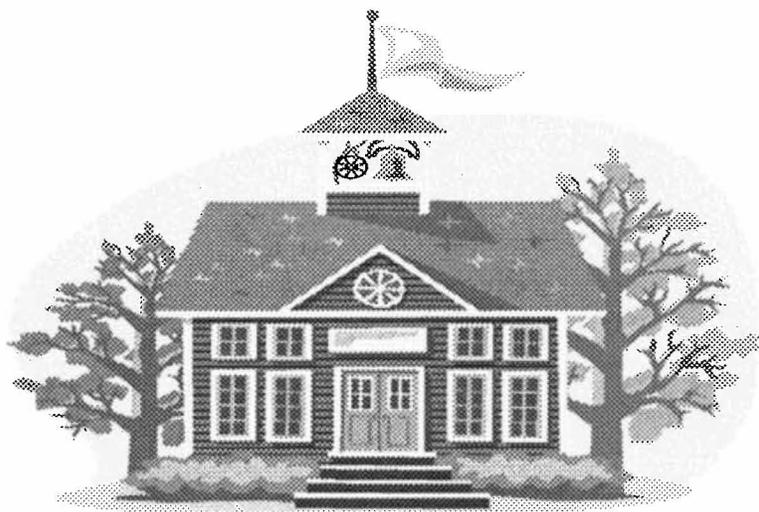


**SCHOOL DISTRICT**  
**OF**  
**WEST LONG BRANCH**



**WEST LONG BRANCH BOARD OF EDUCATION**  
**WEST LONG BRANCH, NEW JERSEY**

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

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**WEST LONG BRANCH  
BOARD OF EDUCATION**

**WEST LONG BRANCH, NEW JERSEY**

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

**PREPARED BY**

**WEST LONG BRANCH BOARD OF EDUCATION  
FINANCE DEPARTMENT**

# WEST LONG BRANCH SCHOOL DISTRICT

## TABLE OF CONTENTS

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1 to 5.
Roster of Officials	6.
Consultants and Advisors	7.
Organizational Chart	8.
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	9 to 11.
<b>Required Supplementary Information – Part I</b>	
Management's Discussion and Analysis	12 to 18.
<b><u>Basic Financial Statements</u></b>	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	19.
A-2 Statement of Activities	20 & 21.
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	22.
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	23 & 24.
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25.
Proprietary Funds:	
B-4 Statement of Net Position	26.
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	27.
B-6 Statement of Cash Flows	28.
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	29.
B-8 Statement of Changes in Fiduciary Net Position	30.
Notes to Financial Statements	31 to 53.

**WEST LONG BRANCH SCHOOL DISTRICT**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>Required Supplementary Information – Part II</b>	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	54 to 65.
C-1a Combining Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	66.
Notes to the Required Supplementary Information	
C-3 Budget to GAAP Reconciliation	67.
<b>Required Supplementary Information – Part III</b>	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	68.
L-2 Schedule of District Contributions – PES	69.
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	70.
Other Supplementary Information	
D. School Level Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	71 & 72.
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

**WEST LONG BRANCH SCHOOL DISTRICT**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
F. Capital Projects Fund:	
F-1 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance	N/A
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Wolf Hill Elementary School Drainage System And Piping Repairs	N/A
F-2b Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Wolf Hill Elementary School Paving Project	N/A
G. Proprietary Fund:	
Enterprise Fund:	
G-1 Schedule of Net Position	N/A
G-2 Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
G-3 Schedule of Cash Flows	N/A
Internal Service Fund:	
G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	73.
H-2 Combining Statement of Changes in Fiduciary Net Position	74.
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	75.
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	76.
I. Long-Term Debt:	
I-1 Schedule of Bonds Payable	77.
I-2 Statement of Obligations Under Capital Leases	78.
I-3 Debt Service Fund Budgetary Comparison Schedule	79.

**STATISTICAL SECTION (Unaudited)**

**Introduction to the Statistical Section**

**Financial Trends**

J-1 Net Position by Component	80.
J-2 Changes in Net Position	81 & 82.
J-3 Fund Balances – Governmental Funds	83.
J-4 Changes in Fund Balances – Governmental Funds	84 & 85.
J-5 General Fund Other Local Revenue by Source	86.

**WEST LONG BRANCH SCHOOL DISTRICT**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>STATISTICAL SECTION (Unaudited) – (Continued)</b>	
<b>Revenue Capacity</b>	
J-6 Assessed and Estimated Actual Value of Taxable Property	87 & 88.
J-7 Direct and Overlapping Property Tax Rates	89.
J-8 Principal Property Taxpayers*	90.
J-9 Municipal Property Tax Levies and Collections	91.
<b>Debt Capacity</b>	
J-10 Ratios of Outstanding Debt by Type	92.
J-11 Ratios of Net General Bonded Debt	93.
J-12 Direct and Overlapping Bonded Debt	94.
J-13 Legal Debt Margin Information	95.
<b>Demographic and Economic Information</b>	
J-14 Demographic and Economic Statistics	96.
J-15 Principal Employers	97.
<b>Operating Information</b>	
J-16 Full-time Equivalent District Employees by Function/Program	98.
J-17 Operating Statistics	99.
J-18 School Building Information	100.
J-19 Schedule of Required Maintenance Expenditures for School Facilities	101.
J-20 Insurance Schedule	102 to 104.

\*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

**SINGLE AUDIT SECTION**

K-1 Independent Auditor's Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing</i> <i>Standards</i>	105 & 106.
K-2 Independent Auditor's Report on Compliance for Each Major Program And on Internal Control Over Compliance Required by OMB Circular A-133	107 to 109.
K-3 Schedule of Expenditures of Federal Awards, Schedule A	110.
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	111.
K-5 Notes to Schedules of Financial Assistance	112 to 114.
K-6 Schedule of Findings and Questioned Costs	115 to 118.
K-7 Summary Schedule of Prior Audit Findings	119.

## **INTRODUCTORY SECTION**

# **WEST LONG BRANCH BOARD OF EDUCATION**

**Administrative Offices**

**135 Locust Avenue**

**West Long Branch, New Jersey 07764-1698**

**Phone (732) 222-5900**

**Fax (732) 222-9325**

*Thomas Farrell*  
*Superintendent of Schools*

*Dennis Kotch*  
*Business Administrator/Board Secretary*

December 18, 2015

Honorable President and  
Members of the Board of Education  
West Long Branch Public Schools  
West Long Branch, NJ 07764

Dear Board Members:

The comprehensive annual financial report (CAFR) of the West Long Branch School District as of and for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards, Board Statement 34. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: 1) introductory; 2) financial; 3) statistical; 4) 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, when applicable, in conformity with the provisions of the Single Audit Act of 1996, as amended and the US Office of Management and Budget Circular Letter A-133 "Audits of States, Local Governments, and Non-Profit Organizations", and New Jersey OMB's Circular Letter 04-04, "Single audit policy for recipients of Federal Grants, State Grants, and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and the compliance of with applicable laws, regulations, findings, and recommendations are included in the single audit section of this report.

### 1) REPORTING ENTITY AND ITS SERVICES

The West Long Branch Public School District is an independent reporting entity within the criteria adopted by GASB Statement No. 14. All Funds and account groups of the District are included in this report. The West Long Branch Board of Education and its two schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K, and K through 8. These include regular instruction and special education for handicapped youngsters in and out of district. The District completed the 2013-2014 fiscal year with an enrollment of 603 students, which reflects an increase of 2 students from the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	576	(4.47%)
2013-2014	603	0.33%
2012-2013	601	(0.17%)
2011-2012	602	(2.75%)
2010-2011	619	(0.64%)

### 2) ECONOMIC CONDITION AND OUTLOOK

West Long Branch is a suburban residential community with large retail stores located at its perimeter on Route 36. Single-family home developments are occurring in the Borough. The single-family developments are not expected to have a significant impact on district enrollments. Avalon at West Long Branch is a 180 unit, four building development of loft, one bedroom, two bedrooms and three bedroom apartments, which broke ground in the spring of 2010. Although marketed to "Young Professionals", the new units may have an impact on student enrollment.

### 3) MAJOR INITIATIVES

During the 2015-2016 school year, the district will be undertaking the following initiatives to support the seven district goals:

1. No increase
2. Realign Superintendent and Business Office Staff
3. Reduce audit recommendations
4. Improved efficiency with custodial/grounds services
5. Improve articulation between districts in region
6. Increased professional development for staff
7. Continue building improvements through NJSDA Rod grants

#### I. Goal Area: Educational Program

Provide an educational program that promotes excellence and delivers a strong foundation supporting academic and professional success in the 21<sup>st</sup> century.

- Implement New Teaching Schedule

#### I. Goal Area: Educational Program (continued)

- Raise expectations for achievement for all students and support each student in striving to reach his/her individual goals
- Implement a 5-year cycle of program review. Programs to be reviewed in 2015-2016 include Social Studies and Language Arts
- Implement district's Professional Development Plan (PDP) through alignment of curriculum to the New Jersey Core Curriculum Content Standards (NJCCCS)
- Implement horizontal and vertical articulation designed to improve student achievement in Grade 4-6 during 2015-2016

#### II. Goal Area: Finance

Develop and implement a plan for governance and fiscal excellence through analysis of the district's business management practices, staffing requirements, and budgeting practices.

- Identify three cost saving initiatives that could be implemented without impacting the thorough and efficient education provided to the children of West Long Branch
- Seek to share more services
- Increase revenue by servicing Interlaken Borough Students
- Establish computerized accounting system for the proprietary accounts

#### III. Goal Area: Long Range Planning

Develop a culture of long range planning that supports continuous improvement while addressing the impact of declining enrollment and economically challenging times.

- Plan for implementation of the alternative
- Plan for improved test scores
- Continue to explore opportunities for shared services, improved efficiencies and cost reduction activities

#### 4) INTERNAL ACCOUNTING CONTROLS

Management of the Borough of West Long Branch School District is responsible for establishing and maintaining an internal control structure to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to Federal and State financial assistance programs, when applicable, 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, special revenue fund and 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 purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2014.

#### **6) ACCOUNTING SYSTEM AND REPORTS**

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

#### **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 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUPDA was enacted in 1970 to protect the Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law required governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

**8) RISK MANAGEMENT**

The District carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property contents, and fidelity.

**9) OTHER INFORMATION**

**Independent Audit-** State statutes require an annual audit by Independent Certified Public Accountants or Registered Municipal Accountants. The Board selected the firm of Robert A. Hulsart and Company, Wall, New Jersey. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, as amended, and the related OMB Circular A-133 and New Jersey OMB's Circular Letter 04-04, as applicable. The auditor's report on the general-purpose financial statements and the combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**10) ACKNOWLEDGMENTS**

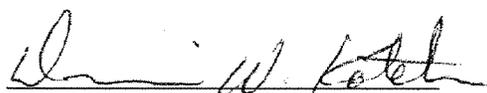
We would like to express our appreciation to the members of the West Long Branch Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the District, as well as contributing their full support to the development and maintenance of our financial operations. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Financial and Accounting Staff.

Respectfully submitted,



---

Thomas G. Farrell  
Superintendent of Schools



Dennis Kotch  
Business Administrator/Board Secretary

WEST LONG BRANCH BOARD OF EDUCATION  
WEST LONG BRANCH, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Erin Hegglin, President	2015
Susan Trocchia, Vice President	2016
Kristin Arvanitis	2017
Patricia Bambach-McLaughlin	2016
Meaghan Cavanaugh	2017
Dr. Paul Christopher	2017
Tracey Cistaro	2015
Brian Kramer	2015
Beth Sarfaty	2016

Other Officials

Thomas Farrell, Superintendent/Principal

Dennis W. Kotch, CPA, Board Secretary/Business Administrator/Treasurer

Viola Lordi, Esq., Solicitor

**WEST LONG BRANCH BOARD OF EDUCATION**

**WEST LONG BRANCH, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

**JUNE 30, 2015**

**Audit Firm**

Robert A. Hulsart and Company  
2807 Hurley Pond Road  
Wall, New Jersey 07719

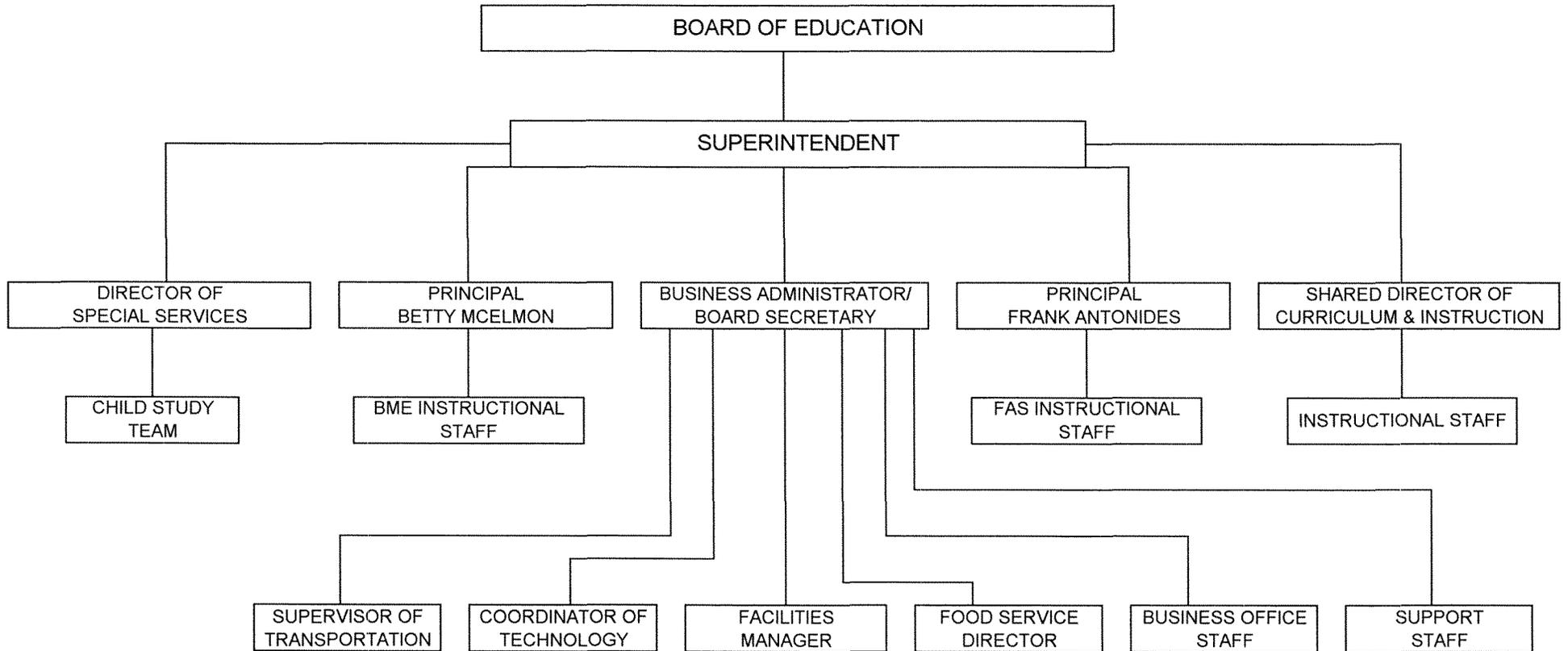
**Attorney**

Wilentz, Goldman, and Spitzer  
Viola Lordi, Esq.  
Suite 900  
PO Box 10  
Woodbridge, NJ 07095

**Official Depository**

Investors Bank  
169 Broadway  
Long Branch, NJ 07740

## WEST LONG BRANCH BOARD OF EDUCATION ORGANIZATIONAL CHART



**FINANCIAL SECTION**

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
 ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
 ROBERT A. HULSART, JR., C.P.A., P.S.A.

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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 (732) 280-8888

e-mail:  
 rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
 P.O. Box 1409  
 Wall, New Jersey 07719-1409  
 (732) 681-4990

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
 of the Board of Education  
 West Long Branch School District  
 County of Monmouth  
 West Long Branch, New Jersey

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the West Long Branch School District, in the County of Monmouth, State of 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.

### Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### *Opinions*

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

### *Other Matters*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information 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 and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information 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.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015 on our consideration of the West Long Branch's Board of Education internal control over financial reporting and 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 West Long Branch Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

---

**Robert A. Hulsart**  
**Licensed Public School Accountant**  
**No. 322**  
**Robert A. Hulsart and Company**  
**Wall Township, New Jersey**

December 18, 2015

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

**BOROUGH OF WEST LONG BRANCH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**UNAUDITED**

The discussion and analysis of West Long Branch School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

**Financial Highlights**

Key Financial highlights for the 2014-2015 fiscal year is as follows:

- General revenues accounted for \$10,997,381 in revenue or 92% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$983,223 or 8% percent to total revenues.
- Total position of governmental activities decreased by \$226,823.
- The School District had \$11,745,030 in expenses; only \$983,223 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$10,997,381 were adequate to provide for these programs.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand West Long Branch School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of West Long Branch School District, the General Fund is the most significant fund, with the Special Revenue Fund, Capital Project's Fund and Debt Service Fund also having significance.

