

**SCHOOL DISTRICT**

**OF**

**LAKEHURST**



**LAKEHURST BOARD OF EDUCATION  
LAKEHURST, NEW JERSEY**

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

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**LAKEHURST BOARD OF EDUCATION**

**LAKEHURST, NEW JERSEY**

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

**PREPARED BY**

**LAKEHURST BOARD OF EDUCATION  
FINANCE DEPARTMENT**

# LAKEHURST SCHOOL DISTRICT

## TABLE OF CONTENTS

### Page

### INTRODUCTORY SECTION

Letter of Transmittal	1 to 3.
Roster of Officials	4.
Consultants and Advisors	5.
Organizational Chart	6.

### FINANCIAL SECTION

Independent Auditor's Report	7 to 9.
<b>Required Supplementary Information – Part I</b> Management's Discussion and Analysis	10 to 16.

#### Basic Financial Statements

A. District-wide Financial Statements:	
A-1 Statement of Net Position	17.
A-2 Statement of Activities	18 & 19.
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	20.
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	21 & 22.
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23.
Proprietary Funds:	
B-4 Statement of Net Position	24.
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	25.
B-6 Statement of Cash Flows	26.
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	27.
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to Financial Statements	28 to 51.

# LAKEHURST SCHOOL DISTRICT

## TABLE OF CONTENTS

	<u>Page</u>
<b>Required Supplementary Information – Part II</b>	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	52 to 60.
C-1b Budgetary Comparison Schedule – General Fund – Education Jobs Fund	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	61.
Notes to the Required Supplementary Information	
C-3 Budget to GAAP Reconciliation	62.
<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	63.
L-2 Schedule of District Contributions – PERS	64.
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	65.
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	66.
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis	67.
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
E-6 Targeted At-Risk Aid Schedule of Expenditures – Budgetary Basis	N/A

# LAKEHURST SCHOOL DISTRICT

## TABLE OF CONTENTS

	<u>Page</u>
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	68.
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance	69.
F-2a Summary Schedule of Revenues, Expenditures, Project Balance, And Project Status – H.V.A.C. Improvements	70.
F-2b Summary Schedule of Revenues, Expenditures, Project Balance, And Project Status – Roof Replacement	71.
F-2c Summary Schedule of Revenues, Expenditures, Project Balance, And Project Status – Improvements to Lakehurst Elementary School	72.
G. Proprietary Fund:	
Enterprise Fund:	
G-1 Statement of Net Position	N/A
G-2 Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-3 Statement of Cash Flows	N/A
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	73.
H-2 Statement of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Agency Fund - Schedule of Receipts and Disbursements	74.
H-4 Payroll Agency Fund - Schedule of Receipts and Disbursements	75.
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds Payable	76.
I-1a Schedule of Loans Payable	N/A
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund - Budgetary Comparison Schedule	77.

# LAKEHURST SCHOOL DISTRICT

## TABLE OF CONTENTS

	<u>Page</u>
<b>STATISTICAL SECTION (Unaudited)</b>	
<b>Introduction to the Statistical Section</b>	
<b>Financial Trends</b>	
J-1 Net Position by Component	78.
J-2 Changes in Net Position	79.
J-3 Fund Balances – Governmental Funds	80.
J-4 Changes in Fund Balances – Governmental Funds	81.
J-5 General Fund Other Local Revenue by Source	82.
<b>Revenue Capacity</b>	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	83.
J-7 Direct and Overlapping Property Tax Rates	84.
J-8 Principal Property Taxpayers*	85.
J-9 Property Tax Levies and Collections	86.
<b>Debt Capacity</b>	
J-10 Ratios of Outstanding Debt by Type	87.
J-11 Ratios of General Bonded Debt Outstanding	88.
J-12 Direct and Overlapping Governmental Activities Debt	89.
J-13 Legal Debt Margin Information	90.
<b>Demographic and Economic Information</b>	
J-14 Demographic and Economic Statistics	91.
J-15 Principal Employers	92.
<b>Operating Information</b>	
J-16 Full-time Equivalent District Employees by Function/Program	93.
J-17 Operating Statistics	94.
J-18 School Building Information	95.
J-19 Schedule of Required Maintenance Expenditures by School Facility	96.
J-20 Insurance Schedule	97.

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

**LAKEHURST SCHOOL DISTRICT**

**TABLE OF CONTENTS**

**Page**

**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 Standards</i>	98 & 99.
K-2	Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	100 to 102.
K-3	Schedule of Expenditures of Federal Awards, Schedule A	103.
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	104.
K-5	Notes to Schedules of Awards and Financial Assistance	105 to 107.
K-6	Schedule of Findings and Questioned Costs	108 to 112.
K-7	Summary Schedule of Prior Audit Findings	113.

## **INTRODUCTORY SECTION**



**Lakehurst Board of Education  
401 Union Avenue  
Lakehurst, New Jersey 08733  
(732) 657-5751  
Fax (732) 657-9023**

December 3, 2015

Honorable President and Members  
Of the Board of Education  
Lakehurst School District  
Lakehurst, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Lakehurst School District for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Lakehurst Board of Education. 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: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Districts organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States Local Governments and Non-Profit Organizations", and the State OMB 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 compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Lakehurst School District is an independent reporting entity within the criteria adopted by GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report.

The District provides a full range of educational services appropriate to grade levels PK through 8. These include regular, vocational as well as special education for handicapped youngsters. On October 15, 2014 the District reported an enrollment of 384 students. The Lakehurst Board of Education has a sending relationship with Manchester Township Board of Education for the High School grades 9 through 12 and began the 2014-2015 fiscal year with sending 137 students to Manchester Township Board of Education (137 of our 521 students). Lakehurst District also completed the school year with 7 out-of-district students that are sent to various special schools. The following details the changes in the student enrollment of the District over the last ten years.

To: Honorable President and Members

<i>FISCAL YEAR</i>	<i>STUDENT ENROLLMENT</i>	<i>PERCENT CHANGE</i>
2014-2015	551	(0.5)
2013-2014	554	(3.0)
2012-2013	572	(2.2)
2011-2012	585	0.51
2010-2011	582	2.0
2009-2011	561	(5.25)
2008-2009	592	(4.56)
2007-2008	619	0.0
2006-2007	619	(9.35)
2005-2006	677	4.00

2) ECONOMIC CONDITION AND OUTLOOK: The Lakehurst Borough area is basically a residential community of single and double family units. The population has remained relatively stable since 1970 or has had a slight downward trend. The community has been at maximum land utilization for several years as currently zoned. The maximum land utilization is expected to continue which suggests that Lakehurst will remain the same with slight or no growth.

3) MAJOR INITIATIVES: Lakehurst School District directly services students grades PK – 8, and the results of the available Spring 2015 Standardized Scores are listed below:

<u>Grade 8 – PARCC 8</u>	<u>Total Students</u>	<u>Grade 7 - PARCC</u>	<u>Total Students</u>	<u>Grade 6 – PARCC 6</u>	<u>Total Students</u>
		<b>Currently Unavailable</b>		<b>Currently Unavailable</b>	
Language Arts Literacy		Language Arts Literacy		Language Arts Literacy	
Mathematics		Mathematics		Math	
Science (NJ ASK)	73.8%				
<u>Grade 5 – PARCC 5</u>	<u>Total Students</u>	<u>Grade 4 - PARCC</u>	<u>Total Students</u>	<u>Grade 3 – PARCC</u>	<u>Total Students</u>
<b>Currently Unavailable</b>		<b>Currently Unavailable</b>		<b>Currently Unavailable</b>	
Language Arts Literacy				Language Arts Literacy	
Mathematics		Science (NJ ASK)	93.8%	Math	

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

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

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

To: Honorable President and Members

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

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

7) DEBT ADMINISTRATION: The Borough of Lakehurst currently provides yearly debt service to the school for an April 2011 Referendum approving a new roof and mechanical system. The Board of Education currently borrowed \$1,864,015 worth of Grant Anticipation Notes to fund our current bathroom, repainting, window, door and sidewalk project.

8) CASH MANAGEMENT: The investment policy of the district is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

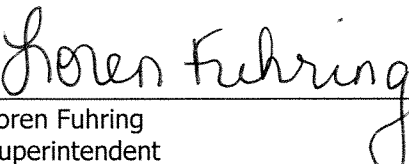
9) RISK MANAGEMENT: The Board carries various forms of insurance including but not limited to general liability, automobile liability, hazard and theft insurance on property and contents and fidelity bonds.

10) OTHER INFORMATION:

INDEPENDENT AUDIT - State statute requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart & Co. was selected by the Board. 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 1984 and the related OMB Circular A-133 and State OMB Circular Letter 04-04. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully Submitted,

  
 Loren Fuhring  
 Superintendent

  
 Barry J. Parlman  
 School Business Administrator

# LAKEHURST BOARD OF EDUCATION

LAKEHURST, NEW JERSEY

## ROSTER OF OFFICIALS

JUNE 30, 2015

<b>MEMBERS OF THE BOARD OF EDUCATION</b>		<b>TERM EXPIRES</b>
James Malden	President	2015
David Burton	Vice-President	2016
Kevin Oliver	Member	2015
Joann Septor	Member	2017
Cameron Dean Hetzel	Member	2017

### **OTHER OFFICIALS**

Loren Fuhring, Superintendent

Dr. Clifford Barneman, Assistant Superintendent

Barry J. Parliman, School Business Administrator/Board Secretary

Elizabeth Sarantinoudis, Treasurer

Steven Zabarsky, Attorney

**LAKEHURST BOARD OF EDUCATION****CONSULTANTS AND ADVISORS****Audit Firm**

Robert A. Hulsart and Company  
P.O. Box 1409  
Wall, New Jersey 07719

**Attorney**

Citta, Holzapfel & Zabarsky  
248 Washington Street  
P.O. Box 4  
Toms River, NJ 08754

**Official Depositories**

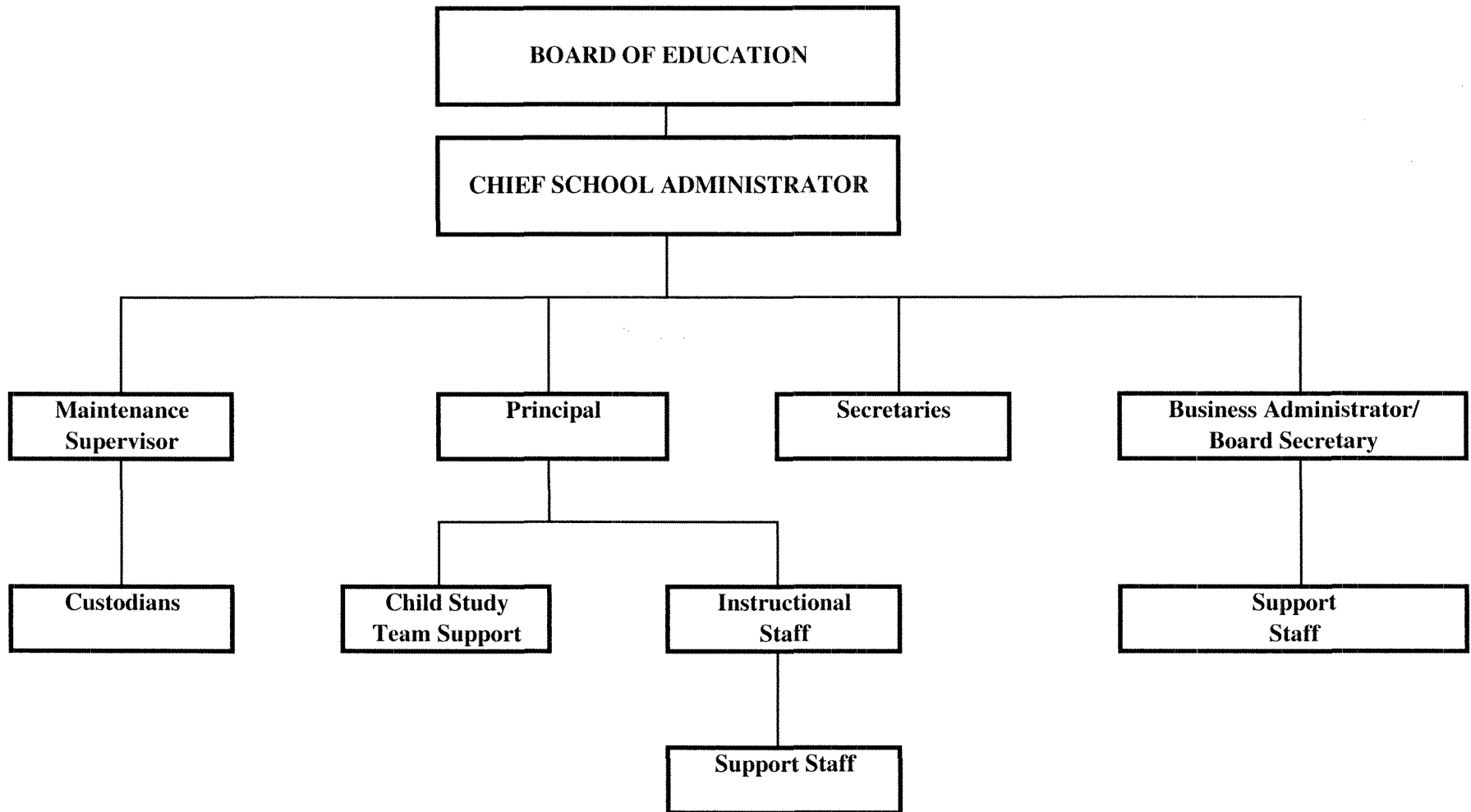
TD Bank  
2570 Route 37  
Manchester, NJ 08759

