of services and the net cost of services. The total costs include compensating absences, unallocated benefits, and depreciation and is reduced by grants and specific state aid. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. In accordance with GASB Statement 34, a comparison to fiscal year 2014 is presented.

**TABLE 3  
NET COST OF SERVICES**

	Total Cost of Services <u>2015</u>	Total Cost of Services <u>2014</u>	Net Cost of Services <u>2015</u>	Net Cost of Services <u>2014</u>
Instruction	\$31,352,941	26,531,419	\$33,359,555	\$32,686,177
Support Services/Undistributed Costs	39,354,408	35,620,028	24,018,084	23,022,631
Special Schools				
Interest on Long-Term Debt	964,919	715,420	964,919	708,497
Business-Type	1,666,164	1,559,885	(41,408)	(60,836)
Unallocated depreciation	1,803,994	1,755,146	1,803,994	1,755,146
Total Expenses	<u>\$75,142,426</u>	<u>\$66,181,898</u>	<u>\$60,105,144</u>	<u>\$58,111,615</u>

### **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget is comprised mainly of the June 30, 2014 encumbrances, which 'roll-over' into the subsequent year's budget (2014-2015) and are added to the original budget appropriations. In addition, the District amended the Budget to account for capital projects.

Throughout the year, as necessary, budget transfers are effectuated between budget accounts to re-align the 2014-2015 budget.

## Capital Assets

At the end of the fiscal year 2014, the School District had \$57,188,367 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2015 balances compared to 2014.

**Table 4**  
**Capital Assets (Net of Depreciation) at June 30**

	<u>2015</u>	<u>2014</u>
Land	\$12,323,200	\$12,323,200
Construction in Progress	1,672,473	574,295
Site Improvements	2,154,091	2,244,466
Buildings	39,848,501	38,291,209
Equipment	1,091,102	1,377,394
	<u>\$57,188,367</u>	<u>\$54,810,564</u>

## Debt Administration

At June 30, 2015, the School District had \$20,830,521 of outstanding debt. Of this amount, \$1,510,521 is for compensated absences; and \$19,320,000 of serial bonds for school construction.

Table 5 illustrates the balances of the District's various bonds issues outstanding at June 30, 2015 and June 30, 2014.

**Table 5**  
**Outstanding Debt at June 30,**

	<u>2015</u>	<u>2014</u>
2002 Refunding Bonds	\$570,000	\$1,110,000
2011 Refunding Bonds	<u>18,750,000</u>	<u>19,750,000</u>
	<u>\$19,320,000</u>	<u>\$20,860,000</u>

**For the Future:**

On April 27, 2015, the 2015-2016 district budget was approved by the Board of Education. The certified general fund tax levy of \$48,072,836 represents an increase from 2014-2015 of \$942,605 or 2.0 percent. The Administration of the Matawan-Aberdeen Regional School District is determined to continue to address the educational needs of our students while delivering a fiscally responsible budget to the taxpayers of the community.

**Contacting the District's Financial Management**

The District'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 District's finances and to show the District's accountability for the money it receives. Questions regarding this report can be addressed to Mr. Patrick S. DeGeorge., Business Administrator/Board Secretary, Matawan-Aberdeen Regional School District, One Crest Way, Aberdeen, NJ 07747 or at (732) 705-4016.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30,2015

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$2,790,469.11	\$206,557.76	\$2,997,026.87
Receivables, net	1,091,927.46	61,543.09	1,153,470.55
Inventory		15,400.08	15,400.08
Restricted assets:			
Restricted cash and cash equivalents	8,544,558.07		8,544,558.07
Capital assets:			
Land and Construction in progress	13,995,672.56		13,995,672.56
Other Capital Assets net of depreciation	43,192,694.74	30,369.58	43,223,064.32
Total Assets	<u>69,615,321.94</u>	<u>313,870.51</u>	<u>69,929,192.45</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
Unamortized Premium on Refunding of Long-Term Debt	588,414.96		588,414.96
Pension Related	1,869,962.00		1,869,962.00
Total Deferred Outflows	<u>2,458,376.96</u>		<u>2,458,376.96</u>
<b>LIABILITIES:</b>			
Interfunds Payable		2,023.50	2,023.50
Accounts payable	668,992.14	141.49	669,133.63
Payable to state government	2,394.00		2,394.00
Unearned revenue	70,654.90	30,322.15	100,977.05
Accrued Interest Payable	256,071.25		256,071.25
Noncurrent liabilities:			
Due within one year:			
Bonds payable	1,615,000.00		1,615,000.00
Due beyond one year:			
Compensated absences payable	1,510,521.12		1,510,521.12
Bonds and capital leases payable	18,293,414.96		18,293,414.96
Pension Expense	11,084,625.00		11,084,625.00
Total liabilities	<u>33,501,673.37</u>	<u>32,487.14</u>	<u>33,534,160.51</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Gain on Refunding Bonds	269,233.83		269,233.83
Pension Related	660,583.00		660,583.00
Total Deferred Inflows	<u>929,816.83</u>		<u>929,816.83</u>
<b>NET POSITION:</b>			
Net investment in capital assets	37,599,133.47	30,369.58	37,629,503.05
Restricted for:			
Debt service fund (deficit)	(256,069.82)		(256,069.82)
Capital projects fund	1,064,367.62		1,064,367.62
Other purposes	9,183,044.23		9,183,044.23
Unrestricted (Deficit)	<u>(9,948,266.80)</u>	<u>251,013.79</u>	<u>(9,697,253.01)</u>
Total net position	<u>\$37,642,208.70</u>	<u>\$281,383.37</u>	<u>\$37,923,592.07</u>

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
JUNE 30, 2015

Functions/Programs	Expenses	Indirect Cost Allocation	Programs Revenues		Net (Expense) Revenue and Changes in Net Position			
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Governmental Activities:</b>								
Instruction:								
Regular	\$ 21,971,053.07	\$ 8,605,935.25	\$ 113,801.50	\$ 7,349,852.84	\$ (23,113,333.98)	\$	\$ (23,113,333.98)	
Special	6,704,377.77	2,402,375.55		1,801,216.00	(7,305,537.32)		(7,305,537.32)	
Other Instruction	2,677,509.80	1,059,685.85		796,511.75	(2,940,683.90)		(2,940,683.90)	
Support services:								
Tuition	2,499,060.76				(2,499,060.76)		(2,499,060.76)	
Student & instruction related services	7,366,141.00	2,454,541.85		2,284,167.87	(7,536,514.98)		(7,536,514.98)	
General administrative services	1,391,937.79	207,455.18			(1,599,392.97)		(1,599,392.97)	
School administrative services	2,811,073.87	1,208,101.90		895,929.52	(3,123,246.25)		(3,123,246.25)	
Central service	553,025.07	140,055.79			(693,080.86)		(693,080.86)	
Admin information technology	174,667.76	31,357.19			(206,024.95)		(206,024.95)	
Plant operations and maintenance	4,811,742.21	202,404.22			(5,014,146.43)		(5,014,146.43)	
Pupil transportation	2,961,093.38	473,753.78	88,230.17		(3,346,616.99)		(3,346,616.99)	
Interest on Long-Term Debt	964,918.80				(964,918.80)		(964,918.80)	
Unallocated depreciation	1,803,994.29				(1,803,994.29)		(1,803,994.29)	
Total governmental activities	73,476,262.13		202,031.67	13,127,677.98	(60,146,552.48)		(60,146,552.48)	
<b>Business-type activities</b>								
Food Service	1,628,414.71		947,758.19	723,361.77		42,705.25	42,705.25	
Non-Major Funds	37,748.88		36,452.00			(1,296.88)	(1,296.88)	
Total business-type activities	1,666,163.59		984,210.19	723,361.77		41,408.37	41,408.37	
Total primary government	\$ 75,142,425.72		\$ 1,186,241.86	\$ 13,851,039.75	\$ (60,146,552.48)	\$ 41,408.37	\$ (60,105,144.11)	
<b>General Revenues:</b>								
<b>Taxes:</b>								
Property taxes, levied for general purposes, net					\$ 47,130,231.00	\$	\$ 47,130,231.00	
Taxes levied for debt service					2,438,530.00		2,438,530.00	
Federal and state aid not restricted					12,695,618.18		12,695,618.18	
Federal and state aid restricted					683,036.48		683,036.48	
Miscellaneous income					438,502.41		438,502.41	
Adjustment to Capital Assets					12,000.00		12,000.00	
Total general revenues					63,397,918.07		63,397,918.07	
Change in net position					3,251,365.59	\$	41,408.37	\$ 3,292,773.96
Net Position - beginning (as restated)					34,390,843.11		239,975.00	34,630,818.11
Net Position ending					37,642,208.70	\$	281,383.37	\$ 37,923,592.07

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

## **MAJOR FUND FINANCIAL STATEMENTS**

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 1,548,892.89		\$ 1,241,574.79	1.43	\$ 2,790,469.11
Cash, Capital Reserve	4,740,015.60				4,740,015.60
Cash, Emergency Reserve	502,138.30				502,138.30
Cash, Maintenance Reserve	3,302,404.17				3,302,404.17
Other receivables		5,348.00			5,348.00
Due from other funds	99,826.31				99,826.31
Receivables from other governments	515,083.34	234,602.14	334,870.48		1,084,555.96
<b>Total assets</b>	<b>\$ 10,708,360.61</b>	<b>\$ 239,950.14</b>	<b>\$ 1,576,445.27</b>	<b>\$ 1.43</b>	<b>\$ 12,524,757.45</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 68,380.13	\$ 110,731.01			\$ 179,111.14
Payable to state government		2,394.00			2,394.00
Interfund payables		97,802.81			97,802.81
Unearned revenue	41,632.58	29,022.32			70,654.90
<b>Total liabilities</b>	<b>110,012.71</b>	<b>239,950.14</b>			<b>349,962.85</b>
<b>Fund balances:</b>					
<b>Restricted:</b>					
Capital reserve account	4,740,015.60				4,740,015.60
Emergency Reserve Account	502,138.30				502,138.30
Maintenance Reserve Account	3,302,404.17				3,302,404.17
Excess Surplus designated for subsequent years expenditures	503,457.94				503,457.94
Excess surplus	135,028.22				135,028.22
Capital Projects Fund			1,064,367.62		1,064,367.62
Debt service fund				1.43	1.43
<b>Committed:</b>					
Encumbrances			512,077.65		512,077.65
<b>Assigned:</b>					
Encumbrances	1,320,811.74				1,320,811.74
Designated for subsequent years expenditures	0.06				0.06
<b>Unassigned</b>					
General fund	94,491.87				94,491.87
<b>Total fund balances</b>	<b>10,598,347.90</b>		<b>1,576,445.27</b>	<b>1.43</b>	<b>12,174,794.60</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,708,360.61</b>	<b>\$ 239,950.14</b>	<b>\$ 1,576,445.27</b>	<b>\$ 1.43</b>	<b>\$ 12,524,757.45</b>

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

Total Fund Balances (Brought Forward)		\$12,174,794.60
<p>Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Cost of Assets	\$91,917,573.77	
Accumulated Depreciation	<u>(\$34,729,206.47)</u>	57,188,367.30
<p>Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
Net Pension Liability	(11,084,625.00)	
Compensated Absences	(1,510,521.12)	
Bonds Payable	(19,320,000.00)	
Deferred Amount on Gain on Refunding Bonds	<u>(269,233.83)</u>	(32,184,379.95)
<p>Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.</p>		
Pensions:		
Deferred Outflows		
Pension related		1,380,081.00
Deferred Inflows:		
Pension related		(660,583.00)
<p>Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.</p>		
Accrued Interest Payable	<u>(256,071.25)</u>	<u>(256,071.25)</u>
Net Position of Governmental Activities		<u><u>\$37,642,208.70</u></u>

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 47,130,231.00	\$	\$	2,438,530.00	\$ 49,568,761.00
Tuition	113,801.50				113,801.50
Transportation	88,230.17				88,230.17
Interest on Capital Reserve	3,602.50				3,602.50
Interest on Maintenance Reserve	1,285.54				1,285.54
Interest on Emergency Reserve	430.71				430.71
Miscellaneous	433,183.66	72,299.01			505,482.67
Total - local sources	<u>47,770,765.08</u>	<u>72,299.01</u>		<u>2,438,530.00</u>	<u>50,281,594.09</u>
State sources	18,293,124.81	41,337.00	683,036.48		19,017,498.29
Federal sources	96,959.18	1,317,834.16			1,414,793.34
Total revenues	<u>66,160,849.07</u>	<u>1,431,470.17</u>	<u>683,036.48</u>	<u>2,438,530.00</u>	<u>70,713,885.72</u>
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	18,687,500.03				18,687,500.03
Special instruction	4,829,251.96	950,857.54			5,780,109.50
Other Instruction	2,268,791.17				2,268,791.17
Support services:					
Tuition	2,499,060.76				2,499,060.76
Student & instruction related services	5,960,059.75	480,612.63			6,440,672.38
General administrative services	1,339,108.35				1,339,108.35
School administrative services	2,351,340.43				2,351,340.43
Central service	517,277.81				517,277.81
Administrative information technology services	167,293.04				167,293.04
Plant operations and maintenance	4,761,512.64				4,761,512.64
Pupil transportation	2,836,086.37				2,836,086.37
Unallocated benefits	16,461,597.18				16,461,597.18
Debt Service:					
Principal				1,540,000.00	1,540,000.00
Interest				898,530.00	898,530.00
Capital outlay	2,567,179.61		1,707,591.21		4,274,770.82
Total expenditures	<u>65,246,059.10</u>	<u>1,431,470.17</u>	<u>1,707,591.21</u>	<u>2,438,530.00</u>	<u>70,823,650.48</u>
Excess (deficiency) of revenues over (under) expenditures	914,789.97		(1,024,554.73)		(109,764.76)
Other financing sources (uses):					
Transfers	(2,601,000.00)		2,601,000.00		
Total other financing sources (uses)	<u>(2,601,000.00)</u>		<u>2,601,000.00</u>		
Net change in fund balances	(1,686,210.03)		1,576,445.27		(109,764.76)
Fund balances, July 1, 2014	\$ 12,284,557.93	\$ -0-	\$ -0-	\$ 1.43	12,284,559.36
Fund balances, June 30, 2015	<u>\$ 10,598,347.90</u>	<u>\$ -0-</u>	<u>\$ 1,576,445.27</u>	<u>\$ 1.43</u>	<u>\$ 12,174,794.60</u>

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total net change in fund balances - governmental funds (from B-2)		(\$109,764.76)
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		(1,803,994.29)
Capital outlays	\$4,274,770.82	
Less: Capital Outlays not capitalized	<u>(104,974.00)</u>	
		4,169,796.82
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.		
		1,540,000.00
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		
		19,280.00
Bond Issue costs are reported in the Governmental Funds as expenditures in the year the bonds are issued. However, on the Statement of Activities the costs are amortized over the life of the Bonds.		
		19,305.20
In the statement of activities, contributed capital assets are reflected in the activity in which they are utilized whereas in the governmental funds, they are reflected as an expense. The change in net assets on the statement of activities must therefore reflect this contribution as a transfer		
		12,000.00
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.		
District pension contributions	\$488,070.00	
Less: Pension expense	<u>(759,258.00)</u>	
		(271,188.00)
In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>(324,069.38)</u>
Change in net position of governmental activities (A-2)		<u><u>\$3,251,365.59</u></u>

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

**OTHER FUNDS**

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF NET POSITION  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>MAJOR FUND</u>	<u>NON-MAJOR</u>	
	<u>FOOD SERVICE</u>	<u>SUMMER THEATER</u>	
	<u>FUND</u>	<u>FUND</u>	<u>TOTAL</u>
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$193,007.21	\$13,550.55	\$206,557.76
Accounts receivable:			
State	1,565.96		1,565.96
Federal	59,977.13		59,977.13
Inventories	15,400.08		15,400.08
	<hr/>	<hr/>	<hr/>
Total current assets	269,950.38	13,550.55	283,500.93
	<hr/>	<hr/>	<hr/>
Noncurrent assets:			
Furniture, machinery and equipment	298,388.80		298,388.80
Less accumulated depreciation	(268,019.22)		(268,019.22)
	<hr/>	<hr/>	<hr/>
Total noncurrent assets	30,369.58		30,369.58
	<hr/>	<hr/>	<hr/>
Total assets	300,319.96	13,550.55	313,870.51
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES:</b>			
Current liabilities:			
Interfund payables	2,023.50		2,023.50
Unearned revenue	18,372.15	11,950.00	30,322.15
Accounts payable		141.49	141.49
	<hr/>	<hr/>	<hr/>
Total current liabilities	20,395.65	12,091.49	32,487.14
	<hr/>	<hr/>	<hr/>
Total liabilities	20,395.65	12,091.49	32,487.14
	<hr/>	<hr/>	<hr/>
<b>NET POSITION:</b>			
Net investment in capital assets	30,369.58		30,369.58
Unrestricted	249,554.73	1,459.06	251,013.79
	<hr/>	<hr/>	<hr/>
Total net position	\$279,924.31	\$1,459.06	\$281,383.37
	<hr/>	<hr/>	<hr/>

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>TOTAL</u>
	<u>MAJOR FUNDS</u>	<u>NON-MAJOR</u>	
	<u>FOOD SERVICE</u> <u>FUND</u>	<u>SUMMER THEATER</u> <u>FUND</u>	
OPERATING REVENUES:			
Charges for services:			
Daily sales	\$947,758.19		\$947,758.19
Fees - individuals		\$36,452.00	36,452.00
Total operating revenues	<u>947,758.19</u>	<u>36,452.00</u>	<u>984,210.19</u>
OPERATING EXPENSES:			
Cost of sales	695,632.77		695,632.77
Salaries and benefits	600,106.72	32,000.00	632,106.72
Supplies and materials	21,230.63	4,028.88	25,259.51
Other purchased services	139,040.97	1,620.00	140,660.97
Management fee	131,300.00		131,300.00
Miscellaneous	34,511.82	100.00	34,611.82
Depreciation	6,591.80		6,591.80
Total operating expenses	<u>1,628,414.71</u>	<u>37,748.88</u>	<u>1,666,163.59</u>
Operating (loss)	<u>(680,656.52)</u>	<u>(1,296.88)</u>	<u>(681,953.40)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources			
State school lunch program	17,180.19		17,180.19
Federal Sources			
National school lunch program	517,344.06		517,344.06
School breakfast program	59,915.74		59,915.74
Special milk program	1,873.71		1,873.71
National food distribution commodities	127,048.07		127,048.07
Total nonoperating revenues (expenses)	<u>723,361.77</u>		<u>723,361.77</u>
Income (loss) before contributions and transfers	<u>42,705.25</u>	<u>(1,296.88)</u>	<u>41,408.37</u>
Total net position - beginning	<u>237,219.06</u>	<u>2,755.94</u>	<u>239,975.00</u>
Total net position - ending	<u>\$279,924.31</u>	<u>\$1,459.06</u>	<u>\$281,383.37</u>

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>TOTAL</u>
	<u>MAJOR FUNDS</u> <u>FOOD SERVICE</u> <u>FUND</u>	<u>NON-MAJOR</u> <u>SUMMER THEATER</u> <u>FUND</u>	
Cash flows from operating activities:			
Receipts from customers	\$958,125.45	\$48,785.00	\$1,006,910.45
Payments to employees	(600,106.72)	(32,000.00)	(632,106.72)
Payments to suppliers	(894,377.98)	(5,990.39)	(900,368.37)
Net cash provided by (used for) operating activities	<u>(536,359.25)</u>	<u>10,794.61</u>	<u>(525,564.64)</u>
Cash flows from noncapital financing activities:			
State sources	17,141.14		\$17,141.14
Federal sources	572,816.24		572,816.24
Net cash provided by noncapital financing activities	<u>589,957.38</u>		<u>589,957.38</u>
Net increase (decrease) in cash and cash equivalents	53,598.13	10,794.61	64,392.74
Cash and cash equivalents, July 1, 2014	<u>139,409.08</u>	<u>2,755.94</u>	<u>\$142,165.02</u>
Cash and cash equivalents, June 30, 2015	<u>\$193,007.21</u>	<u>\$13,550.55</u>	<u>\$206,557.76</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	(\$680,656.52)	(\$1,296.88)	(\$681,953.40)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	6,591.80		6,591.80
Federal commodities	127,048.07		127,048.07
Change in assets and liabilities:			
Increase (decrease) in unearned revenue	12,627.53	12,091.49	24,719.02
(Increase) decrease in inventories	(1,970.13)		(1,970.13)
	<u>144,297.27</u>	<u>12,091.49</u>	<u>156,388.76</u>
Net cash provided by (used for) operating activities	<u>(\$536,359.25)</u>	<u>\$10,794.61</u>	<u>(\$525,564.64)</u>

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



MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	State Unemployment Insurance <u>Trust Fund</u>	<u>Total</u>
ADDITIONS:		
Contributions:		
Other	\$ 198,749.44	\$ 198,749.44
Total contributions	<u>198,749.44</u>	<u>198,749.44</u>
Total additions	<u>198,749.44</u>	<u>198,749.44</u>
DEDUCTIONS:		
Unemployment claims	<u>191,502.57</u>	<u>191,502.57</u>
Total deductions	<u>191,502.57</u>	<u>191,502.57</u>
Change in net position	7,246.87	7,246.87
Net position beginning of year	<u>55,377.28</u>	<u>55,377.28</u>
Net position end of year	<u>\$ 62,624.15</u>	<u>\$ 62,624.15</u>

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

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

The Matawan-Aberdeen Regional School District is a Type II District located in Monmouth County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the Matawan-Aberdeen Regional School District, comprised of nine elected individuals, is the primary governing authority of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39), as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government
2. The primary government, or its component unit, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (Continued)**

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, a middle school and a High School, located in the Matawan and Aberdeen. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Basis of Presentation**

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

*District-wide Statements:* The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

*Fund Financial Statements:* During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements are presented for each fund category-governmental, proprietary, and fiduciary. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE as the oversight entity believes that the presentation of all funds as major is important for the public interest and to promote consistency among District financial reporting models.