## **Using this Comprehensive Annual Financial Report (CAFR) – (Continued)**

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

### **Reporting the School District as a Whole**

#### **Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during the 2014-2015 fiscal year?” The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s net position and changes in those assets. This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- **Governmental activities** – All of the School District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

### **Reporting the School District’s Most Significant Funds**

#### **Fund Financial Statements**

The analysis of the School District’s major (all) funds begins on exhibit A-1. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

## Governmental Funds

The School District's activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental Fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

## Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

## The School District as a Whole

Table 1 provides a summary of the School District's net position for the fiscal years ended 2015 and 2014.

	<b>Table 1</b>	
	<b>Net Position</b>	
	<u>2015</u>	<u>2014</u>
<b><u>Assets</u></b>		
Current and Other Assets	\$ 2,359,667	2,448,576
Capital Assets, Net	<u>10,879,664</u>	<u>11,313,757</u>
Total Assets	<u>\$ 13,239,331</u>	<u>13,762,333</u>
<b><u>Deferred Outflow of Resources</u></b>		
Contribution to Pension Plan	<u>\$ 458,543</u>	=====
<b><u>Deferred Outflow of Resources</u></b>		
Pension Deferrals	<u>\$ 135,630</u>	=====
<b><u>Liabilities</u></b>		
Long-Term Liabilities	\$ 3,296,373	1,487,453
Other Liabilities	<u>496,150</u>	<u>496,598</u>
Total Liabilities	<u>\$ 3,792,523</u>	<u>1,984,051</u>
<b><u>Net Position</u></b>		
Invested in Capital Assets, Net of Debt	\$ 9,974,834	9,369,388
Restricted	1,976,581	2,011,636
Unrestricted	<u>(2,181,694)</u>	<u>397,258</u>
Total Net Position	<u>\$ 9,769,721</u>	<u>11,778,282</u>

Table 2 shows the changes in net position for fiscal years ended 2015 and 2014.

**Table 2**  
**Changes in Net Position**

	<u>2015</u>	<u>2014</u>
<b><u>Revenues</u></b>		
Program Revenues		
Charges for Services	\$ 577,223	413,393
Operating Grants and Contributions	406,000	571,369
General Revenues		
Property Taxes	9,752,312	9,766,036
Grants and Entitlements	1,247,153	1,172,933
Other	<u>(2,084)</u>	<u>13,982</u>
Total Revenues	<u>11,980,604</u>	<u>11,937,713</u>
<b><u>Program Expenses</u></b>		
Instruction	4,803,151	4,697,219
Support Services		
Pupils and Instructional Staff	1,515,854	1,544,975
General Administration, School Administration,		
Business	3,222,202	4,034,793
Operations and Maintenance of Facilities	1,518,284	1,259,950
Pupil Transportation	478,355	729,723
Interest on Debt	64,337	97,117
Food Service	<u>142,847</u>	<u>150,345</u>
Total Expenses	<u>11,745,030</u>	<u>12,514,122</u>
Adjustment	<u>                    </u>	<u>(19,103)</u>
Increase in Net Position	<u>\$ 235,574</u>	<u>(595,512)</u>

### **Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 81% percent of revenues for governmental activities for the West Long Branch School District for fiscal year 2015. The District's total revenues were \$11,980,604 for the fiscal year ended June 30, 2015.

### **Business-Type Activities**

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- Food service revenues exceeded expenses by \$8,751.
- Charges for services represent \$107,942 of revenue. This represents amount paid by patrons for daily food services.
- Federal and state reimbursements for food service was \$43,656.

### **Governmental Activities**

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

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

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

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

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

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

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

## School Board Funds

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

As the School Board completed the fiscal year ended June 30, 2015, it reported a combined net position balance of \$9,769,721. The Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net position.

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

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

A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the CAFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

## Capital Assets

At June 30, 2015, the School Board had approximately \$18,946,471 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2015 fiscal year.

	<b>Governmental <u>Activities</u></b>	<b>Business Type <u>Activities</u></b>
Table II		
Capital Assets at June 30, 2015		
Land	\$ 82,140	
Site Improvements	279,562	
Buildings	9,708,536	
Machinery and Equipment	<u>800,200</u>	9,226
Total	<u>\$ 10,870,438</u>	<u>9,226</u>

### **Debt Administration**

At June 30, 2015 the School District had \$3,748,410 as outstanding debt. Of this amount \$115,660 is for compensated absences, \$128,873 is capital leases; \$2,275,883 is for pension liability; and the balance of \$1,228,000 is for bonds for school construction.

### **Economic Factors and Next Year's Budget**

The West Long Branch School District is in good financial condition presently. Future finances are not without challenges as state funding is decreased.

The Borough of West Long Branch is primarily a residential community. The majority of revenues needed to operate the District are derived from homeowners through property tax assessments and collections.

The \$(2,237,588) is unrestricted net position for all governmental activities represent the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's noncurrent liabilities such as compensated absences, the School Board would have a deficit of \$2,237,588.

At this time, the most important factor affecting the budget is the unsettled situation with State Aid. While State aid may be frozen, the District may experience growth in student population. The tax levy will be the area that will need to absorb any increase in budget obligations.

In conclusion, the West Long Branch School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

### **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Dennis W. Kotch, School Business Administrator/Board Secretary at West Long Branch Board of Education, 135 Locust Avenue, West Long Branch, New Jersey 07764.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

STATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 113,656	57,804	171,460
Receivables, Net	203,718	6,623	210,341
Inventory		1,285	1,285
Restricted Assets:			
Cash and Cash Equivalents	1,671,126		1,671,126
Capital Reserve Account - Cash	305,455		305,455
Capital Assets, Not Being Depreciated	82,140		82,140
Capital Assets, Net	<u>10,788,298</u>	<u>9,226</u>	<u>10,797,524</u>
Total Assets	<u>\$ 13,164,393</u>	<u>74,938</u>	<u>13,239,331</u>
<b><u>Deferred Outflow of Resources</u></b>			
Contribution to Pension Plan	<u>\$ 458,543</u>		<u>458,543</u>
<b><u>Deferred Inflow of Resources</u></b>			
Pension Deferrals	<u>\$ 135,630</u>		<u>135,630</u>
<b><u>Liabilities</u></b>			
Accounts Payable	\$ -	9,818	9,818
Deferred Revenue	29,839		29,839
Accrued Interest	4,450		4,450
Noncurrent Liabilities:			
Due Within One Year	452,043		452,043
Due Beyond One Year	<u>3,296,373</u>		<u>3,296,373</u>
Total Liabilities	<u>\$ 3,782,705</u>	<u>9,818</u>	<u>3,792,523</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	\$ 9,965,608	9,226	9,974,834
Restricted For:			
Other Purposes	1,976,581		1,976,581
Unrestricted	<u>(2,237,588)</u>	<u>55,894</u>	<u>(2,181,694)</u>
Total Net Position	<u>\$ 9,704,601</u>	<u>65,120</u>	<u>9,769,721</u>

The accompanying notes to financial statements are an integral part of this statement.

**WEST LONG BRANCH SCHOOL DISTRICT**

Exhibit A-2

Sheet 1 of 2

**STATEMENT OF ACTIVITIES**

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

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>Functions/Programs</u></b>						
Governmental Activities:						
Instruction:						
Regular	\$ 3,270,755			(3,270,755)		(3,270,755)
Special Education	1,114,606		364,919	(749,687)		(749,687)
Other Instruction	417,790			(417,790)		(417,790)
Support Services:						
Tuition	298,058	298,058		-		-
Student & Instruction Related Services	1,217,796		168,648	(1,049,148)		(1,049,148)
School Administrative Services	378,670			(378,670)		(378,670)
General and Business Administrative Services	538,550			(538,550)		(538,550)
Plant Operations and Maintenance	870,614			(870,614)		(870,614)
Pupil Transportation	478,355			(478,355)		(478,355)
Unallocated Benefits	2,290,906			(2,290,906)		(2,290,906)
Interest on Long-Term Debt	64,337			(64,337)		(64,337)
Unallocated Depreciation	647,670			(647,670)		(647,670)
Summer School	14,076			(14,076)		(14,076)
<b>Total Government Activities</b>	<b>11,602,183</b>	<b>298,058</b>	<b>533,567</b>	<b>(10,770,558)</b>	<b>-</b>	<b>(10,770,558)</b>
Business-Type Activities:						
Food Service	142,847	107,942	43,656		8,751	8,751
<b>Total Business-Type Activities</b>	<b>142,847</b>	<b>107,942</b>	<b>43,656</b>	<b>-</b>	<b>8,751</b>	<b>8,751</b>
<b>Total Primary Government</b>	<b>11,745,030</b>	<b>406,000</b>	<b>577,223</b>	<b>(10,770,558)</b>	<b>8,751</b>	<b>(10,761,807)</b>

**WEST LONG BRANCH SCHOOL DISTRICT**

Exhibit A-2

Sheet 2 of 2

**STATEMENT OF ACTIVITIES**

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

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purpose, Net			\$ 9,282,312		9,282,312
Property Taxes, Levied for Debt Service			470,000		470,000
Federal and State Aid Not Restricted			1,247,153		1,247,153
Miscellaneous			7,598		7,598
Interest Earned			7,544		7,544
Other Financing Uses			(17,226)		(17,226)
Total General Revenues, Special Items, Extraordinary Items and Transfers			<u>10,997,381</u>	<u>-</u>	<u>10,997,381</u>
Change in Net Position			226,823	8,751	235,574
Restatement for Pension			(2,275,883)		(2,275,883)
Net Position - Beginning			<u>11,753,661</u>	<u>56,369</u>	<u>11,810,030</u>
Net Position - Ending			<u>\$ 9,704,601</u>	<u>65,120</u>	<u>9,769,721</u>

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

**FUND FINANCIAL STATEMENTS – B**

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 2,090,237		2,090,237
Interfund Receivable	22,214		22,214
Receivables from Other Governments	151,665	52,053	203,718
Total Assets	<u>\$ 2,264,116</u>	<u>52,053</u>	<u>2,316,169</u>
<b><u>Liabilities and Fund Balance</u></b>			
Liabilities:			
Deferred Revenue	\$ -	29,839	29,839
Interfund Payable		22,214	22,214
Total Liabilities	<u>-</u>	<u>52,053</u>	<u>52,053</u>
Fund Balance:			
Restricted for:			
Excess Surplus-Current Year	513,854		513,854
Excess Surplus-Designated for Subsequent Years Expenditures	640,832		640,832
Maintenance Reserve	71,068		71,068
Capital Reserve Account	302,455		302,455
Emergency Reserve	100,796		100,796
Committed To:			
Other Purposes	246,864		246,864
Assigned To:			
Designed by the BOE for subsequent Years Expenditures	100,712		100,712
Unassigned:			
General Fund	287,535		287,535
Total Fund Balances	<u>2,264,116</u>	<u>-</u>	<u>2,264,116</u>
Total Liabilities and Fund Balance	<u>\$ 2,261,116</u>	<u>52,053</u>	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$19,028,611 and the accumulated depreciation is \$8,158,173	10,870,438
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,748,416)
Deferred outflow of resources - contributions to the pension plan	458,543
Deferred inflow of resources - acquisition of assets applicable to future reporting periods	(135,630)
Accrued Interest	(4,450)
Net position of governmental activities	<u>\$ 9,704,601</u>

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

**WEST LONG BRANCH SCHOOL DISTRICT**

**Exhibit B-2  
Sheet 1 of 2**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>				
Local Sources:				
Local Tax Levy	\$ 9,282,312		470,000	9,752,312
Tuition	305,404			305,404
Interest Earned	7,544			7,544
Miscellaneous	252	10,260		10,512
Total Local Sources	<u>9,595,512</u>	<u>10,260</u>	<u>470,000</u>	<u>10,075,772</u>
State Sources	1,247,153	228,620		1,475,773
Federal Sources		294,687		294,687
Total Revenues	<u>10,842,665</u>	<u>533,567</u>	<u>470,000</u>	<u>11,846,232</u>
<b><u>Expenditures</u></b>				
Current:				
Regular Instruction	3,270,755			3,270,755
Special Education Instruction	749,687	364,919		1,114,606
Other Instruction	417,790			417,790
Support Services and Undistributed Costs:				
Tuition	298,058			298,058
Student and Instruction Related Services	1,049,148	168,648		1,217,796
School Administrative Services	378,670			378,670
Other Administrative Services	538,550			538,550
Plant Operations and Maintenance	870,614			870,614
Pupil Transportation	478,355			478,355
Unallocated Benefits	2,628,739			2,628,739
Debt Service:				
Principal			410,000	410,000
Interest and Other Charges			59,887	59,887
Summer School	14,076			14,076
Capital Outlay	231,538			231,538
Total Expenditures	<u>10,925,980</u>	<u>533,567</u>	<u>469,887</u>	<u>11,929,434</u>

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

WEST LONG BRANCH SCHOOL DISTRICT

Exhibit B-2

Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(83,315)</u>	<u>-</u>	<u>113</u>	<u>(83,202)</u>
Other Financing Sources (Uses):				
Adjustment to Accounts Receivable	<u>(17,226)</u>			<u>(17,226)</u>
Total Other Financing Sources (Uses)	<u>(17,226)</u>	<u>-</u>		<u>(17,226)</u>
Net Change in Fund Balances	<u>(100,541)</u>	<u>-</u>		<u>(100,428)</u>
Fund Balance - July 1	<u>2,364,657</u>			<u>2,364,657</u>
Fund Balance - June 30	<u>\$ 2,264,116</u>	<u>-</u>	<u>113</u>	<u>2,264,229</u>

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$	(100,428)
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	(647,670)		
Capital Outlay	<u>231,538</u>		
			(416,132)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.			410,000
Compensated Absences			14,920
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position			458,543
Pension related deferrals			(135,630)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.			<u>(4,450)</u>
Change in Net Position of Governmental Activities		\$	<u>226,823</u>

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

STATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDS

JUNE 30, 2015

	<u>Enterprise Fund</u>
<b><u>Assets</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 57,804
Accounts Receivable:	
Federal	3,238
State	130
Other	3,255
Inventories	1,285
Total Current Assets	<u>65,712</u>
Noncurrent Assets:	
Equipment	77,030
Less: Accumulated Depreciation	<u>(67,804)</u>
Total Noncurrent Assets	<u>9,226</u>
Total Assets	<u>\$ 74,938</u>
 <b><u>Liabilities</u></b>	
Accounts Payable	<u>\$ 9,818</u>
 <b><u>Net Position</u></b>	
Investment in Capital Assets	\$ 9,226
Unrestricted	<u>55,894</u>
Total Net Position	<u>\$ 65,120</u>

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

WEST LONG BRANCH SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit B-5

IN FUND NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2015

	<u>Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Daily Sales	\$ 103,660
Special Functions and Miscellaneous	4,282
Total Operating Revenue	<u>107,942</u>
Operating Expenses:	
Cost of Sales	47,362
Salaries & Benefits	63,244
Management Fee	15,000
Supplies	6,705
Miscellaneous	7,630
Depreciation	2,906
Total Operating Expenses	<u>142,847</u>
Operating (Loss)/Profit	(34,905)
Non-Operating Revenues:	
State Sources:	
State Lunch Program	1,348
Federal Sources:	
Federal Lunch Program	30,868
Federal HHFKA Lunch Program	1,830
Commodities	9,610
Total Non-Operating Revenues	<u>43,656</u>
Change in Net Position	8,751
Net Position, July 1	<u>56,369</u>
Net Position, June 30	<u>\$ 65,120</u>

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

STATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDS

JUNE 30, 2015

	<u>Enterprise Fund</u>
Cash Flows from Operating Activities:	
Receipts from Daily Sales	\$ 107,942
Payments to Suppliers	(133,464)
Net Cash Used by Operating Activities	<u>(25,522)</u>
Cash Flows from Noncapital Financing Activities:	
Federal and State Sources	<u>34,046</u>
Net Cash Provided by Noncapital Financing Activities	<u>34,046</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	8,524
Cash and Cash Equivalents July 1	<u>49,280</u>
Cash and Cash Equivalents June 30	<u><u>\$ 57,804</u></u>
Cash Flows from Operating Activities:	
Operating (Loss)/Profit	\$ (34,905)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Depreciation	2,906
Commodities	9,610
Changes in Assets and Liabilities:	
Increase/(Decrease) in Accounts Payables	1,203
(Increase)/Decrease in Inventories	(448)
(Increase)/Decrease in Accounts Receivable	<u>(3,888)</u>
Net Cash Used by Operating Activities	<u><u>\$ (25,522)</u></u>

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

WEST LONG BRANCH SCHOOL DISTRICTSTATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

FIDUCIARY FUNDSJUNE 30, 2015

	<u>Private Purpose Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>
Assets:		
Cash and Cash Equivalents	\$ 10,469	2,744
Total Assets	<u>\$ 10,469</u>	<u>2,744</u>
Net Position:		
Held in Trust for Unemployment Claims and Other Purposes	\$ 10,469	2,744
Total Net Position	<u>\$ 10,469</u>	<u>2,744</u>

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

WEST LONG BRANCH SCHOOL DISTRICTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Exhibit B-8

FIDUCIARY FUNDSJUNE 30, 2015

	<u>Private Purpose Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>
Additions:		
Local Sources:		
Investment Earnings:		
Contributions	\$ 500	7,096
Interest	26	14
Net Investments Earnings	<u>526</u>	<u>7,110</u>
Total Additions	<u>526</u>	<u>7,110</u>
Deductions:		
Scholarship Awards	500	
Unemployment Claims	-	16,309
Total Deductions	<u>500</u>	<u>16,309</u>
Change in Net Position	26	(9,199)
Net Position - Beginning of Year	<u>10,443</u>	<u>11,943</u>
Net Position - End of the Year	<u>\$ 10,469</u>	<u>2,744</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**WEST LONG BRANCH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1: Summary of Significant Accounting Policies**

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

**A. Reporting Entity:**

The West Long Branch School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8.