PNC Bank Corp.  
2001 Highway 70  
Lakehurst, New Jersey 08733

Wells Fargo Bank  
40 Main Street  
Toms River, New Jersey 08753

New Jersey Arm  
Asset & Rebate Management Program  
224 Strawbridge Drive  
Suite 104  
Moorestown, NJ 08057

**LAKEHURST BOARD OF EDUCATION  
ORGANIZATIONAL CHART  
(UNIT CONTROL)**



**FINANCIAL SECTION**

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

7.

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.

Telecopier:  
(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  
Lakehurst School District  
County of Ocean  
Lakehurst, 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 Lakehurst School District, in the County of Ocean, 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 Lakehurst School District, in the County of Ocean, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the 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 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 3, 2015 on our consideration of the Lakehurst'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 Lakehurst 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 3, 2015

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

**LAKEHURST SCHOOL DISTRICT**  
**BOROUGH OF LAKEHURST**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**UNAUDITED**

The discussion and analysis of Lakehurst 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 \$11,969,854 in revenue or 94% 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 \$726,111 or 6% percent to total revenues.
- Total net position of governmental activities decreased by \$1,329,640.
- The School District had \$11,389,065 in expenses; only \$726,111 of these expenses was offset by program specific charges for services, grants or contributions. General revenues of \$11,969,854 were adequate to provide for these programs.
- The General Fund had \$8,658,838 in revenues and \$8,374,037 in expenditures. The General Fund's balance decreased \$215,199 from 2014.

**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 Lakehurst School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

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 Lakehurst School District, the General Fund is the most significant fund, with the Special Revenue Fund and Capital Project's Fund also having significance.

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 activities. 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 and Special Revenue 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	\$ 5,612,748	1,720,817
Capital Assets, Net	<u>442,334</u>	<u>472,581</u>
Total Assets	<u>\$ 6,055,082</u>	<u>2,193,398</u>
<b><u>Deferred Outflows of Resources</u></b>		
Contribution to Pension Plans	<u>\$ 232,415</u>	=====
<b><u>Deferred Inflows of Resources</u></b>		
Pension Deferrals	<u>\$ 109,549</u>	=====

**Table 1**  
**Net Position (Continued)**

	<u>2015</u>	<u>2014</u>
<b><u>Liabilities</u></b>		
Other Liabilities	\$ 2,936,421	176,525
Long-Term Liabilities	<u>2,676,650</u>	<u>920,656</u>
Total Liabilities	<u>\$ 5,613,071</u>	<u>1,097,181</u>
<b><u>Net Position</u></b>		
Invested in Capital Assets, Net of Debt	\$ 442,334	472,581
Restricted	2,233,113	1,599,845
Unrestricted	<u>(2,110,570)</u>	<u>(976,209)</u>
Total Net Position	<u>\$ 564,877</u>	<u>1,096,217</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	\$ 37,726	52,740
Operating Grants and Contributions	688,385	705,633
General Revenues		
Property Taxes	1,192,666	1,169,291
Grants and Entitlements	7,539,290	6,895,326
Other	<u>3,237,898</u>	<u>123,038</u>
Total Revenues	<u>12,695,965</u>	<u>8,946,028</u>
<b><u>Program Expenses</u></b>		
Instruction		2,613,916
Support Services	2,875,193	
Pupils and Instructional Staff	3,113,690	3,187,402
General Administration, School Administration,		
Business	547,891	534,791
Operations and Maintenance of Facilities	456,712	475,047
Pupil Transportation	286,532	263,619
Miscellaneous	3,948,053	2,018,004
Food Service	<u>160,994</u>	<u>220,533</u>
Total Expenses	<u>11,389,065</u>	<u>9,313,312</u>
Change in Net Position	<u>\$ 1,306,900</u>	<u>(367,284)</u>

### **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 expenses exceeded revenues by \$22,746.
- Charges for services represent \$37,726 of revenue. This represents amount paid by patrons for daily food services.
- Federal and State reimbursements for meals were \$100,522.

### **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.

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 Lakehurst'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 \$564,877. 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 assets.

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 \$1,964,417 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 Activities</b>
Table II	
Capital Assets at June 30, 2015	
Construction in Progress	\$ 51,090
Buildings	391,243
Machinery and Equipment	<u>1</u>
Total	<u>\$ 442,334</u>

### **Debt Administration**

At June 30, 2015, the School District had \$2,746,650 as outstanding debt. This amount represents compensated absences of \$57,410, bonds payable of \$851,000, and pension liability of \$1,838,240.

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

The Lakehurst School District is in very good financial condition presently. Future finances are not without challenges as the community continues to grow and state funding is decreased.

The \$(2,038,442) 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 surplus of \$(2,038,442).

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 Lakehurst 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 Barry J. Parliman, School Business Administrator/Board Secretary at Lakehurst Board of Education, 401 Union Avenue, Lakehurst, NJ 08733.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

**LAKEHURST SCHOOL DISTRICT****STATEMENT OF NET POSITION**

Exhibit A-1

**JUNE 30, 2015**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 1,339,229		1,339,229
Accounts Receivables	2,865,997	8,326	2,874,323
Inventory		348	348
Restricted Assets:			
Cash and Cash Equivalents	1,398,848		1,398,848
Capital Assets, Not Being Depreciated	51,090		51,090
Capital Assets, Net	391,244	-	391,244
Total Assets	<u>6,046,408</u>	<u>8,674</u>	<u>6,055,082</u>
<b><u>Deferred Outflow of Resources</u></b>			
Contribution to Pension Plan	<u>232,415</u>		<u>232,415</u>
<b><u>Deferred Inflow of Resources</u></b>			
Pension Deferrals	<u>109,549</u>		<u>109,549</u>
<b><u>Liabilities</u></b>			
Accounts Payable	2,785,619	80,802	2,866,421
Noncurrent Liabilities:			
Due Within One Year	70,000		70,000
Due Beyond One Year	2,676,650		2,676,650
Total Liabilities	<u>5,532,269</u>	<u>80,802</u>	<u>5,613,071</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	442,334		442,334
Restricted For:			
Capital Projects	1,374,835		1,374,835
Debt Service	10,357		10,357
Special Revenue	(27,164)		(27,164)
Other Purposes	875,085		875,085
Unrestricted	<u>(2,038,442)</u>	<u>(72,128)</u>	<u>(2,110,570)</u>
Total Net Position	<u>\$ 637,005</u>	<u>(72,128)</u>	<u>564,877</u>

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

LAKEHURST 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	\$ 1,767,211			(1,767,211)		(1,767,211)
Special Education	1,056,988		438,395	(618,593)		(618,593)
Other Instruction	50,994			(50,994)		(50,994)
Support Services:						
Tuition	2,411,153			(2,411,153)		(2,411,153)
Student & Instruction Related Services	702,537		149,468	(553,069)		(553,069)
School Administrative Services	547,891			(547,891)		(547,891)
Plant Operations and Maintenance	456,712			(456,712)		(456,712)
Pupil Transportation	286,532			(286,532)		(286,532)
Unallocated Depreciation	30,247			(30,247)		(30,247)
Unallocated Benefits	1,470,684			(1,470,684)		(1,470,684)
Capital Outlay	2,413,757			(2,413,757)		(2,413,757)
Interest on Long-Term Debt	33,365			(33,365)		(33,365)
Total Government Activities	<u>11,228,071</u>	<u>-</u>	<u>587,863</u>	<u>(10,640,208)</u>	<u>-</u>	<u>(10,640,208)</u>
Business-Type Activities:						
Food Service	160,994	37,726	100,522		(22,746)	(22,746)
Total Business-Type Activities	<u>160,994</u>	<u>37,726</u>	<u>100,522</u>	<u>-</u>	<u>(22,746)</u>	<u>(22,746)</u>
Total Primary Government	<u>11,389,065</u>	<u>37,726</u>	<u>688,385</u>	<u>(10,640,208)</u>	<u>(22,746)</u>	<u>(10,662,954)</u>

**LAKEHURST SCHOOL DISTRICT**

Exhibit A-2

Sheet 2 of 2

**STATEMENT OF ACTIVITIES**

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

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes,	1,088,776		1,088,776
Property Taxes, Levied for Debt Service	103,890		103,890
Federal and State Aid Not Restricted	7,539,290		7,539,290
Transfers, Special Items	3,207,126		3,207,126
Miscellaneous Income	30,772		30,772
Total General Revenues	<u>11,969,854</u>	<u>-</u>	<u>11,969,854</u>
Change in Net Position	1,329,646	(22,746)	1,306,900
Restatement for Pension	(1,838,240)		(1,838,240)
Net Position - Beginning	<u>1,145,599</u>	<u>(49,382)</u>	<u>1,096,217</u>
Net Position - Ending	<u>\$ 637,005</u>	<u>(72,128)</u>	<u>564,877</u>

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

**FUND FINANCIAL STATEMENTS – B**



LAKEHURST SCHOOL DISTRICTBALANCE SHEET

Exhibit B-1

GOVERNMENTAL FUNDSJUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>					
Cash and Cash Equivalents	\$ 1,339,229	-	1,388,491	10,357	2,738,077
Interfund Receivable	79,248				79,248
Accounts Receivable	49,898	52,084	2,764,015		2,865,997
Total Assets	<u>\$ 1,468,375</u>	<u>52,084</u>	<u>4,152,506</u>	<u>10,357</u>	<u>5,683,322</u>
<b><u>Liabilities and Fund Balance</u></b>					
Liabilities:					
Interfund Payable	\$ -	79,248			79,248
Accounts Payable			2,777,671		2,777,671
Total Liabilities	<u>-</u>	<u>79,248</u>	<u>2,777,671</u>	<u>-</u>	<u>2,856,919</u>
Fund Balance:					
Reserved for:					
Restricted:					
Excess Surplus	108,224				108,224
Assigned to:					
Excess Surplus - Designated for					
Subsequent Years Expenditures	397,527				397,527
Designated for Subsequent Years Expenditures	369,334				369,334
Unassigned:					
Capital Projects			1,374,835		1,374,835
Special Revenue Fund		(27,164)			(27,164)
Debt Service				10,357	10,357
General Fund	593,290				593,290
Total Fund Balances	<u>1,468,375</u>	<u>(27,164)</u>	<u>1,374,835</u>	<u>10,357</u>	<u>2,826,403</u>
Total Liabilities and Fund Balance	<u>\$ 1,468,375</u>	<u>52,084</u>	<u>4,152,506</u>	<u>10,357</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 \$1,952,683 and the accumulated depreciation is \$1,510,349.					
					442,334
Deferred outflow of resources - contributions to the pension plan					
					232,415
Deferred inflow of resources - acquisition of assets applicable to future reporting periods					
					(109,549)
Accrued Interest					
					(7,948)
Long-term liabilities, including bond payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 3)					
					<u>(2,746,650)</u>
Net position of governmental activities					
					<u>\$ 637,005</u>