**Governmental Funds**

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

As required by the New Jersey Statement Department of Education, the District includes budgeted capital outlay in this fund. U.S. Generally Accepted Accounting Principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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 the current expense by Board resolution; in certain instances approval by the County Superintendent of Schools may also be required.

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

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 debt issued to finance major property acquisition, construction and improvement programs.

**Proprietary Funds**

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

**Fiduciary Funds**

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

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

**Unemployment Insurance Trust Funds** An expendable trust fund used to account for unemployment compensation claims as they arise.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting-Measurement Focus**

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

*District-wide, Proprietary, and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation for expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 for approval. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. 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. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 totaled \$228,000.00, which came from the District's Capital Reserve Account.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of one or more deferred State Aid payments for budgetary purposes only due to the State deferral of such payments into the subsequent budget year and the accounting treatment of encumbrances in the special revenue fund as described 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.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control (Continued)**

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 recognized 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 records.

**Encumbrance Accounting**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditures 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 for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

**Interfunds**

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Inventories and Prepaid Expenses**

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures in the year of purchase.

**Capital Assets**

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

	<u>Estimated Life</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and computer equipment	10
Instructional equipment	10
Grounds equipment	15

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after ten years of service and are only paid upon retirement.

The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

**Fund Equity**

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

**Unearned Revenue**

Unearned revenue in the General, Special Revenue and Proprietary funds represents funds which have been received but not yet earned.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accrued Liabilities and Long-Term Obligations**

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

**Net Position**

In compliance with GASB 63, the Statement of Net Assets has been renamed the Statement of Net Position. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position 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. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**Fund Balance Reserves**

The District implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement modifies fund balance reporting and clarifies fund type definitions. This Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

Under the new standard, in the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Reserves (Continued)**

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Maintenance Reserve, Emergency Reserve and Excess Surplus as Restricted Fund Balance.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education. The District reports Designated for Subsequent Year's Expenditure as Committed Fund balance.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances as Assigned Fund Balance.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

The general fund is the only fund that will report a negative unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned.

**Revenues Exchange and Non-exchange Transactions**

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

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues, Exchange and Non-exchange Transactions (Continued)**

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

**Operating Revenues and Expenses**

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

**Allocation of Indirect Expenses**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Extraordinary and Special Items**

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

**Management Estimates**

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

**Accounting and Financial Reporting for Pensions**

In fiscal year 2015, the District implemented GASB 63. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounting and Financial Reporting for Pensions (Continued)**

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, deferred amounts from an original issue premium on refunding debt and deferred amounts that are pension related.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the District has two items that qualify for reporting in this category, deferred amounts from an original issue premium on refunding debt and deferred amounts that are pension related.

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The Board considers petty cash, change funds, cash in banks, and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

**Deposits**

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), 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 the deposits to the governmental unit.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Deposits**

The Matawan-Aberdeen Regional School District had the following cash and cash equivalents at June 30, 2015:

<u>Fund Type</u>	<u>Amount</u>
Cash in Bank:	
Governmental Funds	\$ 12,107,545.56
Proprietary Funds	347,297.72
Fiduciary Funds	<u>351,324.74</u>
Total Cash in Bank	\$ 12,806,168.02
Less: Reconciling Items	<u>(1,019,293.25)</u>
	<u>\$ 11,786,874.77</u>

**Custodial Credit Risk- Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2015, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$11,786,874.77, \$250,000.00 was covered by Federal Depository Insurance, \$10,093,176.93 was covered under the provisions of NJGUDPA and \$1,443,697.84 was on deposit with the New Jersey Assets Rebate Management (NJARM).

**Investments**

The types of investments which may be purchased by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2015, the District has \$1,443,697.84 on deposit with NJARM. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1, and existing investment practices of NJARM, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 3: CAPITAL ASSETS**

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

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions &amp;</u> <u>Transfers</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$12,323,200.00			\$12,323,200.00
Construction in Progress	574,295.20	\$1,203,479.34	(\$105,301.98)	1,672,472.56
Total Capital Assets not being depreciated	<u>12,897,495.20</u>	<u>1,203,479.34</u>	<u>(105,301.98)</u>	<u>13,995,672.56</u>
Site improvements	2,660,429.22		42,013.00	2,702,442.22
Buildings & Building Improvements	66,819,690.56	2,885,726.53		69,705,417.09
Machinery & Equipment	5,358,161.97	92,590.95	63,288.98	5,514,041.90
Totals at historical cost	<u>74,838,281.75</u>	<u>2,978,317.48</u>	<u>105,301.98</u>	<u>77,921,901.21</u>
Gross Assets (Memo only)	<u>87,735,776.95</u>	<u>4,181,796.82</u>		<u>91,917,573.77</u>
Less: Accumulated Depreciation				
Site improvements	(415,963.21)	(132,387.58)		(548,350.79)
Buildings & Building Improvements	(28,528,481.09)	(1,328,434.35)		(29,856,915.44)
Machinery & Equipment	(3,980,767.88)	(343,172.36)		(4,323,940.24)
Total Depreciation	<u>(32,925,212.18)</u>	<u>(1,803,994.29)</u>		<u>(34,729,206.47)</u>
Total capital assets being depreciated, net of depreciation	<u>41,913,069.57</u>	<u>1,174,323.19</u>	<u>105,301.98</u>	<u>43,192,694.74</u>
Total Governmental Fund Activities	<u>\$54,810,564.77</u>	<u>\$2,377,802.53</u>		<u>\$57,188,367.30</u>
Proprietary Activities:				
Machinery & Equipment	\$296,365.30	\$2,023.50		\$298,388.80
Totals at historical cost	<u>296,365.30</u>	<u>2,023.50</u>		<u>298,388.80</u>
Less: Accumulated Depreciation				
Machinery & Equipment	(261,427.42)	(6,591.80)		(268,019.22)
Total Depreciation	<u>(261,427.42)</u>	<u>(6,591.80)</u>		<u>(268,019.22)</u>
Total Proprietary Fund Activities	<u>\$34,937.88</u>	<u>(\$4,568.30)</u>		<u>\$30,369.58</u>

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 3: CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functional expenses areas of the District as follows:

Direct Expense of various functions	<u>(\$1,803,994.29)</u>
-------------------------------------	-------------------------

**NOTE 4: LONG-TERM LIABILITIES**

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2015:

	Balance June 30, 2014 <u>(as restated)</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, 2015	Amounts due Within <u>one year</u>
Bonds Payable	\$20,860,000.00		\$1,540,000.00	\$19,320,000.00	\$1,615,000.00
Unamortized Bond Premium	630,606.78		42,191.83	588,414.96	41,523.78
Compensated Absences	1,186,451.74	324,069.38		1,510,521.12	
Pension Liability	<u>10,093,939.00</u>	<u>990,686.00</u>		<u>11,084,625.00</u>	
	<u>\$32,770,997.52</u>	<u>\$1,314,755.38</u>	<u>\$1,582,191.83</u>	<u>\$32,503,561.08</u>	<u>\$1,656,523.78</u>

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2015, including interest payments on issued debt, are as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u>			
FY2016	\$1,615,000.00	\$833,770.00	\$2,448,770.00
FY2017	1,095,000.00	776,150.00	1,871,150.00
FY2018	1,145,000.00	731,350.00	1,876,350.00
FY2019	1,210,000.00	678,200.00	1,888,200.00
FY2020	1,275,000.00	616,075.00	1,891,075.00
FY2021	1,350,000.00	550,450.00	1,900,450.00
FY2022	1,425,000.00	484,637.50	1,909,637.50
FY2023	1,495,000.00	418,937.50	1,913,937.50
FY2024	1,575,000.00	345,925.00	1,920,925.00
FY2025	1,665,000.00	264,925.00	1,929,925.00
FY2026	1,745,000.00	188,400.00	1,933,400.00
FY2027	1,820,000.00	117,100.00	1,937,100.00
FY2028	1,905,000.00	40,350.00	1,945,350.00
	<u>\$19,320,000.00</u>	<u>\$6,046,270.00</u>	<u>\$25,366,270.00</u>

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

<u>Issue</u>	<u>Amount Outstanding June 30, 2015</u>	<u>Bonds Authorized But Not Issued</u>
\$5,665,000.00 in Refunding School Bonds (Pension Series) dated December 30, 2002, due in one remaining installments of \$570,000.00 due August 15, 2015 with interest at 4.50%	\$570,000.00	\$-0-
\$20,530,000.00 in Refunding School Bonds dated September 15, 2011, due in remaining annual installments ranging between \$1,045,000.00 and \$1,905,000.00 beginning September 15, 2015 and ending September 15, 2027 with interest from 4.00% to 5.00%	<u>18,750,000.00</u>	<u>-0-</u>
	<u><u>\$19,320,000.00</u></u>	<u><u>\$-0-</u></u>

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

**Refunding School Bonds**

The district issued \$20,530,000.00 in Refunding School bonds to advance refund \$21,400,000.00 of the districts previously issued and outstanding school bonds. The net carrying amount exceeded the reacquisition price by \$870,000.00. The District also received a premium on the sale of \$1,901,399.25. These amounts are being amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The current year portion of the gain on the refunding debt charged to the Statement of Activities was \$19,305.20 leaving a balance of \$269,233.83. Under the escrow agreement, the escrow is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the \$21,400,000.00 of the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the financial statements.

**Bonds Authorized But Not Issued**

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

**NOTE 5: PENSION PLANS**

**Description of Plans** All required employees of the District are covered by the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of each system will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the above systems. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on line at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 5: PENSION PLANS (CONTINUED)**

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

**Defined Contribution Retirement Program (DCRP)** The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

**Significant Legislation**

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

**Pension Plan Design Changes**

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

**Funding Changes**

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

**COLA Suspension**

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Vesting and Benefit Provisions** The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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.

**Contribution Requirements** The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e. the State of new Jersey makes the employer contribution on behalf of public school districts.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 5: PENSION PLANS (CONTINUED)**

Three Year Trend Information for PERS

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2015	\$488,070.00	100%	\$488,070.00
2014	\$397,948.00	100%	\$397,948.00
2013	\$392,263.00	100%	\$392,263.00

Three Year Trend Information for TPAF (On-Behalf)

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2015	\$1,443,220.00	100%	\$1,443,220.00
2014	\$1,095,130.00	100%	\$1,095,130.00
2013	\$1,708,034.00	100%	\$1,708,034.00

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the years ended June 30, 2015, 2014 and 2013 \$1,960,132.81, \$1,964,541.45 and \$1,988,826.33 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**

**Public Employees Retirement System (PERS)**

At June 30, 2015, the District reported a liability of \$11,084,625.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.0592040926 percent, which was a decrease of 0.0063893896 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$759,258.00. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Changes of assumptions		\$348,560.00
Net difference between projected and actual earnings on pension plan investments	\$660,583.00	
Changes in proportion and differences between District contributions and proportionate share of contributions		1,031,521.00
District contributions subsequent to the measurement date		489,881.00
	<u>\$660,583.00</u>	<u>\$1,869,962.00</u>

**Matawan Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(Continued)**

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

The \$489,881.00 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, 2016. 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 <u>June 30</u>	<u>Amount</u>
2016	(\$101,072.31)
2017	(\$101,072.31)
2018	(\$101,072.31)
2019	\$64,073.55
Thereafter	\$28,192.36

**Additional Information**

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

	<u>12/31/2014</u>	<u>12/31/2013</u>
Collective deferred outflows of resources	\$1,452,705,538	Not Available
Collective deferred inflows of resources	2,146,719,012	Not Available
Collective net pension liability	38,849,838,953	38,410,610,030
District's Proportion	0.0592040926%	0.0528147030%

**Matawan Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**Actuarial Assumptions**

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

Inflation	3.01 Percent
Salary Increases	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

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

**Mortality Rates**

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

**Matawan Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**Actuarial Assumptions (Continued)**

**Long-Term Rate of Return**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	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 U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

**Matawan Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**Actuarial Assumptions (Continued)**

**Discount Rate**

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

**Sensitivity of the collective net pension liability to changes in the discount rate.**

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

	June 30, 2014		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.39%</u>	<u>5.39%</u>	<u>6.39%</u>
District's proportionate share of the pension liability	\$13,944,836.00	\$11,084,625.00	\$8,682,776.00

**Matawan Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**Pension plan fiduciary net position.**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

**Teachers Pensions and Annuity Fund (TPAF)**

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.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2015 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$138,358,042</u>
	<u><u>\$138,358,042</u></u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was .025887084471%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$7,444,962 for contributions provided by the State.

**Matawan Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions**

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

Inflation rate	2.50%
Salary increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

**Mortality Rates**

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. 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 table on the following page:

**Matawan Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions (Continued)**

**Long-Term Expected Rate of Return (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	<u>100.00%</u>	

**Matawan Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions (Continued)**

**Discount Rate**

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

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 7: GASB 45 – OTHER POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a 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 17,356 eligible retired members in Fiscal Year 2014.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School Commission for the years ended June 30, 2015, 2014 and 2013 were \$2,291,113.00, \$1,795,602.00 and \$1,931,355.00 respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School Commission was not determined or made available by the State of New Jersey.

**NOTE 8: LITIGATION**

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District and which might materially affect the District's financial position.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 9: CONTINGENCIES**

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2014-2015 fiscal year were subject to the U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$500,000.00 Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

**NOTE 10: 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 insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

**New Jersey Unemployment Compensation Insurance** The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District is required to remit an employer's match to the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 11: COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net assets. As of June 30, 2015, a liability existed for compensated absences for governmental fund-types in the district- wide Statement of Net Position of \$1,510,521.12.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

**NOTE 12: FUND BALANCE APPROPRIATED**

**General Fund** The table below reflects the District's Fund Balance at June 30, 2015 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last two state aid payments which under GAAP are not recognized:

	<u>Budgetary</u> <u>Basis (C-1)</u>	<u>Adjustment</u>	<u>GAAP</u> <u>Basis (B-1)</u>
Restricted:			
Excess Surplus:			
Designated for Subsequent			
Year's Expenditures	\$ 503,457.94	\$	\$ 503,457.94
Current Year	135,028.22		135,028.22
Emergency Reserve	502,138.30		502,138.30
Maintenance Reserve	3,302,404.17		3,302,404.17
Capital Reserve	4,740,015.60		4,740,015.60
Committed:			0.00
Designated for Subsequent			0.00
Year's Expenditures	0.06		0.06
Assigned:			0.00
Encumbrances	1,320,811.74		1,320,811.74
Unassigned	<u>1,291,941.87</u>	<u>(1,197,450.00)</u>	<u>94,491.87</u>
	<u>\$ 11,795,797.90</u>	<u>\$ (1,197,450.00)</u>	<u>\$ 10,598,347.90</u>

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 12: FUND BALANCE APPROPRIATED (CONTINUED)**

**Debt Service Fund** The \$1.43 in Debt Service Fund Balance at June 30, 2015, is restricted in accordance with N.J.S.A. 18A:7F-41c(2).

**NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS**

**Calculation of Excess Surplus** In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2007, c73 (S1701), the Restricted 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 the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent year's budget.

General Fund Expenditures:		
Fiscal Year Ended, June 30 2015		\$65,246,059.10
Increased by:		
Transfer from Capital Outlay to Capital Projects		2,601,000.00
		\$67,847,059.10
Less:		
Reimb. TPAF Social Security Contributions	\$1,960,132.81	
Reimb. TPAF Pension Contributions	3,734,333.00	
		5,694,465.81
Adjusted General Fund Expenditures		\$62,152,593.29
Excess Surplus Percentage		2.00%
		\$1,243,051.87
Increased by:		
Non-Public Transportation Aid (unbudgeted)	17,723.00	
Extraordinary Aid (unbudgeted)	31,167.00	
		48,890.00
Maximum Unreserved/Undesignated General Fund Balance		\$1,291,941.87
Actual Unassigned General Fund Balance		1,426,970.09
Excess Surplus		\$135,028.22
Recapitulation of Excess Surplus, June 30, 2015:		
Reserved for Excess Surplus - Designated for Subsequent Year's Expenditure		\$503,457.94
Reserved for Excess Surplus		135,028.22
		\$638,486.16

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS**

Based on the preceding calculation, as of June 30, 2015 \$503,457.94 is reported as Reserved Fund Balance Excess Surplus Designated for Subsequent Year's Expenditure and is required to be appropriated for property tax relief in the 2015-16 budget. \$135,028.22 is reported as Reserved Fund Balance Excess Surplus and is required to be appropriated for property tax relief in the 2016-17 budget.

**NOTE 14: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2015:

<u>Fund</u>	<u>Interfund Balance</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 99,826.31	\$
Special Revenue Fund		97,802.81
Proprietary Fund	<u>                    </u>	<u>2,023.50</u>
	<u>\$ 99,826.31</u>	<u>\$ 99,826.31</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

**NOTE 15: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Matawan-Aberdeen Regional Board of Education on October 16, 2000 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 of Education, 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 (June 1 to June 30) of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special election dates authorized by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)**

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

Balance, July 1, 2014		\$5,514,238.10
Increased by:		
Board Resolution dated 06/22/15	\$2,000,000.00	
Unexpended Portion of FY2014 Appropriation	51,225.00	
Interest	3,552.50	
	2,054,777.50	
		7,569,015.60
Decreased by:		
FY2015 Budget Appropriation	2,601,000.00	
FY2015 Budget Amendment 02/11/15	228,000.00	
	2,829,000.00	
Balance, June 30, 2015		\$4,740,015.60

**NOTE 16: EMERGENCY RESERVE ACCOUNT**

In accordance with N.J.S.A. 18A:7F-41c(1), an emergency reserve account was established by the District. The emergency reserve account is maintained in the general fund.