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

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

**B. Government-Wide Financial Statements**

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county tax levies, from business-type activities generally financed in whole or in part with fees charged to external parties.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**B. Government-Wide Financial Statements (Continued)**

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

**Fund Financial Statements**

Fund financial statements are provided for governmental, proprietary and fiduciary funds. The New Jersey Department of Education (the "Department") 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 Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

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

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

**D. Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

**Governmental Fund Types**

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.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: the capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

**Proprietary Fund Type**

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued):**

**Fiduciary Fund Types**

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

Trust and Agency Funds: The trust and 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.

Expendable Trust Fund: An expendable trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent. Expendable trust funds include Unemployment Compensation Insurance.

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

**E. Basis of Accounting:**

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

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

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recorded in the accounting period in which they are earned and expenses are recorded at the time liabilities are incurred.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**F. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. 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(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

**G. Encumbrances:**

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

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

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**H. Short-Term Interfund Receivables/Payables:**

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

**I. Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

**J. Capital Assets and Depreciation**

The District’s property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District contracted with an outside service company to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2014-2015 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2015, fiscal year 2015 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

The District is currently in the process of obtaining and installing software that will maintain proper capital asset and depreciation records.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)J. Capital Assets and Depreciation (Continued)

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2015</u>
Governmental Activities:				
Capital Assets that are				
Not Being Depreciated:				
Land	\$ 82,140	_____	_____	82,140
Total Capital Assets Not	82,140	_____	_____	82,140
Being Depreciated				
Depreciable Assets:				
Site Improvements	524,144	52,394		576,538
Buildings	15,876,272	37,113		15,913,385
Equipment	<u>2,329,572</u>	<u>126,976</u>	_____	<u>2,456,548</u>
Totals at Historical Cost	<u>18,729,988</u>	<u>216,483</u>	_____	<u>18,946,471</u>
Less: Accumulated				
Depreciation for:				
Site Improvements	(277,448)	(19,528)		(296,976)
Buildings	(5,736,516)	(468,333)		(6,204,849)
Equipment	<u>(1,496,539)</u>	<u>(159,809)</u>	_____	<u>(1,656,348)</u>
Total Accumulated Depreciation	<u>(7,510,503)</u>	<u>(647,670)</u>	_____	<u>(8,158,173)</u>
Net Depreciable Assets	<u>11,219,485</u>	<u>(431,187)</u>	_____	<u>10,788,298</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 11,301,625</u>	<u>(431,187)</u>	=====	<u>10,870,438</u>
Business-Type Activities:				
Equipment	\$ 77,030			77,030
Less: Accumulated				
Depreciation for:				
Equipment	<u>(64,898)</u>	<u>(2,906)</u>	_____	<u>(67,804)</u>
Business-Type Activities				
Capital Assets, Net	<u>\$ 12,132</u>	<u>(2,906)</u>	_____	<u>9,226</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated \$ 647,670

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

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

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

**L. Deferred Revenue**

Deferred revenue in the special revenue fund represents cash, which has been received but not yet earned. See note 1(e) regarding the special revenue fund.

**M. Long-Term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

**N. Fund Equity**

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Grants, entitlements, or shared revenues which are restricted for the acquisition or construction of capital assets are also recorded as contributed capital. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**O. Tuition Receivable**

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

**P. Tuition Payable**

Tuition charges for the fiscal year 2014-2015 was based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**NOTE 2: Cash and Cash Equivalents and Investments**

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost or amortized cost, which approximates market. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

**Deposits**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**Investments**

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank of Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

FDIC	\$ 250,000
GUPDA	<u>2,177,775</u>
	<u>\$ 2,427,775</u>

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)**

As of June 30, 2015, cash and cash equivalents and investments of the District consisted of the following:

	<b>Cash and Cash Equivalents</b>
Interest Bearing Checking Accounts	<u>\$ 2,197,049</u>

The carrying amount of the Board's cash, cash equivalents and investments at June 30, 2015 was \$2,197,099 and the bank balance was \$2,427,775. Of the bank balance \$250,000 was covered by federal depository insurance and \$2,177,775 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**NOTE 3: General Long-Term Debt**

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

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>	<u>Long-Term Portion</u>	<u>2015-2016 Payment</u>
Compensated Absences Payable	\$ 130,580		14,920	115,660	115,660	
Bonds Payable	1,638,000		410,000	1,228,000	818,000	410,000
Capital Leases	168,819		39,946	128,873	86,830	42,043
Pension Liability		<u>2,275,883</u>		<u>2,275,883</u>	<u>2,275,883</u>	
	<u>\$ 1,937,399</u>	<u>2,275,883</u>	<u>464,866</u>	<u>3,748,416</u>	<u>3,296,373</u>	<u>452,043</u>

**A. Bonds Payable**

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015/2016	\$ 410,000	45,537	455,537
2016/2017	410,000	30,675	440,675
2017/2018	<u>408,000</u>	<u>15,300</u>	<u>423,300</u>
	<u>\$ 1,228,000</u>	<u>91,512</u>	<u>1,319,512</u>

Bonds issued 11/15/03 for \$5,538,000 at interest from 3.375% to 3.750% maturing 6/30/18 with a balance of \$1,228,000 at June 30, 2015.

**NOTE 3: General Long-Term Debt (Continued)****B. Bonds Authorized But Not Issued**

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

**C. Capital Leases**

2013 buses @ 2.4% interest for 5 years maturing 12/1/17 with a balance of \$128,873 at June 30, 2014.

**Future Minimum Lease Payments**

2015-2016	\$ 44,828
2016-2017	44,828
2017-2018	<u>44,827</u>
	134,483
Less: Interest	<u>(5,610)</u>
Lease Payments	<u>\$ 128,873</u>

**NOTE 4: Pension Plans**

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

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

**NOTE 4: Pension Plans (Continued)**

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

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

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

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

**Contribution Requirements** – The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

**NOTE 4: Pension Plans (Continued)****Three-Year Trend Information for PERS**

<b>Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
<b>Funding</b>			
6/30/15	\$ 100,210	100%	0
6/30/14	80,446	100%	0
6/30/13	98,278	100%	0

**Three-Year Trend Information for TPAF (Paid On-Behalf of the District)**

<b>Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
<b>Funding</b>			
6/30/15	\$ 574,600	100%	0
6/30/14	424,685	100%	0
6/30/13	566,482	100%	0

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$574,600 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$335,673 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenue and expenditure in accordance with GASB 24.

**Pension Expense Deferred Outflows/Inflows – PERS**

For the year ended June 30, 2015, the District recognized pension expense of \$100,210. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$	
Changes of Assumptions	71,566	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		135,630
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	286,767	
District Contributions Subsequent to the Measurement Date	<u>100,210</u>	<u>          </u>
<b>Total</b>	<b><u>\$ 458,543</u></b>	<b><u>135,630</u></b>

**NOTE 4: Pension Plans (Continued)****Pension Expense Deferred Outflows/Inflows – PERS (Continued)**

\$458,543 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Additional Information**

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

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Collective Deferred Outflows of Resources	\$ 458,543	
Collective Deferred Inflows of Resources	135,630	
Collective Net Pension Liability	2,275,883	1,983,718
District's Proportion	.01216%	.01038%

**Components of Net Pension Liability**

The components of the net pension liability of the participating employers for PERS as of June 30, 2014 and 2013 are as follows:

	<u>2014</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,777,950,141	39,071,470,586	67,849,420,727
Plan Fiduciary Net Position	<u>8,650,846,191</u>	<u>20,348,735,583</u>	<u>28,999,581,774</u>
Net Pension Liability	<u>\$ 20,127,103,950</u>	<u>18,722,735,003</u>	<u>38,849,838,953</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	30.06%	52.08%	42.74%
	<u>2013</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 27,515,277,069	37,272,295,162	64,787,572,231
Plan Fiduciary Net Position	<u>8,216,653,950</u>	<u>18,160,308,251</u>	<u>26,376,962,201</u>
Net Pension Liability	<u>\$ 19,298,623,119</u>	<u>19,111,986,911</u>	<u>38,410,610,030</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	29.86%	48.72%	40.71%

**NOTE 4: Pension Plans (Continued)**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2103, 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	3.01%
Salary Increases:	
2012-2021	2.15% - 4.40% Based on Age
Thereafter	3.15% – 5.40% Based on Age
Investment Rate of Return	7.90%

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

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

**Long-Term Expected Rate of Return**

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

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

**NOTE 4: Pension Plans (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 and 2013, 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:

	<b>2014</b>		
	<b>At 1%</b>	<b>At Current</b>	<b>At 1%</b>
	<b><u>Decrease (4.39%)</u></b>	<b><u>Discount</u></b>	<b><u>Increase (6.39%)</u></b>
State	\$ 23,772,450,916	20,127,103,950	17,069,920,644
Local	<u>23,553,838,159</u>	<u>18,722,735,003</u>	<u>14,665,837,859</u>
Total	<u>\$ 47,326,289,075</u>	<u>38,849,838,953</u>	<u>31,735,758,503</u>
	<b>2013</b>		
	<b>At 1%</b>	<b>At Current</b>	<b>At 1%</b>
	<b><u>Decrease (4.55%)</u></b>	<b><u>Discount</u></b>	<b><u>Increase (6.55%)</u></b>
State	\$ 22,822,255,839	19,298,623,119	16,351,193,705
Local	<u>23,791,905,551</u>	<u>19,111,986,911</u>	<u>15,190,834,283</u>
Total	<u>\$ 46,614,161,390</u>	<u>38,410,610,030</u>	<u>31,542,027,988</u>

**NOTE 4: Pension Plans (Continued)****Teachers Pensions and Annuity Fund (TPAF)****Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Total Pension Liability	\$ 81,095,320,000	76,678,639,671
Plan Fiduciary Net Position	<u>27,282,252,461</u>	<u>25,888,126,040</u>
Net Pension Liability	<u>\$ 53,813,067,539</u>	<u>50,790,513,631</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

**State Proportionate Share of Net Pension Liability Attributable to District**

	<u>2014</u>	<u>2013</u>
District's Liability	<u>\$ 20,326,536</u>	<u>20,794,392</u>
District's Proportion	.03777%	.04094%

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 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 improvements. 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.

**NOTE 4: Pension Plans (Continued)****Long-Term Expected Rate of Return**

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

<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%

**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.

**NOTE 4: Pension Plans (Continued)****Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above as well as what the State's 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:

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
2014 (3.68%, 4.68%, 5.68%)	\$ 64,722,984,539	53,813,067,539	44,738,870,539
2013 (3.95%, 4.95%, 5.95%)	61,017,578,926	50,790,513,631	42,351,665,847

**NOTE 5: 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 prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

**NOTE 6: Contingent Liabilities**

It is the opinion of the school board officials that there is no litigation threatened or pending that would materially affect the financial position of the school district.

**NOTE 7: Equity Balance**

At June 30, 2015, the General Fund equity balance was as follows:

Restricted For:		
Capital Reserve	\$	302,455
Emergency Reserve		100,796
Maintenance Reserve		71,068
Excess Surplus – Current Year		513,854
Excess Surplus – Designated for Subsequent Years		
Expenditures		640,832
Assigned to:		
Year-End Encumbrances		246,864
Designated for Subsequent Year’s Expenditures		100,712
Unassigned:		
General Fund		<u>311,345</u>
		<u>\$ 2,287,926</u>

Reserved for encumbrances represents outstanding purchase orders which will be rolled into the 2015-2016 budget and expended therefrom.

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget.

**2% Calculation of Excess Surplus**

2014-15 Total General Fund Expenditures Per the CAFR	\$ 10,925,980
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>910,273</u>
Adjusted 2014-15 General Fund Expenditures	<u>\$ 10,015,707</u>
2% of Adjusted 2014-15 General Fund Expenditures	<u>\$ 200,314</u>
Enter Above or \$250,000 Whichever is Greater	\$ 250,000
Increased by: Allowable Adjustment	<u>61,345</u>
Maximum Unassigned Fund Balance	<u>\$ 311,345</u>

**NOTE 7: Equity Balance****Section 2**

Total General Fund – Fund Balance @ 6-30-15	\$ 2,287,926
Decreased by:	
Other Reserves	(474,319)
Reserve for Encumbrances	(246,864)
Assigned Fund Balance – Unreserved - Designated for Subsequent Years Expenditures – Excess Surplus	(640,832)
Assigned Fund Balance – Unreserved - Designated for Subsequent Years Expenditures	<u>(100,712)</u>
Total Unassigned Fund Balance	<u>\$ 825,199</u>

**Section 3**

Reserved Excess Surplus – Current Year	\$ 513,854
Excess Surplus – Designated For Subsequent Years Expenditures	<u>640,832</u>
	<u>\$ 1,154,686</u>

**Detail of Allowable Adjustments**

Extraordinary Aid	\$ 58,323
Non Public Transportation	<u>3,022</u>
	<u>\$ 61,345</u>

**Reserves**

Capital Reserve	\$ 302,455
Emergency Reserve	100,796
Maintenance Reserve	<u>71,068</u>
Total Other Restricted/Reserved Fund Balance	<u>\$ 474,319</u>

**NOTE 8: Risk Management**

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

**Property and Liability Insurance** – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds.

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

**NOTE 8: Risk Management (Continued)**

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest</u>	<u>Reimbursed</u>	<u>Ending Balance</u>
2012-2013	\$ 20,425		39,292	2,984
2013-2014	18,488	15	9,544	11,943
2014-2015	7,096	14	16,309	2,745

**NOTE 9: INTERFUND RECEIVABLES AND PAYABLES**

The following interfunds existed at June 30, 2015:

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 22,214	
Special Revenue Fund	_____	<u>22,214</u>
Totals	<u>\$ 22,214</u>	<u>22,214</u>

**NOTE 10: CAPITAL RESERVE ACCOUNT**

A Capital Reserve account was established by the Borough of West Long Branch Board of Education on September 1, 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.

Fund placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.* 19:60-2. Pursuant to *N.J.A.C.* 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Balance July 1, 2014	\$ 301,690
Interest Earned	<u>765</u>
Balance June 30, 2015	<u>\$ 302,455</u>

**NOTE 11: FAIR VALUES OF FINANCIAL INSTRUMENTS**

The following methods and assumptions were used by the West Long Branch Board of Education in estimating its fair value disclosures for financial instruments.

Cash and Cash Equivalents: The carrying amounts reported in the combined balance sheet for cash and cash equivalents are the fair values of those assets.

**NOTE 12: FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$2,287,926 General Fund fund balance at June 30, 2015, \$246,864 is year-end encumbrances; \$302,455 has been reserved in the Capital Reserve Account; \$100,796 has been reserved as Emergency Reserve, \$71,068 is reserved for Maintenance Reserve; \$640,832 is excess surplus designated for subsequent years expenditures; \$100,712 has been appropriated and included as anticipated revenue for the year ending June 30, 2015; and \$513,854 is excess surplus – current year; and \$311,345 is unreserved and undesignated.