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

**LAKEHURST SCHOOL DISTRICT**

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

**GOVERNMENTAL FUNDS**

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

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Capital Projects Fund</u></b>	<b><u>Debt Service Fund</u></b>	<b><u>Total Governmental Funds</u></b>
<b><u>Revenues</u></b>					
Local Sources:					
Local Tax Levy	\$ 1,088,776			103,890	1,192,666
Miscellaneous	30,772	7,976			38,748
Total Local Sources	1,119,548	7,976	-	103,890	1,231,414
State Sources	6,595,978	286,253			6,882,231
Federal Sources	943,312	293,634			1,236,946
Total Revenues	8,658,838	587,863	-	103,890	9,350,591
<b><u>Expenditures</u></b>					
Current:					
Regular Instruction	1,779,457				1,779,457
Special Education Instruction	618,593	438,395			1,056,988
Other Instruction	50,994				50,994
Support Services and Undistributed Costs:					
Tuition	2,411,153				2,411,153
Student and Instruction Related Services	557,719	144,818			702,537
School Administrative Services	547,891				547,891
Plant Operations and Maintenance	456,712				456,712
Pupil Transportation	286,532				286,532
Unallocated Benefits	1,593,550				1,593,550
Capital Outlay	71,436	10,000	2,332,321		2,413,757
Debt Service:					
Interest				33,890	33,890
Principal				70,000	70,000
Total Expenditures	8,374,037	593,213	2,332,321	103,890	11,403,461

**LAKEHURST SCHOOL DISTRICT**

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

**GOVERNMENTAL FUNDS**

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

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Capital Projects Fund</u></b>	<b><u>Debt Service Fund</u></b>	<b><u>Total Governmental Funds</u></b>
Excess (Deficiency) of Revenues Over Expenditures	<u>284,801</u>	<u>(5,350)</u>	<u>(2,332,321)</u>	<u>-</u>	<u>(2,052,870)</u>
Other Financing Sources/(Uses)					
State Grant Awarded			2,764,015		2,764,015
Transfer from Capital Reserve to Capital Projects	(500,000)		500,000		-
Lease Purchase			443,111		443,111
Total Other Financing Sources/(Uses)	<u>(500,000)</u>	<u>-</u>	<u>3,707,126</u>	<u>-</u>	<u>3,207,126</u>
Net Change in Fund Balances	(215,199)	(5,350)	1,374,805	-	1,154,256
Fund Balance - July 1	<u>1,683,574</u>	<u>(21,814)</u>	<u>30</u>	<u>10,357</u>	<u>1,672,147</u>
Fund Balance - June 30	<u>\$ 1,468,375</u>	<u>(27,164)</u>	<u>1,374,835</u>	<u>10,357</u>	<u>2,826,403</u>

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

LAKEHURST SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 1,154,256
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	(30,247)
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	70,000
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.	525
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	232,415
Pension related deferrals	(109,549)
Compensated Absences	<u>12,246</u>
Change in Net Position of Governmental Activities	<u>\$ 1,329,646</u>

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

LAKEHURST SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDSJUNE 30, 2015

	<u>Business-Type Activities Enterprise Funds Food Service</u>
Assets:	
Current Assets:	
Inventory	\$ 348
Accounts Receivable:	
State	149
Federal	8,177
Total Current Assets	<u>8,674</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	11,734
Less: Accumulated Depreciation	<u>(11,734)</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>\$ 8,674</u>
Liabilities:	
Accounts Payable	<u>\$ 80,802</u>
Net Position:	
Unrestricted	<u>\$ (72,128)</u>
Total Net Position	<u>\$ (72,128)</u>

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

**LAKEHURST SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES**

**Exhibit B-5**

**IN FUND NET POSITION**

**PROPRIETARY FUNDS**

**JUNE 30, 2015**

	<b>Business-Type Activities Enterprise Funds Food Service</b>
	<hr/>
Operating Revenues:	
Charges for Services:	
Daily Sales	\$ 37,726
Total Operating Revenue	<hr/> 37,726 <hr/>
Operating Expenses:	
Cost of Sales	156,887
Miscellaneous	4,107
Total Operating Expenses	<hr/> 160,994 <hr/>
Operating Income (Loss)	(123,268)
Non-Operating Revenues (Expenses):	
State Sources:	
State School Lunch Program	1,875
Federal Sources:	
National School Lunch Program	85,170
National PB Lunch Program	2,178
National School Breakfast Program	11,299
Total Non-Operating Revenues	<hr/> 100,522 <hr/>
Change in Net Position	(22,746)
Net Position, July 1	<hr/> (49,382)
Net Position, June 30	<hr/> \$ (72,128) <hr/>

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

LAKEHURST SCHOOL DISTRICTSTATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDSJUNE 30, 2015

	<b>Business-Type Activities Enterprise Funds Food Service</b>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 37,726
Payments to Suppliers	(138,248)
Net Cash Used by Operating Activities	<u>(100,522)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	1,875
Federal Sources	98,647
Net Cash Provided by Noncapital Financing Activities	<u>100,522</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	-
Balance Beginning of Year	<u>-</u>
Balance End of Year	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (123,268)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Changes in Assets/Liabilities:	
(Increase)/Decrease in Inventory	(348)
(Increase)/Decrease in Accounts Receivables	1,243
Increase/(Decrease) in Accounts Payables	21,851
Net Cash Used by Operating Activities	<u>\$ (100,522)</u>

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

LAKEHURST SCHOOL DISTRICTSTATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

FIDUCIARY FUNDSJUNE 30, 2015

	<u>Net Payroll</u>	<u>Agency Fund</u>
Assets:		
Cash and Cash Equivalents	\$ 7,748	6,952
Total Assets	<u>\$ 7,748</u>	<u>6,952</u>
Liabilities:		
Accounts Payable	\$ 4,748	
Payroll Deductions and Withholdings	3,000	6,952
Total Liabilities	<u>\$ 3,000</u>	<u>6,952</u>

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



**NOTES TO FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**LAKEHURST 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 Borough of Lakehurst 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 Lakehurst School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Lakehurst School District had an approximate enrollment at June 30, 2015 of 383 students.

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 position 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.

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

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

**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.

**Fiduciary Fund Types**

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.

Unemployment Compensation Trust Fund: The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

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. **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). 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.

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

**E. Budgets/Budgetary Control (Continued):**

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.

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

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

**F. 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.

**G. 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.

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

**H. Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

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.

**I. 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 during the 2015 fiscal year 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 2014, 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

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

**I. Capital Assets and Depreciation – (Continued)**

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

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2015</u>
Governmental Activities:				
Construction in Progress	\$ 51,090	_____	_____	51,090
Total	<u>51,090</u>	_____	_____	<u>51,090</u>
Depreciable Assets:				
Buildings	1,845,692			1,845,692
Equipment	<u>55,901</u>	_____	_____	<u>55,901</u>
Total	<u>1,901,593</u>	_____	_____	<u>1,901,593</u>
Less: Accumulated Depreciation:				
Buildings	(1,424,346)	(30,103)		(1,454,449)
Equipment	<u>(55,756)</u>	<u>(144)</u>	_____	<u>(55,900)</u>
Total Accumulated Depreciation	<u>(1,480,102)</u>	<u>(30,247)</u>	_____	<u>(1,510,349)</u>
Net Depreciable Assets	<u>421,491</u>	<u>(30,247)</u>	_____	<u>391,244</u>
Net Capital Assets	<u>\$ 472,581</u>	<u>(30,247)</u>	_____	<u>442,334</u>

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2015</u>
Business-Type Activities:				
Equipment	\$ 11,734			11,734
Less: Accumulated Depreciation:				
Equipment	<u>(11,734)</u>	_____	_____	<u>(11,734)</u>
Business-Type Activities Capital Assets (Net)	<u>\$ _____</u>	_____	_____	<u>_____</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 30,247</u>
-------------	------------------



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

**J. Compensated Absences**

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable

**K. Deferred Revenue**

Deferred revenue in the special revenue funds represent cash, which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

**L. Fund Equity**

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 9).

**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, which approximates market. The District 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.

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

**Deposits (Continued)**

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 District 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 for 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.

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

	<b>Cash and Cash Equivalents</b>
Checking, Money Market Accounts	<u>\$ 2,763,051</u>

During the period ended June 30, 2015, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2015 was \$2,763,051 and the bank balance was \$3,177,870. Of the bank balance, \$530,712 was covered by federal depository insurance and \$2,647,158 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)****Credit Risk Categories**

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

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Insured:		
FDIC	\$ 530,712	530,707
GUDPA	<u>2,647,158</u>	<u>1,281,304</u>
	<u>\$ 3,177,870</u>	<u>1,812,011</u>

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

The District had no uninsured deposits.

**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</u>			<u>Balance</u>	<u>Long-Term</u>	<u>2015-16</u>
	<u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>	<u>Portion</u>	<u>Payment</u>
Compensated Absences Payable	\$ 69,656		12,246	57,410	57,410	
Bonds Payable	921,000		70,000	851,000	781,000	70,000
Pension Liability		1,838,240		1,838,240	1,838,240	
	<u>\$ 990,656</u>	<u>1,838,240</u>	<u>82,246</u>	<u>2,746,650</u>	<u>2,676,650</u>	<u>70,000</u>

**NOTE 3: General Long-Term Debt (Continued)****A. Bonds Payable**

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 70,000	31,790	101,790
2017	75,000	29,690	104,690
2018	80,000	27,440	107,440
2019	80,000	24,640	104,640
2020	85,000	21,840	106,840
2021-2025	<u>461,000</u>	<u>56,800</u>	<u>517,800</u>
	<u>\$ 851,000</u>	<u>192,200</u>	<u>1,043,200</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 Teacher’s Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

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

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

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

**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 1/60 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 provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision 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 contribution. 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 contains 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 Districts' 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.

**Funding Policy** – The contribution policy is set by New Jersey State Statutes and contributions are required 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 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)**

**Funding Policy (Continued)** - Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

During the year ended June 30, 2015, the State of New Jersey contributed \$329,159 to the TPAF for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$181,958 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. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

**Three-Year Trend Information for PERS**

<b>Year</b>	<b>Annual</b>	<b>Percentage</b>	<b>Net</b>
<b><u>Funding</u></b>	<b><u>Pension</u></b>	<b><u>of APC</u></b>	<b><u>Pension</u></b>
	<b><u>Cost (APC)</u></b>	<b><u>Contributed</u></b>	<b><u>Obligation</u></b>
6/30/15	\$ 86,543	100%	\$ 0
6/30/14	85,683	100%	0
6/30/13	82,836	100%	0

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

<b>Year</b>	<b>Annual</b>	<b>Percentage</b>	<b>Net</b>
<b><u>Funding</u></b>	<b><u>Pension</u></b>	<b><u>of APC</u></b>	<b><u>Pension</u></b>
	<b><u>Cost (APC)</u></b>	<b><u>Contributed</u></b>	<b><u>Obligation</u></b>
6/30/15	\$ 329,159	100%	0
6/30/14	253,653	100%	0
6/30/13	370,365	100%	0

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

For the year ended June 30, 2015, the District recognized pension expense of \$86,543. 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	57,804	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		109,549
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	88,068	
District Contributions Subsequent to the Measurement Date	<u>86,543</u>	<u>          </u>
Total	<u>\$ 232,415</u>	<u>109,549</u>

\$232,415 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:

	<b><u>Dec. 31, 2014</u></b>	<b><u>Dec. 31, 2013</u></b>
Collective Deferred Outflows of Resources	\$ 232,415	
Collective Deferred Inflows of Resources	109,549	
Collective Net Pension Liability	1,838,240	1,772,200
District's Proportion	.00982%	.00927%

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

	<b>2014</b>		
	<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%
	<b>2013</b>		
	<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%

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.