The funds in the reserve shall be used to finance unanticipated general fund current expense costs required for T&E. For the purpose of the emergency reserve account "unanticipated" shall mean reasonably unforeseeable and shall not include additional costs caused by poor planning or error.

The account balance is not to exceed \$250,000.00 or one percent of the district's general fund budget up to a maximum of \$1,000,000.00 whichever is greater. Withdrawals require approval by the Commissioner.

At June 30, 2015, the balance of the Emergency Reserve Account was \$502,138.30 and is within the statutory limitations.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 16: EMERGENCY RESERVE ACCOUNT (CONTINUED)**

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

Balance, July 1, 2014		\$501,707.59
Increased by:		
Interest	\$430.71	
		430.71
Balance, June 30, 2015		\$502,138.30

**NOTE 17: MAINTENANCE RESERVE ACCOUNT**

In accordance with N.J.S.A. 18A:7G-13, a Maintenance reserve account was established by the District. The Maintenance reserve account is maintained in the general fund.

A district board of education or board of school estimate, as appropriate, may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes.

A district board of education or board of school estimate, as appropriate, may by resolution withdraw such funds from the maintenance reserve account and appropriate into the required maintenance account lines at budget time or any time during the year for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C. 6A:26A-4.

The district board of education shall ensure that the maintenance reserve account balance does not, at any time, exceed four percent of the replacement cost of the school district's school facilities for the current year. If the account exceeds this maximum amount at June 30, the district board of education shall reserve and designate such excess in the subsequent year's budget.

At June 30, 2015, the balance of the Maintenance Reserve Account was \$3,302,404.14 and is within the statutory limitations.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 17: MAINTENANCE RESERVE ACCOUNT (CONTINUED)**

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

Balance, July 1, 2014		\$2,301,118.63
Increased by:		
Board Resolution dated 06/22/15	\$1,000,000.00	
Interest	<u>1,285.54</u>	
		<u>1,001,285.54</u>
Balance, June 30, 2015		<u><u>\$3,302,404.17</u></u>

**NOTE 18: INVENTORY**

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food and Supplies	<u>\$15,400.08</u>
-------------------	--------------------

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

**NOTE 19: PRIOR PERIOD ADJUSTMENTS**

The adjustments below were reflected against the beginning Net Assets balance on the District Wide Statements as follows:

		Governmental Activities
Beginning Net Position 06/30/14		\$ 44,431,253.39
Adjustments:		
Recognition of Net Pension Liability (measurement date)	\$ (10,093,939.00)	
Deferred Items on Refunding Bonds	<u>53,528.72</u>	
		<u>(10,040,410.28)</u>
Beginning Net Position 06/30/14 (As restated)		<u><u>\$ 34,390,843.11</u></u>

The Unrestricted Net Asset balance was restated to properly reflect the District's Net Position under GASB 68. In addition, adjustments were made to the District's treatment of Deferred Refunding Bond items to properly comply with GASB 65.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 20: SUBSEQUENT EVENTS**

The Board of Education has evaluated subsequent events occurring after the financial statement date through November 23, 2015 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events that need to be disclosed.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 47,130,231.00	\$	\$ 47,130,231.00	\$ 47,130,231.00	
Tuition	127,000.00		127,000.00	113,801.50	(13,198.50)
Transportation	135,000.00		135,000.00	88,230.17	(46,769.83)
Interest on Capital Reserve	50.00		50.00	3,602.50	3,552.50
Interest on Maintenance Reserve				1,285.54	1,285.54
Interest on Emergency Reserve				430.71	430.71
Miscellaneous	115,800.00		115,800.00	433,183.66	317,383.66
Total-local sources	47,508,081.00		47,508,081.00	47,770,765.08	262,684.08
State sources:					
Equalization Aid	9,282,899.00		9,282,899.00	9,282,899.00	
Categorical Special Education Aid	2,266,020.00		2,266,020.00	2,266,020.00	
Categorical Security Aid	97,858.00		97,858.00	97,858.00	
Categorical Transportation Aid	198,237.00		198,237.00	198,237.00	
Other State Aids	335,454.00		335,454.00	335,454.00	
Extraordinary Aid	370,556.00		370,556.00	401,723.00	31,167.00
Miscellaneous Unrestricted State Aid				17,723.00	17,723.00
On-behalf TPAF Pension (non-budgeted)				1,346,356.00	1,346,356.00
On-behalf TPAF Post Retirement Contributions (non-budgeted)				2,291,113.00	2,291,113.00
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				96,864.00	96,864.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,960,132.81	1,960,132.81
Total - state sources	12,551,024.00		12,551,024.00	18,294,379.81	5,743,355.81
Federal sources:					
Medicaid reimbursement	28,606.00		28,606.00	96,959.18	68,353.18
Total - federal sources	28,606.00		28,606.00	96,959.18	68,353.18
Total revenues	60,087,711.00		60,087,711.00	66,162,104.07	6,074,393.07

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE:</b>					
Instruction - regular programs:					
Salaries of teachers:					
Preschool	\$ 112,753.00	\$ (2,543.00)	\$ 110,210.00	\$ 110,210.00	
Kindergarten	1,121,432.00	56,915.00	1,178,347.00	1,178,347.00	
Grades 1-5	6,209,237.00	(100,673.02)	6,108,563.98	5,620,694.13	487,869.85
Grades 6-8	4,055,929.00	(43,010.08)	4,012,918.92	3,907,676.48	105,242.44
Grades 9-12	5,399,140.00	(56,024.20)	5,343,115.80	5,247,115.18	96,000.62
Total Teachers Salaries	16,898,491.00	(145,335.30)	16,753,155.70	16,064,042.79	689,112.91
Regular Programs - Home Instruction:					
Salaries of teachers	50,000.00	(5,418.95)	44,581.05	40,213.25	4,367.80
Purchased professional educational services	12,000.00	5,418.95	17,418.95	14,546.71	2,872.24
Total Regular Programs - Home Instruction:	62,000.00		62,000.00	54,759.96	7,240.04
Regular programs - undistributed instruction:					
Other salaries for instruction	123,845.00	35,214.58	159,059.58	159,059.58	
Purchased Professional Educational Services	1,272,632.00	(16,385.58)	1,256,246.42	1,029,040.41	227,206.01
Other purchased services		95,053.58	95,053.58	91,844.35	3,209.23
Other purchased services(400-500 series)	201,724.00	(74,571.52)	127,152.48	126,330.48	822.00
Miscellaneous purchased services		1,595.00	1,595.00	1,595.00	
General supplies	1,012,085.93	98,540.15	1,110,626.08	992,406.52	118,219.56
Textbooks	166,268.97	18,525.97	184,794.94	165,642.34	19,152.60
Other Objects	5,318.00	240.95	5,558.95	2,778.60	2,780.35
Total regular programs	2,781,873.90	158,213.13	2,940,087.03	2,568,697.28	371,389.75
<b>Total Regular Programs - Instruction</b>	<b>19,742,364.90</b>	<b>12,877.83</b>	<b>19,755,242.73</b>	<b>18,687,500.03</b>	<b>1,067,742.70</b>
Special education:					
Cognitive - Moderate					
Salaries of teachers	264,134.00	(45,565.00)	218,569.00	177,286.23	41,282.77
Other salaries for instruction	9,720.00	31,210.00	40,930.00	40,330.00	600.00
General supplies	3,634.00		3,634.00	3,404.38	229.62
Textbooks	2,003.00		2,003.00	1,726.77	276.23
Other Objects	2,500.00		2,500.00		2,500.00
Total Cognitive- Moderate	281,991.00	(14,355.00)	267,636.00	222,747.38	44,888.62

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Learning and / or Language Disabilities:					
Salaries of teachers	\$ 289,819.00	\$ (54,979.00)	\$ 234,840.00	\$ 234,401.50	438.50
Other salaries for instruction	32,167.00	(30,401.77)	1,765.23	1,094.40	670.83
General supplies	3,099.00	1,800.00	4,899.00	4,445.89	453.11
Textbooks	3,302.00	(2,550.33)	751.67	736.99	14.68
Total Learning and / or Language Disabilities	328,387.00	(86,131.10)	242,255.90	240,678.78	1,577.12
Auditory Impairments:					
Salaries of teachers		500.00	500.00	500.00	
Total Auditory Impairments		500.00	500.00	500.00	
Behavioral Disabilities:					
Salaries of teachers	243,824.00	(4,167.00)	239,657.00	233,913.00	5,744.00
Other salaries for instruction	30,547.00	(27,534.96)	3,012.04		3,012.04
General Supplies	1,344.00	600.00	1,944.00	1,657.26	286.74
Textbooks	2,321.00	(2,321.00)			
Other Objects	1,300.00		1,300.00	480.00	820.00
Total Behavioral Disabilities:	279,336.00	(33,422.96)	245,913.04	236,050.26	9,862.78
Multiple Disabilities:					
Salaries of teachers	195,595.00	(98,141.00)	97,454.00	95,720.00	1,734.00
Other salaries for instruction	74,838.00	(7,788.00)	67,050.00	67,050.00	
General Supplies	700.00	551.97	1,251.97	823.66	428.31
Textbooks	2,055.00	(1,910.24)	144.76	144.76	
Other Objects	1,500.00	(1,450.50)	49.50		49.50
Total Multiple Impairments	274,688.00	(108,737.77)	165,950.23	163,738.42	2,211.81
Resource room/resource center:					
Salaries of teachers	2,676,455.00	113,154.53	2,789,609.53	2,765,695.97	23,913.56
Other salaries for instruction	73,052.00	(21,335.59)	51,716.41	46,813.00	4,903.41
General supplies	17,427.00	6,072.78	23,499.78	20,843.70	2,656.08
Textbooks	4,188.00	(3,272.78)	915.22	778.79	136.43
Total resource room	2,771,122.00	94,618.94	2,865,740.94	2,834,131.46	31,609.48
Autism:					
Salaries of teachers	386,303.00	27,372.16	413,675.16	413,675.16	
Other salaries for instruction	224,852.00	63,825.94	288,677.94	288,677.94	
General supplies	22,908.00	(13,914.35)	8,993.65	8,970.99	22.66
Textbooks	75.00	75.00			75.00
Other Objects	8,500.00	(3,790.00)	4,710.00	4,670.55	39.45
Total resource room	642,638.00	73,493.75	716,131.75	715,994.64	137.11

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ UNFAVORABLE
Preschool disabilities-part -time:					
General supplies	1,200.00		1,200.00	1,112.90	87.10
Total preschool handicapped - part-time	1,200.00		1,200.00	1,112.90	87.10
Preschool disabilities-full -time:					
Salaries of teachers	204,720.00	6,914.62	211,634.62	211,379.11	255.51
Other salaries for instruction	66,891.00	132,816.89	199,707.89	199,633.01	74.88
General supplies	3,286.00		3,286.00	3,286.00	
Total preschool handicapped - part-time	274,897.00	139,731.51	414,628.51	414,298.12	330.39
Total special education	4,854,259.00	65,697.37	4,919,956.37	4,829,251.96	90,704.41
Basic skills/remedial:					
Salaries of teachers	869,827.00	(103,419.40)	766,407.60	766,407.60	
General supplies	10,173.00	119.00	10,292.00	9,945.31	346.69
Total basic skills/remedial	880,000.00	(103,300.40)	776,699.60	776,352.91	346.69
Bilingual education:					
Salaries of teachers	280,495.00	15,212.86	295,707.86	290,307.86	5,400.00
General supplies	70.00		70.00	66.40	3.60
Total bilingual education	280,565.00	15,212.86	295,777.86	290,374.26	5,403.60
School sponsored cocurricular activities:					
Salaries	258,890.00	13,274.48	272,164.48	269,336.92	2,827.56
Purchased technical services		900.00	900.00	900.00	
Rentals		3,684.00	3,684.00	3,134.80	549.20
Purchased Services(300-500 series)	9,484.00	96.00	9,580.00	9,080.00	500.00
Supplies and Materials	28,400.00	507.74	28,907.74	24,071.45	4,836.29
Other Objects	13,605.00	530.00	14,135.00	7,922.00	6,213.00
Total school sponsored cocurricular activities	310,379.00	18,992.22	329,371.22	313,545.17	15,826.05
School sponsored athletics:					
Salaries	654,756.00	29,079.54	683,835.54	637,764.04	46,071.50
Other purchased professional and technical services		3,440.00	3,440.00	180.00	3,260.00
Purchased Services		14,935.00	14,935.00	14,817.28	117.72
Purchased Services(300-500 series)	64,100.00	(64,100.00)			
Travel		1,500.00	1,500.00	568.54	931.46
Misc. Purchased Services		48,100.00	48,100.00	33,151.03	14,948.97
Supplies and Materials	110,455.80	(21,107.98)	89,347.82	76,165.74	13,182.08
Other Objects	21,470.00	4,450.00	25,920.00	25,077.00	843.00
Transfers to Cover Deficit (Agency Funds)	59,294.00		59,294.00	40,000.00	19,294.00
Total school sponsored athletics	910,075.80	16,296.56	926,372.36	827,723.63	98,648.73

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Before/After School Programs - Instruction	\$ 59,275.00	9,138.96	\$ 68,413.96	\$ 60,795.20	7,618.76
Salaries of Teacher Tutors	59,275.00	9,138.96	68,413.96	60,795.20	7,618.76
Total Before/After School Programs	2,440,294.80	(43,659.80)	2,396,635.00	2,268,791.17	127,843.83
Total other instructional programs	27,036,918.70	34,915.40	27,071,834.10	25,785,543.16	1,286,290.94
Total - instruction					
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-special	370,580.00	(84,031.59)	286,548.41	277,641.00	8,907.41
Tuition to county vocational school district-regular	283,640.00	(9,421.52)	274,218.48	273,269.00	949.48
Tuition to county vocational school district-special	204,183.00	65,727.24	269,910.24	268,974.00	936.24
Tuition to private schools for the disabled wi state	1,576,560.00	97,042.59	1,673,602.59	1,638,804.76	34,797.83
Tuition-state facilities	35,000.00	(18,000.00)	17,000.00	17,000.00	0.00
Tuition - Other	24,700.00	16,600.00	41,300.00	40,372.00	928.00
Total undistributed expenditures - instruction	2,494,663.00	67,916.72	2,562,579.72	2,499,060.76	63,518.96
Attendance and social work services:					
Salaries	25,000.00		25,000.00	24,999.84	0.16
Other purchased services (400-500) series	1,500.00	(25.00)	1,475.00	1,475.00	0.00
Other objects		25.00	25.00	25.00	0.00
Total attendance and social work services	26,500.00		26,500.00	25,024.84	1,475.16
Health services:					
Salaries	606,654.00	(1,967.33)	604,686.67	589,742.76	14,943.91
Purchased professional and technical services	65,000.00	(19,547.94)	45,452.06	40,937.31	4,514.75
Purchased professional and technical services		500.00	500.00	500.00	0.00
Other Purchased	8,415.00	1,500.00	1,500.00	542.11	957.89
Other Purchased Services (400-500 series)	8,415.00	(1,500.00)	6,915.00	6,914.81	0.19
Supplies and materials	23,346.00	5,242.27	28,588.27	17,677.98	10,910.29
Total health services	703,415.00	(15,773.00)	687,642.00	655,814.97	31,827.03

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Other support services - student related services:					
Salaries	\$ 801,738.00	\$ (141,663.63)	\$ 660,074.37	\$ 648,689.84	\$ 11,384.53
Salaries of other professional staff		16,283.16	16,283.16	15,925.00	358.16
Purchased Professional - Educational Services	279,106.00	(4,000.00)	275,106.00	264,021.62	11,084.38
Supplies and Materials	7,645.00		7,645.00	7,206.85	438.15
Total other support services - students related services	<u>1,088,489.00</u>	<u>(129,380.47)</u>	<u>959,108.53</u>	<u>935,843.31</u>	<u>23,265.22</u>
Other support services- Students- Extra Services					
Salaries	131,397.00	115,340.47	246,737.47	246,737.47	
Purchased Professional - Educational Services	425,500.00	168,308.53	593,808.53	561,876.19	31,932.34
Supplies and Materials		830.00	830.00	824.39	5.61
Total other support services- Students- Extra Services	<u>556,897.00</u>	<u>284,479.00</u>	<u>841,376.00</u>	<u>809,438.05</u>	<u>31,937.95</u>
Other support services - students - regular:					
Salaries of other professional staff	793,694.00	(7,000.00)	786,694.00	732,272.48	54,421.52
Salaries of secretarial and clerical assistants	68,439.00		68,439.00	64,513.68	3,925.32
Purchased Professional - Educational Services	142,147.00	9,300.00	151,447.00	146,725.92	4,721.08
Other Purchased Services (400-500 series)	48,500.00	(39,475.48)	9,024.52	8,475.68	548.84
Supplies and Materials	20,627.00	(1,200.00)	19,427.00	7,884.26	11,542.74
Other objects	4,780.00		4,780.00	355.00	4,425.00
Total other support services - students - regular	<u>1,078,187.00</u>	<u>(38,375.48)</u>	<u>1,039,811.52</u>	<u>960,227.02</u>	<u>79,584.50</u>
Other support services - students - Child Study Teams:					
Salaries of other professional staff	1,018,287.00	38,236.75	1,056,523.75	1,056,523.75	
Salaries of secretarial and clerical assistants	26,312.00	(2,291.86)	24,020.14	21,181.49	2,838.65
Purchased Professional - Educational Services		1,000.00	1,000.00	899.65	110.35
Other Purchased Professional and Tech Services	9,900.00	137.00	10,037.00	10,037.00	
Misc. Pur Serv (400-500 series o/ than resid. Costs)	10,200.00	(3,976.52)	6,223.48	1,445.62	4,777.86
Residential Costs	106,328.00	4,262.00	110,590.00	110,590.00	
Supplies and Materials	17,625.58	(1,137.00)	16,488.58	13,822.84	2,665.74
Other objects	1,600.00		1,600.00	475.00	1,125.00
Total other support services - students - Child Study Teams	<u>1,190,252.58</u>	<u>36,230.37</u>	<u>1,226,482.95</u>	<u>1,214,965.35</u>	<u>11,517.60</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Improvement of instruction services/ other support services-instructional staff:					
Salaries of Supervisors of Instruction	\$ 227,079.00	\$ 200.00	\$ 227,279.00	\$ 224,385.28	2,893.72
Salaries of other professional staff	54,060.00	78,000.00	132,060.00	129,796.00	2,264.00
Salary Literacy Coach	164,000.00	17,334.75	181,334.75	181,334.75	
Purchased Professional	178,500.00	(112,178.00)	66,322.00	63,462.80	2,859.20
Other Purchased Services (400-500)	27,000.00	(2,046.75)	24,953.25	9,879.23	15,074.02
Supplies and Materials	32,800.00	5,180.57	37,980.57	36,379.14	1,601.43
Other Objects	22,800.00	(8,471.00)	14,329.00	14,329.00	
<b>Total improvement of instruction services/ other support services-instructional staff</b>	<b>706,239.00</b>	<b>(21,980.43)</b>	<b>684,258.57</b>	<b>659,566.20</b>	<b>24,692.37</b>
Educational media services/school library:					
Salaries	458,493.00	(82,694.32)	375,798.68	333,620.00	42,178.68
Salaries of secretarial and clerical assistants		66,950.00	66,950.00	66,950.00	
Salaries of Technology Coordinators	116,409.00		116,409.00	116,408.88	0.12
Purchased Professional and Technical Services	14,590.00	5,000.00	19,590.00	18,799.21	790.79
Supplies and Materials	31,129.00	27.00	31,156.00	28,258.20	2,897.80
<b>Total educational media services/school library</b>	<b>620,621.00</b>	<b>(10,717.32)</b>	<b>609,903.68</b>	<b>564,036.29</b>	<b>45,867.39</b>
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	141,647.00	0.05	141,647.05	129,405.72	12,241.33
Purchased Professional - Educational Services	1,425.00	1,229.95	2,654.95	1,400.00	1,254.95
Other Purchased Services (400-500)	44,250.00	(1,480.00)	42,770.00	4,088.00	38,682.00
Other Objects		250.00	250.00	250.00	
<b>Total instructional staff training services:</b>	<b>187,322.00</b>		<b>187,322.00</b>	<b>135,143.72</b>	<b>52,178.28</b>
Support services general administration:					
Salaries	709,453.00	(345,623.89)	363,829.11	363,828.91	0.20
Salaries of secretarial and clerical assistants		247,621.43	247,621.43	247,400.31	221.12
Health Benefits	129,620.00	(129,620.00)			
Legal services	110,000.00	95,165.47	205,165.47	116,091.42	89,074.05
Audit Fees	30,215.00		30,215.00	30,215.00	
Other purchased professional services	2,000.00	7,900.00	9,900.00	9,900.00	
Purchased technical services	7,636.00	684.43	8,320.43	8,303.50	16.93



MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Admin. Info. Tech.					
Salaries	\$ 91,200.00	\$ (1,000.00)	\$ 90,200.00	\$ 85,324.53	4,875.47
Purchased Professional Services	20,800.00	(20,800.00)			
Purchased technical services	43,995.00	28,342.35	72,337.35	49,807.71	22,529.64
Other Purchased Services ( 400- 500 series)	2,775.00		2,775.00	1,648.16	1,126.84
Supplies and Materials	37,430.00	(6,542.35)	30,887.65	30,512.64	375.01
<b>Total admin. Info. Technology</b>	<b>196,200.00</b>		<b>196,200.00</b>	<b>167,293.04</b>	<b>28,906.96</b>
Required Maintenance for School Facilities:					
Salaries	464,653.00	10,164.17	474,817.17	470,686.19	4,130.98
Cleaning, Repair and Maintenance Services	341,877.00	(102,799.97)	239,077.03	197,299.69	41,777.34
Travel		3,950.00	3,950.00	549.00	3,401.00
General supplies	103,985.00	78,000.00	181,985.00	170,516.31	11,468.69
Other Objects	7,475.00	2,800.00	10,275.00	10,275.00	
<b>Total Allowable Maintenance for School Facilities</b>	<b>917,990.00</b>	<b>(7,885.80)</b>	<b>910,104.20</b>	<b>849,326.19</b>	<b>60,778.01</b>
Other operation and maint. of plant :					
Salaries of Non-Instructional Aides	81,762.00	(10,164.17)	71,597.83	70,711.07	886.76
Purchased professional and technical services	22,500.00	(21,900.00)	600.00	600.00	
Cleaning, repair and maint. services	1,927,251.00	(59,538.22)	1,867,712.78	1,823,162.85	44,549.93
Other purchased property services	367,200.00	17,600.00	384,800.00	378,686.84	6,113.16
Insurance	382,974.00	1,019.65	383,993.65	376,774.15	7,219.50
Misc. Purchased Services		4,000.00	4,000.00	467.48	3,532.52
General supplies	95,000.00	21,000.00	116,000.00	114,268.76	1,731.24
Energy (heat and electricity)	710,000.00	(160,464.00)	549,536.00	521,140.16	28,395.84
Energy (Natural Gas)	317,521.00	43,000.00	360,521.00	347,906.62	12,614.38
Energy (Oil)	25,000.00	(25,000.00)			
Other objects	3,500.00	(1,500.00)	2,000.00	80.03	1,919.97
<b>Total other operation and maint. of plant</b>	<b>3,932,708.00</b>	<b>(191,946.74)</b>	<b>3,740,761.26</b>	<b>3,633,797.96</b>	<b>106,963.30</b>
Care & Upkeep of Grounds					
Salaries	20,000.00	(4,000.00)	16,000.00	14,751.69	1,248.31
Cleaning, Repair and Maintenance Services	67,500.00	17,605.32	85,105.32	80,130.32	4,975.00
General Supplies	35,500.00	17,000.00	52,500.00	51,773.56	726.44
<b>Total Care and Upkeep of Grounds</b>	<b>123,000.00</b>	<b>30,605.32</b>	<b>153,605.32</b>	<b>146,655.57</b>	<b>6,949.75</b>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Security					
Salaries	\$ 3,000.00	\$ 25,000.08	\$ 25,000.08	\$ 25,000.08	\$ 533.73
Purchased Professional and Technical Services	90,240.00	(2,466.27)	533.73	65,425.00	533.73
Cleaning, Repair and Maintenance Services		41,220.19	41,220.19	41,217.84	2.35
General Supplies		90.00	90.00	90.00	
Other Objects					
Total Security	93,240.00	39,029.00	132,269.00	131,732.92	536.08
Total operation and maintenance of plant services	5,066,938.00	(130,198.22)	4,936,739.78	4,761,512.64	175,227.14
Student transportation services:					
Salaries of Non-Instructional Aides	166,866.00	(17,658.06)	149,207.94	146,267.15	2,940.79
Salaries for pupil transportation (between home and school)-regular	667,452.00	205,460.10	872,912.10	870,438.52	2,473.58
Salaries for pupil transportation (between home and school)-Special Ed	461,032.00	(58,070.67)	402,961.33	373,053.54	29,907.79
Salaries for pupil transportation (other than between home & school)	115,597.00	(42,527.67)	73,069.33	56,554.36	16,514.97
Cleaning, Repair and Maintenance Services	218,300.00		218,300.00	196,149.12	22,150.88
Lease Purchase Payments - School Buses	59,500.00	667.07	60,167.07	60,167.07	
Contracted Services - between home and school vendor	247,747.00	(29,423.77)	218,323.23	182,100.84	36,222.39
Contracted services (other than between home and school)-vendors	75,048.00	18,000.00	93,048.00	75,135.86	17,912.14
Jointures- Regular Students	53,899.00		53,899.00	15,235.10	38,663.90
Contracted services (special education students) vendors	519,233.00		519,233.00	464,321.89	54,911.11
Contracted services (special education students) Joint Agrmnts	218,247.00	(42,622.56)	175,624.44	133,132.35	42,492.09
Contract. Serv - Aid in Lieu Pymts-NonPub Sch	70,720.00	4,900.00	75,620.00	74,256.00	1,364.00
Miscellaneous purchased services - Transportation	102,830.00	(22,000.00)	80,830.00	20,696.17	60,133.83
Transportation Supplies	175,555.00		175,555.00	159,082.24	16,472.76
Miscellaneous Expenditures	17,275.00		17,275.00	9,496.16	7,778.84
Total student transportation services	3,169,301.00	16,724.44	3,186,025.44	2,836,086.37	349,939.07

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 510,000.00	\$ 32,808.26	\$ 542,808.26	\$ 523,767.78	19,040.48
Other retirement contributions - regular	578,288.00	(60,462.32)	517,825.68	488,070.00	29,755.68
Other retirement contributions - erip	77,000.00	6,308.14	83,308.14	83,308.14	
Unemployment Compensation	120,000.00	3,665.36	123,665.36	123,665.36	
Workers Compensation	320,096.00	(35,822.74)	284,273.26	283,736.55	536.71
Health Benefits	9,138,147.00	11,365.32	9,149,512.32	8,906,536.14	242,976.18
Tuition Reimbursements	101,000.00		101,000.00	63,507.28	37,492.72
Other Employee Benefits	330,400.00	(19,485.02)	310,914.98	294,540.12	16,374.86
Total Unallocated Benefits - Employee Benefits:	<u>11,174,931.00</u>	<u>(61,623.00)</u>	<u>11,113,308.00</u>	<u>10,767,131.37</u>	<u>346,176.63</u>
On-behalf TPAF Pension (non-budgeted)				1,346,356.00	(1,346,356.00)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				2,291,113.00	(2,291,113.00)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				96,864.00	(96,864.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,960,132.81	(1,960,132.81)
Total Undistributed Expenditures	<u>32,925,873.58</u>	<u>(254,379.40)</u>	<u>32,671,494.18</u>	<u>36,893,336.33</u>	<u>(4,221,842.15)</u>
TOTAL EXPENDITURES - CURRENT EXPENSE FUND 11	<u>59,962,792.28</u>	<u>(219,464.00)</u>	<u>59,743,328.28</u>	<u>62,678,879.49</u>	<u>(2,935,551.21)</u>
CAPITAL OUTLAY:					
Interest Deposit to Capital reserve					
Equipment:					
Grades 6-8		7,040.00	7,040.00		7,040.00
Grades 9-12		119,119.10	119,119.10	109,420.00	9,699.10
School-Sponsored and Other Instructional Program	18,830.00		18,830.00	12,307.80	6,522.20
Undistributed Expenditures - Admin info tech	20,725.00	41,693.91	62,418.91	61,779.71	639.20
Undistributed Expenditures - Care and Unkeep of Grounds	8,195.00	(3,923.50)	4,271.50		4,271.50
Undistributed Expenditures - Safety and Security Equip.	1,325.00		1,325.00	1,325.00	
Total Equipment	<u>49,075.00</u>	<u>163,929.51</u>	<u>213,004.51</u>	<u>184,832.51</u>	<u>28,172.00</u>
Facilities acquisition and construction services:					
Architectural/Engineering Services	350,868.92	65,778.89	416,647.81	255,184.76	161,463.05
Construction Services	3,034,425.59	217,755.60	3,252,181.19	2,022,188.34	1,229,992.85
Other Objects	104,974.00		104,974.00	104,974.00	
Total facilities acquis. and const. services	<u>3,490,268.51</u>	<u>283,534.49</u>	<u>3,773,803.00</u>	<u>2,382,347.10</u>	<u>1,391,455.90</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Interest Deposit to Capital Reserve	\$ 50.00		\$ 50.00	\$	50.00
TOTAL CAPITAL OUTLAY	<u>3,539,393.51</u>	<u>447,464.00</u>	<u>3,986,857.51</u>	<u>2,567,179.61</u>	<u>1,419,677.90</u>
TOTAL EXPENDITURES	<u>63,502,185.79</u>	<u>228,000.00</u>	<u>63,730,185.79</u>	<u>65,246,059.10</u>	<u>(1,515,873.31)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,414,474.79)</u>	<u>(228,000.00)</u>	<u>(3,642,474.79)</u>	<u>916,044.97</u>	<u>4,558,519.76</u>
Other financing sources					
Transfer of funds	<u>(2,601,000.00)</u>		<u>(2,601,000.00)</u>	<u>(2,601,000.00)</u>	
Total other financing sources	<u>(2,601,000.00)</u>		<u>(2,601,000.00)</u>	<u>(2,601,000.00)</u>	
Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	<u>(6,015,474.79)</u>	<u>(228,000.00)</u>	<u>(6,243,474.79)</u>	<u>(1,684,955.03)</u>	<u>4,558,519.76</u>
Fund balances, July 1	<u>13,480,752.93</u>		<u>13,480,752.93</u>	<u>13,480,752.93</u>	
Fund balances, June 30	<u>\$ 7,465,278.14</u>	<u>\$ (228,000.00)</u>	<u>\$ 7,237,278.14</u>	<u>\$ 11,795,797.90</u>	<u>\$ 4,558,519.76</u>
Recapitulation:					
Assigned:					
Year End Encumbrances				\$ 1,320,811.74	
Restricted:					
Excess Surplus - Designated for Subsequent Year's Expenditures				503,457.94	
Excess Surplus				135,028.22	
Emergency Reserve				502,138.30	
Maintenance Reserve				3,302,404.17	
Capital Reserve				4,740,015.60	
Committed:					
Designated for Subsequent Year's Expenditures				0.06	
Unassigned				<u>1,291,941.87</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State aid payments not recognized on GAAP basis				<u>(1,197,450.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>10,598,347.90</u>	

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
Federal sources	\$ 991,031.00	\$ 379,142.40	\$ 1,370,173.40	\$ 1,319,768.92	\$ (50,404.48)
State sources		43,731.00	43,731.00	41,337.00	(2,394.00)
Other sources		84,707.80	84,707.80	73,121.79	(11,586.01)
<b>Total revenues</b>	<u>991,031.00</u>	<u>507,581.20</u>	<u>1,498,612.20</u>	<u>1,434,227.71</u>	<u>(64,384.49)</u>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of teachers	194,341.00	21,971.00	216,312.00	200,681.25	15,630.75
Other salaries for instruction	281,514.00	14,182.00	295,696.00	295,696.00	
Other Purchased Services		6,528.00	6,528.00	6,520.00	8.00
Other purchased professional services		74,192.00	74,192.00	70,786.06	3,405.94
Tuition	172,936.00	(68,536.00)	104,400.00	89,371.65	15,028.35
Supplies and materials		293,212.81	293,212.81	277,166.21	16,046.60
Textbooks		12,154.00	12,154.00	11,851.00	303.00
Miscellaneous Expenditures		2,000.00	2,000.00	1,542.91	457.09
<b>Total instruction</b>	<u>648,791.00</u>	<u>355,703.81</u>	<u>1,004,494.81</u>	<u>953,615.08</u>	<u>50,879.73</u>
<b>Support services:</b>					
Salaries of Secretarial and Clerical Assistants	87,884.00	(2,144.00)	85,740.00	84,562.25	1,177.75
Other salaries for instruction	111,520.00	58,140.00	169,660.00	169,660.00	
Personal services - employee benefits	73,235.00	(3,939.00)	69,296.00	63,296.00	6,000.00
Purchased professional - educational services	69,601.00	24,922.00	94,523.00	94,327.00	196.00
Cleaning, Repair, and Maintenance Services		27,239.39	27,239.39	27,239.39	
Other purchased services		32,930.00	32,930.00	27,820.78	5,109.22
Supplies and materials		12,803.00	12,803.00	12,502.62	300.38
Miscellaneous expenditures		1,926.00	1,926.00	1,204.59	721.41
<b>Total support services</b>	<u>342,240.00</u>	<u>151,877.39</u>	<u>494,117.39</u>	<u>480,612.63</u>	<u>13,504.76</u>
<b>Total expenditures</b>	<u>991,031.00</u>	<u>507,581.20</u>	<u>1,498,612.20</u>	<u>1,434,227.71</u>	<u>64,384.49</u>
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note A - Explanation of difference between budgetary inflows and outflows and GAAP Revenues and Expenditures

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$66,162,104.07	\$1,434,227.71
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Adjust for encumbrances:		
Add prior year encumbrances		7,971.72
Less current year encumbrances		(10,264.16)
Less: prior year encumbrances cancelled		(465.10)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(1,197,450.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,196,195.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$66,160,849.07	\$1,431,470.17
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$65,246,059.10	\$1,434,227.71
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Adjust for encumbrances:		
Add prior year encumbrances		7,971.72
Less current year encumbrances		(10,264.16)
Less: prior year encumbrances cancelled		(465.10)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$65,246,059.10	\$1,431,470.17

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)**

MATAWAN ABERDEEN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TEN YEARS

Fiscal Year Ending <u>June 30,</u>	District's Proportion Share of the Net Pension <u>Liability (Asset)</u>	District's Proportionate Share of the Net Pension <u>Liability (Asset)</u>	District's Covered-Employee <u>Payroll</u>	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- <u>Employee Payroll</u>	Plan Fiduciary Net Position as a percentage of the total <u>Pension Liability</u>
2014	0.0528147030%	\$ 1,243,137	3,900,890	31.87%	40.71%
2015	0.0592040926%	1,263,966	4,031,866	31.35%	42.74%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

MATAWAN ABERDEEN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TEN YEARS

Fiscal Year Ending <u>June 30,</u>	Contractually Required <u>Contribution</u>	Contributions in Relation to the Contractually Required <u>Contributions</u>	Contribution Deficiency ( <u>Excess</u> )	District's Covered- Employee <u>Payroll</u>	Contributions as a Percentage of Covered- Employee <u>Payroll</u>
2014	\$ 397,948	\$ 397,948	\$ -0-	\$ 1,243,137	32.01%
2015	488,070	488,070	-0-	1,263,966	38.61%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

MATAWAN ABERDEEN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS PENSION AND ANNUITY FUND  
LAST TEN YEARS

Fiscal Year Ending <u>June 30,</u>	District's Proportion Share of the Net Pension <u>Liability (Asset)</u>	District's Proportionate Share of the Net Pension <u>Liability (Asset)</u>	District's Covered-Employee <u>Payroll</u>	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- <u>Employee Payroll</u>	Plan Fiduciary Net Position as a percentage of the total <u>Pension Liability</u>
2014	0.2643382202%	\$ -0-	\$ 26,871,307	-0-	33.76%
2015	0.2588708471%	\$ -0-	\$ 26,397,765	-0-	33.64%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

MATAWAN ABERDEEN REGIONAL SCHOOL DISTRICT  
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)  
NOTE TO RSI III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 5.55% to 5.39%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 4.95% to 4.68%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	TITLE I	TITLE IIA	TITLE III	IDEA PART B	IDEA PRESCHOOL
REVENUES:					
Federal sources	\$ 304,023.87	\$ 113,854.78	\$ 8,918.89	\$ 873,295.38	\$ 19,676.00
State sources					
Other sources					
<b>Total revenues</b>	<b>\$ 304,023.87</b>	<b>\$ 113,854.78</b>	<b>\$ 8,918.89</b>	<b>\$ 873,295.38</b>	<b>\$ 19,676.00</b>
EXPENDITURES:					
Instruction:					
Salaries of teachers	185,031.25	15,000.00	150.00	276,020.00	19,676.00
Other salaries for instruction					
Other Purchased Services	18,315.06			52,471.00	
Other purchased professional-educational services				89,371.65	
Tuition	51,027.03		5,818.30	180,077.48	
Supplies and materials					
Textbooks					
Miscellaneous Expenditures	869.91		673.00		
<b>Total instruction</b>	<b>\$ 255,243.25</b>	<b>\$ 15,000.00</b>	<b>\$ 6,641.30</b>	<b>\$ 597,940.13</b>	<b>\$ 19,676.00</b>
Support services:					
Salaries of Secretarial and Clerical Assistants				84,562.25	
Other Salaries for Instruction				169,660.00	
Personal services - employee benefits	48,028.00	1,148.00	582.00	13,538.00	
Purchased professional - educational services		67,067.00		1,900.00	
Cleaning, Repair, and Maintenance Services					
Travel					
Other purchased services		27,104.78	716.00		
Supplies and materials	527.62	3,535.00		5,695.00	
Miscellaneous expenditures	225.00		979.59		
<b>Total support services</b>	<b>\$ 48,780.62</b>	<b>\$ 98,854.78</b>	<b>\$ 2,277.59</b>	<b>\$ 275,355.25</b>	
Facilities acquisition and construction serv:					
Instructional equipment					
<b>Total facilities acquisition and construction serv.</b>					
<b>Total expenditures</b>	<b>\$ 304,023.87</b>	<b>\$ 113,854.78</b>	<b>\$ 8,918.89</b>	<b>\$ 873,295.38</b>	<b>\$ 19,676.00</b>