**NOTE 13: ECONOMIC DEPENDENCY**

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

**NOTE 14: RECENT ACCOUNTING PRONOUNCEMENTS**

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2015. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2015 through December 18, 2015.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART II**

**BUDGETARY COMPARISON SCHEDULES – C**

WEST LONG BRANCH SCHOOL DISTRICT

Exhibit C-1

Sheet 1 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 9,282,312		9,282,312	9,282,312	-
Tuition	240,000		240,000	305,404	65,404
Interest			-	7,544	7,544
Miscellaneous	15,000		15,000	252	(14,748)
Total Local Sources	<u>9,537,312</u>	<u>-</u>	<u>9,537,312</u>	<u>9,595,512</u>	<u>58,200</u>
State Sources:					
Transportation Aid	14,171		14,171	14,171	-
Special Education Aid	240,707		240,707	240,707	-
Security Aid	10,616		10,616	10,616	
Adjustment Aid	1		1	1	
PARCC Readiness Aid	5,550		5,550	5,550	-
Per Pupil Growth Aid	5,550		5,550	5,550	-
Extraordinary Aid				58,323	58,323
Non Public Transportation Aid				3,022	3,022
TPAF Pension Contribution (On-Behalf)				574,600	574,600
TPAF Social Security Contribution (Reimbursed)				335,673	335,673
	<u>276,595</u>	<u>-</u>	<u>276,595</u>	<u>1,248,213</u>	<u>971,618</u>
Total Revenues	<u>9,813,907</u>	<u>-</u>	<u>9,813,907</u>	<u>10,843,725</u>	<u>1,029,818</u>

**WEST LONG BRANCH SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Distributed Expenditures:					
Regular Programs - Instruction:					
Preschool-Salaries of Teachers	57,960	(3,083)	54,877	54,032	845
Kindergarten - Salaries of Teachers	295,261	76,151	371,412	369,526	1,886
Grades 1-5 - Salaries of Teachers	1,494,817	(134,042)	1,360,775	1,339,939	20,836
Grades 6-8 - Salaries of Teachers	1,064,101	(2,268)	1,061,833	1,055,574	6,259
Subtotal	<u>2,912,139</u>	<u>(63,242)</u>	<u>2,848,897</u>	<u>2,819,071</u>	<u>29,826</u>
Regular Programs - Other:					
Salaries of Teachers-Home Instruction	3,000	3,860	6,860	6,860	-
Purchased Professional Educational Services	1,500	(813)	687		687
Subtotal	<u>4,500</u>	<u>3,047</u>	<u>7,547</u>	<u>6,860</u>	<u>687</u>
Regular Programs - Undistributed Instruction:					
Other Salaries For Instruction	33,394	(4,703)	28,691	28,691	-
Purchased Technical Services	24,244	6,873	31,117	29,187	1,930
Other Purchased Services	22,975	(4,907)	18,068	16,320	1,748
General Supplies	238,769	82,653	321,422	315,479	5,943
Textbooks	92,612	(31,927)	60,685	54,309	6,376
Other Objects	8,955	(5,864)	3,091	838	2,253
Subtotal	<u>420,949</u>	<u>42,125</u>	<u>463,074</u>	<u>444,824</u>	<u>18,250</u>
Total Regular Programs - Instruction	<u>3,337,588</u>	<u>(18,070)</u>	<u>3,319,518</u>	<u>3,270,755</u>	<u>48,763</u>
Visual Impairments					
Purchased Professional Educational Services	3,600		3,600	3,600	
Total Visual Impairments	<u>3,600</u>		<u>3,600</u>	<u>3,600</u>	

**WEST LONG BRANCH SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 3 of 12**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Resource Room/Center:					
Salaries of Teachers	530,420	172,251	702,671	701,797	874
Other Salaries for Instruction	37,214		37,214	35,220	1,994
General Supplies	12,551	267	12,818	9,070	3,748
Total Resource Room/Center	<u>580,185</u>	<u>172,518</u>	<u>752,703</u>	<u>746,087</u>	<u>6,616</u>
Total Special Education - Instruction	<u>583,785</u>	<u>172,518</u>	<u>756,303</u>	<u>749,687</u>	<u>6,616</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	239,654	(54,444)	185,210	183,076	2,134
General Supplies	2,254		2,254	471	1,783
Total Basic Skills/Remedial - Instruction	<u>241,908</u>	<u>(54,444)</u>	<u>187,464</u>	<u>183,547</u>	<u>3,917</u>
Bilingual Education-Instruction					
Salaries of Teachers	72,206		72,206	70,360	1,846
Supplies	700		700	91	609
Total Bilingual Instruction	<u>72,906</u>		<u>72,906</u>	<u>70,451</u>	<u>2,455</u>
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	57,957	(1,318)	56,639	56,608	31
General Supplies	4,100		4,100	2,101	1,999
Other Objects	7,486	1,004	8,490	4,651	3,839
Total School Sponsored Co-Curricular	<u>69,543</u>	<u>(314)</u>	<u>69,229</u>	<u>63,360</u>	<u>5,869</u>

**WEST LONG BRANCH SCHOOL DISTRICT**

**Exhibit C-1**

**Sheet 4 of 12**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
School Sponsored Athletics - Instruction:					
Salaries	30,465	(782)	29,683	29,683	-
Purchased Services	16,259	(9,171)	7,088	613	6,475
Supplies and Materials	6,571	3,789	10,360	10,233	127
Other Objects	1,000		1,000	400	600
Total School Sponsored Athletics - Instruction	<u>54,295</u>	<u>(6,164)</u>	<u>48,131</u>	<u>40,929</u>	<u>7,202</u>
School Sponsored-Academic Talent					
Salaries	56,636	1,039	57,675	57,675	-
Other Objects	4,000		4,000	1,828	2,172
Total Academic Talent	<u>60,636</u>	<u>1,039</u>	<u>61,675</u>	<u>59,503</u>	<u>2,172</u>
Total Distributed Expenditures	<u>4,420,661</u>	<u>94,565</u>	<u>4,515,226</u>	<u>4,438,232</u>	<u>76,994</u>
Tuition:					
Tuition to Other LEA's Within State - Special	187,880	(5,526)	182,354	46,013	136,341
Tuition to Private Schools for the Handicapped Within State	355,664	(58,881)	296,783	252,045	44,738
Total Tuition	<u>543,544</u>	<u>(64,407)</u>	<u>479,137</u>	<u>298,058</u>	<u>181,079</u>
Attendance & Social Work					
Salaries	31,254	606	31,860	31,860	-
Total Attendance & Social Work	<u>31,254</u>	<u>606</u>	<u>31,860</u>	<u>31,860</u>	<u>-</u>
Health Services:					
Salaries	71,686	1,054	72,740	72,665	75
Purchased Professional/Technical Services	5,250		5,250	5,230	20
Supplies and Materials	3,200		3,200	3,165	35
Other Objects	464	1,018	1,482	1,482	-
Total Health Services	<u>80,600</u>	<u>2,072</u>	<u>82,672</u>	<u>82,542</u>	<u>55</u>

**WEST LONG BRANCH SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Other Support Services Students - Related:					
Salaries	57,896	664	58,560	54,916	3,644
Purchased Professional/Educational Services	85,000	(664)	84,336	82,637	1,699
Supplies and Materials	734		734	527	207
Total Other Support Services Students - Related	<u>143,630</u>	<u>-</u>	<u>143,630</u>	<u>138,080</u>	<u>5,550</u>
Other Support Services Students-Extraordinary:					
Salaries	130,328	(606)	129,722	95,016	
Purchased Professional/Educational Services	91,220	2,877	94,097	66,178	27,919
Total Other Support Services Students - Extraordinary	<u>221,548</u>	<u>2,271</u>	<u>223,819</u>	<u>161,194</u>	<u>27,919</u>
Other Support Services Students - Regular					
Salaries of Other Professional Staff	52,086	914	53,000	53,000	-
Salaries of Secretarial & Clerical	30,493	2,282	32,775	32,775	-
Purchased Professional/Educational Services	4,000	(914)	3,086		3,086
Supplies and Materials	4,610	(2,282)	2,328	178	2,150
	<u>91,189</u>	<u>-</u>	<u>91,189</u>	<u>85,953</u>	<u>5,236</u>
Other Support Services Students - Special:					
Salaries of Other Professional Staff	354,227	1,166	355,393	349,904	5,489
Salaries of Secretarial & Clerical	49,651	(16,099)	33,552	27,536	6,016
Purchased Professional/Educational Services	30,330	1,000	31,330	26,692	4,638
Purchased Professional /Technical And Educational	750	10	760	335	425
Supplies and Materials	8,529	2,074	10,603	7,043	3,560
Other Objects	1,200		1,200	920	280
Total Other Support Services Students - Special	<u>444,687</u>	<u>(11,849)</u>	<u>432,838</u>	<u>412,430</u>	<u>20,408</u>

**WEST LONG BRANCH SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 6 of 12**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Improvement of Instruction Services:					
Salaries of Other Professional Staff	20,182	(1,012)	19,170	18,463	707
Purchased Professional/Educational Services	32,769		32,769	32,769	-
Total Improvement of Instruction Services	<u>52,951</u>	<u>(1,012)</u>	<u>51,939</u>	<u>51,232</u>	<u>707</u>
Educational Media/Library:					
Salaries	67,748	2,175	69,923	69,923	-
General Supplies	12,721	355	13,076	12,253	823
Total Educational Media/Library	<u>80,469</u>	<u>2,530</u>	<u>82,999</u>	<u>82,176</u>	<u>823</u>
Staff Training:					
Other Purchased Services	28,218	(8,300)	19,918	3,681	16,237
Other Objects			-		-
Total Staff Training	<u>28,218</u>	<u>(8,300)</u>	<u>19,918</u>	<u>3,681</u>	<u>16,237</u>
Support Services - General Administration:					
Salaries	49,150	(3,756)	45,394	45,050	344
Legal Services	75,000	(14,818)	60,182	56,682	3,500
Audit Fees	22,500	(7,485)	15,015	15,000	15
Other Purchased Professional Services	50,667	34,335	85,002	85,002	-
Communications/Telephone	43,860	(2,163)	41,697	41,591	106
Miscellaneous Purchased Services	5,300	3,397	8,697	4,197	4,500
General Supplies	3,000	470	3,470	3,420	50
BOE In-House Training/Meeting Supplies	3,950	(1,431)	2,519	2,519	-
Miscellaneous Expenditures	1,250	1,833	3,083	3,083	-
BOE Membership Dues and Fees	6,150	1,273	7,423	7,423	-
Total Support Services - General Administration	<u>260,827</u>	<u>11,655</u>	<u>272,482</u>	<u>263,967</u>	<u>8,515</u>

**WEST LONG BRANCH SCHOOL DISTRICT**

Exhibit C-1  
Sheet 7 of 12

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Support Services - School Administration:					
Salaries of Principals/Vice Principals	235,041	(5,733)	229,308	229,308	-
Salaries of Secretarial & Clerical Assistants	125,559	159	125,718	125,718	-
Other Purchased Services	2,700	7,954	10,654	10,472	182
General Supplies	14,022	(3,845)	10,177	10,177	-
Other Objects	2,277	745	3,022	2,995	27
Total Support Services - School Administration	<u>379,599</u>	<u>(720)</u>	<u>378,879</u>	<u>378,670</u>	<u>209</u>
Central Services:					
Salaries	100,050	781	100,831	100,653	178
Purchased Professional Services	79,850	3,722	83,572	83,312	260
Miscellaneous Purchased Services	1,600	9,192	10,792	10,715	77
Supplies and Materials	5,000	2,265	7,265	6,735	530
Miscellaneous Expenditures	500	4,073	4,573	4,573	-
Total Central Services	<u>187,000</u>	<u>20,033</u>	<u>207,033</u>	<u>205,988</u>	<u>1,045</u>
Admin. Information Technology					
Salaries	62,424	5,964	68,388	68,388	-
Other Purchased Services	4,800	(4,576)	224	207	17
Total Admin. Information Technology	<u>67,224</u>	<u>1,388</u>	<u>68,612</u>	<u>68,595</u>	<u>17</u>
Required Maintenance for School Facilities:					
Cleaning Repair & Maintenance	191,600	(27,891)	163,709	112,822	50,887
General Supplies	9,400	(33)	9,367	8,018	1,349
Other Objects	1,500	2,249	3,749	884	2,865
Total Required Maintenance for School Facilities	<u>202,500</u>	<u>(25,675)</u>	<u>176,825</u>	<u>121,724</u>	<u>55,101</u>

**WEST LONG BRANCH SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Other Operations & Maintenance:					
Salaries	31,192	43,473	74,665	74,271	394
Salaries of Non-Instructional Aides	34,000	32,400	66,400	66,400	-
Purchased Professional And Educational Services	10,100	834	10,934	10,934	-
Cleaning, Repair & Maintenance Services	81,390	69,694	151,084	151,084	-
Other Purchased Property Services	70,136	4,230	74,366	74,316	50
Insurance	65,000	(2,935)	62,065	61,923	142
General Supplies	25,000	894	25,894	25,894	-
Energy (Electricity)	135,000	(3,303)	131,697	105,370	26,327
Other Objects	500	241	741	741	-
Energy (Natural Gas)	65,000	8,500	73,500	73,458	42
Total Other Operations & Maintenance	<u>517,318</u>	<u>154,028</u>	<u>671,346</u>	<u>644,391</u>	<u>26,955</u>
Care And Upkeep of Grounds					
Salaries	20,814		20,814	20,814	-
Purchased Professional And Technical Services	2,800	13,357	16,157	15,957	200
Cleaning, Repair & Maintenance Services	6,500	3,751	10,251	10,251	-
General Supplies	9,000	(400)	8,600	7,286	1,314
Total Care And Upkeep of Grounds	<u>39,114</u>	<u>16,708</u>	<u>55,822</u>	<u>54,308</u>	<u>1,514</u>
Security					
Salaries	43,200	2,954	46,154	46,154	138,462
Purchased Professional And Technical Services		3,610	3,610	3,110	10,330
General Supplies		927	927	927	2,781
Total Security	<u>43,200</u>	<u>7,491</u>	<u>50,691</u>	<u>50,191</u>	<u>151,573</u>
Total Operations & Maintenance	<u>802,132</u>	<u>152,552</u>	<u>954,684</u>	<u>870,614</u>	<u>235,143</u>

**WEST LONG BRANCH SCHOOL DISTRICT**

**Exhibit C-1**

**Sheet 9 of 12**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Student Transportation:					
Salaries (Between Home & School Regular)	109,004	3,458	112,462	107,530	4,932
Salaries (Between Home & School Special Education)	28,275	(8,632)	19,643	3,819	15,824
Salaries (Other Than Between Home & School )	45,900	(30,426)	15,474	13,887	1,587
Purchased Professional And Technical Services	42,288	(217)	42,071	30,354	11,717
Cleaning Repair & Maintenance Services	40,000	(2,873)	37,127	36,074	1,053
Lease Rental-School Buses	39,946	4,882	44,828	44,828	-
Contracted Services (Aid in Lieu Non Public)	20,000		20,000		20,000
Contracted Services (Special Ed.) Vendors	15,000	(15,000)	-		-
Contracted Services (Regular Students)ESC&CTSAs	114,000	31,596	145,596	115,336	30,260
Contracted Services (Special Ed Students) ESC's & CTSAs	113,000		113,000	82,564	30,436
Miscellaneous Purchased Services	17,500		17,500	16,941	559
General Supplies	22,500	6,919	29,419	26,482	2,937
Transportation Supplies	500	(35)	465	35	430
Other Objects	650		650	505	145
Total Student Transportation	<u>608,563</u>	<u>(10,328)</u>	<u>598,235</u>	<u>478,355</u>	<u>1,076,590</u>
Student Transportation:					
Social Security	15,000	(15,000)	-		-
Health Benefits	123,500	(123,500)	-		-
Total Student Transportation	<u>138,500</u>	<u>(138,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>

**WEST LONG BRANCH SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 10 of 12**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Undistributed Expenditures-Employee Benefits:					
Other Retirement Contrib. - Social Security	110,000	7,861	117,861	113,141	4,720
Retirement Contributions-PERS	110,000	(9,790)	100,210	100,210	-
Retirement Contributions-Regular	6,000	1,769	7,769	7,769	-
Unemployment Compensation	10,000	(2,020)	7,980		7,980
Workman's Compensation	86,000	(2,128)	83,872	77,893	5,979
Health Benefits	1,453,000	(35,407)	1,417,593	1,360,194	57,399
Tuition Reimbursements	28,000	(2,500)	25,500	17,101	8,399
Other Employee Benefits	20,000	22,158	42,158	42,158	-
Total Unallocated Benefits	<u>1,823,000</u>	<u>(20,057)</u>	<u>1,802,943</u>	<u>1,718,466</u>	<u>84,477</u>
 Total Employee Benefits	<u>1,961,500</u>	<u>(158,557)</u>	<u>1,802,943</u>	<u>1,718,466</u>	<u>84,477</u>
 TPAF Pension Contribution (On-Behalf)		-		574,600	(574,600)
TPAF Social Security Contribution (Reimbursed)		-		335,673	(335,673)
 Total Undistributed Expenditures	<u>5,984,935</u>	<u>(62,066)</u>	<u>5,922,869</u>	<u>6,242,134</u>	<u>753,737</u>
 Total General Current Expense	<u>10,405,596</u>	<u>32,499</u>	<u>10,438,095</u>	<u>10,680,366</u>	<u>830,731</u>