**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 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%

**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.

**NOTE 4: Pension Plans (Continued)****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>Rate (5.39%)</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>Rate (5.55%)</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>

**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:

	<b>2014</b>	<b>2013</b>
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%

**NOTE 4: Pension Plans (Continued)****State Proportionate Share of Net Pension Liability Attributable to District**

	<u>2014</u>	<u>2013</u>
District's Liability	<u>\$ 12,140,460</u>	<u>13,595,301</u>
District's Proportion	.02256%	.02677%

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%

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

**Discount Rate**

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

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

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: 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 right 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 (or current and long-term liabilities). The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

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

**NOTE 7: Risk Management**

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

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

**New Jersey Unemployment Compensation Insurance** – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due 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 and previous year:

<b><u>Fiscal Year</u></b>	<b><u>District Contributions</u></b>	<b><u>Employee Contributions</u></b>	<b><u>Reimbursed</u></b>	<b><u>Balance</u></b>
2014-2015	\$ 0	0	0	0
2013-2014	0	0	0	0
2012-2013	1	0	2,707	0

**NOTE 8: Tuition Adjustments**

Regulations specify that tuition adjustments for any given school year shall be remitted/ received in the two following years after the tuition rate is certified.

**NOTE 9: 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 10: Contingent Liabilities**

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

**NOTE 11: Equity Balance**

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

Excess Surplus – Designated for Subsequent Year’s Expenditures	\$ 397,527
Unreserved - Designated for Subsequent Year’s Expenditures	369,334
Reserved Fund Balance – Excess Surplus	108,224
Unreserved	<u>1,197,842</u>
	<u>\$ 2,072,927</u>

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	\$ 8,374,037
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>511,117</u>
Adjusted 2014-15 General Fund Expenditures	<u>\$ 7,862,920</u>
2% of Adjusted 2014-15 General Fund Expenditures	<u>\$ 157,258</u>
Maximum Allowed	\$ 250,000
Increased by: Allowable Adjustment	<u>947,842</u>
Maximum Unassigned Fund Balance	<u>\$ 1,197,842</u>

**NOTE 11: Equity Balance (Continued)****2% Calculation of Excess Surplus (Continued)**

Total General Fund – Fund Balance @ 6-30-15	\$ 2,072,927
Decreased by:	
Excess Surplus - Designated for Subsequent Year's Expenditures	397,527
Unreserved – Designated for Subsequent Year's Expenditures	<u>369,334</u>
Total Unassigned Fund Balance	<u>\$ 1,306,066</u>
Maximum Unassigned Fund Balance	<u>\$ 1,197,842</u>
Restricted Fund Balance – Excess Surplus	<u>\$ 108,224</u>
<b><u>Detail of Allowable Adjustments</u></b>	
Non-Public Transportation Aid	\$ 1,566
Extraordinary Aid	40,233
Impact Aid	<u>906,043</u>
Total Allowable Adjustments	<u>\$ 947,842</u>

**NOTE 12: Fair Values of Financial Instruments**

The following methods and assumptions were used by the Lakehurst 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 13: Fund Balance Appropriated**

**General Fund** – Of the \$2,072,927 General Fund fund balance at June 30, 2015, \$766,861 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; \$108,224 is excess surplus and \$1,197,842 is unassigned.



**NOTE 14: Deficit Fund Balances**

The District has a deficit fund balance of \$27,164 in the Special Revenue Fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school year budget. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP fund statements of \$27,164 is equal to the last state aid payment.

**NOTE 15: Significant 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.

**NOTE 16: Interfund Receivables and Payables**

There were interfund balances on the balance sheet at June 30, 2015 as follows:

	<u>To</u>	<u>From</u>
General Fund	\$ 79,248	
Special Revenue Fund	_____	<u>79,248</u>
	<u>\$ 79,248</u>	<u>79,248</u>

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES – C**

**LAKEHURST SCHOOL DISTRICT**

Exhibit C-1

Sheet 1 of 9

**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>
<b><u>Revenues</u></b>					
Local Sources:					
Local Tax Levy	\$ 1,088,776		1,088,776	1,088,776	-
Unrestricted Miscellaneous Revenue	2,500		2,500	30,772	28,272
Total Local Sources	<u>1,091,276</u>	<u>-</u>	<u>1,091,276</u>	<u>1,119,548</u>	<u>28,272</u>
State Sources:					
Equalization Aid	5,421,371		5,421,371	5,421,371	-
Special Education Aid	304,592		304,592	304,592	-
Categorical Security Aid	135,295		135,295	135,295	-
Transportation Aid	116,548		116,548	116,548	-
Adjustment Aid	28,730		28,730	28,730	-
Under Adequacy Aid	29,812		29,812	29,812	-
PARCC Readiness Aid	4,910		4,910	4,910	-
Per Pupil Growth Aid	4,910		4,910	4,910	-
Extraordinary Aid			-	40,233	40,233
Non-Public Transportation Aid				1,566	1,566
TPAF Pension (On Behalf Non-Budgeted)			-	329,159	329,159
TPAF Social Security (Reimbursed Non-Budgeted)			-	181,958	181,958
Total State Sources	<u>6,046,168</u>	<u>-</u>	<u>6,046,168</u>	<u>6,599,084</u>	<u>552,916</u>
Federal Sources:					
Impact Aid	550,000		550,000	906,043	356,043
Medicaid Reimbursement	8,713		8,713	37,269	28,556
Total Federal Sources	<u>558,713</u>	<u>-</u>	<u>558,713</u>	<u>943,312</u>	<u>384,599</u>
Total Revenues	<u>7,696,157</u>	<u>-</u>	<u>7,696,157</u>	<u>8,661,944</u>	<u>965,787</u>

**LAKEHURST SCHOOL DISTRICT**

Exhibit C-1

Sheet 2 of 9

**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>
<b><u>Expenditures</u></b>					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	128,894	14,000	142,894	142,625	269
Grades 1 - 5	743,522	16,820	760,342	760,338	4
Grades 6 - 8	443,312	(17,320)	425,992	425,474	518
Regular Programs - Home Instruction:					
Salaries of Teachers	4,000		4,000	1,025	2,975
Regular Programs - Undistributed - Instruction:					
Other Salaries for Instruction	105,012	11,200	116,212	116,100	112
Purchased Professional-Educational Services	65,000	7,165	72,165	72,165	-
Other Purchased Services	28,500	(2,850)	25,650	9,046	16,604
General Supplies	121,100	26,081	147,181	147,122	59
Textbooks	85,997		85,997	82,054	3,943
Other Objects	24,000		24,000	23,508	492
Total Regular Programs Instruction	<u>1,749,337</u>	<u>55,096</u>	<u>1,804,433</u>	<u>1,779,457</u>	<u>24,976</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	57,653		57,653	56,954	699
Other Salaries for Instruction	25,686		25,686	25,686	-
General Supplies	1,000		1,000	100	900
Textbooks	500		500	500	-
Total Learning and/or Language Disabilities	<u>84,839</u>	<u>-</u>	<u>84,839</u>	<u>83,240</u>	<u>1,599</u>
Multiple Disabilities:					
Salaries of Teachers	166,126	(16,600)	149,526	144,698	4,828
Other Salaries for Instruction	11,976	23,737	35,713	35,709	4
Total Multiple Disabilities	<u>178,102</u>	<u>7,137</u>	<u>185,239</u>	<u>180,407</u>	<u>4,832</u>

**LAKEHURST SCHOOL DISTRICT**

Exhibit C-1

Sheet 3 of 9

**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>
Resource Room/Resource Center:					
Salaries of Teachers	301,500	(18,000)	283,500	280,700	2,800
Other Salaries for Instruction	82,812	(8,000)	74,812	74,246	566
General Supplies	1,000		1,000		1,000
Textbooks	500		500		500
Total Resource Room/Resource Center	<u>385,812</u>	<u>(26,000)</u>	<u>359,812</u>	<u>354,946</u>	<u>4,866</u>
Total Special Education - Instruction	<u>648,753</u>	<u>(18,863)</u>	<u>629,890</u>	<u>618,593</u>	<u>11,297</u>
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	4,433		4,433	4,305	128
Supplies and Materials	18,000	-	18,000	9,844	8,156
Total School Sponsored Co-Curricular Activities	<u>22,433</u>	<u>-</u>	<u>22,433</u>	<u>14,149</u>	<u>8,284</u>
School Sponsored Athletics - Instruction:					
Salaries	24,737		24,737	22,045	2,692
Total School Sponsored Co-Curricular Activities	<u>24,737</u>	<u>-</u>	<u>24,737</u>	<u>22,045</u>	<u>2,692</u>
Summer School:					
Salaries of Teachers	10,000		10,000	10,000	-
Other Salaries for Instruction	4,800		4,800	4,800	-
Total Summer School	<u>14,800</u>	<u>-</u>	<u>14,800</u>	<u>14,800</u>	<u>-</u>
Total Instruction	<u>2,460,060</u>	<u>36,233</u>	<u>2,496,293</u>	<u>2,449,044</u>	<u>47,249</u>
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEA Within State - Regular	1,376,400		1,376,400	1,376,400	-
Tuition - Other LEA Within State - Special	887,000	12,632	899,632	891,052	8,580
Tuition - County Voc. School Dist. - Regular	3,000		3,000		3,000
Tuition - Co. Spec. Serv. & Reg. Day Schools	183,000	(50,467)	132,533	58,723	73,810
Tuition- Priv.Sch. For the Disabled W/I State	84,978		84,978	84,978	-
Total Undistributed Expenditures - Instruction	<u>2,534,378</u>	<u>(37,835)</u>	<u>2,496,543</u>	<u>2,411,153</u>	<u>85,390</u>

**LAKEHURST SCHOOL DISTRICT**

Exhibit C-1

Sheet 4 of 9

**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>
Attendance and Social Work Services:					
Salaries	4,600	-	4,600	2,000	2,600
Total Attendance and Social Work Services	<u>4,600</u>	<u>-</u>	<u>4,600</u>	<u>2,000</u>	<u>2,600</u>
Health Services:					
Salaries	60,239	2,340	62,579	62,559	20
Purchased Professional and Technical Services	8,410		8,410	8,410	-
Supplies and Materials	900		900	900	-
Total Health Services	<u>69,549</u>	<u>2,340</u>	<u>71,889</u>	<u>71,869</u>	<u>20</u>
Other Support Services-Speech, OT, PT & Related Services:					
Salaries	109,490	-	109,490	104,238	5,252
Total Other Support Services-Speech, OT, PT & Related Services	<u>109,490</u>	<u>-</u>	<u>109,490</u>	<u>104,238</u>	<u>5,252</u>
Other Support Services - Students - Extra Services:					
Purchased Professional Educational Services	10,360		10,360	3,488	6,872
Total Other Support Services-Students-Extra Services	<u>10,360</u>	<u>-</u>	<u>10,360</u>	<u>3,488</u>	<u>6,872</u>
Child Study Teams					
Salaries of Other Professional Staff	167,194	25,000	192,194	191,135	1,059
Salaries of Secretarial and Clerical Assistants	57,541		57,541	56,970	571
Purchased Professional Educational Services	4,000		4,000		4,000
Supplies and Materials	2,000		2,000	516	1,484
Total Other Support Services - Students - Special	<u>230,735</u>	<u>25,000</u>	<u>255,735</u>	<u>248,621</u>	<u>7,114</u>
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	25,000	16,667	41,667	41,667	-
Salaries of Secreterial and Clerical	15,300		15,300	15,300	-
Purchased Professional Educational Services	20,000		20,000	20,000	-
Total Improvement of Instructional Services	<u>60,300</u>	<u>16,667</u>	<u>76,967</u>	<u>76,967</u>	<u>-</u>