(Continued on next page)

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	NON - PUBLIC TEXTBOOKS	NON - PUBLIC CORRECTIVE SPEECH	NON - PUBLIC EXAMINATION & CLASSIFICATION	NON - PUBLIC NURSING	NON - PUBLIC TECHNOLOGY
REVENUES:					
Federal sources	\$	\$	\$	\$	\$
State sources	11,851.00	1,284.00	2,520.00	19,162.00	6,520.00
Other sources					
Total revenues	\$ 11,851.00	\$ 1,284.00	\$ 2,520.00	\$ 19,162.00	\$ 6,520.00
EXPENDITURES:					
Instruction:					
Salaries of teachers					
Other salaries for instruction					
Other Purchased Services					6,520.00
Other purchased professional-educational services					
Tuition					
Supplies and materials					
Textbooks	11,851.00				
Miscellaneous Expenditures					
Total instruction	11,851.00				6,520.00
Support services:					
Salaries of Secretarial and Clerical Assistants					
Other Salaries for Instruction					
Personal services - employee benefits					
Purchased professional - educational services		1,284.00	2,520.00	19,162.00	
Cleaning, Repair, and Maintenance Services					
Travel					
Other purchased services					
Supplies and materials					
Miscellaneous expenditures					
Total support services		1,284.00	2,520.00	19,162.00	
Facilities acquisition and construction serv:					
Instructional equipment					
Total facilities acquisition and construction serv.					
Total expenditures	\$ 11,851.00	\$ 1,284.00	\$ 2,520.00	\$ 19,162.00	\$ 6,520.00

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	NJSBAIG SAFETY GRANT	MOESC	OTHER LOCAL GRANTS	2015	2014
<b>REVENUES:</b>					
Federal sources	\$	\$	\$	1,319,768.92	\$ 1,267,242.34
State sources				41,337.00	33,053.95
Other sources	29,984.39	2,394.00	40,743.40	73,121.79	38,204.72
<b>Total revenues</b>	<u>\$ 29,984.39</u>	<u>\$ 2,394.00</u>	<u>\$ 40,743.40</u>	<u>\$ 1,434,227.71</u>	<u>\$ 1,338,501.01</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers			500.00	200,681.25	183,762.50
Other salaries for instruction				295,696.00	306,002.92
Other Purchased Services				6,520.00	
Other purchased professional-educational services				70,786.06	51,509.81
Tuition				89,371.65	163,960.00
Supplies and materials			40,243.40	277,166.21	50,603.11
Textbooks				11,851.00	10,781.66
Miscellaneous Expenditures				1,542.91	4,969.90
<b>Total instruction</b>			<u>40,743.40</u>	<u>953,615.08</u>	<u>771,589.90</u>
Support services:					
Salaries of Secretarial and Clerical Assistants				84,562.25	85,806.84
Other Salaries for Instruction				169,660.00	169,460.90
Personal services - employee benefits				63,296.00	118,439.00
Purchased professional - educational services		2,394.00		94,327.00	131,041.75
Cleaning, Repair, and Maintenance Services	27,239.39			27,239.39	
Travel					12,054.50
Other purchased services				27,820.78	2,235.95
Supplies and materials	2,745.00			12,502.62	45,187.90
Miscellaneous expenditures				1,204.59	
<b>Total support services</b>	<u>29,984.39</u>	<u>2,394.00</u>		<u>480,612.63</u>	<u>564,226.84</u>
Facilities acquisition and construction serv:					
Instructional equipment					2,684.27
<b>Total facilities acquisition and construction serv.</b>					<u>2,684.27</u>
<b>Total expenditures</b>	<u>\$ 29,984.39</u>	<u>\$ 2,394.00</u>	<u>\$ 40,743.40</u>	<u>\$ 1,434,227.71</u>	<u>\$ 1,338,501.01</u>

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS  
AS OF JUNE 30, 2015

ISSUE/PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		(MEMO ONLY) UNEXPENDED PROJECT BALANCE
			PRIOR YEAR	CURRENT YEAR	
Cambridge Park Elementary - HVAC Building Upgrades	6/13/2014	\$ 267,500.00	\$	16,402.50	\$ 251,097.50
Matawan High School - Boiler & Fire Alarm Ssystem Replacement	6/13/2014	1,150,000.00		535,925.79	614,074.21
Matawan Ave Middle School - Boiler & Fire Alarm System Replacement	6/13/2014	879,000.00		451,398.92	427,601.08
Cliffwood Middle School- HVAC, Fire Alarm & Fire Door Replacement	6/13/2014	730,500.00		235,013.05	495,486.95
Lloyd Road Elementary School - HVAC & Fire Alarm System Replacement	6/13/2014	1,015,000.00		241,577.95	773,422.05
Ravine Drive Elementary School - Fire Alarm System Replacement	6/13/2014	128,000.00		121,740.00	6,260.00
Strathmore Elementary School - Fire Alarm System Replacement	6/13/2014	165,000.00		105,533.00	59,467.00
Totals		\$ 4,335,000.00	\$ 0.00	1,707,591.21	\$ 2,627,408.79



MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
CAMBRIDGE PARK ELEMENTARY - HVAC BUILDING UPGRADES - CONTROLS  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
State sources - ROD grant	\$	107,000.00 \$	107,000.00 \$	107,000.00
Transfer from capital reserve		160,500.00	160,500.00	160,500.00
Total revenues		<u>267,500.00</u>	<u>267,500.00</u>	<u>267,500.00</u>
Expenditures and other financing uses:				
Other Purchased Professional & Technical Services		16,402.50	16,402.50	53,500.00
Construction services				214,000.00
Total expenditures		<u>16,402.50</u>	<u>16,402.50</u>	<u>267,500.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$	<u>251,097.50 \$</u>	<u>251,097.50 \$</u>	

Additional project information:

Project Number 3040-040-14-G2CS  
 Grant Date 6/13/2014  
 Original Authorized Cost \$267,500.00  
 Additional Authorized Cost -0-  
 Revised Authorized Cost \$267,500.00

Percentage Increase over Original Authorized Cost N/A  
 Percentage completion 6.13%  
 Original target completion date FY2016  
 Revised target completion date FY2016

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
MATAWAN HIGH SCHOOL - BOILER & FIRE ALARM SYSTEM REPLACEMENT  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
State sources - ROD grant	\$	460,000.00 \$	460,000.00 \$	460,000.00
Transfer from capital reserve		690,000.00	690,000.00	690,000.00
Total revenues		<u>1,150,000.00</u>	<u>1,150,000.00</u>	<u>1,150,000.00</u>
Expenditures and other financing uses:				
Other Purchased Professional & Technical Services		17,033.93	17,033.93	232,940.00
Construction services		518,891.86	518,891.86	917,060.00
Total expenditures		<u>535,925.79</u>	<u>535,925.79</u>	<u>1,150,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$	<u>614,074.21 \$</u>	<u>614,074.21 \$</u>	

Additional project information:

Project Number	3040-050-14-G2CT	
Grant Date	6/13/2014	
Original Authorized Cost	\$1,150,000.00	
Additional Authorized Cost	-0-	
Revised Authorized Cost	\$1,150,000.00	

Percentage Increase over Original Authorized Cost

Percentage completion	N/A
Original target completion date	46.60%
Revised target completion date	FY2016
	FY2016

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
MATAWAN AVE MIDDLE SCHOOL - BOILER & FIRE ALARM SYSTEM REPLACEMENT  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
State sources - ROD grant	\$	351,600.00 \$	351,600.00 \$	351,600.00
Transfer from capital reserve		527,400.00	527,400.00	527,400.00
Total revenues		879,000.00	879,000.00	879,000.00
Expenditures and other financing uses:				
Other Purchased Professional & Technical Services		15,373.92	15,373.92	175,800.00
Construction services		436,025.00	436,025.00	703,200.00
Total expenditures		451,398.92	451,398.92	879,000.00
Excess (deficiency) of revenues over (under) expenditures	\$	427,601.08 \$	427,601.08 \$	

Additional project information:

Project Number	3040-053-14-G2CU
Grant Date	6/13/2014
Original Authorized Cost	\$879,000.00
Additional Authorized Cost	-0-
Revised Authorized Cost	\$879,000.00

Percentage Increase over Original Authorized Cost	N/A
Percentage completion	51.35%
Original target completion date	FY2016
Revised target completion date	FY2016

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
CLIFFWOOD MIDDLE SCHOOL- HVAC VENTILATORS, FIRE ALARM & STAIR TOWER FIRE DOOR REPLACEMENT  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
State sources - ROD grant	\$	292,200.00 \$	292,200.00 \$	292,200.00
Transfer from capital reserve		438,300.00	438,300.00	438,300.00
Total revenues		730,500.00	730,500.00	730,500.00
Expenditures and other financing uses:				
Other Purchased Professional & Technical Services		34,732.00	34,732.00	146,100.00
Construction services		200,281.05	200,281.05	584,400.00
Total expenditures		235,013.05	235,013.05	730,500.00
Excess (deficiency) of revenues over (under) expenditures	\$	495,486.95 \$	495,486.95 \$	

Additional project information:

Project Number	3040-060-14-G2CV
Grant Date	6/13/2014
Original Authorized Cost	\$730,500.00
Additional Authorized Cost	-0-
Revised Authorized Cost	\$730,500.00

Percentage Increase over Original Authorized Cost	N/A
Percentage completion	32.17%
Original target completion date	FY2016
Revised target completion date	FY2016

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
LLOYD ROAD ELEMENTARY SCHOOL- HVAC VENTILATORS, FIRE ALARM & STAIR TOWER FIRE DOOR REPLACEMENT  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
State sources - ROD grant	\$	406,000.00 \$	406,000.00 \$	406,000.00
Transfer from capital reserve		609,000.00	609,000.00	609,000.00
Total revenues		<u>1,015,000.00</u>	<u>1,015,000.00</u>	<u>1,015,000.00</u>
Expenditures and other financing uses:				
Other Purchased Professional & Technical Services		54,342.00	54,342.00	203,000.00
Construction services		187,235.95	187,235.95	812,000.00
Total expenditures		<u>241,577.95</u>	<u>241,577.95</u>	<u>1,015,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$	<u>773,422.05 \$</u>	<u>773,422.05 \$</u>	

Additional project information:

Project Number	3040-065-14-G2CW
Grant Date	6/13/2014
Original Authorized Cost	\$1,015,000.00
Additional Authorized Cost	-0-
Revised Authorized Cost	\$1,015,000.00

Percentage Increase over Original Authorized Cost	N/A
Percentage completion	23.80%
Original target completion date	FY2016
Revised target completion date	FY2016

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
RAVINE DRIVE ELEMENTARY SCHOOL - FIRE ALARM SYSTEM REPLACEMENT  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
State sources - ROD grant	\$	51,200.00 \$	51,200.00 \$	51,200.00
Transfer from capital reserve		76,800.00	76,800.00	76,800.00
Total revenues		<u>128,000.00</u>	<u>128,000.00</u>	<u>128,000.00</u>
Expenditures and other financing uses:				
Other Purchased Professional & Technical Services		1,000.00	1,000.00	7,006.00
Construction services		120,740.00	120,740.00	120,994.00
Total expenditures		<u>121,740.00</u>	<u>121,740.00</u>	<u>128,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$	<u>6,260.00 \$</u>	<u>6,260.00 \$</u>	

Additional project information:

Project Number	3040-075-14-G2CX
Grant Date	6/13/2014
Original Authorized Cost	\$128,000.00
Additional Authorized Cost	-0-
Revised Authorized Cost	\$128,000.00

Percentage Increase over Original Authorized Cost	N/A
Percentage completion	95.11%
Original target completion date	FY2016
Revised target completion date	FY2016

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
STRATHMORE ELEMENTARY SCHOOL - FIRE ALARM SYSTEM REPLACEMENT  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
State sources - ROD grant	\$	66,000.00 \$	66,000.00 \$	66,000.00
Transfer from capital reserve		99,000.00	99,000.00	99,000.00
Total revenues		<u>165,000.00</u>	<u>165,000.00</u>	<u>165,000.00</u>
Expenditures and other financing uses:				
Other Purchased Professional & Technical Services		1,430.00	1,430.00	33,000.00
Construction services		104,103.00	104,103.00	132,000.00
Total expenditures		<u>105,533.00</u>	<u>105,533.00</u>	<u>165,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$	<u>59,467.00 \$</u>	<u>59,467.00 \$</u>	

Additional project information:

Project Number	3040-080-14-G2CY
Grant Date	6/13/2014
Original Authorized Cost	\$165,000.00
Additional Authorized Cost	-0-
Revised Authorized Cost	\$165,000.00

Percentage Increase over Original Authorized Cost	N/A
Percentage completion	63.96%
Original target completion date	2016
Revised target completion date	2016

<b>FIDUCIARY FUNDS DETAIL STATEMENTS</b>
--

**Fiduciary Funds are used to account for funds received by the district for a specific purpose:**

**Unemployment Compensation Insurance Trust Fund:** This expendable trust fund is used to pay unemployment compensation claims as they arise.

**Agency Funds are used to account for assets held by the district as an agent for another party:**

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

**Payroll Fund:** This agency fund is used to account for the payroll transactions of the school district.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2015

	STUDENT ACTIVITY	AGENCY FUNDS PAYROLL AGENCY	TOTAL AGENCY	STATE UNEMPLOYMENT TRUST FUND	TOTAL JUNE 30 2014
ASSETS:					
Cash and cash equivalents	\$130,831.22	\$51,834.46	\$182,665.68	\$62,624.15	\$245,289.83
Total assets	\$130,831.22	\$51,834.46	\$182,665.68	\$62,624.15	\$245,289.83
LIABILITIES:					
Payroll deductions and withholdings Due to student groups	\$130,831.22	\$51,834.46	\$182,665.68		\$51,834.46 130,831.22
Total liabilities	130,831.22	51,834.46	182,665.68		182,665.68
NET POSITION:					
Held in trust for State Unemployment Insurance claims and other purposes				\$62,624.15	\$62,624.15
Total net position	-0-	-0-	-0-	\$62,624.15	\$62,624.15

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	STATE UNEMPLOYMENT INSURANCE <u>TRUST FUND</u>	<u>TOTAL</u>
ADDITIONS:		
Contributions:		
Other	\$198,749.44	\$198,749.44
Total contributions	<u>198,749.44</u>	<u>198,749.44</u>
Total additions	<u>198,749.44</u>	<u>198,749.44</u>
DEDUCTIONS:		
Unemployment claims	191,502.57	191,502.57
Total deductions	<u>191,502.57</u>	<u>191,502.57</u>
Change in net assets	7,246.87	7,246.87
Net position beginning of year	<u>55,377.28</u>	<u>\$55,377.28</u>
Net position end of year	<u>\$62,624.15</u>	<u>\$62,624.15</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BALANCE</u> <u>JULY 1, 2014</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
Elementary Schools:				
Ravine	\$3,003.86	\$1,288.83	\$697.50	\$3,595.19
Cliffwood	2,458.90	623.00	1,454.11	1,627.79
Strathmore	5,527.24	1,602.00	2,098.00	5,031.24
Lloyd Road	8,365.41	14,084.00	14,493.08	7,956.33
Total Elementary Schools	<u>\$19,355.41</u>	<u>\$17,597.83</u>	<u>\$18,742.69</u>	<u>\$18,210.55</u>
Middle School:				
Matawan Avenue	<u>\$30,238.81</u>	<u>\$123,808.73</u>	<u>\$113,942.93</u>	<u>\$40,104.61</u>
Total Middle School	<u>\$30,238.81</u>	<u>\$123,808.73</u>	<u>\$113,942.93</u>	<u>\$40,104.61</u>
High School:				
Matawan Regional	\$87,863.43	\$130,426.57	\$145,773.94	\$72,516.06
Athletic Account	248.50	58,213.50	58,462.00	
Total High School	<u>\$88,111.93</u>	<u>\$188,640.07</u>	<u>\$204,235.94</u>	<u>\$72,516.06</u>
Total all schools	<u><u>\$137,706.15</u></u>	<u><u>\$330,046.63</u></u>	<u><u>\$336,921.56</u></u>	<u><u>\$130,831.22</u></u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
PAYROLL AGENCY FUNDS  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BALANCE</u> <u>JULY 1, 2014</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
ASSETS:				
Cash and cash equivalents	<u>\$281,536.46</u>	<u>\$51,270,210.22</u>	<u>\$51,499,912.22</u>	<u>\$51,834.46</u>
Total assets	<u>\$281,536.46</u>	<u>\$51,270,210.22</u>	<u>\$51,499,912.22</u>	<u>\$51,834.46</u>
LIABILITIES:				
Interfunds payable		\$34,389,735.86	\$34,389,735.86	\$51,834.46
Payroll deductions and withholdings		16,880,474.36	17,110,176.36	
Total liabilities	<u>\$281,536.46</u>	<u>\$51,270,210.22</u>	<u>\$51,499,912.22</u>	<u>\$51,834.46</u>

## **LONG-TERM DEBT SCHEDULES**

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2015

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>DATE</u>	<u>MATURITIES</u>	<u>RATE OF INTEREST</u>	<u>BALANCE JULY 1, 2014</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2015</u>
2002 Refunding Bonds	12/30/2002	\$ 5,665,000.00	4/15/2016	\$ 570,000.00	4.500%	\$ 1,110,000.00	\$ 540,000.00	\$ 570,000.00
2011 Refunding Bonds	9/15/2011	20,530,000.00	9/15/2015	1,045,000.00	4.00%			
			9/15/2016	1,095,000.00	4.00%			
			9/15/2017	1,145,000.00	4.00%			
			9/15/2018	1,210,000.00	5.00%			
			9/15/2019	1,275,000.00	5.00%			
			9/15/2020	1,350,000.00	5.00%			
			9/15/2021	1,425,000.00	4.50%			
			9/15/2022	1,495,000.00	4.50%			
			9/15/2023	1,575,000.00	5.00%			
			9/15/2024	1,665,000.00	5.00%			
	9/15/2025	1,745,000.00	4.00%					
	9/15/2026	1,820,000.00	4.00%					
	9/15/2027	1,905,000.00	4.24%					
						<u>19,750,000.00</u>	<u>1,000,000.00</u>	<u>18,750,000.00</u>
						\$ 20,860,000.00	\$ 1,540,000.00	\$ 19,320,000.00

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$2,438,530.00		\$2,438,530.00	\$2,438,530.00	
<b>Total revenues</b>	2,438,530.00		2,438,530.00	2,438,530.00	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	898,530.00		898,530.00	898,530.00	
Redemption of principal	1,540,000.00		1,540,000.00	1,540,000.00	
<b>Total regular debt service-expenditures</b>	2,438,530.00		2,438,530.00	2,438,530.00	
<b>Excess (deficiency) of revenues over (under) expenditures</b>					
Fund balance, July 1	1.43		1.43	1.43	
<b>Fund balance, June 30</b>	\$1.43		\$1.43	\$1.43	