**WEST LONG BRANCH SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 11 of 12**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Equipment:					
Regular Programs - Instruction:					
Grades 1-5	5,160	(4,078)	1,082	1,082	-
Athletic		26,409	26,409		26,409
Maintenance		27,850	27,850	27,850	-
General Administration	17,200	42,855	60,055	9,809	50,246
Information Technology	16,500	712	17,212	17,212	-
School Buses-Regular		96,058	96,058	96,058	-
Total Regular Programs - Instruction	<u>38,860</u>	<u>189,806</u>	<u>228,666</u>	<u>152,011</u>	<u>76,655</u>
Facilities, Acquisition and Construction Services:					
Purchased and Technical Services	30,000	(30,000)	-		-
Construction Services	200,000	(139,280)	60,720	59,000	1,720
Other Objects	20,527		20,527	20,527	-
Total Facilities, Acquisition and Construction Services	<u>250,527</u>	<u>(169,280)</u>	<u>81,247</u>	<u>79,527</u>	<u>1,720</u>
Total Capital Outlay	<u>289,387</u>	<u>20,526</u>	<u>309,913</u>	<u>231,538</u>	<u>78,375</u>
Summer School					
Salaries of Teachers	16,458		16,458	14,076	2,382
Supplies	150		150		150
Total Summer School	<u>16,608</u>		<u>16,608</u>	<u>14,076</u>	<u>2,532</u>
Total Current Expense, Capital Outlay and Summer School	<u>10,711,591</u>	<u>53,025</u>	<u>10,764,616</u>	<u>10,925,980</u>	<u>911,638</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(897,684)</u>	<u>(53,025)</u>	<u>(950,709)</u>	<u>(82,631)</u>	<u>1,941,080</u>

**WEST LONG BRANCH SCHOOL DISTRICT**

Exhibit C-1  
Sheet 12 of 12

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Financing Sources (Uses):					
Accounts Receivable Cancelled				(17,226)	17,226
Total Excess Deficiency of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	(897,684)	(53,025)	(950,709)	(99,481)	1,958,682
Fund Balance July 1	<u>2,387,407</u>		<u>2,387,407</u>	<u>2,387,407</u>	<u>-</u>
Fund Balance June 30	<u>\$ 1,489,723</u>	<u>(53,025)</u>	<u>1,436,698</u>	<u>2,287,926</u>	<u>1,958,682</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Reserved For Excess Surplus - Current Year				\$ 513,854	
Excess Surplus - Designated for Subsequent Years Expenditures				640,832	
Maintenance Reserve				71,068	
Capital Reserve				302,455	
Emergency Reserve				100,796	
Committed Fund Balance:					
Year End Encumbrances				246,864	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				100,712	
Unassigned Fund Balance				<u>311,345</u>	
				2,287,926	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Audit Payments not Recognized on GAAP Basis				<u>(23,810)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 2,264,116</u>	

**WEST LONG BRANCH SCHOOL DISTRICT**

**Exhibit C-2**

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE FUND**

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

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Revenues:					
Local Sources	\$ -	15,750	15,750	10,260	5,490
Federal Sources	274,541	18,548	293,089	282,386	10,703
State Sources	285,680	12,250	297,930	228,620	69,310
Total Revenues	<u>\$ 560,221</u>	<u>46,548</u>	<u>606,769</u>	<u>521,266</u>	<u>85,503</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	16,186	16,186	16,186	
Purchased Professional Services	35,089	8,801	43,890	43,225	665
Other Purchased Services	230,790	2,635	233,425	165,271	68,154
Instruction Supplies	40,221	(11,919)	28,302	22,812	5,490
Textbooks	19,801	814	20,615	20,124	491
Tuition	85,000		85,000	85,000	
Total Instruction	<u>410,901</u>	<u>16,517</u>	<u>427,418</u>	<u>352,618</u>	<u>74,800</u>
Support Services:					
General Supplies	5,184	8,954	14,138	10,047	4,091
Employee Benefits	1,834	(596)	1,238	1,238	
Purchased Professional Services	135,300	21,673	156,973	150,361	6,612
Other Purchased Services	7,002		7,002	7,002	
Total Support Services	<u>149,320</u>	<u>30,031</u>	<u>179,351</u>	<u>168,648</u>	<u>10,703</u>
Total Expenditures	<u>\$ 560,221</u>	<u>46,548</u>	<u>606,769</u>	<u>521,266</u>	<u>85,503</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**WEST LONG BRANCH SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGET TO GAAP RECONCILIATION**

**NOTE TO RSI**

**JUNE 30, 2015**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>
<b><u>Sources/Inflows of Resources</u></b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 10,843,725	521,266
Difference - budget to GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		12,301
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	22,750	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(23,810)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 10,842,665</u>	<u>533,567</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 10,925,980	521,266
Differences - budget to GAAP: Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		12,301
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 10,925,980</u>	<u>533,567</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING  
FOR PENSIONS (GASB 68) - L**

**WEST LONG BRANCH SCHOOL DISTRICT****SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE****NET PENSION LIABILITY - PERS**

Exhibit L-1

**LAST TWO FISCAL YEARS**

	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,275,883	1,983,718
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>
Total	<u>\$ 2,275,883</u>	<u>1,983,718</u>
District's Covered-Employee Payroll	\$ 755,528	781,995
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	33.20%	39.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.74%	40.71%

WEST LONG BRANCH SCHOOL DISTRICTSCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST TWO FISCAL YEARS

	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 80,446	98,278
Contributions in Relation to the Contractually Required Contribution	<u>80,446</u>	<u>98,278</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 755,528	781,995
Contributions as a Percentage of Covered-Employee Payroll	10.65%	12.57%

WEST LONG BRANCH SCHOOL DISTRICTSCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THENET PENSION LIABILITY - TPAF

Exhibit L-3

LAST TWO FISCAL YEARS

	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>20,326,536</u>	<u>20,794,392</u>
Total	<u>\$ 20,326,536</u>	<u>20,794,392</u>
District's Covered-Employee Payroll	\$ 4,226,385	3,922,160
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	20.79%	18.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES – D**

**N/A**

**SPECIAL REVENUE FUND – E**

WEST LONG BRANCH SCHOOL DISTRICT

SPECIAL REVENUE FUND

Exhibit E-1  
Sheet 1 of 2

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Title I	Title IIA	I.D.E.A. - Part B		Foundation Grants	192		
			Basic	Preschool		Non-Public Compensatory Education	Non-Public English as a Second Language	Non-Public Transportation
Revenues:								
State Sources	\$ -					50,165	2,741	12,600
Federal Sources	52,617	19,140	198,804	11,825				
Local Sources					10,260			
<b>Total Revenues</b>	<b>\$ 52,617</b>	<b>19,140</b>	<b>198,804</b>	<b>11,825</b>	<b>10,260</b>	<b>50,165</b>	<b>2,741</b>	<b>12,600</b>
Expenditures:								
Instruction:								
Salaries of Teachers	16,186							
Purchased Professional Services						50,165	2,741	12,600
Other Purchased Services								
Instructional Supplies	12,552				10,260			
Tuition			85,000					
Textbooks								
<b>Total Instruction</b>	<b>28,738</b>	<b>-</b>	<b>85,000</b>	<b>-</b>	<b>10,260</b>	<b>50,165</b>	<b>2,741</b>	<b>12,600</b>
Support Services:								
General Supplies	8,231	1,816						
Employee Benefits	1,238							
Purchased Professional Services	14,410	10,997	113,129	11,825				
Other Purchased Services		6,327	675					
<b>Total Support Services</b>	<b>23,879</b>	<b>19,140</b>	<b>113,804</b>	<b>11,825</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 52,617</b>	<b>19,140</b>	<b>198,804</b>	<b>11,825</b>	<b>10,260</b>	<b>50,165</b>	<b>2,741</b>	<b>12,600</b>

WEST LONG BRANCH SCHOOL DISTRICT

SPECIAL REVENUE FUND

Exhibit E-1  
Sheet 2 of 2

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	193						
	<u>Non-Public Examination &amp; Classification</u>	<u>Non-Public Corrective Speech</u>	<u>Non-Public Supplementary Instruction</u>	<u>Non-Public Nursing Services</u>	<u>Non-Public Technology</u>	<u>Non-Public Textbooks</u>	<u>Totals 2015</u>
Revenues:							
State Sources	34,414	30,039	35,312	32,161	11,064	20,124	228,620
Federal Sources							282,386
Local Sources							10,260
Total Revenues	<u>34,414</u>	<u>30,039</u>	<u>35,312</u>	<u>32,161</u>	<u>11,064</u>	<u>20,124</u>	<u>521,266</u>
Expenditures:							
Instruction:							
Salaries of Teachers							16,186
Purchased Professional Services				32,161	11,064		43,225
Other Purchased Services	34,414	30,039	35,312				165,271
Instructional Supplies							22,812
Tuition							85,000
Textbooks						20,124	20,124
Total Instruction	<u>34,414</u>	<u>30,039</u>	<u>35,312</u>	<u>32,161</u>	<u>11,064</u>	<u>20,124</u>	<u>352,618</u>
Support Services:							
General Supplies							10,047
Employee Benefits							1,238
Purchased Professional Services							150,361
Other Purchased Services							7,002
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,648</u>
Total Expenditures	<u>34,414</u>	<u>30,039</u>	<u>35,312</u>	<u>32,161</u>	<u>11,064</u>	<u>20,124</u>	<u>521,266</u>

**CAPITAL PROJECTS FUND – F**

**N/A**

**PROPRIETARY FUNDS – G**

N/A

**FIDUCIARY FUND – H**

WEST LONG BRANCH SCHOOL DISTRICT

TRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2015

	<u>Agency</u>		<u>Expendable Trusts</u>		<u>Totals</u>
	<u>Student Activity</u>	<u>Agency Account</u>	<u>Scholarship Fund</u>	<u>Unemployment Compensation</u>	
Assets:					
Cash and Cash Equivalents	<u>\$ 19,970</u>	<u>13,308</u>	<u>10,469</u>	<u>2,745</u>	<u>46,492</u>
Total Assets	<u>\$ 19,970</u>	<u>13,308</u>	<u>10,469</u>	<u>2,745</u>	<u>46,492</u>
Liabilities and Net Position:					
Liabilities:					
Due to Student Groups	<u>\$ 19,970</u>				<u>19,970</u>
Payroll Withholdings & Deductions		<u>13,308</u>			<u>13,308</u>
Total Liabilities	<u>19,970</u>	<u>13,308</u>	<u>-</u>	<u>-</u>	<u>33,278</u>
Net Position:					
Unreserved			<u>10,469</u>	<u>2,745</u>	<u>13,214</u>
Total Net Position	<u>-</u>	<u>-</u>	<u>10,469</u>	<u>2,745</u>	<u>13,214</u>
Total Liabilities and Net Position	<u>\$ 19,970</u>	<u>13,308</u>	<u>10,469</u>	<u>2,745</u>	<u>46,492</u>

WEST LONG BRANCH SCHOOL DISTRICT

EXPENDABLE TRUST FUNDS

Exhibit H-2

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Scholarship Trust Fund</u>	<u>Total</u>
Additions:			
Local Sources:			
Contributions	\$ 7,097	500	7,597
Interest on Investments	14	26	40
Total Additions	<u>7,111</u>	<u>526</u>	<u>7,637</u>
Deductions:			
Scholarship Awards		500	500
Unemployment Claims	16,309		16,309
Total Deductions	<u>16,309</u>	<u>500</u>	<u>16,809</u>
Change in Net Position	(9,198)	26	(9,172)
Net Position, July 1	<u>11,943</u>	<u>10,443</u>	<u>22,386</u>
Net Position, June 30	<u>\$ 2,745</u>	<u>10,469</u>	<u>13,214</u>

WEST LONG BRANCH SCHOOL DISTRICTSTUDENT ACTIVITY AGENCY FUND

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTSFOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2015</u>
Elementary Schools:				
Frank Antonides School	\$ 21,799	26,491	32,527	15,763
Betty McElmon School	<u>3,317</u>	<u>5,977</u>	<u>5,087</u>	<u>4,207</u>
Total Elementary Schools	<u>\$ 25,116</u>	<u>32,468</u>	<u>37,614</u>	<u>19,970</u>

WEST LONG BRANCH SCHOOL DISTRICT

PAYROLL AGENCY FUND

Exhibit H-4

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>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Assets:				
Cash and Cash Equivalents	<u>\$ 29,768</u>	<u>2,862,718</u>	<u>2,879,178</u>	<u>13,308</u>
Total Assets	<u>\$ 29,768</u>	<u>2,862,718</u>	<u>2,879,178</u>	<u>13,308</u>
Liabilities:				
Payroll Deductions and Withholdings	<u>\$ 29,768</u>	<u>2,862,718</u>	<u>2,879,178</u>	<u>13,308</u>
Total Liabilities	<u>\$ 29,768</u>	<u>2,862,718</u>	<u>2,879,178</u>	<u>13,308</u>

**LONG-TERM DEBT - I**

**WEST LONG BRANCH SCHOOL DISTRICT**

**LONG-TERM DEBT**

**SCHEDULE OF BONDS PAYABLE**

**JUNE 30, 2015**

**Exhibit I-1**

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>				
Additions & Renovations of Betty McElmon Elementary School	11/15/2003	\$ 5,538,000	6/30/2016	\$ 410,000	3.625%	\$ 1,638,000	410,000	1,228,000
			6/30/2017	410,000	3.750%			
			6/30/2018	408,000				
						<u>\$ 1,638,000</u>	<u>410,000</u>	<u>1,228,000</u>

WEST LONG BRANCH SCHOOL DISTRICT

LONG-TERM DEBT

Exhibit I-2

STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2015

<u>Series</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2014</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
Passenger Buses	\$ 200,819	\$ 168,819	39,946	128,873
		<u>\$ 168,819</u>	<u>39,946</u>	<u>128,873</u>

**WEST LONG BRANCH SCHOOL DISTRICT**

**Exhibit I-3**

**BUDGETARY COMPARISON SCHEDULE**

**DEBT SERVICE FUND**

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

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Fund to Actual</u></b>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 470,000		470,000	470,000	
Total Revenues	<u>470,000</u>	<u>-</u>	<u>470,000</u>	<u>470,000</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	60,000		60,000	59,887	113
Redemption of Principal	410,000		410,000	410,000	-
Total Expenditures	<u>470,000</u>	<u>-</u>	<u>470,000</u>	<u>469,887</u>	<u>113</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	113	113
Fund Balance July 1					
Fund Balance June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>113</u>	<u>113</u>

**STATISTICAL SECTION**

**(Unaudited)**

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**Accrual Basis of Accounting**  
**Unaudited**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 9,965,608	\$ 9,357,256	\$ 7,547,084	\$ 7,116,976	\$ 6,548,006	\$ 6,463,455	\$ 5,308,580	\$ 4,772,195	\$ 4,076,420	\$ 3,264,577
Restricted	1,976,581	2,011,636	2,478,352	2,485,916	2,422,915	1,711,843	1,340,990	1,060,817	416,034	517,215
Unrestricted	(2,237,588)	353,021	106,166	156,908	139,316	71,003	10,381	140,114	642,705	288,680
<b>Total governmental activities net position</b>	<u>\$ 9,704,601</u>	<u>\$ 11,721,913</u>	<u>\$ 10,131,602</u>	<u>\$ 9,759,800</u>	<u>\$ 9,110,237</u>	<u>\$ 8,246,301</u>	<u>\$ 6,659,951</u>	<u>\$ 5,973,126</u>	<u>\$ 5,135,159</u>	<u>\$ 4,070,472</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 9,226	\$ 8,644	\$ 17,937	\$ 21,728	\$ 25,917	\$ 1,600	\$ 2,765	\$ 3,996	\$ 5,390	\$ 5,250
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	55,894	44,237	41,502	30,392	34,516	48,486	16,757	4,427	21,298	26,914
<b>Total business-type activities net position</b>	<u>\$ 65,120</u>	<u>\$ 52,881</u>	<u>\$ 59,439</u>	<u>\$ 52,120</u>	<u>\$ 60,433</u>	<u>\$ 50,086</u>	<u>\$ 19,522</u>	<u>\$ 8,423</u>	<u>\$ 26,688</u>	<u>\$ 32,164</u>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 9,974,834	\$ 9,365,900	\$ 7,565,021	\$ 7,138,704	\$ 6,573,923	\$ 6,465,055	\$ 5,311,345	\$ 4,776,191	\$ 4,081,810	\$ 3,269,827
Restricted	1,976,581	2,011,636	2,478,352	2,485,916	2,422,915	1,711,843	1,340,990	1,060,817	416,034	517,215
Unrestricted	(2,181,694)	397,258	147,668	187,300	173,832	119,489	27,138	144,541	664,003	315,594
<b>Total district-wide net position</b>	<u>\$ 9,769,721</u>	<u>\$ 11,774,794</u>	<u>\$ 10,191,041</u>	<u>\$ 9,811,920</u>	<u>\$ 9,170,670</u>	<u>\$ 8,296,387</u>	<u>\$ 6,679,473</u>	<u>\$ 5,981,549</u>	<u>\$ 5,161,847</u>	<u>\$ 4,102,636</u>