**LAKEHURST SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-1  
Sheet 5 of 9

**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>
Educational Media Services/Library:					
Salaries of Technology Coordinators	36,000	4,100	40,100	40,100	-
Purchased Professional and Technical Services	5,000		5,000	2,400	2,600
Other Purchased Services (400-500 Series)	3,000		3,000		3,000
Supplies and Materials	3,500		3,500	3,392	108
<b>Total Educational Media Services/Library</b>	<b>47,500</b>	<b>4,100</b>	<b>51,600</b>	<b>45,892</b>	<b>5,708</b>
Instructional Staff Training Services:					
Purchased Professional Educational Services	15,000	(1,500)	13,500	4,644	8,856
Other Purchased Prof./Tech. Services	1,000		1,000		1,000
<b>Total Instructional Staff Training Services</b>	<b>16,000</b>	<b>(1,500)</b>	<b>14,500</b>	<b>4,644</b>	<b>9,856</b>
Support Services - General Administration:					
Salaries	97,818	1,000	98,818	98,518	300
Legal Services	9,000		9,000	6,314	2,686
Audit Fees	11,500		11,500	10,500	1,000
Communications/Telephone	13,000	27,588	40,588	40,433	155
BOE Other Purchased Services	20,000	(5,000)	15,000		15,000
Other Purchased Services (400-500 Series)	3,500		3,500	2,851	649
General Supplies	2,000	630	2,630	2,630	-
Miscellaneous Purchased Services	14,500	(776)	13,724	9,774	3,950
BOE In-House Training/Meeting Supplies	1,500	-	1,500		1,500
Miscellaneous Expenditures	1,000		1,000	564	436
BOE Membership Dues and Fees	5,000	146	5,146	5,145	1
<b>Total Support Services - General Administration</b>	<b>178,818</b>	<b>23,588</b>	<b>202,406</b>	<b>176,729</b>	<b>25,677</b>
Support Services School Administration:					
Salaries of Principals/Assistant Principals	56,384	5,000	61,384	61,267	117
Salaries of Secretarial and Clerical Assistants	15,300		15,300	11,807	3,493
Other Purchased Services	24,000		24,000	23,742	258
Supplies and Materials	2,000		2,000	1,806	194
<b>Total Support Services School Administration</b>	<b>97,684</b>	<b>5,000</b>	<b>102,684</b>	<b>98,622</b>	<b>4,062</b>



**LAKEHURST SCHOOL DISTRICT**

**Exhibit C-1**

**Sheet 6 of 9**

**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>
Central Services:					
Salaries	248,463	3,000	251,463	250,298	1,165
Purchased Professional Services	10,000	5,000	15,000	15,000	-
Supplies and Materials	1,000		1,000	525	475
Total Central Services	<u>259,463</u>	<u>8,000</u>	<u>267,463</u>	<u>265,823</u>	<u>1,640</u>
Administrative Information Tech.					
Purchased Technical Services	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>6,717</u>	<u>3,283</u>
Required Maintenance for School Facilities:					
Salaries	99,557	8,500	108,057	107,946	111
Cleaning, Repair, and Maintenance Services	16,600	2,182	18,782	18,621	161
General Supplies	17,200	4,850	22,050	21,153	897
Other Objects	8,000	(800)	7,200	7,181	19
Total Required Maintenance For School Facilities	<u>141,357</u>	<u>14,732</u>	<u>156,089</u>	<u>154,901</u>	<u>1,188</u>
Custodial Services					
Salaries	100,063		100,063	92,924	7,139
Purchased Professional & Technical Services	9,500	(950)	8,550	5,199	3,351
Cleaning, Repairs and Maintenance Services	9,000	(900)	8,100	5,415	2,685
Other Purchased Property Services	8,500	(78)	8,422	8,421	1
Insurance	29,000	(1,382)	27,618	27,618	-
Miscellaneous Purchased Services	2,000		2,000	425	1,575
General Supplies	4,000	850	4,850	4,776	74
Energy (Electricity)	65,000	5,585	70,585	70,584	1
Energy (Natural Gas)	55,000	(10,357)	44,643	32,112	12,531
Total Custodial Services	<u>282,063</u>	<u>(7,232)</u>	<u>274,831</u>	<u>247,474</u>	<u>27,357</u>
Care and Upkeep of Grounds					
Purchased Professional & Technical Services	<u>7,000</u>	<u>-</u>	<u>7,000</u>	<u>6,994</u>	<u>6</u>
Total Care and Upkeep of Grounds	<u>7,000</u>	<u>-</u>	<u>7,000</u>	<u>6,994</u>	<u>6</u>

**LAKEHURST SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-1  
Sheet 7 of 9

**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>
Security:					
Salaries	5,340		5,340	5,340	-
Purchased Professional & Technical Services	40,000		40,000	40,000	-
General Supplies	3,000		3,000	2,003	997
Total Security	<u>48,340</u>	<u>-</u>	<u>48,340</u>	<u>47,343</u>	<u>997</u>
Total Expenditures - Operations & Maintenance of Plant Services	<u>478,760</u>	<u>7,500</u>	<u>486,260</u>	<u>456,712</u>	<u>29,548</u>
Student Transportation Services:					
Contracted Services (Other Than Between Home and School) Vendors	9,500	(4,118)	5,382	5,382	-
Contracted Services (Between Home and School) Jointure Agreements	240,000	10,050	250,050	250,050	-
Contracted Services (Special Education Students) - Jointure Agreements	35,000	(5,932)	29,068	29,068	-
Contracted Services - Aid in Lieu of Payments	3,536		3,536	2,032	1,504
Total Student Transportation Services	<u>288,036</u>	<u>-</u>	<u>288,036</u>	<u>286,532</u>	<u>1,504</u>
Unallocated Benefits:					
Social Security Contributions	82,000	(2,000)	80,000	79,563	437
Other Retirement Contributions - PERS	78,000	9,170	87,170	86,543	627
Other Retirement Contributions - ERIP	11,900	(1,190)	10,710	10,471	239
Unemployment Compensation	24,600	(2,400)	22,200	-	22,200
Workmen's Compensation	45,000	21,853	66,853	40,066	26,787
Health Benefits	1,102,083	(109,526)	992,557	823,814	168,743
Tuition Reimbursement	14,000		14,000	7,220	6,780
Other Benefits	50,000	(5,000)	45,000	34,756	10,244
Total Unallocated Benefits	<u>1,407,583</u>	<u>(89,093)</u>	<u>1,318,490</u>	<u>1,082,433</u>	<u>236,057</u>

**LAKEHURST SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-1  
Sheet 8 of 9

**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>
On Behalf TPAF Pension Contributions (Non-Budgeted)				329,159	(329,159)
Reimbursement TPAF Social Security Contributions (Non-Budgeted)				181,958	(181,958)
Total Undistributed Expenditures	5,803,256	(36,233)	5,767,023	5,853,557	(86,534)
Total Expenditures - Current Expense	8,263,316	-	8,263,316	8,302,601	(39,285)
Capital Outlay:					
Facilities Acquisition and Construction Services:					
Salaries	6,000		6,000		6,000
Architectural/Engineering Services	20,000		20,000	2,280	17,720
Construction Services	100,000		100,000	48,570	51,430
Assessment for Debt Service Funding	20,586		20,586	20,586	-
Total Capital Outlay	146,586	-	146,586	71,436	75,150
Total Expenditures	8,409,902	-	8,409,902	8,374,037	35,865
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(713,745)	-	(713,745)	287,907	1,001,652
Other Financing Sources/(Uses) Withdrawal of Capital Reserve to Capital Projects	(500,000)		(500,000)	(500,000)	
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	(1,213,745)	-	(1,213,745)	(212,093)	1,001,652
Fund Balance July 1	2,285,020		2,285,020	2,285,020	-
Fund Balance June 30	<u>\$ 1,071,275</u>	<u>-</u>	<u>1,071,275</u>	<u>2,072,927</u>	<u>1,001,652</u>

**LAKEHURST SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-1  
 Sheet 9 of 9

**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>
Recapitulation:					
Assigned Fund Balances:					
Unreserved - Designated for Subsequent Year's Expenditures by the BOE				\$ 369,334	
Excess Surplus - Designated for Subsequent Year's Expenditures by the BOE				397,527	
Reserved Fund Balance - Excess Surplus				108,224	
Unassigned Fund Balance				<u>1,197,842</u>	
				2,072,927	
Reconciliation to Governmental Fund Statements (GAAP):					
Final State Payments not Recognized on GAAP Basis				<u>(604,552)</u>	
Fund Balance per Governmental Funds (GAAP)				<u><u>\$ 1,468,375</u></u>	

**LAKEHURST SCHOOL DISTRICT**

**Exhibit C-2**

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE 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	\$ 7,976		7,976	7,976	
State Sources	291,603		291,603	291,603	
Federal Sources	293,634		293,634	293,634	
Total Revenues	<u>\$ 593,213</u>	<u>-</u>	<u>593,213</u>	<u>593,213</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 210,095		210,095	210,095	
Other Salaries for Instruction	63,918		63,918	63,918	
General Supplies	164,382		164,382	164,382	
Total Instruction	<u>438,395</u>	<u>-</u>	<u>438,395</u>	<u>438,395</u>	<u>-</u>
Support Services:					
Salaries of Other Professional Staff	14,400		14,400	14,400	
Personal - Services - Benefits	100,387		100,387	100,387	
Purchased Professional Technical Services	14,781		14,781	14,781	
Contr. Serv-Trans. (Between Home & School)	9,000		9,000	9,000	
Supplies and Materials	6,250		6,250	6,250	
Total Support Services	<u>144,818</u>	<u>-</u>	<u>144,818</u>	<u>144,818</u>	<u>-</u>
Facilities, Acquisition and Construction Services:					
Non Instructional Equipment	10,000		10,000	10,000	
Total Expenditures	<u>\$ 593,213</u>	<u>-</u>	<u>593,213</u>	<u>593,213</u>	<u>-</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**LAKEHURST SCHOOL DISTRICT****REQUIRED SUPPLEMENTARY INFORMATION**

Exhibit C-3

**BUDGET-TO-GAAP RECONCILIATION****NOTE TO RSI****FOR THE FISCAL YEAR ENDED 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 basis) "revenue" from budgetary comparison schedule	\$ 8,661,944	593,213
Difference - budget to GAAP		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	601,446	21,814
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(604,552)</u>	<u>(27,164)</u>
Total Revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 8,658,838</u>	<u>587,863</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$ 8,374,037</u>	<u>593,213</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 8,374,037</u>	<u>593,213</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**



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

LAKEHURST SCHOOL DISTRICTSCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THENET 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)	\$ 1,838,240	1,772,200
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>
Total	<u>\$ 1,838,240</u>	<u>1,772,200</u>
District's Covered-Employee Payroll	\$ 682,903	660,153
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	37.15%	37.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.74%	40.71%

LAKEHURST SCHOOL DISTRICTSCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST TWO FISCAL YEARS

	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 85,683	82,836
Contributions in Relation to the Contractually Required Contribution	<u>85,683</u>	<u>82,836</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 682,903	660,153
Contributions as a Percentage of Covered-Employee Payroll	12.55%	12.55%

LAKEHURST 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>12,140,460</u>	<u>13,595,301</u>
Total	<u>\$ 12,140,460</u>	<u>13,595,301</u>
District's Covered-Employee Payroll	\$ 2,163,687	2,258,009
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	17.82%	16.61%
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**