**STATISTICAL SECTION - UNAUDITED**



MATAWAN ABERDEEN REGIONAL SCHOOL DISTRICT  
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST SIX FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	2010	2011	2012	2013	2014	2015
Government Activities:						
Net Investment in capital assets	\$ 13,951,213.00	\$ 13,897,770.00	\$ 27,216,151.59	\$ 31,011,303.83	\$ 34,718,497.02	\$ 37,599,133.47
Restricted	2,509,638.00	6,131,370.00	9,626,184.43	13,792,360.48	8,668,028.44	9,991,342.03
Unrestricted	(71,581.00)	(960,477.00)	(835,518.36)	(2,431,923.11)	1,044,727.93	(9,948,266.80)
Total Government Activities Net Assets	\$ 16,389,270.00	\$ 19,068,663.00	\$ 36,006,817.66	\$ 42,371,741.20	\$ 44,431,253.39	\$ 37,642,208.70
Business-Type Activities:						
Net Investment in capital assets	56,469.00	49,040.00	41,611.43	34,289.40	34,937.88	30,369.58
Unrestricted	211,240.00	239,266.00	211,225.61	136,714.60	205,037.12	251,013.79
Total Business-Type Activities Net Assets	\$ 267,709.00	\$ 288,306.00	\$ 252,837.04	\$ 171,004.00	\$ 239,975.00	\$ 281,383.37
District-wide:						
Net Investment in capital assets	\$ 14,007,682.00	\$ 13,946,810.00	\$ 27,257,763.02	\$ 31,045,593.23	\$ 34,753,434.90	\$ 37,629,503.05
Restricted	2,509,638.00	6,131,370.00	9,626,184.43	13,792,360.48	8,668,028.44	9,991,342.03
Unrestricted	139,659.00	(721,211.00)	(624,292.75)	(2,295,208.51)	1,249,765.05	(9,697,253.01)
Total District Net Assets	\$ 16,656,979.00	\$ 19,356,969.00	\$ 36,259,654.70	\$ 42,542,745.20	\$ 44,671,228.39	\$ 37,923,592.07

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST SIX FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses:						
Governmental Activities:						
Instruction:						
Regular	\$ (18,205,392.00)	\$ (17,468,715.00)	\$ (17,407,671.16)	\$ (18,210,424.22)	\$ (26,402,937.94)	\$ (30,576,988.32)
Special Education	(4,573,144.00)	(4,895,479.00)	(5,496,733.86)	(5,095,002.80)	(7,433,190.35)	(9,106,753.32)
Other Instruction	(1,395,431.00)	(2,372,717.00)	(2,222,570.65)	(2,285,794.42)	(3,154,911.27)	(3,737,195.65)
Support Services:						
Tuition	(4,877,910.00)	(4,396,674.00)	(3,639,959.86)	(3,029,097.85)	(2,396,195.41)	(2,499,060.76)
Student & instruction related services	(5,008,238.00)	(4,122,057.00)	(5,385,756.83)	(5,788,693.14)	(8,453,847.45)	(9,820,682.85)
General Administrative Services	(3,536,825.00)	(3,317,299.00)	(884,535.66)	(999,921.92)	(2,069,753.29)	(1,599,392.97)
Central Services			(2,257,673.48)	(2,239,359.00)	(2,755,320.65)	(4,019,175.77)
School Administrative Services	(912,726.00)	(758,311.00)	(453,032.02)	(484,258.51)	(654,633.85)	(693,080.86)
Admin. Information Technology			(235,185.19)	(152,443.59)	(150,468.43)	(206,024.95)
Plant Operations and Maintenance	(5,367,081.00)	(4,920,803.00)	(4,372,463.78)	(4,575,267.07)	(5,310,910.77)	(5,014,146.43)
Student Transportation Services	(2,556,743.00)	(2,728,276.00)	(2,660,672.92)	(2,749,771.83)	(3,369,277.60)	(3,434,847.16)
Unallocated Employee Benefits	(13,544,811.00)	(12,524,392.00)	(13,314,815.57)	(14,920,545.76)		
Summer School	(88,404.00)	(120,282.00)	(105,193.15)			
Interest on Long-Term Debt	(1,153,524.00)	(1,112,819.00)	(1,129,037.29)	(1,094,259.82)	(768,949.08)	(964,918.80)
ARRA	(1,710,066.00)					
Unallocated Depreciation and Amortization	(1,599,508.00)	(1,520,140.00)	(1,487,444.68)	(1,910,958.47)	(1,755,145.58)	(1,803,994.29)
Total Governmental Activities Expenses	<u>(64,529,803.00)</u>	<u>(60,257,964.00)</u>	<u>(61,052,746.10)</u>	<u>(63,535,798.40)</u>	<u>(64,675,541.67)</u>	<u>(73,476,262.13)</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST SIX FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Business-Type Activities:						
Food Service	\$ (1,600,876.00)	\$ (1,585,102.00)	\$ (1,603,886.92)	\$ (1,598,194.04)	\$ (1,522,971.29)	\$ (1,628,414.71)
Other Activities	(47,484.00)	(37,936.00)	(36,554.04)	(35,543.52)	(36,913.92)	(37,748.88)
Total Business-Type Activities Expenses	<u>(1,648,360.00)</u>	<u>(1,623,038.00)</u>	<u>(1,640,440.96)</u>	<u>(1,633,737.56)</u>	<u>(1,559,885.21)</u>	<u>(1,666,163.59)</u>
Total District Expenses	<u>\$ (66,178,163.00)</u>	<u>\$ (61,881,002.00)</u>	<u>\$ (62,693,187.06)</u>	<u>\$ (65,169,535.96)</u>	<u>\$ (66,235,426.88)</u>	<u>\$ (75,142,425.72)</u>
Program Revenues:						
Governmental Activities:						
Charges for Services:	\$	\$	\$	\$	\$	\$
Instruction (Tuition)		121,211.00	105,994.46	90,686.00	105,195.20	113,801.50
Pupil Transportation			99,099.47	122,583.89	106,837.10	88,230.17
Operating Grants and Contributions	1,804,257.00	1,769,685.00	6,255,615.07	6,881,736.97	6,237,529.41	13,127,677.98
Total Governmental Activities Program Revenues	<u>1,804,257.00</u>	<u>1,890,896.00</u>	<u>6,460,709.00</u>	<u>7,095,006.86</u>	<u>6,449,561.71</u>	<u>13,329,709.65</u>
Business-Type Activities:						
Charges for Services:						
Food Service	1,032,201.00	994,623.00	973,945.47	896,275.13	928,747.72	947,758.19
Other Activities	39,525.00	33,869.00	38,756.00	41,433.75	33,600.00	36,452.00
Operating Grants and Contributions	606,561.00	607,815.00	716,882.52	614,195.64	658,373.49	723,361.77
Total Business-Type Activities Program Revenues	<u>1,678,287.00</u>	<u>1,636,307.00</u>	<u>1,729,583.99</u>	<u>1,551,904.52</u>	<u>1,620,721.21</u>	<u>1,707,571.96</u>
Total District Program Revenues	<u>\$ 3,482,544.00</u>	<u>\$ 3,527,203.00</u>	<u>\$ 8,190,292.99</u>	<u>\$ 8,646,911.38</u>	<u>\$ 8,070,282.92</u>	<u>\$ 15,037,281.61</u>
Net (Expense)/Revenue:						
Governmental Activities	\$ (62,725,546.00)	\$ (58,367,068.00)	\$ (54,592,037.10)	\$ (56,440,791.54)	\$ (58,225,979.96)	\$ (60,146,552.48)
Business-Type Activities	29,927.00	13,269.00	89,143.03	(81,833.04)	60,836.00	41,408.37
Total District-wide Net (Expense)/Revenue	<u>\$ (62,695,619.00)</u>	<u>\$ (58,353,799.00)</u>	<u>\$ (54,502,894.07)</u>	<u>\$ (56,522,624.58)</u>	<u>\$ (58,165,143.96)</u>	<u>\$ (60,105,144.11)</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST SIX FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Revenues and Other Changes in Net Assets:						
Governmental Activities:						
Property Taxes Levied for General Purposes, Net	\$ 43,801,859.00	\$ 44,105,926.00	\$ 44,850,503.00	\$ 45,523,260.00	\$ 46,206,109.00	\$ 47,130,231.00
Taxes Levied for Debt Service	2,471,625.00	2,317,367.00	2,476,720.00	2,443,473.00	2,420,553.00	2,438,530.00
Unrestricted Grants and Contributions	16,745,405.00	14,772,491.00	12,092,970.61	12,527,494.95	12,457,914.69	12,695,618.18
Restricted Grants and Contributions			13,352.00	10,630.03	13,512.99	683,036.48
Tuition Received	114,095.00	121,211.00				
Miscellaneous Income	296,007.00	55,711.00	105,755.22	525,902.15	341,192.30	438,502.41
Investment Earnings	7,245.00	3,541.00	6,003.51	11,487.33		
Transfers and Other Adjustments					(8,135.00)	12,000.00
Total Governmental Activities	<u>63,436,236.00</u>	<u>61,376,247.00</u>	<u>59,545,304.34</u>	<u>61,042,247.46</u>	<u>61,431,146.98</u>	<u>63,397,918.07</u>
Business-Type Activities:						
Other		7,328.00				
Transfers					8,135.00	
Total Business-Type Activities		<u>7,328.00</u>			<u>8,135.00</u>	
Total District-wide	<u>\$ 63,436,236.00</u>	<u>\$ 61,383,575.00</u>	<u>\$ 59,545,304.34</u>	<u>\$ 61,042,247.46</u>	<u>\$ 61,439,281.98</u>	<u>\$ 63,397,918.07</u>
Changes in Net Assets:						
Governmental Activities	\$ 710,690.00	\$ 3,009,179.00	\$ 4,953,267.24	\$ 4,601,455.92	\$ 3,205,167.02	\$ 3,251,365.59
Business-Type Activities	<u>29,927.00</u>	<u>20,597.00</u>	<u>89,143.03</u>	<u>(81,833.04)</u>	<u>68,971.00</u>	<u>41,408.37</u>
Total District	<u>\$ 740,617.00</u>	<u>\$ 3,029,776.00</u>	<u>\$ 5,042,410.27</u>	<u>\$ 4,519,622.88</u>	<u>\$ 3,274,138.02</u>	<u>\$ 3,292,773.96</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund:						
Restricted	\$	\$ 4,141,147.00	\$ 9,938,971.64	\$ 14,087,203.56	\$ 8,943,379.26	\$ 9,183,044.23
Assigned		1,990,219.00	683,066.14	285,498.06	682,422.79	1,320,811.74
Committed					2,609,195.00	0.06
Unassigned		257,969.00	121,177.68	107,964.79	49,560.88	94,491.87
Reserved	2,827,016.00					
Unreserved	519,696.00					
Total General Fund	\$ 3,346,712.00	\$ 6,389,335.00	\$ 10,743,215.46	\$ 14,480,666.41	\$ 12,284,557.93	\$ 10,598,347.90
All Other Governmental Funds:						
Committed	\$	\$	\$ 12,187.00	\$	\$	\$ 512,077.65
Unreserved, Reported In:						
Capital Projects Fund				1.34	1.43	1,064,367.62
Debt Service Fund	162,738.00	4.00	0.27			1.43
Total All Other Governmental Funds	\$ 162,738.00	\$ 4.00	\$ 12,187.27	\$ 1.34	\$ 1.43	\$ 1,576,446.70

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST SIX FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
 (UNAUDITED)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues:						
Tax Levy	\$ 46,273,484.00	\$ 46,423,293.00	\$ 47,327,223.00	\$ 47,966,733.00	\$ 48,626,662.00	\$ 49,568,761.00
Tuition Charges	114,095.00	121,211.00	105,994.46	90,686.00	105,195.20	113,801.50
Transportation Fees	118,583.00	125,580.00	99,099.47	122,583.89	106,837.10	88,230.17
Miscellaneous	217,960.00	102,300.00	149,687.67	567,086.32	379,397.02	510,801.42
State Sources	15,067,138.00	14,803,882.00	16,231,107.43	18,161,878.33	17,322,995.40	19,017,498.29
Federal Sources	3,449,233.00	1,690,877.00	2,092,901.31	1,228,286.78	1,347,756.97	1,414,793.34
<b>Total Revenues</b>	<u>65,240,493.00</u>	<u>63,267,143.00</u>	<u>66,006,013.34</u>	<u>68,137,254.32</u>	<u>67,888,843.69</u>	<u>70,713,885.72</u>
Expenditures:						
Instruction:						
Regular	18,460,986.00	17,321,662.00	17,410,361.25	18,210,424.22	18,954,329.42	18,687,500.03
Special	4,573,144.00	4,895,479.00	5,496,733.86	5,095,002.80	5,353,137.75	5,780,109.50
Other	1,395,431.00	2,372,717.00	2,222,570.65	2,285,794.42	2,223,951.66	2,268,791.17
Support Services:						
Tuition	4,877,910.00	4,396,674.00	3,639,959.86	3,029,097.85	2,396,195.41	2,499,060.76
Student & instruction related services	5,008,238.00	4,122,057.00	5,385,756.83	5,788,693.14	6,188,651.98	6,440,672.38
General Administrative Services			884,535.66	999,921.92	1,372,841.74	1,339,108.35
School Administrative Services	912,726.00	758,311.00	2,257,673.48	2,239,359.00	2,342,556.71	2,351,340.43
Central Services			453,032.02	484,258.51	484,733.31	517,277.81
Admin. Information Technology			235,185.19	152,443.59	150,468.43	167,293.04
Other Administrative Services	3,536,825.00	3,317,299.00				
Plant Operations and Maintenance	5,367,081.00	4,920,803.00	4,372,463.78	4,575,267.07	5,023,773.22	4,761,512.64
Student Transportation Services	2,556,743.00	2,728,276.00	2,660,672.92	2,749,771.83	2,697,326.83	2,836,086.37
Unallocated Employee Benefits	13,544,811.00	12,524,392.00	13,371,312.79	14,880,401.77	14,979,122.25	16,461,597.18
Summer School	88,404.00	120,282.00	105,193.15			
ARRA	1,710,066.00					
Debt Service:						
Principal	1,304,737.00	1,354,737.00	1,404,736.84	1,464,736.84	1,484,736.91	1,540,000.00
Interest and Other Charges	1,194,327.00	1,143,909.00	1,078,081.38	1,008,939.09	953,568.00	898,530.00
Capital Outlay	373,274.00	410,656.00	661,688.86	1,447,877.25	5,479,558.46	4,274,770.82
<b>Total Expenditures</b>	<u>64,904,703.00</u>	<u>60,387,254.00</u>	<u>61,639,958.52</u>	<u>64,411,989.30</u>	<u>70,084,952.08</u>	<u>70,823,650.48</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	335,790.00	2,879,889.00	4,366,054.82	3,725,265.02	(2,196,108.39)	(109,764.76)
Other Financing Sources/(Uses):						
Transfers In	1,064.00					
Transfers Out	(1,064.00)					
Proceeds from Refunding Bonds			20,530,000.00			
Original Issue Premium			1,901,399.25			
Bonds Refunded			(21,400,000.00)			
Payment to Refunding Escrow Agent			(893,467.38)			
Cost of Issuance of Refunding Bonds			(137,931.87)			
<b>Total Other Financing Sources/(Uses)</b>						
<b>Net Change in Fund Balances</b>	<u>\$ 335,790.00</u>	<u>\$ 2,879,889.00</u>	<u>\$ 4,366,054.82</u>	<u>\$ 3,725,265.02</u>	<u>\$ (2,196,108.39)</u>	<u>\$ (109,764.76)</u>
Debt Service as a Percentage of Noncapital Expenditures	3.87%	4.17%	4.07%	3.93%	3.77%	3.66%

Source: District records

Note: Noncapital expenditures are total expenditures less Capital Outlay.

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Interest on</u> <u>Investments</u>	<u>Accounts</u> <u>Payable</u> <u>Cancelled</u>	<u>Miscellaneous</u>	<u>Annual</u> <u>Totals</u>
2006	\$ 5,700.00	\$ 26,960.00	\$ 245,644.00	- \$	377,557.00	\$ 655,861.00
2007	68,326.00	122,326.00	258,343.00	-	162,513.00	611,508.00
2008	83,724.00	92,032.00	11,526.00	-	396,506.00	583,788.00
2009	74,491.00	112,047.00	39,393.00	-	381,184.00	607,115.00
2010	114,095.00	118,583.00	7,245.00	-	210,715.00	450,638.00
2011	121,211.00	125,580.00	3,541.00	-	51,342.00	301,674.00
2012	105,994.46	99,099.47	7,428.13	-	104,330.60	316,852.66
2013	90,686.00	122,583.89	14,856.95	390,624.75	131,907.78	750,659.37
2014	105,195.20	106,837.10	8,156.69	-	328,289.37	548,478.36
2015	113,801.50	88,230.17	8,156.69	54,159.57	370,867.40	635,215.33

Source: District records

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

ABERDEEN TOWNSHIP

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ending June 30,	Vacant Land \$	Residential \$	Farm Reg. \$	Qfarm \$	Commercial \$	Industrial \$	Apartment
2006	14,457,130	712,771,260	943,200	95,600	90,014,800	11,849,700	16,119,200
2007	14,668,230	711,414,730	861,700	94,800	87,610,300	11,849,700	15,392,900
2008	14,636,030	713,846,480	706,700	89,500	86,394,000	11,849,700	15,392,900
2009*	50,114,700	1,744,702,500	1,950,700	56,900	234,349,900	9,695,700	45,556,600
2010	52,040,200	1,743,737,100	1,665,800	59,500	232,811,300	9,695,700	45,979,900
2011	51,016,100	1,746,861,700	1,665,800	59,500	234,030,300	9,695,700	45,979,900
2012	36,662,900	1,746,720,800	1,671,200	67,800	233,402,500	9,695,700	40,400,800
2013	35,814,450	1,745,296,900	1,671,200	54,600	232,175,600	9,695,700	40,400,800
2014	42,063,400	1,668,574,650	1,622,700	54,900	231,509,900	9,710,700	37,372,000

	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2006	846,250,890	-	1,122,891	847,373,781	N/A	3.555
2007	841,892,360	-	1,049,416	842,941,776	N/A	3.605
2008	842,915,310	-	1,069,982	843,985,292	2,233,718,408	3.685
2009*	2,086,427,000	-	2,922,012	2,089,349,012	2,226,665,921	1.489
2010	2,085,989,500	-	2,804,792	2,088,794,292	2,190,617,190	1.487
2011	2,089,309,000	-	2,869,478	2,092,178,478	2,159,909,536	1.508
2012	2,068,621,700	-	3,160,148	2,071,781,848	2,110,772,680	1.563
2013	2,065,109,250	-	-0-	2,065,109,250	2,028,395,295	1.598
2014	1,990,908,250	(28,300.00)	-0-	1,990,879,950	1,999,678,536	1.691

Source: Abstract of Ratables

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

- \* Aberdeen Township underwent a revaluation in 2009
- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100
- N/A At the time of CAFR Completion, this data was not available

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

MATAWAN BOROUGH

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ending June 30.	Vacant Land	Residential	Farm Reg.	Partial Exemptions and Abatements	Commercial	Industrial	Apartment
2006	\$ 4,419,975	\$ 330,476,759	\$ -	\$ -	\$ 62,023,300	\$ 4,356,200	\$ 28,093,000
2007	4,178,775	333,933,659	-	-	61,175,500	4,481,200	28,043,000
2008*	8,867,500	803,708,700	-	1,141,800	132,252,700	9,729,100	79,655,900
2009	14,762,100	803,358,500	-	1,255,600	133,313,800	9,729,100	78,493,600
2010	13,112,200	811,496,200	-	981,100	133,623,900	9,729,100	77,906,400
2011	8,561,900	821,454,800	-	809,000	136,553,300	8,854,000	76,764,800
2012	6,565,100	821,597,000	-	202,300	133,891,900	8,854,000	71,323,100
2013	5,166,300	822,359,100	-	222,300	133,916,700	8,854,000	69,394,100
2014	4,492,700	733,473,400	-	273,900	131,837,800	8,854,000	67,274,700