**Source:** District records

**Note:** Net position as of and prior to June 30, 2013, is restated to reflect the implementation of GASB Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position"

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**Accrual Basis of Accounting**  
**Unaudited**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 3,270,755	\$ 3,248,440	\$ 4,917,566	\$ 4,611,668	\$ 4,527,973	\$ 4,534,616	\$ 4,469,709	\$ 4,553,586	\$ 4,480,911	\$ 4,126,005
Special education	1,114,606	560,747	90,822	888,005	742,089	651,830	793,679	886,182	789,271	565,229
Other special education	-	-	-	-	-	-	-	-	-	-
Other instruction	417,790	372,594	463,905	602,393	587,988	533,885	271,530	220,229	177,982	494,773
Support Services										
Instruction	298,058	410,752	534,477	391,241	365,302	263,105	452,371	476,225	398,835	551,614
Student & instruction related services	1,217,796	784,450	1,411,709	1,226,308	1,114,672	1,250,458	1,285,058	1,245,389	1,145,497	1,103,406
School administrative services	378,670	369,074	501,393	364,867	421,025	548,042	511,660	553,046	525,182	485,795
General and business administrative services	538,550	62,859	438,210	354,448	391,427	360,662	327,026	509,682	421,373	422,161
Central services and administrative information technology	2,938,576	252,623	368,014	369,615	382,478	353,768	309,362	296,768	280,827	266,874
Plant operations and maintenance	870,614	929,839	1,026,509	1,107,375	966,294	1,086,021	1,197,769	1,109,530	1,058,368	1,100,657
Pupil transportation	478,355	600,793	639,934	638,553	541,939	569,270	720,539	706,680	669,977	678,603
Special Schools	14,076	7,623	5,000	4,988	3,150	11,738	19,984	22,803	6,300	3,675
Interest on long-term debt	64,337	73,725	87,050	100,212	111,913	147,064	174,055	196,139	216,210	234,951
Total governmental activities expenses	<u>11,602,183</u>	<u>7,673,519</u>	<u>10,484,589</u>	<u>10,659,673</u>	<u>10,156,250</u>	<u>10,310,459</u>	<u>10,532,742</u>	<u>10,776,259</u>	<u>10,170,733</u>	<u>10,033,743</u>
Business-type activities										
Food service	142,847	129,116	165,665	172,425	123,577	137,109	167,560	182,319	155,923	160,487
Total business-type activities expense	<u>142,847</u>	<u>129,116</u>	<u>165,665</u>	<u>172,425</u>	<u>123,577</u>	<u>137,109</u>	<u>167,560</u>	<u>182,319</u>	<u>155,923</u>	<u>160,487</u>
Total district expenses	<u>\$ 11,745,030</u>	<u>\$ 7,802,635</u>	<u>\$ 10,650,254</u>	<u>\$ 10,832,098</u>	<u>\$ 10,279,827</u>	<u>\$ 10,447,568</u>	<u>\$ 10,700,302</u>	<u>\$ 10,958,578</u>	<u>\$ 10,326,656</u>	<u>\$ 10,194,230</u>
<b>Program Revenues</b>										
Governmental activities										
Charges for services										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 775	\$ 14,597
Operating grants and contributions	831,625	1,413,417	1,413,417	1,284,864	1,142,380	1,172,048	1,090,202	1,415,424	-	-
Total governmental activities program revenues	<u>831,625</u>	<u>1,413,417</u>	<u>1,413,417</u>	<u>1,284,864</u>	<u>1,142,380</u>	<u>1,172,048</u>	<u>1,090,202</u>	<u>1,415,424</u>	<u>775</u>	<u>14,597</u>
Business-type activities										
Charges for services										
Food service	107,942	129,116	124,062	122,346	127,603	137,383	136,909	126,809	119,061	122,367
Operating grants and contributions	43,656	48,922	48,922	41,766	37,493	34,355	41,578	36,336	29,311	34,494
Total business-type activities program revenues	<u>151,598</u>	<u>178,038</u>	<u>172,984</u>	<u>164,112</u>	<u>165,096</u>	<u>171,738</u>	<u>178,487</u>	<u>163,145</u>	<u>148,372</u>	<u>156,861</u>
Total district program revenues	<u>\$ 983,223</u>	<u>\$ 1,591,455</u>	<u>\$ 1,586,401</u>	<u>\$ 1,448,976</u>	<u>\$ 1,307,476</u>	<u>\$ 1,343,786</u>	<u>\$ 1,268,689</u>	<u>\$ 1,578,569</u>	<u>\$ 149,147</u>	<u>\$ 171,458</u>
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (10,770,558)	\$ (6,260,102)	\$ (9,071,172)	\$ (9,374,809)	\$ (9,013,870)	\$ (9,138,411)	\$ (9,442,540)	\$ (9,360,835)	\$ (10,169,958)	\$ (10,019,146)
Business-type activities	8,751	48,922	7,319	(8,313)	41,519	34,629	10,927	(19,174)	(7,551)	(3,626)
Total district-wide net expenses	<u>\$ (10,761,807)</u>	<u>\$ (6,211,180)</u>	<u>\$ (9,063,853)</u>	<u>\$ (9,383,122)</u>	<u>\$ (8,972,351)</u>	<u>\$ (9,103,782)</u>	<u>\$ (9,431,613)</u>	<u>\$ (9,380,009)</u>	<u>\$ (10,177,509)</u>	<u>\$ (10,022,772)</u>

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**Accrual Basis of Accounting**  
**Unaudited**

	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities										
Property taxes levied for general purposes, net	\$ 9,282,312	\$ 9,766,036	\$ 9,190,408	\$ 9,010,204	\$ 9,193,149	\$ 8,969,374	\$ 8,744,590	\$ 8,485,037	\$ 8,201,959	\$ 7,715,655
Taxes levied for debt service	470,000	483,724	497,050	505,212	501,913	1,070,636	1,000,353	1,077,688	1,037,688	953,497
Federal and state aid not restricted	1,247,153	242,744	287,027	276,009	136,751	610,696	467,815	550,581	1,849,117	1,600,234
Investment earnings		592	338	1,892	2,836	7,633	21,530	72,987	99,998	87,665
Asset revaluation adjustment	-	-	-	-	-	-	(138,525)	-	-	-
Transfers	(17,226)	-	-	-	31,195	4,170	-	-	-	-
Miscellaneous income	15,142	11,063	64,797	231,056	11,962	62,252	33,602	12,508	45,883	12,451
Transfers from defeased bond escrow account	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>10,997,381</b>	<b>10,504,159</b>	<b>10,039,620</b>	<b>10,024,373</b>	<b>9,877,806</b>	<b>10,724,761</b>	<b>10,129,365</b>	<b>10,198,801</b>	<b>11,234,645</b>	<b>10,369,502</b>
Business-type activities										
Investment earnings	-	-	-	-	23	105	172	909	2,075	1,929
Transfers	-	-	-	-	(31,195)	(4,170)	-	-	-	-
<b>Total business-type activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(31,172)</b>	<b>(4,065)</b>	<b>172</b>	<b>909</b>	<b>2,075</b>	<b>1,929</b>
<b>Total district-wide</b>	<b>\$ 10,997,381</b>	<b>\$ 10,504,159</b>	<b>\$ 10,039,620</b>	<b>\$ 10,024,373</b>	<b>\$ 9,846,634</b>	<b>\$ 10,720,696</b>	<b>\$ 10,129,537</b>	<b>\$ 10,199,710</b>	<b>\$ 11,236,720</b>	<b>\$ 10,371,431</b>
<b>Change in Net Position</b>										
Governmental activities	226,823	4,244,057	968,448	\$ 649,564	\$ 863,936	\$ 1,586,350	\$ 686,825	\$ 837,966	\$ 1,064,687	\$ 350,356
Business-type activities	8,751	48,922	7,319	(8,313)	10,347	30,564	11,099	(18,265)	(5,476)	(1,697)
<b>Total district</b>	<b>\$ 235,574</b>	<b>\$ 4,292,979</b>	<b>\$ 975,767</b>	<b>\$ 641,251</b>	<b>\$ 874,283</b>	<b>\$ 1,616,914</b>	<b>\$ 697,924</b>	<b>\$ 819,701</b>	<b>\$ 1,059,211</b>	<b>\$ 348,659</b>

**Source:** District records

**Note:** Central services and administrative technology account classifications were added beginning with year ended June 30, 2005.

Prior to June 30, 2005, central services and administrative information technology were combined in general and business administrative services.

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**Modified Accrual Basis of Accounting**  
*Unaudited*

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<b>General Fund</b>										
Reserved	\$ 1,973,581	\$ 2,011,636	\$ 2,478,351	\$ 9,485,915	\$ 2,188,839	\$ 1,379,678	\$ 475,028	\$ 865,455	\$ 832,944	\$ 458,342
Unreserved	287,535	220,325	220,325	231,985	239,542	186,153	975,365	326,417	226,551	185,767
<b>Total general fund</b>	<u>\$ 2,261,116</u>	<u>\$ 2,231,961</u>	<u>\$ 2,698,676</u>	<u>\$ 9,717,900</u>	<u>\$ 2,428,381</u>	<u>\$ 1,565,831</u>	<u>\$ 1,450,393</u>	<u>\$ 1,191,872</u>	<u>\$ 1,059,495</u>	<u>\$ 644,109</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 234,075	\$ -	\$ -	\$ -	\$ -	\$ 229,449
Unreserved										
Special revenue fund	-	-	-	-	-	-	-	-	-	(2,434)
Capital projects fund	-	-	-	-	-	332,164	-	95,360	95,360	53,192
Debt service fund	-	1	1	1	1	1	2	2	1	1
Permanent fund	-	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 234,076</u>	<u>\$ 332,165</u>	<u>\$ 2</u>	<u>\$ 95,362</u>	<u>\$ 95,361</u>	<u>\$ 280,208</u>

Source: District records

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**Modified Accrual Basis of Accounting**  
**Unaudited**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<b>Revenues</b>										
Tax levy	\$ 9,752,312	\$ 9,766,036	\$ 9,687,458	\$ 9,515,416	\$ 9,695,062	\$ 10,040,010	\$ 9,744,943	\$ 9,562,725	\$ 9,239,647	\$ 8,669,152
Tuition charges	305,404	120,584	-	-	-	-	-	-	775	14,597
Interest earnings	7,544	2,919	338	1,892	2,836	7,633	21,530	72,987	99,998	87,665
Contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	10,512	24,006	287,087	231,056	22,843	62,252	41,152	12,508	45,883	12,451
State sources	1,475,773	529,484	1,420,529	1,232,006	919,546	1,487,266	1,329,021	1,728,199	1,613,968	1,348,154
Federal sources	294,687	135,907	270,979	328,867	348,704	295,478	221,446	237,806	235,149	252,080
<b>Total revenues</b>	<b>11,846,232</b>	<b>10,578,936</b>	<b>11,666,391</b>	<b>11,309,237</b>	<b>10,988,991</b>	<b>11,892,639</b>	<b>11,358,092</b>	<b>11,614,225</b>	<b>11,235,420</b>	<b>10,384,099</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	3,270,755	3,248,440	3,337,290	3,200,325	3,217,070	3,337,898	3,290,615	3,230,358	3,258,086	3,123,692
Special education instruction	1,114,606	560,747	497,069	586,896	506,732	451,707	383,690	619,456	581,024	417,526
Other special instruction	-	-	-	-	-	-	-	-	-	-
Other instruction	417,790	372,594	385,555	405,122	402,064	389,340	365,378	135,332	141,848	358,786
<b>Support Services</b>										
Instruction	298,058	410,752	534,477	391,241	365,302	263,105	452,371	476,225	398,835	551,614
Student & instruction related services	1,217,796	784,450	992,880	851,496	789,387	902,991	987,643	931,492	870,747	865,086
School administrative services	378,670	369,074	362,225	333,344	282,354	368,614	354,127	368,621	354,652	344,704
General & business administrative services	538,550	-	405,017	236,534	305,563	275,325	285,119	376,655	264,283	296,333
Central services	-	252,623	-	223,076	209,573	233,022	261,259	232,555	218,853	207,022
Administrative technology information	-	62,859	289,805	108,090	69,132	69,441	524	64,213	61,974	59,852
Plant operations and maintenance	870,614	929,839	835,460	934,280	813,760	920,005	999,750	931,100	895,821	959,014
Pupil transportation	478,355	600,793	521,486	481,623	450,482	470,934	596,805	598,875	569,623	589,294
Unallocated benefits	2,628,739	1,675,854	2,560,772	2,409,331	2,247,651	2,058,258	1,979,132	2,284,998	2,060,073	1,713,892
Special Schools	14,076	7,623	5,000	4,988	3,150	11,738	19,984	22,803	6,300	3,675
Capital Outlay	231,538	330,111	662,348	700,801	91,592	626,193	122,821	131,477	285,075	1,118,168
<b>Debt Service</b>										
Principal	410,000	410,000	410,000	405,000	390,000	930,000	930,000	890,000	830,000	770,000
Interest and other charges	59,887	73,725	87,050	100,212	111,913	140,637	165,713	187,688	207,688	226,388
<b>Total Expenditures</b>	<b>11,929,434</b>	<b>10,089,484</b>	<b>11,886,434</b>	<b>11,372,359</b>	<b>10,255,725</b>	<b>11,449,208</b>	<b>11,194,931</b>	<b>11,481,848</b>	<b>11,004,882</b>	<b>11,605,046</b>
Excess (deficiency) of revenues over (under) expenditures	(83,202)	489,452	(220,043)	(63,122)	733,266	443,431	163,161	132,377	230,538	(1,220,947)

**Other Financing sources (uses)**

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**Modified Accrual Basis of Accounting**  
**Unaudited**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Capital leases (non-budgeted)		\$ 200,819	\$ 200,819	\$ 118,566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments	\$ (17,226)									
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Refunding funds in escrow	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	135,516	652,220	676,886	95,737	1,468	3,210	28,337
Transfers out	-	-	-	(135,516)	(621,025)	(672,716)	(95,737)	(1,468)	(3,210)	(28,337)
Total other financing sources (uses)	<u>(17,226)</u>	<u>200,819</u>	<u>200,819</u>	<u>118,566</u>	<u>31,195</u>	<u>4,170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (100,428)</u>	<u>\$ 690,271</u>	<u>\$ (19,224)</u>	<u>\$ 55,444</u>	<u>\$ 764,461</u>	<u>\$ 447,601</u>	<u>\$ 163,161</u>	<u>\$ 132,377</u>	<u>\$ 230,538</u>	<u>\$ (1,220,947)</u>
Debt service as a percentage of noncapital expenditures	<u>4.02%</u>	<u>4.96%</u>	<u>4.43%</u>	<u>4.73%</u>	<u>4.94%</u>	<u>9.89%</u>	<u>9.90%</u>	<u>9.49%</u>	<u>9.68%</u>	<u>9.50%</u>

**Source:** District records

**Note:** Noncapital expenditures are total expenditures less capital outlay.  
 Central services and administrative information technology accounts classifications were added beginning with year ended June 30, 2005.  
 Prior to June 30, 2005, central services and administrative information technology were combined in general and business administrative services.