**LAKEHURST SCHOOL DISTRICT**

Exhibit E-1

**SPECIAL REVENUE FUND**

**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES**

**BUDGETARY BASIS**

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

	<u>Garden Grant</u>	<u>NAVY DFAS</u>	<u>Preschool Education Aid</u>	<u>N.C.L.B.</u>		<u>I.D.E.A.</u>		<u>Total</u>
				<u>Title I</u>	<u>Title IIA</u>	<u>Basic</u>	<u>Preschool</u>	
Revenues:								
Local Sources	\$ 773	7,203						7,976
State Sources			291,603					291,603
Federal Sources				126,064	15,888	145,524	6,158	293,634
<b>Total Revenues</b>	<b>773</b>	<b>7,203</b>	<b>291,603</b>	<b>126,064</b>	<b>15,888</b>	<b>145,524</b>	<b>6,158</b>	<b>593,213</b>
Expenditures:								
Instruction:								
Salaries of Teachers	\$ -		124,271	69,082	11,022		5,720	210,095
Other Salaries for Instruction			63,918					63,918
General Supplies	773	953	10,356	19,557		132,743		164,382
<b>Total Instruction</b>	<b>773</b>	<b>953</b>	<b>198,545</b>	<b>88,639</b>	<b>11,022</b>	<b>132,743</b>	<b>5,720</b>	<b>438,395</b>
Support Services:								
Salaries of Other Professional Staff				14,400				14,400
Personal Services - Benefits			74,058	23,025	2,866		438	100,387
Purchased Professional Technical Services					2,000	12,781		14,781
Contr. Serv-Trans (Bet. Home and School)			9,000					9,000
Supplies and Materials		6,250						6,250
<b>Total Support Services</b>	<b>-</b>	<b>6,250</b>	<b>83,058</b>	<b>37,425</b>	<b>4,866</b>	<b>12,781</b>	<b>438</b>	<b>144,818</b>
Facilities, Acquisition and Construction:								
Non-Instructional Equipment			10,000					10,000
<b>Total Expenditures</b>	<b>\$ 773</b>	<b>7,203</b>	<b>291,603</b>	<b>126,064</b>	<b>15,888</b>	<b>145,524</b>	<b>6,158</b>	<b>593,213</b>



**LAKEHURST SCHOOL DISTRICT****SPECIAL REVENUE FUND**

Exhibit E-2

**PRESCHOOL EDUCATION AID****SCHEDULE OF EXPENDITURES****BUDGETARY BASIS****FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 124,271	124,271	-
Other Salaries for Instruction	63,918	63,918	-
General Supplies	<u>10,356</u>	<u>10,356</u>	-
Total Instruction	<u>198,545</u>	<u>198,545</u>	-
Support Services:			
Personal Services - Employee Benefits	74,058	74,058	-
Contr Serv-Trans (Bet. Home & School)	<u>9,000</u>	<u>9,000</u>	-
Total Support Services	<u>83,058</u>	<u>83,058</u>	-
Facilities, Acquisition and Construction Services:			
Non Instructional Equipment	<u>10,000</u>	<u>10,000</u>	-
Total Expenditures	<u>\$ 291,603</u>	<u>291,603</u>	-

**Calculation of Budget and Carryover**

Total 2014-2015 Preschool Education Aid Allocation	\$ 291,603
Actual ECPA Carryover (June 30, 2014)	
Total Funds available for 2014-2015 Budget	<u>\$ 291,603</u>
Less: Budgeted 2014-2015 Preschool Education Aid	<u>291,603</u>
Available and Unbudgeted at June 30, 2015 Preschool Education Aid	\$ -
Add: 2014-2015 Unexpended Preschool Education Aid	<u>-</u>
2014-2015 Actual Carryover Preschool Education Aid	<u>\$ -</u>
2014-2015 Carryover Budgeted in 2015-2016 Preschool Education Aid	<u>\$ -</u>

**CAPITAL PROJECTS FUND – F**

**LAKEHURST SCHOOL DISTRICT**

**CAPITAL PROJECTS FUND**

**Exhibit F-1**

**SUMMARY SCHEDULE OF PROJECT EXPENDITURES**

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

<b><u>Issue/Project Title</u></b>	<b><u>Approval Date</u></b>	<b><u>Appropriations</u></b>	<b><u>Expenditures to Date</u></b>		<b><u>Unexpended Balance</u></b>
			<b><u>Prior Year</u></b>	<b><u>Current Year</u></b>	
Roof Repairs	1/15/2009	\$ 1,464,672	1,464,657		15
H.V.A.C Improvements	1/15/2009	3,290,225	3,290,210		15
Improvements to Elementary School	7/1/2014	<u>3,707,126</u>		<u>2,332,321</u>	<u>1,374,805</u>
		<u>\$ 8,462,023</u>	<u>4,754,867</u>	<u>2,332,321</u>	<u>1,374,835</u>

LAKEHURST SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-2

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGESIN FUND BALANCE - BUDGETARY BASISFOR THE YEAR ENDED JUNE 30, 2015Expenditures

Purchased Professional and Technical Services	\$ 204,482
Construction Services	2,127,839
Total Expenditures	<u>2,332,321</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,332,321)
Other Financing Sources/(Uses):	
State Grant	2,764,015
Transfer from Capital Reserve	500,000
Lease Purchase	443,111
Total Other Financing Sources/(Uses)	<u>3,707,126</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,374,805
Fund Balance - Beginning	<u>30</u>
Fund Balance - Ending	<u>\$ 1,374,835</u>

LAKEHURST SCHOOL DISTRICT

Exhibit F-2a

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISH.V.A.C. IMPROVEMENTSFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
State Sources - SCC Grant	\$ 2,479,458		2,479,458	2,479,458
Bond Proceeds	810,400		810,400	810,400
Local Share - Budget	367		367	367
Total Revenues	<u>3,290,225</u>	<u>-</u>	<u>3,290,225</u>	<u>3,290,225</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Purchased Professional and Technical Services	252,034		252,034	252,034
Construction Services	2,826,178		2,826,178	2,826,178
Other	211,998		211,998	211,998
Total Expenditures	<u>3,290,210</u>	<u>-</u>	<u>3,290,210</u>	<u>3,290,210</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 15</u>	<u>-</u>	<u>15</u>	<u>15</u>
<b><u>Additional Project Information</u></b>				
Project Number	SCC #2500-050-09-1001			
Grant Date	1/15/2009			
Original Authorized Cost	\$ 3,290,225			
Percentage Increase Over Original Authorized Cost	0			
Percentage Completion	100%			
Original Target Completion Date	6/30/2011			
Revised Target Completion Date	12/31/2012			

LAKEHURST SCHOOL DISTRICT

Exhibit F-2b

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISROOF REPLACEMENTFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
State Sources - SCC Grant	\$ 1,103,752		1,103,752	1,103,752
Bond Proceeds	360,600		360,600	360,600
Local Share - Budget	320		320	320
Total Revenues	<u>1,464,672</u>	<u>-</u>	<u>1,464,672</u>	<u>1,464,672</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Purchased Professional and Technical Services	233,634		233,634	233,634
Construction Services	1,050,478		1,050,478	1,050,478
Other	180,545		180,545	180,545
Total Expenditures	<u>1,464,657</u>	<u>-</u>	<u>1,464,657</u>	<u>1,464,657</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing (Uses)	<u>\$ 15</u>	<u>-</u>	<u>15</u>	<u>15</u>
<b><u>Additional Project Information</u></b>				
Project Number			SCC #2500-050-09-1002	
Grant Date			1/15/2009	
Original Authorized Cost	\$ 1,464,672			
Percentage Increase Over Original Authorized Cost			0	
Percentage Completion			100%	
Original Target Completion Date			6/30/2011	
Revised Target Completion Date			12/31/2012	

LAKEHURST SCHOOL DISTRICT

Exhibit F-2c

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO LAKEHURST ELEMENTARY SCHOOLFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
State Sources - SCC Grant	\$ -	2,764,015	2,764,015	2,764,015
Lease Purchase		443,111	443,111	443,111
Local Share - Budget		500,000	500,000	500,000
Total Revenues	<u>-</u>	<u>3,707,126</u>	<u>3,707,126</u>	<u>3,707,126</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Purchased Professional and Technical Services		204,482	204,482	250,000
Construction Services		2,127,839	2,127,839	3,325,000
Other			-	132,126
Total Expenditures	<u>-</u>	<u>2,332,321</u>	<u>2,332,321</u>	<u>3,707,126</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing (Uses)	<u>\$ -</u>	<u>1,374,805</u>	<u>1,374,805</u>	<u>-</u>

**Additional Project Information**

Project Number	SCC #2500-050-13-3002
Grant Date	1/21/2014
Original Authorized Cost	\$ 3,707,126
Percentage Increase Over Original Authorized Cost	0
Percentage Completion	30%
Original Target Completion Date	6/30/2016
Revised Target Completion Date	6/30/2016

**PROPRIETARY FUNDS – G**

**N/A**



**FIDUCIARY FUND – H**

**LAKEHURST SCHOOL DISTRICT**

**TRUST AND AGENCY FUND**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**

**AS OF JUNE 30, 2015**

	<u>Student Activities</u>	<u>Net Payroll</u>	<u>Payroll Agency</u>	<u>Total 2015</u>
Assets:				
Cash and Cash Equivalents	\$ 10,274	7,748	6,952	24,974
Total Assets	<u>\$ 10,274</u>	<u>7,748</u>	<u>6,952</u>	<u>24,974</u>
Liabilities:				
Due to Student Groups	\$ 10,274			10,274
Accounts Payable		4,748		4,748
Payroll Deductions and Withholdings		3,000	6,952	9,952
Total Liabilities	<u>\$ 10,274</u>	<u>7,748</u>	<u>6,952</u>	<u>24,974</u>

**LAKEHURST SCHOOL DISTRICT**

**STUDENT ACTIVITY AGENCY FUND**

Exhibit H-3

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**

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

	<b><u>Balance</u></b> <b><u>July 1, 2014</u></b>	<b><u>Cash</u></b> <b><u>Receipts</u></b>	<b><u>Cash</u></b> <b><u>Disbursements</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2015</u></b>
Elementary School: Lakehurst Elementary	<u>\$ 13,673</u>	<u>17,989</u>	<u>21,388</u>	<u>10,274</u>

**LAKEHURST SCHOOL DISTRICT**

**PAYROLL AGENCY FUND**

Exhibit H-4

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**

**JUNE 30, 2015**

	<b><u>Balance</u></b> <b><u>July 1, 2014</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2015</u></b>
Assets:				
Cash and Cash Equivalents	<u>\$ 39,353</u>	<u>4,060,951</u>	<u>4,093,352</u>	<u>6,952</u>
Total Assets	<u><u>\$ 39,353</u></u>	<u><u>4,060,951</u></u>	<u><u>4,093,352</u></u>	<u><u>6,952</u></u>
Liabilities:				
Payroll Deductions, Withholdings	<u>\$ 39,353</u>	<u>4,060,951</u>	<u>4,093,352</u>	<u>6,952</u>
Total Liabilities	<u><u>\$ 39,353</u></u>	<u><u>4,060,951</u></u>	<u><u>4,093,352</u></u>	<u><u>6,952</u></u>

**LONG-TERM DEBT – I**

**LAKEHURST SCHOOL DISTRICT**

**LONG-TERM DEBT**

**SCHEDULE OF SERIAL BONDS PAYABLE**

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

Exhibit I-1

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>				
Improvements to Elementary School	3/4/2010	\$ 1,171,000	3/1/2016	\$ 70,000	3.00%	<u>\$ 921,000</u>	<u>70,000</u>	<u>851,000</u>
			3/1/2017	75,000				
			3/1/2018	80,000	3.50%			
			3/1/2019	80,000				
			3/1/2020	85,000	4.00%			
			3/1/2021	85,000				
			3/1/2022	90,000				
			3/1/2023	90,000				
			3/1/2024	95,000				
			3/1/2025	101,000				

**LAKEHURST SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

**DEBT SERVICE FUND**

Exhibit I-3

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

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Fund to Actual</b>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 103,890		103,890	103,890	-
Total Revenues	103,890	-	103,890	103,890	-
Expenditures:					
Regular Interest	33,890		33,890	33,890	-
Redemption of Principal	70,000		70,000	70,000	-
Total Expenditures	103,890	-	103,890	103,890	-
Excess of Revenues over Expenditures	-	-	-	-	-
Fund Balance July 1	10,357	-	10,357	10,357	-
Fund Balance June 30	\$ 10,357	-	10,357	10,357	-