	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2006	429,369,234	-	800,439	430,169,673	872,523,783	3.220
2007	431,812,134	-	731,572	432,543,706	1,013,331,556	3.367
2008*	1,035,355,700	(1,141,800)	1,742,227	1,035,956,127	1,086,125,096	1.447
2009	1,040,912,700	(1,255,600)	3,348,712	1,043,005,812	1,089,967,721	1.456
2010	1,046,848,900	(809,000)	1,785,231	1,047,653,031	1,082,020,202	1.459
2011	1,052,997,800	(809,000)	1,978,012	1,054,166,812	1,006,262,445	1.453
2012	1,042,433,400	(202,300)	2,047,771	1,044,278,871	975,095,199	1.463
2013	1,039,912,500	(222,300)	-	1,039,690,200	923,922,687	1.472
2014	946,206,500	(273,900)	-	945,932,600	911,390,885	1.632

Source: Abstract of Ratables

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

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

b Tax rates are per \$100

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

\* Matawan Boro underwent a revaluation for 2008

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

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

Fiscal Year Ending June 30.	Matawan-Aberdeen Regional School District Direct Rate										Overlapping Rates						Total Direct and Overlapping Tax Rate	
	General Obligation					Total Direct					Municipality of			Monmouth County			Municipality of	
	Basic Rate <sup>a</sup>		Debt Service <sup>a</sup>		School Tax Rate		Aberdeen		Matawan		Borough		Aberdeen	Matawan	Borough	Aberdeen	Matawan	Borough
2006	3.356	3.090				3.555	3.220	0.825	1.212	0.624	0.624	0.624	0.624	0.624	5.004	5.056		
2007	3.555	3.220				3.605	3.367	0.829	1.303	0.633	0.633	0.633	0.610	0.610	5.067	5.280		
2008	3.605	1.370	0.195	0.077	**	3.685	1.447	**	0.926	0.597	*	0.649	0.257	0.257	5.260	2.301		
2009	3.685	1.378	**	0.080	0.078	1.489	**	1.456	0.393	**	0.623	0.263	0.260	0.260	2.145	2.339		
2010	1.489	**	0.079	**	0.078	1.487	1.459	0.437	0.673	0.275	0.275	0.269	0.269	0.269	2.199	2.401		
2011	1.433	1.380	0.075	0.073	0.073	1.508	1.453	0.440	0.707	0.281	0.281	0.267	0.267	2.229	2.427			
2012	1.481	1.386	0.082	0.077	0.077	1.563	1.463	0.487	0.742	0.288	0.288	0.263	0.263	2.338	2.468			
2013	1.517	1.397	0.081	0.075	0.075	1.598	1.472	0.505	0.752	0.297	0.297	0.272	0.272	2.400	2.496			
2014	1.607	1.551	0.084	0.081	0.081	1.691	1.632	0.533	0.832	0.290	0.290	0.261	0.261	2.514	2.725			
2015	1.630	1.542	0.084	0.080	0.080	1.714	1.622	0.550	0.836	0.296	0.296	0.277	0.277	2.560	2.735			

Source: Abstract of Ratables

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

- a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.
- b Rates for debt service are based on each year's requirements.
- \* The Borough of Matawan underwent a revaluation during 2008.
- \*\* The Township of Aberdeen underwent a revaluation during 2009.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICTPRINCIPAL PROPERTY TAXPAYERSCURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)ABERDEEN TOWNSHIP

	2015			2006		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1	\$ 20,918,800	1	1.05%	\$ N/A	1	0%
Taxpayer 2	19,232,500	2	0.97%	N/A	2	0%
Taxpayer 3	13,799,500	3	0.69%	N/A	3	0%
Taxpayer 4	12,700,000	4	0.64%	N/A	4	0%
Taxpayer 5	9,600,000	5	0.48%	N/A	5	0%
Taxpayer 6	9,549,900	6	0.48%	N/A	6	0%
Taxpayer 7	9,531,600	7	0.48%	N/A	7	0%
Taxpayer 8	9,000,000	8	0.45%	N/A	8	0%
Taxpayer 9	6,246,000	9	0.31%	N/A	9	0%
Taxpayer 10	6,066,000	10	0.30%	N/A	10	0%
Total	<u>\$ 116,644,300</u>		<u>5.85%</u>	<u>\$ N/A</u>		<u>0%</u>

MATAWAN BOROUGH

	2015			2006		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1	\$ 18,000,000	1	1.90%	\$ N/A	1	0%
Taxpayer 2	7,600,000	2	0.80%	N/A	2	0%
Taxpayer 3	7,250,000	3	0.77%	N/A	3	0%
Taxpayer 4	6,641,400	4	0.70%	N/A	4	0%
Taxpayer 5	6,626,500	5	0.70%	N/A	5	0%
Taxpayer 6	5,356,200	6	0.57%	N/A	6	0%
Taxpayer 7	4,991,000	7	0.53%	N/A	7	0%
Taxpayer 8	4,800,000	8	0.51%	N/A	8	0%
Taxpayer 9	4,650,100	9	0.49%	N/A	9	0%
Taxpayer 10	4,617,300	10	0.49%	N/A	10	0%
Total	<u>\$ 70,532,500</u>		<u>7.46%</u>	<u>\$ N/A</u>		<u>0%</u>

N/A Not Available

Source: Municipal Tax Assessor

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICTPROPERTY TAX LEVIES AND COLLECTIONSLAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 42,320,980	\$ 42,320,980	100.00%	-
2007	44,821,367	44,821,367	100.00%	-
2008	45,877,238	45,877,238	100.00%	-
2009	46,305,204	46,305,204	100.00%	-
2010	46,273,484	46,273,484	100.00%	-
2011	46,423,293	46,423,293	100.00%	-
2012	47,327,223	47,327,223	100.00%	-
2013	47,966,733	47,966,733	100.00%	-
2014	48,571,807	48,516,952	99.00%	\$ 54,855
2015	49,568,761	49,568,761	100.00%	

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

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year <u>Ending June 30,</u>	Governmental Activities		Total <u>District</u>	Percentage of Personal <u>Income<sup>a</sup></u>	Per <u>Capita<sup>a</sup></u>
	General Obligation <u>Bonds<sup>b</sup></u>	Capital <u>Leases</u>			
2006	\$ 32,392,893.00	\$ 1,079,334.00	\$ 33,472,227.00	2.22%	\$ 54,823.00
2007	31,213,156.00	1,939,099.00	33,152,255.00	2.08%	58,503.00
2008	30,003,421.00	1,119,707.00	31,123,128.00	1.94%	59,215.00
2009	28,743,684.00	131,844.00	28,875,528.00	1.85%	56,965.00
2010	27,438,947.00	67,230.65	27,506,177.65	1.77%	57,387.00
2011	26,084,210.00	-	26,084,210.00	1.62%	59,875.00
2012	23,809,473.68	-	23,809,473.68	1.43%	61,997.00
2013	22,344,736.88	-	22,344,736.88	1.32%	62,901.00
2014	20,860,000.00	-	20,860,000.00	N/A	N/A
2015	19,320,000.00	-	19,320,000.00	N/A	N/A

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

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

b Includes Early Retirement Incentive Plan ("ERIP") refunding

N/A Not available at the time of audit

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 32,392,893.00	\$ 4,625,000.00	\$ 27,767,893.00	2.17%	\$ 1,011.18
2007	31,213,156.00	4,245,000.00	26,968,156.00	2.11%	989.84
2008	28,743,684.00	3,855,000.00	24,888,684.00	1.32%	917.49
2009	27,438,947.00	3,450,000.00	23,988,947.00	0.77%	873.21
2010	26,084,210.00	3,025,000.00	23,059,210.00	0.74%	853.38
2011	23,809,473.68	2,580,000.00	21,229,473.68	0.68%	787.36
2012	23,809,473.68	2,115,000.00	21,694,473.68	0.70%	805.44
2013	22,344,736.88	1,625,000.00	20,719,736.88	0.67%	768.28
2014	20,860,000.00	1,110,000.00	19,750,000.00	0.67%	731.21
2015	19,320,000.00	570,000.00	18,750,000.00	N/A	N/A

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

- a See Exhibit NJ J-6 for property tax data.
- b Population data can be found in Exhibit NJ J-14.
- N/A Not available at the time of audit.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF DECEMBER 31, 2014  
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Gross Debt Repaid with Property Taxes:			
Aberdeen Township	\$ 49,282,828	100%	\$ 49,282,828
Matawan Borough	27,989,064	100%	27,989,064
Monmouth County General Obligation Debt -Aberdeen Township	862,004,569	1.790%	15,429,882
Monmouth County General Obligation Debt -Matawan Borough	862,004,569	0.770%	6,637,435
Subtotal, Overlapping Debt			99,339,208
Matawan-Aberdeen Regional School District Direct Debt			<u>19,860,000</u>
Total Direct and Overlapping Debt			<u>\$ 119,199,208</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation.  
Debt Outstanding data provided by each governmental unit.  
Overlapping County Debt provided by the County Finance Department.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Aberdeen Township and Matawan Borough. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS  
(UNAUDITED)

	Fiscal Year		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt Limit	\$ 82,355,128	\$ 95,138,795	\$ 109,061,137
Total Net Debt Applicable To Limit	<u>33,547,630</u>	<u>32,392,893</u>	<u>31,213,156</u>
Legal Debt Margin	<u>\$ 48,807,498</u>	<u>\$ 62,745,902</u>	<u>\$ 77,847,981</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	40.74%	34.05%	28.62%
	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt Limit	\$ 130,943,029	\$ 127,795,314	\$ 125,553,347
Total Net Debt Applicable To Limit	<u>27,438,947</u>	<u>23,504,210</u>	<u>20,719,737</u>
Legal Debt Margin	<u>\$ 100,264,300</u>	<u>\$ 103,504,082</u>	<u>\$ 104,833,610</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	22.28%	20.95%	18.39%

Legal Debt Margin Calculation for Fiscal Year 2014			
	2014	2008	2009
Equalized Valuation Basis			
	\$ 2,911,069,421	\$ 121,814,306	\$ 129,007,984
	<u>2,952,317,982</u>	<u>30,003,421</u>	<u>28,743,684</u>
	<u>\$ 3,080,659,960</u>	<u>\$ 91,810,885</u>	<u>\$ 100,264,300</u>
(A)			
	<u>\$ 8,944,047,363</u>		
(A/3)	\$ 2,981,349,121		
(B)			119,253,965
(C)			<u>18,750,000</u>
(B-C)			<u>\$ 100,503,965</u>

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

- a Limit set by N.J.S.A. 18A:24-19 for a K through 12 District; other percentage limits would be applicable for other District types.
- b Equalized valuations utilized are from the annual debt statements as of December 31, 2012

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Year</u>	<u>Population</u> <sup>a</sup>	<u>Personal Income</u> <sup>b</sup>	<u>Per Capita Personal Income</u> <sup>c</sup>	<u>Unemployment Rate</u> <sup>d</sup>	
				<u>Matawan</u>	<u>Aberdeen</u>
2005	27,603	\$1,397,263,860	50,620	4.40%	3.40%
2006	27,461	1,505,494,403	54,823	4.50%	3.40%
2007	27,245	1,593,914,235	58,503	4.10%	3.10%
2008	27,127	1,606,325,305	59,215	5.30%	4.00%
2009	27,472	1,564,942,480	56,965	8.70%	6.60%
2010	27,021	1,550,654,127	57,387	8.80%	6.70%
2011	26,963	1,614,409,625	59,875	8.90%	6.80%
2012	26,935	1,669,889,195	61,997	9.20%	7.10%
2013	26,969	1,696,377,069	62,901	8.40%	8.30%
2014	27,010	N/A	N/A	6.60%	6.20%

Source:

<sup>a</sup> Population information provided by the NJ Department of Labor and Workforce Development.

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis and includes both the Borough of Matawan And Township of Aberdeen

<sup>d</sup> Unemployment data provided by the NJ Department of Labor and Workforce Development.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND TEN YEARS AGO  
(UNAUDITED)

ABERDEEN TOWNSHIP

<u>Employer</u>	<u>2015</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>
UNAVAILABLE		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
Total						

MATAWAN BOROUGH

<u>Employer</u>	<u>2015</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>
UNAVAILABLE		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
Total						

Information not available at time of CAFR preparation

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction:										
Regular	315	344	329	304	308	316	300	310	306	309
Special Education	32	40	42	39	33	60	57	62	64	67
Other Special Education										
Vocational										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services	68	68	68	92	65	59	58	58	65	63
General Administration	7	7	7	7	13	18	20	19	21	21
School Administrative Services	35	35	35	38	38	28	34	33	34	38
Business Administrative Services	8	7	7	7	3	2	2	2	2	2
Central Services										
Administrative Information Technology										
Plant Operations and Maintenance	47	45	44	43	38	6	6	7	7	7
Pupil Transportation	22	22	22	26	33	29	34	28	33	27
Other Support Services-Technology				6	2	2	4	3	3	3
<b>Total</b>	<b>534</b>	<b>568</b>	<b>554</b>	<b>562</b>	<b>533</b>	<b>520</b>	<b>515</b>	<b>522</b>	<b>535</b>	<b>537</b>

Source: District Personnel Records

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>d</sup>	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2006	3,826.0	\$ 56,520,151	14,773	4.87%	374	1:14	1:12	1:12	3,826.0	3,705.4	1.40%	96.85%
2007	3,828.0	60,750,522	15,870	7.43%	384	1:14	1:12	1:12	3,735.3	3,677.0	-2.37%	94.93%
2008	3,840.0	61,706,025	16,069	1.26%	371	1:14	1:12	1:12	3,713.4	3,546.1	-0.59%	95.49%
2009	3,861.0	61,798,673	16,006	-0.39%	374	1:10	1:11	1:10	3,740.3	3,524.8	0.72%	94.24%
2010	3,860.0	62,032,365	16,071	0.40%	374	1:10	1:11	1:10	3,802.2	3,551.6	1.65%	93.41%
2011	3,871.5	57,477,952	14,846	-7.62%	376	1:10	1:11	1:10	3,783.0	3,625.6	-0.50%	95.84%
2012	3,839.5	58,495,451	15,235	2.62%	357	1:9	1:10	1:9	3,863.2	3,598.4	2.12%	93.15%
2013	3,841.5	60,490,436	15,747	3.36%	372	1:11	1:10	1:10	3,770.0	3,689.5	-2.41%	97.86%
2014	3,783.0	62,167,089	16,433	4.36%	370	1:11	1:9	1:9	3,803.6	3,595.8	0.89%	94.54%
2015	3,824.0	64,110,350	16,765	2.02%	376	1:11	1:10	1:9	3,846.9	3,631.4	1.14%	94.40%

Source: District records

Note: Enrollment based on annual October District count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICTSCHOOL BUILDING INFORMATIONLAST FIVE FISCAL YEARS  
(UNAUDITED)

<u>District/Building</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Elementary:							
Cambridge Park Elementary							
Square Feet	21,800	21,800	21,800	21,800	21,800	21,800	21,800
Capacity (Students)	86	86	86	120	120	120	120
Enrollment	86	86	86	118	80	82	79
Cliffwood Elementary School							
Square Feet	66,376	66,376	66,376	66,376	66,376	66,376	66,376
Capacity (Students)	342	342	342	342	342	342	342
Enrollment	340	340	340	337	325	318	364
Lloyd Road School							
Square Feet	70,581	70,581	70,581	70,581	70,581	70,581	70,581
Capacity (Students)	621	621	621	621	621	621	621
Enrollment	556	556	556	592	586	596	563
Ravine Drive School							
Square Feet	46,879	46,879	46,879	46,879	46,879	46,879	46,879
Capacity (Students)	355	355	355	400	400	400	400
Enrollment	352	352	352	390	390	398	408
Strathmore Elementary School							
Square Feet	58,513	58,513	58,513	58,513	58,513	58,513	58,513
Capacity (Students)	463	463	463	463	463	463	463
Enrollment	470	470	470	516	504	502	516
Middle School:							
Matawan Avenue Middle School							
Square Feet	136,032	136,032	136,032	136,032	136,032	136,032	136,032
Capacity (Students)	1,225	1,225	1,225	1,225	1,225	1,225	1,225
Enrollment	903	903	903	847	870	866	898
High School:							
Matawan Regional High School							
Square Feet	161,388	161,388	161,388	161,388	161,388	161,388	161,388
Capacity (Students)	1,509	1,509	1,509	1,509	1,509	1,509	1,509
Enrollment	1,153	1,153	1,153	1,047	1,073	1,040	1,034
Other:							
Central Office Administration							
Square Feet	21,800	21,800	21,800	21,800	21,800	21,800	21,800
Number of Schools at June 30, 2015							
Elementary =	5						
Middle School =	1						
Senior High School =	1						
Other =	1						

Source: District Facilities Office

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

SCHEDULE OF REQUIRED MAINTENANCE

LAST EIGHT FISCAL YEARS  
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

	*School Facilities Project # (s)	Cliffwood Elementary	Lloyd Road Elementary	Ravine Drive Elementary	Strathmore Elementary	Matawan Avenue Middle School	Matawan Regional High School	Other Facilities	Total
2006	N/A	\$ 65,335.00	\$ 101,869.00	\$ 67,041.00	\$ 63,148.00	\$ 137,204.00	\$ 173,338.00	\$ 45,416.00	\$ 653,351.00
2007	N/A	71,004.00	111,407.00	71,722.00	73,588.00	150,716.00	216,672.00	45,185.00	740,294.00
2008	N/A	76,928.00	83,921.00	55,947.00	69,934.00	160,849.00	195,816.00	55,947.00	699,342.00
2009	N/A	87,584.00	95,547.00	63,698.00	79,622.00	183,131.00	222,942.00	63,697.00	796,221.00
2010	N/A	99,357.00	108,390.00	72,260.00	90,325.00	207,747.00	252,909.00	72,259.00	903,247.00
2011	N/A	83,739.00	88,881.00	58,765.00	73,456.00	171,151.00	203,472.00	55,091.00	734,555.00
2012	N/A	68,347.00	72,544.00	47,962.00	59,953.00	139,691.00	166,071.00	44,965.00	599,533.00
2013	N/A	111,099.00	117,921.00	77,964.00	97,455.00	227,070.00	269,951.00	73,091.00	974,551.00
2014	N/A	111,495.00	118,341.00	78,242.00	97,803.00	227,880.00	270,913.00	73,352.00	978,026.00
2015	N/A	96,823.00	102,769.00	67,946.00	84,933.00	197,893.00	235,263.00	63,699.00	849,326.00
Total School Facilities		\$ 871,711.00	\$ 1,001,590.00	\$ 661,547.00	\$ 790,217.00	\$ 1,803,332.00	\$ 2,207,347.00	\$ 592,702.00	\$ 7,928,446.00

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

Source: District records

## MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

INSURANCE SCHEDULE

JUNE 30, 2015  
(UNAUDITED)

	<u>Carrier</u>	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:			
Property - Blanket Building and Contents	(1)	\$ 137,958,856	\$ 5,000
EDP Hardware/Software	(1)	2,250,000	1,000
Extra Expense	(1)	50,000,000	5,000
Valuable Papers and Records	(1)	10,000,000	5,000
Flood Zones A&V	(1)	10,000,000	500,000
Flood Zone B	(1)	50,000,000	10,000
Earthquake	(1)	50,000,000	5,000
CRIME Public Employee Dishonesty	(1)	1,000,000	1,000
Loss of Money & Securities	(1)	50,000	500
Money Orders & Counterfeit	(1)	50,000	500
Forgery or Alteration	(1)	1,000,000	1,000
Computer Fraud	(1)	1,000,000	1,000
GENERAL LIABILITY - Each Occurrence	(1)	11,000,000	
Products/Completed Operations	(1)	11,000,000	
Sexual Abuse	(1)	11,000,000	
Personal & Advertising Injury	(1)	11,000,000	
Employee Benefits	(1)	11,000,000	1,000
Medical Payments	(1)	10,000	
Boiler & Machinery - Energy Systems	(1)	100,000,000	5,000
Automobile Policy - Auto Liability - General Security	(1)	11,000,000	
Garage Liability	(1)	Included	
Collision & Comprehensive	(1)		1,000
Uninsured/Underinsured	(1)	1,000,000	
Personal Injury Protection	(1)	250,000	
Medical Payments	(1)	10,000	
Hired Car Physical Damage	(1)	75,000	
Hired & Non-Owned Auto Liability	(1)	1,000,000	
School Board Legal Liability (E&O)	(1)	11,000,000	5,000
Extended Reporting Option	(1)		
Workers' Compensation - ERIC/NJSBAIG	(1)	Statutory	
Bodily Injury By Accident	(1)	2,000,000	
Bodily Injury By Disease	(1)	2,000,000	
Supplemental Workers' Compensation Policy	(1)	52 weeks	7 days
Pollution Legal Liability - Environmental Impairment	(1)	1,000,000	10,000
Catastrophic Excess Umbrella Policy	(3)	50,000,000	
Compulsory Student Accident - Incl Athletics	(2)	5,000,000	
Compulsory Student Accident - Excl Athletics	(2)	1,000,000	
Surety Bonds:			
Treasurer	(1)	350,000	1,000
Board Secretary/Business Administrator	(4)	150,000	
Food Services Director	(4)	50,000	
List Insurance Company:			
(1)	NJSBAIG		
(2)	Bollinger Insurance Co.		
(3)	Fireman's Fund		
(4)	Selective		

Source: District records

**SINGLE AUDIT SECTION**



**SUPLEE, CLOONEY & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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

Honorable President and Members  
of the Board of Education  
Matawan-Aberdeen Regional School District  
County of Monmouth  
Aberdeen, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Matawan-Aberdeen Regional School District (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 23, 2015.