**WEST LONG BRANCH SCHOOL DISTRICT**  
**General Fund Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
**Modified Accrual Basis of Accounting**  
*Unaudited*

<u>Description</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Donations	\$ 12,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,150	\$ -
Interest	7,544	2,919	338	1,892	2,475	6,694	21,153	71,522	96,733	90,585
Prior year miscellaneous refunds	252	43,546	64,798	15,085	11,962	54,962	33,602	12,508	13,732	-
	<u>\$ 7,796</u>	<u>\$ 46,464</u>	<u>\$ 65,136</u>	<u>\$ 16,977</u>	<u>\$ 14,437</u>	<u>\$ 61,656</u>	<u>\$ 54,755</u>	<u>\$ 84,030</u>	<u>\$ 142,615</u>	<u>\$ 90,585</u>

Source: District records

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
*Unaudited*

<b>Fiscal Year Ended June 30,</b>	<b>Vacant Land</b>	<b>Residential</b>	<b>Farm Reg.</b>	<b>Qualified Farm</b>	<b>Commercial</b>	<b>Industrial</b>
2005	7,072,100	523,224,400	973,200	12,800	135,726,000	1,506,000
2006	13,726,300	1,071,212,300	2,489,900	15,750	264,299,200	3,254,900
2007	12,951,100	1,075,993,300	1,625,900	17,600	262,126,700	3,254,900
2008	11,834,400	1,081,943,400	1,625,900	17,600	254,243,700	3,254,900
2009	14,361,500	1,080,916,700	1,625,900	17,600	254,648,500	3,254,900
2010	18,132,300	1,082,524,800	1,625,900	17,600	247,955,700	3,254,900
2011	16,116,200	1,075,233,300	1,625,900	17,600	239,584,400	3,254,900
2012	15,459,600	1,068,747,000	1,625,900	17,600	235,078,900	3,254,900
2013	11,948,000	870,940,000	1,398,700	6,900	203,367,000	2,730,800
2014	12,010,700	869,108,400	1,398,700	6,900	203,181,800	2,730,800
2015	14,306,000	940,896,800	1,473,000	6,900	206,439,600	2,845,500

**Source:** New Jersey's Monmouth County Board of Taxation Website

**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

<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less Tax Exempt Property</u>	<u>Public Utilities <sup>a</sup></u>	<u>Net Valuation Taxable</u>	<u>Estimated Actual (County Equalized) Value</u>	<u>Total Direct School Tax Rate <sup>b</sup></u>
966,000	669,480,500	-	769,833	670,250,333	1,065,546,755	1.860
1,907,600	1,356,905,950	-	1,125,666	1,358,031,616	1,209,654,810	0.972
1,907,600	1,357,877,100	-	1,104,472	1,358,981,572	1,423,756,655	1.013
1,907,600	1,354,827,500	-	1,121,950	1,355,949,450	1,463,073,787	1.013
1,907,600	1,356,732,700	-	1,213,791	1,357,946,491	1,431,169,976	1.049
1,907,600	1,355,418,800	-	1,260,759	1,356,679,559	1,378,188,012	1.100
8,013,700	1,343,846,000	-	1,052,134	1,344,898,134	1,329,061,308	1.103
28,007,600	1,352,191,500	-	1,009,980	1,353,201,480	1,235,297,174	1.096
31,318,600	1,121,710,000	-	929,005	1,122,639,005	1,286,974,317	1.295
31,318,600	1,119,755,900	-	597,090	1,120,352,990	1,246,166,572	1.294
29,177,600	1,195,145,400	-	714,980	1,195,860,380	1,249,907,428	1.294

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Rate Per \$100 of Assessed Valuation**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year Ended June 30,	West Long Branch School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct School Tax Rate	Borough of West Long Branch	Monmouth County	
2005	1.651	0.209	1.860	0.684	0.526	3.070
2006	0.865	0.107	0.972	0.355	0.267	1.594
2007	0.902	0.111	1.013	0.384	0.284	1.681
2008	0.909	0.104	1.013	0.384	0.284	1.681
2009	0.937	0.112	1.049	0.404	0.275	1.728
2010	0.979	0.121	1.100	0.469	0.280	1.849
2011	1.046	0.057	1.103	0.502	0.275	1.880
2012	1.038	0.058	1.096	0.524	0.267	1.887
2013	1.228	0.067	1.295	0.669	0.347	2.311
2014	1.228	0.066	1.294	0.692	0.345	2.331
2015	- Data Not Available At Time of CAFR Completion -					

**Source:** Borough Tax Collector

**Note:** NJSA 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 pre-budget 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. At the time of the CAFR completion, this data was not available.

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Principal Property Taxpayers**  
**Current Year and Ten Years Ago**  
*Unaudited*

	<b>2015</b>	
	<b>Taxable Assessed Value</b>	<b>% of Total District Net Assessed Value</b>
BG Monmouth, LLC	\$ 41,749,000	3.72%
Avalon West Long Branch, LLC	27,000,000	2.41%
WLB of New Jersey, LLC	22,262,600	1.98%
185 Monmouth Parkway Associates	14,146,900	1.26%
136 Monmouth Road Holding, LLC	6,770,100	0.60%
West long Branch Shopping Center	6,317,700	0.56%
West Long Branch Lodging Realty, LLC	5,668,900	0.51%
MAMTA Enterprises, Inc.	5,212,400	0.46%
Cedar Village Group, LLC	4,500,000	0.40%
Schneider-Nelson Realty, LLC	4,230,500	0.38%
<b>TOTAL</b>	<b>\$ 137,858,100</b>	<b>12.29%</b>

	<b>2005</b>	
	<b>Taxable Assessed Value</b>	<b>% of Total District Net Assessed Value</b>
BG Monmouth, LLC	\$ 52,133,100	3.84%
WLB of New Jersey	24,679,000	1.82%
185 Monmouth Parkway Associates	24,494,300	1.80%
WLB Center, LLC	15,900,600	1.17%
West Long Branch Shopping Center	6,651,000	0.49%
Newport WLB, LLC	5,732,200	0.42%
Esplanade West Long Branch, LLC	5,553,300	0.41%
Schneider-Nelson Realty, LLC	5,186,200	0.38%
WEP Investments, LLC	4,538,300	0.33%
West Long Branch Lodging Realty, LLC	4,297,100	0.32%
<b>TOTAL</b>	<b>\$ 149,165,100</b>	<b>10.98%</b>

Source: Municipal Tax Assessor

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
**Last Ten Years**  
*Unaudited*

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<u>Year Ended December 31,</u>	<u>Total Tax Levy for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy <sup>a</sup></u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2006	21,718,651	21,375,133	98.42%	269,012
2007	22,941,062	22,559,849	98.34%	280,393
2008	23,481,959	23,083,958	98.31%	313,116
2009	24,395,876	24,015,382	98.44%	309,047
2010	25,133,408	24,522,944	97.57%	365,363
2011	25,780,638	25,121,932	97.44%	390,851
2012	25,563,538	25,011,447	97.83%	267,203
2013	25,945,164	25,549,674	98.48%	267,203
2014	25,999,177	25,999,177	99.99%	267,203
2015	35,861,822	35,861,822	99.99%	-

**Source:** Borough Tax Collector

- 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.

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
*Unaudited*

Year Ended June 30,	Governmental Activities		Business-Type Activities	Total District Debt	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	Serial Bonds	Capital Leases	Capital Leases			
2006	6,833,000	118,272	-	6,951,272	1.54%	829
2007	6,003,000	63,323	-	6,066,323	1.25%	724
2008	5,113,000	25,198	-	5,138,198	1.03%	614
2009	4,183,000	-	-	4,183,000	0.90%	500
2010	3,253,000	-	-	3,253,000	0.68%	387
2011	2,863,000	-	-	2,863,000	N/A	353
2012	2,458,000	78,566	-	2,536,566	N/A	313
2013	2,048,000	70,838	-	2,118,838	N/A	249
2014	1,638,000	257,747	-	1,895,747	N/A	223
2015	1,638,000	193,310	-	1,831,310	N/A	219

**Sources:** District records

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

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

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Ratio of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
*Unaudited*

Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property <sup>a</sup>	Net Bonded Debt Per Capita <sup>b</sup>
	Serial Bonds	Deductions			
2006	6,833,000	-	6,833,000	0.503%	815
2007	6,003,000	-	6,003,000	0.442%	716
2008	5,113,000	-	5,113,000	0.377%	611
2009	4,183,000	-	4,183,000	0.308%	500
2010	3,253,000	-	3,253,000	0.240%	387
2011	2,863,000	-	2,863,000	0.213%	353
2012	2,458,000	-	2,458,000	0.182%	303
2013	2,048,000	-	2,048,000	0.182%	240
2014	1,638,000	-	1,638,000	0.146%	192
2015	1,638,000	-	1,638,000	0.137%	196

**Sources:** Assessed valuations were provided by the Abstract of Ratables, Monmouth County Board of Taxation. School district population data was provided by school district officials.

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

- a** See Exhibit J-6 for property tax data
- b** Population data can be found in Exhibit J-14

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Direct and Overlapping Government Activities Debt**  
**For the Year Ended December 31, 2015**  
*Unaudited*

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of West Long Branch	\$ 11,413,015	100.00%	\$ 11,413,015
Monmouth County General Obligation Debt	438,937,488	1.14%	4,991,048
Other debt	-	-	-
Subtotal overlapping debt			16,404,063
West Long Branch School District Direct Debt			1,638,000
Total Direct and Overlapping Debt			\$ 18,042,063

**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.

**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 West Long Branch. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Legal Debt Margin Information**  
**For the Last Ten Fiscal Years**  
*Unaudited*

**Legal Debt Margin Calculation for Fiscal Year 2015**

**Equalized valuation basis**

2015	1,225,860,984
2014	\$ 1,245,237,567
2013	\$ 1,285,964,337
	<u>\$ 2,531,201,904</u>

Average equalized valuation of taxable property

\$ 843,733,968

Debt limit (3 % of average equalization value)

25,312,019

Total Net Debt Applicable to Limit

2,429,771

Legal debt margin

\$ 22,882,248

	Fiscal Year					Fiscal Year				
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt limit	\$ 35,836,025	\$ 38,752,285	\$ 38,752,285	\$ 39,583,833	\$ 41,542,561	\$ 42,724,318	\$ 43,180,004	\$ 40,964,853	\$ 36,989,582	\$ 31,970,825
Total net debt applicable to limit	<u>1,638,000</u>	<u>2,429,771</u>	<u>2,048,000</u>	<u>2,458,000</u>	<u>2,863,000</u>	<u>3,253,000</u>	<u>4,183,000</u>	<u>5,113,000</u>	<u>6,003,000</u>	<u>6,833,000</u>
Legal debt margin	<u>\$ 34,198,025</u>	<u>\$ 36,322,514</u>	<u>\$ 36,704,285</u>	<u>\$ 37,125,833</u>	<u>\$ 38,679,561</u>	<u>\$ 39,471,318</u>	<u>\$ 38,997,004</u>	<u>\$ 35,851,853</u>	<u>\$ 30,986,582</u>	<u>\$ 25,137,825</u>
Total net debt applicable to the limit as a percentage of debt limit	4.57%	6.27%	5.28%	6.21%	6.89%	7.61%	9.69%	12.48%	16.23%	21.37%

**Source:** Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation as posted on the Monmouth County Board of Taxation Website

**a** Limit set by NJSA 18A:24-19 for a K through 8 district; other percentage limits would be applicable for other district types.

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Years**  
*Unaudited*

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Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2005	8,307	408,446,883	49,169	4.30%
2006	8,385	450,408,660	53,716	4.40%
2007	8,383	483,615,270	57,690	4.00%
2008	8,370	496,625,580	59,334	5.20%
2009	8,358	466,075,512	55,764	8.50%
2010	8,416	479,333,280	56,955	8.60%
2011	8,102	N/A	58,355	8.70%
2012	8,105	N/A	N/A	9.10%
2013	8,516	N/A	N/A	9.50%
2014	8,598	N/A	N/A	8.80%
2015	8,509	N/A	N/A	6.50%

**Sources:**

- a** Population information provided by the NJ Dept of Labor and Workforce Development. Estimate is based on July 1 of the audit year.
- b** Personal income has been estimated based upon the municipal population and per capita personal income presented.
- c** Per Capita Income by Municipality information not available at the time of the CAFR completion. Per capita estimates presented are for Monmouth County provided by the State of New Jersey, Department of Education, Division of Finance.
- d** Unemployment data provided by the NJ Dept of Labor and Workforce Development.

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

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Principal Employers**  
**Current Year and Nine Years Ago**  
*Unaudited*

<u>Employer</u>	<u>2015</u>		<u>2005</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
Monmouth University	1,000	30.05%		
Tanon Manufacturing, Inc	429	12.89%	n/a	N/A
Advanced Urethane Technologies	408	12.26%	n/a	N/A
Foxtons, Inc.	300	9.01%	n/a	N/A
BJ Builders of NJ, Inc	250	7.51%	n/a	N/A
Gowad Legacy, Inc	231	6.94%	n/a	N/A
Diversant, LLC	230	6.91%	n/a	N/A
Meridian Health Resources, Inc	178	5.35%	n/a	N/A
Systems Technologies, Inc	134	4.03%	n/a	N/A

**Source:** Borough of West Long Branch Tax Assessor  
**N/A:** At the time of the CAFR completion, this data was not yet available

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Full-time Equivalent District Employees by Function/Program**  
**Last Ten Fiscal Years**  
*Unaudited*

<b>Function/Program</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Instruction:</b>										
Regular	41	47	44	50	54	60	58	55	55	58
Special education	10	13	13	11	10	8	6	6	6	3
Other special education	6	6	6	7	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	4	4	2	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
<b>Support Services:</b>										
Student and instruction related services	10	9	9	9	1	8	7	8	8	8
General Administration	4	4	4	5	2	2	2	2	2	2
School administration services	2	1	2	2	7	11	6	6	6	6
Other administration services	1	-	-	-	-	-	-	-	-	-
Central services	5	4	4	4	2	2	3	3	3	3
Administrative Information Technology	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	1	5	6	6	6	6	6	7	7	7
Pupil transportation	5	6	6	6	6	6	6	6	-	-
Other support services	-	12	12	6	-	-	-	-	-	-
<b>Special Schools</b>	-	-	-	-	-	-	-	-	-	-
<b>Food Service</b>	-	-	-	-	-	-	-	-	-	-
<b>Child Care</b>	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>90</b>	<b>111</b>	<b>110</b>	<b>107</b>	<b>89</b>	<b>104</b>	<b>95</b>	<b>94</b>	<b>88</b>	<b>88</b>

**WEST LONG BRANCH 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>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Betty McElmon Elementary School	Frank Antonides School				
2005	746	8,534,327	11,440	#REF!	59	16.4:1	15.7:1	746	718	#REF!	96.25%
2006	738	9,490,490	12,860	12.41%	58	15.9:1	14.8:1	738	704	-1.07%	95.39%
2007	709	9,682,119	13,656	6.19%	61	18:1	24:1	699	667	-5.28%	95.42%
2008	695	10,272,683	14,781	8.24%	64	17:1	20:1	681	654	-2.58%	96.04%
2009	652	9,976,397	15,301	3.52%	64	10:1	10:1	641	624	-5.87%	97.35%
2010	604	9,752,378	16,146	5.52%	68	8:1	10:1	604	577	-5.77%	95.53%
2011	587	9,662,220	16,460	1.94%	64	8:1	10:1	587	572	-2.81%	97.44%
2012	600	10,166,346	16,944	2.94%	61	10:1	10.3:1	602	576	2.56%	95.68%
2013	600	10,727,036	17,878	5.52%	57	9:1	8.5:1	600	571	-0.28%	95.09%
2014	596	9,984,316	16,752	-6.30%	68	9:1	8.75:1	600	570	-0.05%	95.00%
2015	596	10,240,700	17,182	2.57%	64	8.75:1	9.5:1	585	557	-2.50%	95.21%

**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).

**WEST LONG BRANCH SCHOOL DISTRICT**  
**School Building Information**  
**Last Ten Fiscal Years**  
*Unaudited*

<b>District Building</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Elementary</b>										
Betty McElmon Elementary School										
Square feet	30,858	30,858	30,858	30,858	30,858	30,858	30,858	30,858	30,858	30,858
Capacity (students)	320	320	320	320	320	320	320	320	320	320
Enrollment	249	247	249	241	265	260	286	291	291	276
Frank Antonides School										
Square feet	63,388	63,388	63,388	63,388	63,388	63,388	63,388	63,388	63,388	63,388
Capacity (students)	510	510	510	510	510	510	510	510	510	510
Enrollment	347	349	351	359	350	344	366	404	418	462

**Number of Schools at June 30, 2015**

Elementary = 2

**Source:** District records.

**Note:** The District completed renovations on the conjoined schools in 2006. As part of the renovations, shared areas were realigned to each school.

Enrollment is based on the annual October district counts.