**STATISTICAL SECTION**

**(Unaudited)**



**BOROUGH OF LAKEHURST SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-1

	<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>
Governmental Activities										
Invested in Capital Assets, net of related Debt	\$ 442,334	472,581	503,141	533,701	564,261	594,821	625,527	431,380	498,965	738,484
Restricted	2,233,113	1,599,845	1,446,266	1,092,946	4,534,203	5,209,115	495,000	525,000	791,240	1,062,010
Unrestricted	<u>(2,038,442)</u>	<u>(926,827)</u>	<u>(467,464)</u>	<u>(88,611)</u>	<u>(990,123)</u>	<u>(1,255,385)</u>	<u>82,693</u>	<u>180,221</u>	<u>28,588</u>	<u>28,248</u>
Total Governmental Activities	<u>\$ 637,005</u>	<u>1,145,599</u>	<u>1,481,943</u>	<u>1,538,036</u>	<u>4,108,341</u>	<u>4,548,551</u>	<u>1,203,220</u>	<u>1,136,601</u>	<u>1,318,793</u>	<u>1,828,742</u>
Business Type Activities										
Invested in Capital Assets, net of related Debt	\$ -	-	134	400	667	934	1,200	1,466	1,733	2,000
Unrestricted	<u>(72,128)</u>	<u>(49,382)</u>	<u>(18,576)</u>	<u>(24,377)</u>	<u>(19,003)</u>	<u>31,847</u>	<u>32,848</u>	<u>15,666</u>	<u>8,473</u>	<u>12,772</u>
Total Business Type Activities	<u>\$ (72,128)</u>	<u>(49,382)</u>	<u>(18,442)</u>	<u>(23,977)</u>	<u>(18,336)</u>	<u>32,781</u>	<u>34,048</u>	<u>17,132</u>	<u>10,206</u>	<u>14,772</u>
District-wide										
Invested in Capital Assets, net of related Debt	\$ 442,334	472,581	503,275	534,101	564,928	595,755	626,727	432,846	500,698	740,484
Restricted	2,233,113	1,599,845	1,446,266	1,092,946	4,534,203	5,209,115	495,000	525,000	791,240	1,062,010
Unrestricted	<u>(2,110,570)</u>	<u>(976,209)</u>	<u>(486,040)</u>	<u>(112,988)</u>	<u>(1,009,126)</u>	<u>(1,223,538)</u>	<u>115,541</u>	<u>195,887</u>	<u>37,061</u>	<u>41,020</u>
Total District Position	<u>\$ 564,877</u>	<u>1,096,217</u>	<u>1,463,501</u>	<u>1,514,059</u>	<u>4,090,005</u>	<u>4,581,332</u>	<u>1,237,268</u>	<u>1,153,733</u>	<u>1,328,999</u>	<u>1,843,514</u>

**BOROUGH OF LAKEHURST SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-2

	<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>
Expenses:										
Governmental Activities	\$ 11,228,071	9,092,779	8,968,471	12,346,098	9,031,860	8,857,663	8,627,492	8,953,218	8,321,802	7,977,524
Business Type Activities	160,994	220,533	180,518	186,684	221,149	186,570	164,071	150,482	149,987	148,937
Total District Expenses	<u>11,389,065</u>	<u>9,313,312</u>	<u>9,148,989</u>	<u>12,532,782</u>	<u>9,253,009</u>	<u>9,044,233</u>	<u>8,791,563</u>	<u>9,103,700</u>	<u>8,471,789</u>	<u>8,126,461</u>
Program Revenues:										
Governmental Activities	587,863	568,780	596,468	766,974	602,715	456,318	375,334	1,125,732	764,059	763,924
Business Type Activities	138,248	189,593	186,053	181,043	170,032	168,652	165,996	136,255	130,421	136,663
Total District Program Revenues	<u>726,111</u>	<u>758,373</u>	<u>782,521</u>	<u>948,017</u>	<u>772,747</u>	<u>624,970</u>	<u>541,330</u>	<u>1,261,987</u>	<u>894,480</u>	<u>900,587</u>
Net (Expense):										
Governmental Activities	(10,640,208)	(8,523,999)	(8,372,003)	(11,579,124)	(8,429,145)	(8,401,345)	(8,252,158)	(7,827,486)	(7,557,743)	(7,213,600)
Business Type Activities	(22,746)	(30,940)	5,535	(5,641)	(51,117)	(17,918)	1,925	(14,227)	(19,566)	(12,274)
Total District-wide Net Expense	<u>(10,662,954)</u>	<u>(8,554,939)</u>	<u>(8,366,468)</u>	<u>(11,584,765)</u>	<u>(8,480,262)</u>	<u>(8,419,263)</u>	<u>(8,250,233)</u>	<u>(7,841,713)</u>	<u>(7,577,309)</u>	<u>(7,225,874)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities	11,969,854	8,187,655	8,315,820	9,008,819	7,988,935	13,120,236	8,368,724	7,675,597	7,071,790	6,818,957
Business Type Activities						16,651	14,991	14,959	15,000	24,261
Total District-wide	<u>11,969,854</u>	<u>8,187,655</u>	<u>8,315,820</u>	<u>9,008,819</u>	<u>7,988,935</u>	<u>13,136,887</u>	<u>8,383,715</u>	<u>7,690,556</u>	<u>7,086,790</u>	<u>6,843,218</u>
Change in Net Position:										
Governmental Activities	1,329,646	(336,344)	(56,183)	(2,570,305)	(440,210)	4,718,891	116,566	(151,889)	(485,953)	(394,643)
Business Type Activities	(22,746)	(30,940)	5,535	(5,641)	(51,117)	(1,267)	16,916	732	(4,566)	11,987
Total District	<u>\$ 1,306,900</u>	<u>(367,284)</u>	<u>(50,648)</u>	<u>(2,575,946)</u>	<u>(491,327)</u>	<u>4,717,624</u>	<u>133,482</u>	<u>(151,157)</u>	<u>(490,519)</u>	<u>(382,656)</u>

**BOROUGH OF LAKEHURST SCHOOL DISTRICT**  
**FUND BALANCES, GOVERNMENT FUNDS**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-3

	<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>
General Fund:										
Reserved	\$ 875,085	1,611,272	1,281,357	672,583	550,000	650,000	495,000	525,000	791,240	1,062,010
Unreserved	<u>593,290</u>	<u>72,302</u>	<u>594,603</u>	<u>1,052,018</u>	<u>193,781</u>	<u>115,982</u>	<u>280,598</u>	<u>206,255</u>	<u>49,232</u>	<u>247,347</u>
Total General Fund	<u>\$ 1,468,375</u>	<u>1,683,574</u>	<u>1,875,960</u>	<u>1,724,601</u>	<u>743,781</u>	<u>765,982</u>	<u>775,598</u>	<u>731,255</u>	<u>840,472</u>	<u>1,309,357</u>
All Other Governmental Funds:										
Reserved - Capital Projects	\$ 1,374,835	30	177,002	436,552	3,983,760	4,557,737				
Unreserved, Reported in:										
Debt Service Fund	10,357	10,357	10,357	10,357	10,357	1,378				
Special Revenue Fund	<u>(27,164)</u>	<u>(21,814)</u>	<u>(22,450)</u>	<u>(26,546)</u>	<u>(9,914)</u>	<u>(10,027)</u>	<u>(9,905)</u>	<u>(26,034)</u>	<u>(20,644)</u>	<u>(20,799)</u>
Total All Other Government Funds	<u>\$ 1,358,028</u>	<u>(11,427)</u>	<u>164,909</u>	<u>420,363</u>	<u>3,984,203</u>	<u>4,549,088</u>	<u>(9,905)</u>	<u>(26,034)</u>	<u>(20,644)</u>	<u>(20,799)</u>

**BOROUGH OF LAKEHURST SCHOOL DISTRICT**  
**NET CHANGES IN FUND BALANCE**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-4

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues:</b>										
Local Tax Levy	\$ 1,192,666	1,169,291	1,150,591	1,146,791	1,147,664	1,048,776	1,048,776	1,048,776	1,018,796	1,018,776
Other Local Revenue	38,748	133,011	58,034	91,230	22,236	1,265,475	133,870	53,942	95,222	152,056
State Revenue	6,882,231	6,725,125	6,843,005	6,615,686	6,324,486	9,172,904	6,334,735	6,626,377	5,994,558	5,713,859
Federal Revenue	1,236,946	729,004	1,241,542	1,922,086	1,097,264	2,106,050	1,254,840	1,087,193	742,273	698,190
Total Revenues	<u>9,350,591</u>	<u>8,756,431</u>	<u>9,293,172</u>	<u>9,775,793</u>	<u>8,591,650</u>	<u>13,593,205</u>	<u>8,772,221</u>	<u>8,816,288</u>	<u>7,850,849</u>	<u>7,582,881</u>
<b>Expenditures:</b>										
Instruction:										
Regular	1,779,457	1,564,652	1,774,115	1,588,409	1,643,066	1,015,283	1,841,052	1,357,386	1,448,784	1,617,516
Special	618,593	542,289	528,024	455,917	512,600	638,173	671,562	570,765	576,163	574,632
Other	50,994	33,782	4,111	5,000	3,992	58,753	11,195	9,523	10,106	31,106
Total Instruction	<u>2,449,044</u>	<u>2,140,723</u>	<u>2,306,250</u>	<u>2,049,326</u>	<u>2,159,658</u>	<u>1,712,209</u>	<u>2,523,809</u>	<u>1,937,674</u>	<u>2,035,053</u>	<u>2,223,254</u>
Undistributed:										
Instruction	2,411,153	2,567,096	2,551,722	2,501,349	2,409,064	3,341,144	2,517,220	2,348,111	2,267,440	1,853,841
Support Service - Students/Staff	557,719	522,887	460,620	438,253	473,727	481,977	463,448	424,216	370,571	384,504
General Administration	-	-	-	-	483,965	435,357	475,631	200,371	446,802	250,251
School Administration	547,891	534,791	568,716	609,850	109,590	119,372	85,366	357,130	119,256	280,696
Operations and Maintenance	456,712	475,047	422,589	384,572	380,498	404,393	435,023	414,281	415,928	471,276
Student Transportation	286,532	263,619	220,812	223,570	305,733	283,830	302,713	199,844	215,937	171,168
Unallocated Benefits	1,593,550	1,627,160	1,630,971	1,568,363	1,172,669	1,176,954	1,057,661	1,095,480	896,642	956,698
TPAF Pension & Social Security	-	-	-	-	400,755	412,941	376,986	753,389	727,624	518,462
Total Undistributed	<u>5,853,557</u>	<u>5,990,600</u>	<u>5,855,430</u>	<u>5,725,957</u>	<u>5,736,001</u>	<u>6,655,968</u>	<u>5,714,048</u>	<u>5,792,822</u>	<u>5,460,200</u>	<u>4,886,896</u>
Capital Outlay:	<u>71,436</u>	<u>272,368</u>	<u>83,850</u>	<u>154,701</u>	<u>16,610</u>	<u>5,400</u>	<u>49,947</u>	<u>30,303</u>	<u>23,996</u>	<u>68,302</u>
Special Schools/Education Jobs	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,783</u>	<u>-</u>	<u>-</u>	<u>36,577</u>	<u>24,015</u>	<u>21,426</u>	<u>15,157</u>
Total General Fund Expenditures	<u>8,374,037</u>	<u>8,403,691</u>	<u>8,245,530</u>	<u>8,140,767</u>	<u>7,912,269</u>	<u>8,373,577</u>	<u>8,324,381</u>	<u>7,784,814</u>	<u>7,540,675</u>	<u>7,193,609</u>
Special Revenue:										
Federal & State	593,213	568,144	590,462	572,823	593,602	456,440	359,205	1,131,122	763,904	764,128
Total Special Revenue Expenditures	<u>593,213</u>	<u>568,144</u>	<u>590,462</u>	<u>572,823</u>	<u>593,602</u>	<u>456,440</u>	<u>359,205</u>	<u>1,131,122</u>	<u>763,904</u>	<u>764,128</u>
Capital Projects	<u>2,332,321</u>	<u>52,807</u>	<u>26,312</u>	<u>3,547,208</u>	<u>573,977</u>	<u>197,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service	<u>103,890</u>	<u>100,515</u>	<u>154,169</u>	<u>98,015</u>	<u>98,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Fund Expenditures	<u>11,403,461</u>	<u>9,125,157</u>	<u>9,016,473</u>	<u>12,358,813</u>	<u>9,178,736</u>	<u>9,027,177</u>	<u>8,683,586</u>	<u>8,915,936</u>	<u>8,304,579</u>	<u>7,957,737</u>
Other Financing Sources (Uses)	<u>3,207,126</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,651)</u>	<u>(28,163)</u>	<u>(14,959)</u>	<u>(15,000)</u>	<u>(24,261)</u>
Net Changes in Fund Balance	<u>\$ 1,154,256</u>	<u>(368,722)</u>	<u>276,699</u>	<u>(2,583,020)</u>	<u>(587,086)</u>	<u>4,549,377</u>	<u>60,472</u>	<u>(114,607)</u>	<u>(468,730)</u>	<u>(399,117)</u>