***Internal Control Over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

# SUPLEE, CLOONEY & COMPANY

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

## ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District'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*

## ***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* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 948

November 23, 2015



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL  
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH U.S. OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and Members  
of the Board of Education  
Matawan-Aberdeen Regional School District  
County of Monmouth  
Aberdeen, New Jersey

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

We have audited the Matawan-Aberdeen Regional School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Matawan-Aberdeen Regional School District's major federal and state programs for the year ended June 30, 2015. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Matawan-Aberdeen Regional School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and *New Jersey OMB 04-04*. Those standards, *OMB Circular A-133* and *New Jersey OMB 04-04* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Matawan-Aberdeen Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Matawan-Aberdeen Regional School District's compliance.

# SUPLEE, CLOONEY & COMPANY

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

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item FY2015-01 to be a significant deficiency.

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 State of New Jersey *OMB 04-04*. Accordingly, this report is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 948

November 23, 2015

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT PERIOD		AWARD AMOUNT	BALANCE AT JUNE 30, 2014	PRIOR YEAR ADJUSTMENT	ADJUSTED BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2015	
		FROM	TO								UNEARNED REVENUE	DUE GRANTOR
93.778	General Fund: U.S. Department of Education Passed-through State Department of Education: Medical Assistance Program (SEMI) Total General Fund	7/1/2014	6/30/2015	96,959.18	\$	\$	\$	96,959.18	(96,959.18)	\$	\$	\$
84.010	Special Revenue Fund: U.S. Department of Education Passed-through State Department of Education: Title I	9/1/14	8/31/15	319,756.00				174,448.96	(304,023.87)	(129,574.91)		
84.010		9/1/13	8/31/14	259,626.00	(64,671.04)		(64,671.04)	64,671.04				
84.367		9/1/14	8/31/15	128,373.00				86,848.08	(113,854.78)	(27,006.70)		
84.367		9/1/13	8/31/14	88,481.00	(23,339.92)		(23,339.92)	23,339.92				
84.365		9/1/14	8/31/15	31,502.29				11,215.21	(8,918.89)		2,296.32	
84.365		9/1/13	8/31/14	17,449.00	(4,074.44)	60.65	(4,013.79)	4,013.79				
84.027		9/1/14	8/31/15	913,534.48	(172,583.60)	404.45	(172,179.15)	797,775.85	(873,295.38)	(75,519.53)		
84.173		9/1/13	8/31/14	812,242.00				172,179.15	(19,676.00)	(2,501.00)		
84.173		9/1/14	8/31/15	19,676.00	(3,950.00)		(3,950.00)	17,175.00				
84.173		9/1/13	8/31/14	20,520.00	(268,619.00)	465.10	(268,153.90)	3,950.00	(1,319,768.92)	(234,602.14)	2,296.32	
	Total U.S. Department of Education				(268,619.00)	465.10	(268,153.90)	1,355,617.00	(1,319,768.92)	(234,602.14)	2,296.32	
	Total Special Revenue Fund				(268,619.00)	465.10	(268,153.90)	1,355,617.00	(1,319,768.92)	(234,602.14)	2,296.32	
10.550	Enterprise Fund: U.S. Department of Agriculture Passed-through State Department of Education: U.S.D.A. Commodities Program	7/1/14	6/30/15	129,308.34				129,308.34	(121,303.45)		8,004.89	
10.550		7/1/13	6/30/14	109,708.42	5,744.62		5,744.62		(5,744.62)			
10.553		7/1/14	6/30/15	59,915.74				52,217.58	(59,915.74)	(7,698.16)		
10.553		7/1/13	6/30/14	48,741.49	(5,777.52)		(5,777.52)	5,777.52				
10.555		7/1/14	6/30/15	517,344.06				465,255.60	(517,344.06)	(52,088.46)		
10.555		7/1/13	6/30/14	483,657.18	(47,708.63)		(47,708.63)	47,708.63				
10.556		7/1/14	6/30/15	1,873.71	(173.71)		(173.71)	1,683.20	(1,873.71)	(190.51)		
10.556		7/1/13	6/30/14	1,998.57	(47,915.24)		(47,915.24)	702,124.58	(706,181.58)	(59,977.13)	8,004.89	
	Total Enterprise Fund				(316,534.24)	465.10	(316,069.14)	2,154,700.76	(2,122,909.68)	(294,579.27)	10,301.21	8,004.89
	Total Federal Financial Assistance				(316,534.24)	465.10	(316,069.14)	2,154,700.76	(2,122,909.68)	(294,579.27)	10,301.21	8,004.89

See accompanying notes to schedules of financial assistance.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE JUNE 30, 2014		BUDGETARY EXPENDITURES RECEIVED	UNEARNED REVENUE	DUE GRANTOR	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES		BALANCE JUNE 30, 2015		MEMO		
				DUE STATE/ (ACCTS/REC)	CASH RECEIVED				BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE)	BUDGETARY RECEIVABLE	UNEARNED REVENUE	DUE GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
				\$	\$				\$	\$	\$	\$	\$	\$	\$
State Department of Education															
General Funds:															
Equalization Aid	15-485-034-5120-078	7/1/14-6/30/15	\$ 89,282,899.00	\$	8,370,307.00	(9,282,899.00)	\$		912,692.00	\$		912,692.00	9,282,899.00		
Categorical Special Education Aid	15-485-034-5120-089	7/1/14-6/30/15	2,266,020.00		2,043,249.00	(2,266,020.00)			222,771.00			222,771.00	2,266,020.00		
Categorical Security Aid	15-485-034-5120-084	7/1/14-6/30/15	97,858.00		88,238.00	(97,858.00)			9,620.00			9,620.00	97,858.00		
Categorical Transportation Aid	15-485-034-5120-014	7/1/14-6/30/15	198,237.00		178,748.00	(198,237.00)			19,488.00			19,488.00	198,237.00		
Adjustment Aid	15-485-034-5120-085	7/1/14-6/30/15	259,694.00		234,163.00	(259,694.00)			25,531.00			25,531.00	259,694.00		
Per Pupil Growth Aid	15-485-034-5120-097	7/1/14-6/30/15	37,880.00		34,156.00	(37,880.00)			3,724.00			3,724.00	37,880.00		
PARCC Readiness	15-485-034-5120-098	7/1/14-6/30/15	37,880.00		34,156.00	(37,880.00)			3,724.00			3,724.00	37,880.00		
Equalization Aid	14-485-034-5120-078	7/1/13-6/30/14	\$9,282,899.00		917,342.00	(9,282,899.00)			(917,342.00)			(917,342.00)	9,282,899.00		
Categorical Special Education Aid	14-485-034-5120-089	7/1/13-6/30/14	2,266,020.00		223,930.00	(2,266,020.00)			(223,930.00)			(223,930.00)	2,266,020.00		
Categorical Security Aid	14-485-034-5120-084	7/1/13-6/30/14	97,858.00		9,670.00	(97,858.00)			(9,670.00)			(9,670.00)	97,858.00		
Categorical Transportation Aid	14-485-034-5120-014	7/1/13-6/30/14	198,237.00		19,590.00	(198,237.00)			(19,590.00)			(19,590.00)	198,237.00		
Adjustment Aid	14-485-034-5120-085	7/1/13-6/30/14	259,694.00		25,663.00	(259,694.00)			(25,663.00)			(25,663.00)	259,694.00		
Extraordinary Aid	14-485-034-5120-044	7/1/13-6/30/14	401,723.00			(401,723.00)			(401,723.00)			(401,723.00)	401,723.00		
Extraordinary Aid	14-485-034-5120-044	7/1/13-6/30/14	400,000.00		297,715.00	(400,000.00)			(17,723.00)			(17,723.00)	400,000.00		
Non-Public Transportation Aid	15-100-034-5120-068	7/1/14-6/30/15	17,246.00		17,246.00								17,246.00		
Non-Public Transportation Aid	14-100-034-5120-068	7/1/13-6/30/14	17,246.00		17,246.00								17,246.00		
Reimbursed TPAF - Social Security Contributions	15-485-034-5195-050	7/1/14-6/30/15	1,960,132.81		1,864,495.47	(1,960,132.81)			(95,637.34)			(95,637.34)	1,960,132.81		
Reimbursed TPAF - Social Security Contributions	14-485-034-5195-050	7/1/13-6/30/14	1,964,541.45		96,442.77	(1,964,541.45)							1,964,541.45		
Total General Funds			\$ 14,465,112.24		\$ 14,465,112.24	\$ (14,560,046.81)			\$ 1,285.00			\$ (515,083.34)	\$ 29,046,542.26		
Special Revenue Fund:															
Non-Public Textbooks	15-100-034-5120-064	7/1/14-6/30/15	12,154.00		12,154.00	(11,851.00)			(407.34)			303.00	11,851.00		
Non-Public Textbooks	14-100-034-5120-064	7/1/13-6/30/14	11,189.00										11,189.00		
Non-Public Connective Speech	15-100-034-5120-066	7/1/14-6/30/15	3,180.00		3,180.00	(1,284.00)						1,896.00	1,284.00		
Non-Public Examination & Classification	14-100-034-5120-066	7/1/13-6/30/14	2,520.00		2,520.00	(2,520.00)							2,520.00		
Non-Public Nursing	15-100-034-5120-070	7/1/14-6/30/15	19,349.00		19,349.00	(19,162.00)			(187.00)			187.00	19,349.00		
Non-Public Nursing	14-100-034-5120-070	7/1/13-6/30/14	15,749.00										15,749.00		
Non-Public Technology	15-100-034-5120-373	7/1/14-6/30/15	6,528.00		6,528.00	(6,520.00)			(8.00)			8.00	6,520.00		
Non-Public Technology	14-100-034-5120-373	7/1/13-6/30/14	4,080.00										4,080.00		
Total Special Revenue Fund			\$ 75,656.05		\$ 75,656.05	\$ (41,337.00)			\$ (2,756.05)			\$ 2,394.00	\$ 59,122.70		
Capital Projects Funds															
State of New Jersey School Development Authority															
Cambridge Park Elementary - HVAC Building Upgrades	3040-040-14-G2CS	7/1/14-6/30/16	107,000.00			(6,561.00)						(6,561.00)	6,561.00		
Malawan High School - Boiler & Fire Alarm System Replacement	3040-050-14-G2CT	7/1/14-6/30/16	460,000.00		184,000.00	(214,370.32)						(30,370.32)	214,370.32		
Malawan Ave Middle School - Boiler & Fire Alarm System Replacement	3040-053-14-G2CV	7/1/14-6/30/16	351,600.00		35,160.00	(180,559.57)						(145,399.57)	180,559.57		
Cliffwood Middle School - HVAC, Fire Alarm & Fire Door Replacement	3040-060-14-G2CV	7/1/14-6/30/16	292,200.00		29,220.00	(94,005.22)						(64,785.22)	94,005.22		
Lloyd Road Elementary School - HVAC & Fire Alarm System Replacement	3040-065-14-G2CV	7/1/14-6/30/16	406,000.00		40,600.00	(96,631.18)						(56,031.18)	96,631.18		
Roxine Drive Elementary School - Fire Alarm System Replacement	3040-075-14-G2CX	7/1/14-6/30/16	51,200.00		25,856.00	(48,696.00)						(22,840.00)	48,696.00		
Strathmore Elementary School - Fire Alarm System Replacement	3040-080-14-G2CY	7/1/14-6/30/16	66,000.00		33,330.00	(42,213.20)						(8,885.20)	42,213.20		
Total Capital Projects Funds			\$ 348,166.00		\$ 348,166.00	\$ (663,036.48)						\$ (334,870.48)	\$ 663,036.48		
Enterprise Fund:															
National School Lunch Program (State Share)	15-100-034-5120-122	7/1/14-6/30/15	17,180.19		15,614.23	(17,180.19)						(1,565.96)	17,180.19		
National School Lunch Program (State Share)	14-100-034-5120-122	7/1/13-6/30/14	16,593.18		1,526.91	(16,593.18)						(1,526.91)	16,593.18		
Total Enterprise Fund			\$ 33,773.37		\$ 17,141.14	\$ (17,180.19)						\$ (1,565.96)	\$ 33,773.37		
Total State Financial Assistance Subject to OMB 04-04			\$ 14,864,150.38		\$ 14,864,150.38	\$ (15,301,600.48)			\$ (1,501.05)			\$ (851,519.78)	\$ 29,625,474.79		
On Behalf TPAF Contributions Not Subject to OMB 04-04:															
On-behalf TPAF Pension (non-budgeted)			\$		\$	\$ 1,346,356.00							\$ 1,346,356.00		
On-behalf TPAF Post Retirement Contributions (non-budgeted)						\$ 2,291,113.00							\$ 2,291,113.00		
On-behalf TPAF Non-Contributory Insurance (non-budgeted)						\$ 96,864.00							\$ 96,864.00		
Total State Financial Assistance			\$ 16,598,483.38		\$ 16,598,483.38	\$ (16,598,483.38)						\$ (16,598,483.38)	\$ 16,598,483.38		

See accompanying notes to schedules of financial assistance.

**Matawan-Aberdeen Regional School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2015**

**NOTE 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, Matawan-Aberdeen Regional School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from the 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 federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the 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 schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated 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 revenue, whereas 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:22-44.2.

**Matawan-Aberdeen Regional School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**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 \$1,255.00 for the general fund and \$1,934.76 for the Special Revenue Fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$96,959.18	\$18,293,124.81	\$18,390,083.99
Special Revenue Fund	1,317,834.16	41,337.00	1,359,171.16
Capital Projects Fund		683,036.48	683,036.48
Food Service Fund	706,181.58	17,180.19	723,361.77
Financial Assistance	<u>2,120,974.92</u>	<u>19,034,678.48</u>	<u>21,155,653.40</u>
GAAP Adjustment	<u>1,934.76</u>	<u>1,255.00</u>	<u>3,189.76</u>
Total Awards & Financial Assistance	<u><u>\$2,122,909.68</u></u>	<u><u>\$19,035,933.48</u></u>	<u><u>\$21,158,843.16</u></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 in the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent 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. The amount reported as TPAF pension contributions reported in the financial statements represents the amount paid by the state on behalf of the district for the year ended June 30, 2015.

**Matawan-Aberdeen Regional School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2015**

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

**Financial Statements**

- |     |  |            |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued:   | Unmodified |
| (2) | Internal Control Over Financial Reporting:   |            |
| (a) | Material weakness identified?  | No         |
| (b) | Significant deficiencies identified that are not considered to be material weaknesses? | No         |
| (3) | Noncompliance material to basic financial statements noted?                            | No         |

**Federal Program(s)**

- |     |  |            |
|-----|--|------------|
| (1) | Internal Control Over Major Federal Programs:  |            |
| (a) | Material weakness identified?  | No         |
| (b) | Significant deficiencies identified that are not considered to be material weaknesses?                                 | Yes        |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)?  | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Section.510(a) of Circular OMB A-133? | No         |

**Matawan-Aberdeen Regional School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2015**

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

**Federal Program(s) (Continued)**

(4) Identification of Major Federal Program(s):

84.010	Title I
84.367	Title II
10.550	U.S.D.A. Commodities Program

(5) Program Threshold Determination:

Type A Federal Program Threshold > \$300,000.00  
Type B Federal Program Threshold <= \$300,000.00

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

**Matawan-Aberdeen Regional School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2015**

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

**State Program(s)**

- (1) Internal Control Over Major State Programs:
  - (a) Material weakness identified? No
  - (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? No
- (4) Identification of Major State Program(s):

<u>Grant Number</u>	<u>Program</u>
15-495-034-5120-078	Equalization Aid
15-495-034-5120-089	Categorical Special Education Aid
15-495-034-5120-084	Categorical Security Aid
15-495-034-5120-085	Adjustment Aid
15-495-034-5120-097	Per Pupil Growth Aid
15-495-034-5120-098	PARCC Readiness
15-495-034-5120-044	Extraordinary Aid
Various	SDA Grants

**Matawan-Aberdeen Regional School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2015**

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

**State Program(s) Continued)**

- (5) Program Threshold Determination:  
Type A State Program Threshold > \$459,048.00  
Type B State Program Threshold <= \$459,048.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

**Section II – Financial Statement Audit – Reported Findings**  
**Under Government Auditing Standards**

**Internal Control Findings**

None Reported

**Compliance Findings**

None Reported

**Section III – Findings and Questioned Costs Relative to Major Federal and State Programs**

Federal Programs

**U.S. Department of Education – No Child Left Behind – Title II Part A – CFDA 84.367**

**Finding #FY2015-01:**

**Criteria**

N.J.A.C. 6A:23-2.1 (d) (2), “Double Entry Book Keeping and GAAP Accounting”

**Condition**

The District did not establish the grant budget based upon the approved grant award.

**Context**

Our examination of the grant revealed that the grant was established on the District financial records in an amount greater than the grant award. This in turn led to expenditures being charged to the grant that needed to be reclassified to the General Fund budget.

**Matawan-Aberdeen Regional School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2015**

**Section III – Findings and Questioned Costs Relative to Major Federal and State Programs**

Federal Programs

**U.S. Department of Education – No Child Left Behind – Title II Part A – CFDA 84.367**

**Finding #FY2015-01 (Continued):**

**Cause**

This appears to have occurred, due to changes in grant regulations regarding the treatment of prior year carry over balances.

**Effect or Potential Effect**

By establishing a budget in excess of the approved grant amount the District could have potentially expended funds that would not have been reimbursed.

**Recommendation**

That grant awards be properly established on the District's financial accounting records.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

State Programs – None Reported

**Matawan-Aberdeen Regional School District**

**Schedule of Prior Year Audit Findings**

Not Applicable