**WEST LONG BRANCH SCHOOL DISTRICT**  
**General Fund**  
**Schedule of Allowable Maintenance Expenditures by School Facilities**  
**For the Fiscal Year Ended June 30, 2015**  
*Unaudited*

**Undistributed Expenditures - Required  
Maintenance for School Facilities  
11-000-261-XXX**

	Gross Square Footage	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>School Facilities *</b>											
Betty McElmon Elementary School	30,858	\$ 40,922	\$ 34,890	\$ 58,179	\$ 64,308	\$ 48,584	\$ 45,245	\$ 96,744	\$ 142,386	\$ 51,348	\$ 98,306
Frank Antonides School	63,388	105,741	87,756	94,924	132,131	74,626	99,392	140,083	48,019	110,698	87,178
<b>Total School Facilities</b>		<u>146,663</u>	<u>122,646</u>	<u>153,103</u>	<u>196,439</u>	<u>123,210</u>	<u>144,637</u>	<u>236,827</u>	<u>190,405</u>	<u>162,046</u>	<u>185,484</u>
<b>Other Facilities</b>		-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>		<u>\$ 146,663</u>	<u>\$ 122,646</u>	<u>\$ 153,103</u>	<u>\$ 196,439</u>	<u>\$ 123,210</u>	<u>\$ 144,637</u>	<u>\$ 236,827</u>	<u>\$ 190,405</u>	<u>\$ 162,046</u>	<u>\$ 185,484</u>

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

Source: District records

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2015**  
*Unaudited*

	<u>Coverage</u>	<u>Deductible</u>
<b>Coverage Provided By: New Jersey School Boards Association Insurance Group</b>		
<b>Monmouth Ocean County Shared Services Insurance Fund</b>		
<b>Property</b>		
Blanket Real and Personal Property, per occurrence	\$ 350,000,000	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Papers and Records, per occurrence	10,000,000	5,000
Demolition and Increased Cost of Construction, per occurrence	10,000,000	
Fire Department Service Charge	10,000	
Arson Reward	10,000	
Pollutant Cleanup and Removal	250,000	
Sublimits		
Flood Zones (SFHA), per occurrence	15,000,000	
NJSBAIG annual aggregate	15,000,000	
Accounts receivable, per occurrence	250,000	
All other flood zones, per occurrence/NJSBAIG annual aggregate	75,000,000	
Deductible, per member/per occurrence		10,000
Deductibles, Zones Prefix A & V		
Per Building		500,000
Per Building Contents		500,000
Earthquake		
Per Occurrence	50,000,000	
NJSBAIG annual aggregate	50,000,000	
Terrorism		
Per Occurrence	1,000,000	
NJSBAIG annual aggregate	1,000,000	
<b>Electronic Data Processing</b>		
Blanket Hardware/Software, per occurrence	600,000	1,000
Coverage Extensions		
Transit	25,000	
Loss of income	10,000	
Flood, per occurrence	500,000	
Zones A & V, per building contents	500,000	500,000
All Other Flood Zones, per member/per occurrence	10,000	10,000
<b>Equipment Breakdown</b>		
Combined Single Limit per Accident for Property Damage and Business Income	100,000,000	
Sublimits		
Off Premises Property Damage	100,000	5,000
Extra Expense	10,000,000	
Service Interruption	10,000,000	
Perishable Goods	500,000	
Data Restoration	100,000	
Contingent Business Income	100,000	
Demolition	1,000,000	
Ordinance or Law	1,000,000	
Expediting Expenses	500,000	
Hazardous Substances	500,000	
Newly Acquired Locations (60 days notice)	250,000	
<b>Crime and Fidelity</b>		
Public Employee Dishonesty with Faithful Performance	250,000	1,000
Theft, Disappearance and Destruction - Loss of Money & Security On or Off Premises	50,000	500
Theft, Disappearance and Destruction - Money Orders & Counterfeit Paper Currency	50,000	500
Forgery or Alteration	50,000	500
Computer Fraud	50,000	500

(continued)

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2015**  
*Unaudited*

	<u>Coverage</u>	<u>Deductible</u>
<b>Coverage Provided By: New Jersey School Boards Association Insurance Group Monmouth Ocean County Shared Services Insurance Fund</b>		
<b>Comprehensive General Liability</b>		
Bodily Injury and Property Damage, Combined Single Limit	\$ 11,000,000	
Bodily Injury from Products and Completed Operations, annual aggregate	11,000,000	
Sexual Abuse		
Per occurrence	11,000,000	
Annual pool aggregate	17,000,000	
Personal Injury and Advertising Injury, per occurrence/annual aggregate	11,000,000	
Employee Benefits Liability, per occurrence/annual aggregate	11,000,000	
Each claim		\$ 1,000
Premise Medical Payments, per accident	10,000	
Limit per person		5,000
Terrorism, per occurrence/annual NJSBAIG aggregate	1,000,000	
<b>Automobiles</b>		
<b>Liability</b>		
Combined Single Limit for Bodily Injury and Personal Damage, per accident	11,000,000	
Symbol 6 Uninsured/Underinsured Motorists - Private Passenger Auto, combined single limit	1,000,000	
Symbol 6 Uninsured/Underinsured Motorists - All other vehicles		
Bodily Injury per Person	15,000	
Bodily Injury per Accident	30,000	
Property Damage per Accident	5,000	
Symbol 5 Personal Injury Protection (including pedestrians)	250,000	
Medical Payments		
Private Passenger Vehicles	10,000	
All other vehicles	5,000	
Terrorism, per occurrence/NJSBAIG annual aggregate	1,000,000	
<b>Physical Damage (Scheduled vehicles only)</b>		
Symbol 7 Comprehensive		1,000
Symbol 7 Collision		1,000
Symbol 7 Hired Car Physical Damage, \$115,000 limit		1,000
Symbol 7 Replacement Cost		not covered
<b>School Leaders Errors &amp; Omissions Liability Policy</b>		
Coverage A		
Limit of Liability, each policy period	1,000,000	
Deductible, each claim		5,000
Coverage B, Limit of Liability		
Each Claim	100,000	5,000
Each policy period	300,000	
<b>Workers' Compensation and Employers' Liability Declarations</b>		
Estimated Professional and Clerical	5,449,000	
Estimated Non-Professional and Driver	451,000	
Limits		
Bodily injury by accident, each accident	2,000,000	
Bodily injury by disease, each employee	2,000,000	
Bodily injury by disease, aggregate limit	2,000,000	
<b>Coverage Provided By: Selective Insurance Company of America</b>		
<b>Fidelity Bond</b>		
Treasurer of School Monies	250,000	
Board Secretary	250,000	

(continued)

**WEST LONG BRANCH SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2015**  
*Unaudited*

	<b>Coverage</b>	<b>Deductible</b>
<b>Coverage provided by: Monumental Life Insurance Company</b>		
<b>Student Accident Insurance, Benefit Blanket Coverage including Interscholastic Athletics Except Football</b>		
Maximum Benefit	\$ 500,000	
<b>Round the Clock Voluntary Student Coverage, excluding school sponsored athletics and activities</b>		
Maximum Benefit	500,000	
<b>Coverage provided by: ACE American Insurance Company</b>		
<b>Public/Education Entity Pollution Liability Insurance Policy</b>		
Limits of liability, per pollution condition	2,000,000	
Limits of liability, all pollution conditions	11,000,000	
Limits of liability, total policy aggregate	11,000,000	
		\$ 10,000

**Source:** District records

**SINGLE AUDIT SECTION**

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.  
RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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

Honorable President and Members  
of the Board of Education  
West Long Branch School District  
County of Monmouth  
West Long Branch, 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 the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the West Long Branch Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the West Long Branch Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated December 18, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the West Long Branch Board of Education, County of Monmouth, State of New Jersey's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Long Branch Board of Education, County of Monmouth, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the West Long Branch Board of Education, County of Monmouth, State of New Jersey'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purposes 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 West Long Branch Board of Education, County of Monmouth, State of New Jersey's financial statements are free from material misstatement, we performed tests of it compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company  
Wall Township, New Jersey

December 18, 2015

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

107.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED  
BY OMB CIRCULAR A-133**

Honorable President and Members  
of the Board of Education  
West Long Branch School District  
County of Monmouth  
West Long Branch, New Jersey

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

We have audited the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey's major state programs for the year ended June 30, 2015. The Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey's major 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 programs.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey's major 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 prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey'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 state program. However, our audit does not provide a legal determination of the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey's compliance.

### *Opinion on Each Major State Program*

In our opinion, the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey's, 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 state programs for the year ended June 30, 2015.

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

Management of the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey'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 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 a material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purposes 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 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. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company  
Wall Township, New Jersey

December 18, 2015

WEST LONG BRANCH SCHOOL DISTRICT

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDING JUNE 30, 2015

Schedule A  
K-3

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Grant Period	Program or Award Amount	Balance June 30, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Adjustment	Balance at June 30, 2015		
										(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Agriculture												
Passed Through State Department of Education:												
National School Lunch Program	10.555	9-1-13 to 6-30-14	\$ 28,802	\$ (2,459)		2,459						
National School Lunch Program	10.555	9-1-14 to 6-30-15	30,868			27,805	(30,868)				(3,063)	
National School HHFKA Lunch Program	10.555	9-1-13 to 6-30-14	1,872	\$ (160)		160						
National School HHFKA Lunch Program	10.555	9-1-14 to 6-30-15	1,830			1,655	(1,830)				(175)	
Food Distribution	10.550	9-1-14 to 6-30-15	9,610			9,610	(9,610)					
Total U.S. Department of Agriculture				(2,619)	-	41,689	(42,308)	-	-		(3,238)	-
U.S. Department of Education:												
Passed Through State Department of Education:												
Special Revenue Fund:												
Title I	84.010	9-1-14 to 6-30-15	44,386			28,306	(40,461)				(12,155)	
Title I	84.010	9-1-13 to 8-31-14	33,068	(16,363)		28,519	(12,156)					
Title IIA	84.367A	9-1-12 to 8-31-13	13,591	(661)					661			
Title IIA	84.367A	9-1-13 to 8-31-14	13,664	(3,787)		3,787						
Title IIA	84.367A	9-1-14 to 6-30-15	19,174			16,954	(19,140)				(2,186)	
I.D.E.A. Basic	84.027	9-1-14 to 6-30-15	199,158			161,496	(198,804)				(37,308)	
I.D.E.A. Basic	84.027	9-1-13 to 8-31-14	185,102	(76,112)		76,112						
I.D.E.A. Preschool	84.173	9-1-14 to 6-30-15	11,825			11,421	(11,825)				(404)	
Total Special Revenue Fund				(96,923)	-	326,595	(282,386)	-	661		(52,053)	-
Total U.S. Department of Education				(96,923)	-	326,595	(282,386)	-	661		(52,053)	-
Total Federal Financial Assistance				\$ (99,542)	-	368,284	(324,694)	-	661		(55,291)	-

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

WEST LONG BRANCH SCHOOL DISTRICT

Schedule B

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

K-4

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2014			Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Balance at June 30, 2015			MEMO		
				Deferred Revenue (Accounts Receivable)	Due To Grantor	Carryover/ (Walkover) Amount				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
<b>State Department of Education</b>															
General Fund:															
Special Education Aid	15-495-034-5120-089	\$ 240,707	7-01-14 to 6-30-15	\$ -			240,707	(240,707)					(20,715)	240,707	
Security Aid	15-495-034-5120-084	10,616	7-01-14 to 6-30-15				10,616	(10,616)					(905)	10,616	
Transportation Aid	15-495-034-5120-014	14,171	7-01-14 to 6-30-15				14,171	(14,171)					(1,214)	14,171	
Adjustment Aid	15-495-034-5120-084	1	7-01-14 to 6-30-15				1	(1)						1	
PARCC Readiness Aid	15-495-034-5120-098	5,550	7-01-14 to 6-30-15				5,550	(5,550)					(488)	5,550	
Per Pupil Growth Aid	15-495-034-5120-097	5,550	7-01-14 to 6-30-15				5,550	(5,550)					(488)	5,550	
Non-Public Transportation	14-495-034-5129-014	13,706	7-01-13 to 6-30-14	(13,706)			13,706								
Non-Public Transportation	15-495-034-5120-014	3,022	7-01-14 to 6-30-15					(3,022)			(3,022)			3,022	
Extraordinary Aid	14-495-034-5120-044	79,566	7-01-13 to 6-30-14	(79,566)			79,566								
Extraordinary Aid	15-495-034-5120-044	58,323	7-01-14 to 6-30-15					(58,323)			(58,323)			58,323	
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	344,141	7-01-13 to 6-30-14	(16,384)			16,384								
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	335,673	7-01-14 to 6-30-15				318,922	(335,673)			(16,751)			335,673	
Total General Fund				(109,656)	-	-	705,173	(673,613)	-		(78,096)	-	-	(23,810)	673,613
Special Revenue:															
N.J. Nonpublic Aid:															
Textbook Aid	15-100-034-5120-064	20,615	7-01-14 to 6-30-15				20,615	(20,124)			491			20,124	
Nursing Services	15-100-034-5120-070	32,818	7-01-14 to 6-30-15				32,818	(32,161)			657			32,161	
Technology Aid	15-100-034-5120-343	11,072	7-01-14 to 6-30-15				11,072	(11,064)			8			11,064	
Supplemental Instruction	15-100-034-5120-066	40,020	7-01-14 to 6-30-15				40,020	(35,312)			4,708			35,312	
Corrective Speech	15-100-034-5120-066	37,107	7-01-14 to 6-30-15				37,107	(30,039)			7,068			30,039	
Examination and Classification A	15-100-034-5120-066	36,536	7-01-14 to 6-30-15				36,536	(21,418)			15,118			21,418	
Examination and Classification	15-100-034-5120-066	12,996	7-01-14 to 6-30-15				12,996	(12,996)						12,996	
Home Instruction	14-100-034-5120-067	1,499	7-01-13 to 6-30-14	(1,499)			1,499								
Transportation	15-100-034-5120-067	12,600	7-01-14 to 6-30-15				12,600	(12,600)						12,600	
Compensatory Education	15-100-034-5120-067	88,684	7-01-14 to 6-30-15				88,684	(50,165)			38,519			50,165	
English as a Second Language	15-100-034-5120-067	5,481	7-01-14 to 6-30-15				5,481	(2,741)			2,740			2,741	
Total Special Revenue				(1,499)	-	-	299,428	(228,620)	-		-	-	69,309	-	228,620
<b>State Department of Agriculture</b>															
Enterprise Fund:															
National School Lunch Program (State Share)	15-100-010-3350-023	1,348	7-01-14 to 6-30-15				1,218	(1,348)			(130)			1,348	
National School Lunch Program (State Share)	14-100-010-3350-023	1,367	7-01-13 to 6-30-14	(116)			116								
Total National School Lunch Program				(116)	-	-	1,334	(1,348)	-		(130)	-	-	-	1,348
Total State Financial Assistance				\$ (111,271)	-	-	1,005,935	(903,581)	-		(78,226)	69,309	(23,810)	903,581	

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**BOARD OF EDUCATION**

K-5

**WEST LONG BRANCH SCHOOL DISTRICT****NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2015****NOTE 1: GENERAL**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, West Long Branch School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedule of financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund which are presented using the accrual basis of accounting. Programs recorded in the food service fund include the Special Milk Program. These bases of accounting are described in Note 1(C) to the Board's general-purpose financial statements.

**NOTE 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

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

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

Awards and financial assistance revenues are reported in the Board's general-purpose financial statements on a GAAP basis as presented on the following page:

**NOTE 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>State Assistance</u></b>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 673,713	228,620	1,348	903,581
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized				
On Behalf Payments Recognized for GAAP Statements but Not Included in the Schedule of Expenditures of State Financial Assistance	574,600			574,600
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	<u>(1,060)</u>	_____	_____	<u>(1,060)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 1,247,253</u>	<u>228,620</u>	<u>1,348</u>	<u>1,477,121</u>

**NOTE 3: Relationship to General Purpose Financial Statements (Continued)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>Federal Assistance</u></b>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$	282,386	42,308	324,694
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	<u>12,301</u>	_____	<u>12,301</u>
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	\$ _____	<u>294,687</u>	<u>42,308</u>	<u>336,995</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5: OTHER**

TPAF Social Security Contributions represents the amount reimbursed by the State for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2015.

**WEST LONG BRANCH SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**K-6**

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

*Part 1 - Summary of Auditor's Results*

**Financial Statement Section**

**Unmodified**

Type of auditor's report issued:

Internal control over financial reporting:

1) Material weakness(es) identified?

\_\_\_\_\_ Yes      x   No

2) Reportable conditions(s) identified that are not considered to be material weaknesses?

\_\_\_\_\_ Yes      x   None Reported

Noncompliance material to general purpose financial statements noted?

\_\_\_\_\_ Yes      x   No



WEST LONG BRANCH SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015*Part 2 - Financial Statement Findings*

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

WEST LONG BRANCH SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015*Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs*

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

FEDERAL AWARDS - N/ASTATE AWARDS

Finding: NONE

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

WEST LONG BRANCH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

K-7

Prior Audit Findings:

None