Source: District Records

**BOROUGH OF LAKEHURST SCHOOL DISTRICT**  
**GENERAL FUND OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

**Fiscal Year Ended June 30**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Interest	\$ 48,021	\$ 48,793	\$ 22,761	\$ 5,856	\$ -	\$ 8,979	\$ 796.00	\$ -	\$ 698.00	\$ -
Reimbursements	\$ 29,257	\$ 44,656	\$ 17,926	\$ 90,400	\$ 81,000	\$ 9,000	\$ 56,751.00	\$ -	\$ -	\$ -
Miscellaneous	\$ 74,778	\$ 1,773	\$ 13,255	\$ 37,614	\$ 11,410	\$ 4,257	\$ 33,683.00	\$ 39,854.00	\$ 21,752.00	\$ 30,772.00
	<u>\$ 152,056</u>	<u>\$ 95,222</u>	<u>\$ 53,942</u>	<u>\$ 133,870</u>	<u>\$ 92,410</u>	<u>\$ 22,236</u>	<u>\$ 91,230.00</u>	<u>\$ 39,854.00</u>	<u>\$ 22,450.00</u>	<u>\$ 30,772.00</u>

Source: District Records

**BOROUGH OF LAKEHURST SCHOOL DISTRICT  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS  
UNAUDITED**

<u>Total Tax Year</u>	<u>Net Assessed Valuation Taxable</u>	<u>Net Valuation</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2004	74,545,307	104,660,091	71.23%
2005	75,035,610	123,638,007	60.68%
2006	186,125,105	151,203,175	81.24%
2007	186,708,124	177,524,099	100.51%
2008	187,500,617	187,550,617	100.10%
2009	191,280,472	196,726,579	97.49%
2010	190,755,237	202,841,339	94.25%
2011	190,477,370	191,980,613	99.49%
2012	189,965,889	181,757,347	104.85%
2013	188,948,432	200,565,666	94.39%
2014	140,985,055	157,310,875	89.82%

Source: Abstract of Ratables, County Board of Taxation

**BOROUGH OF LAKEHURST SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED**

Year Ending <u>Dec. 31st</u>	Total Direct School <u>Tax Rate</u>	Municipality of <u>Lakehurst</u>	<u>Ocean County</u>	Total Direct and Overlapping Tax <u>Rate</u>
2005	1.842	1.849	0.629	4.320
2006	0.538	0.540	0.280	1.358
2007	0.553	0.803	0.296	1.652
2008	0.550	0.840	0.310	1.700
2009	0.540	0.920	0.320	1.780
2010	0.600	0.980	0.350	1.930
2011	0.600	1.040	0.340	1.980
2012	0.595	1.069	0.346	2.010
2013	0.614	1.109	0.415	2.138
2014	0.840	1.605	0.454	2.899

Source: Abstract of Ratables, Ocean

Exhibit J-8

**BOROUGH OF LAKEHURST SCHOOL DISTRICT  
SCHEDULE OF PRINCIPAL TAXPAYERS  
CURRENT YEAR  
UNAUDITED**

2015

<u>Taxpayer</u>	<u>Assessed Valuation 2007</u>	<u>Rank Optional</u>	<u>As a Percentage of District's Net Assessed Valuation</u>
Lakehurst Cir Associates II LLC	\$ 1,955,600.00		1.39
Lakehurst Cir Associates I LLC	\$ 1,408,600.00		1
Garden Homes Vermont LP	\$ 1,326,000.00		0.94
Rt. 70 Landmark Associates LLC	\$ 1,146,738.00		0.82
Verizon-NJ c/o Duff & Phelps	\$ 1,061,566.00		0.76
Lakehurst Cir Associates I LLC	\$ 1,058,200.00		0.75
Center Development LLC	\$ 1,029,800.00		0.73
McDonalds Corp 258-29/MCLakehurst	\$ 937,300.00		0.67
Route 70 SS LLC	\$ 893,700.00		0.64
Limelight LLC	\$ 878,900.00		0.63
Total Net Taxable Value	\$ 11,696,404.00		8.33

Source: Lakehurst Borough Tax Assessor



**BOROUGH OF LAKEHURST SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED**

Collected within the Fiscal Year of the Levy

<u>Year Ended</u> <u>Dec. 31</u>	<u>Taxes Levied for</u> <u>the Year</u>	<u>Amount Collected</u>	<u>Percentage of Levy</u>	<u>Collections in Sub</u> <u>Years</u>
2005	\$ 2,866,333	2,806,613	98.12%	0
2006	2,942,992	2,871,359	97.59%	0
2007	3,095,507	3,032,850	97.98%	0
2008	3,274,608	3,172,320	96.88%	0
2009	3,412,164	3,310,925	97.03%	0
2010	3,672,705	3,566,640	97.11%	0
2011	3,783,298	3,683,874	97.37%	0
2012	3,831,308	3,727,351	96.66%	0
2013	4,039,717	3,911,878	96.83%	0
2014	4,086,176	3,925,484	96.07%	0

Note: Dollar amounts are rounded to the nearest whole dollar.  
Source: Municipal Tax Collector

**BOROUGH OF LAKEHURST SCHOOL DISTRICT  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED**

Fiscal Year Ended <u>June 30</u>	General Obligation <u>Bonds</u>	<u>Capital Leases</u>	Bonded Debt Anticipation Notes ( <u>BANs</u> )	Total District <u>Debt</u>	Percentage of Personal <u>Income</u>
2006	0	0	0	0	0%
2007	0	0	0	0	0%
2008	0	0	0	0	0%
2009	0	0	0	0	0%
2010	1,171,000	0	0	1,171,000	1.2%
2011	1,111,000	0	0	1,111,000	1.1%
2012	1,051,000	0	0	1,051,000	1.0%
2013	986,000	0	0	986,000	0.9%
2014	921,000	0	0	921,000	0.8%
2015	851,000	0	0	851,000	0.7%

Source: Abstract of Ratables, Ocean County

**BOROUGH OF LAKEHURST SCHOOL DISTRICT  
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED**

Governmental Activities

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>General Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General Bonded</u> <u>Debt Outstanding</u>	Percentage of Actual Taxable Value # of <u>Property</u>	Net Bonded Debt <u>Per Capita</u>
2005	0	0	0	0.00%	0
2006	0	0	0	0.00%	0
2007	0	0	0	0.00%	0
2008	0	0	0	0.00%	0
2009	0	0	0	0.00%	0
2010	1,171,000	0	1,171,000	0.61%	431
2011	1,111,000	0	1,111,000	0.58%	409
2012	1,051,000	0	1,051,000	0.54%	394
2013	986,000	0	986,000	0.51%	370
2014	921,000	0	921,000	0.51%	339

Note: Dollars rounded to the nearest whole dollar

Source: Municipal Tax Collector

**BOROUGH OF LAKEHURST SCHOOL DISTRICT  
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2014  
UNAUDITED**

Net Direct Debt of School District as of December 31, 2014	\$	921,000.00
Net Overlapping Debt of School District:		
Lakehurst Borough:	\$	4,571,439.00
County (Boro Share):	\$	<u>848,537.90</u>
Total Direct and Overlapping Bonded Debt As of December 31, 2014	\$	<u>6,340,976.90</u>

Source: Lakehurst Borough Tax Assessor

**BOROUGH OF LAKEHURST SCHOOL DISTRICT  
COMPUTATION OF LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED**

**Year Ended December 31, 2014**

Legal Debt Margin For Year Ended 2013

Equalized valuation basis

2012	199,322,471
2013	171,414,959
2014	163,750,402

Average equalized valuation of taxable property 178,162,611

Debt limit (2.5% of average equalization value) 4,454,065

Total Net Debt Applicable to Limit 0

Legal debt margin \$ 4,454,065

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 2,058,896	3,099,459	3,700,348	4,579,768	4,799,540	4,579,768	4,756,484	4,732,013	4,589,103	4,454,065
Total net debt applicable to limit	0	0	0	0	1,171,000	1,111,000	1,111,000	1,051,000	986,000	921,000
Legal debt margin	\$ <u>2,058,896</u>	<u>3,099,459</u>	<u>3,700,348</u>	<u>4,579,768</u>	<u>3,628,540</u>	<u>3,468,768</u>	<u>3,645,484</u>	<u>3,681,013</u>	<u>3,603,103</u>	<u>3,533,065</u>

Source: Annual Report of the State of NJ

**BOROUGH OF LAKEHURST SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS  
UNAUDITED**

<u>Year Ended December 31</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2004	2,690	\$ 93,571,650	34785	6.1%
2005	2,690	\$ 96,573,690	35901	4.3%
2006	2,690	\$ 102,298,010	38029	4.3%
2007	2708	\$ 109,137,816	40302	6.4%
2008	2717	\$ 112,144,175	41275	8.2%
2009	2719	\$ 110,146,690	40510	13.4%
2010	2660	\$ 108,025,260	40611	14.0%
2011	2668	\$ 112,018,648	41986	14.6%
2012	2664	\$ 115,084,800	43200	14.9%
2013	2700	\$ 116,677,800	43214	10.4%
2014	2713	unavailable	unavailable	9.2%

Source: NJ Dept. of Ed Website

**BOROUGH OF LAKEHURST SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED**

**2015**

DATA NOT AVAILABLE

**2006**

DATA NOT AVAILABLE

**BOROUGH OF LAKEHURST SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>Instruction</b>										
Regular	24	23	23	23.5	23.5	19	21.5	24.5	25	25.5
Spec Ed	9	9.5	10	11.25	11.75	10.5	10	7	7	10.5
Other Spec Ed										
Vocational										
Other Instruction	7	5.2	5	5.25	5.25	4.75	4.5	3.5	3.5	13.5
Nonpublic school programs										
Adult/continuing education programs										
<b>Support Services</b>										
Student & Instruction related services	4	4	4	4	4	4	3.5	4.5	3	4.75
General administration	3	3	3	4	4	4	4	3.5	2.5	1.75
School administrative services			2	2	2	2	2	2	2	1.5
Other administrative services	1	1	1	1	1	1	1	0.5	1	1.2
Central Services	2	2	2.3	2.3	2.3	2.3	2.3	3.3	3.3	3.3
Administrative Information Technology	1		0.5	0.5	0.5	0.5	1	1	1	1
Plant Operation & Maintenance	5	5	6	5.5	5.5	4.5	4.5	4.5	4.5	4.5
Pupil transportation										
Other support services	8	10	11	10	10	7.5	11	11.5	11	
<b>Special Schools</b>										
<b>Food Service</b>										
<b>Child Care</b>										
<b>Total</b>	<b><u>64</u></b>	<b><u>62.7</u></b>	<b><u>67.8</u></b>	<b><u>69.3</u></b>	<b><u>69.8</u></b>	<b><u>60.05</u></b>	<b><u>65.3</u></b>	<b><u>65.8</u></b>	<b><u>63.8</u></b>	<b><u>67.5</u></b>

Source: District Personnel Records



**BOROUGH OF LAKEHURST SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED**

**PUPIL/TEACHER RATIO**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentile Change</u>	<u>Teaching Staff</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>% Change in ADE</u>	<u>Student Attendance Percentage</u>
2006	484.5	6,699,408	13,827	-2%	44.0	475.2	451.5	2.5%	95.0%
2007	488.0	6,828,051	13,992	0%	44.0	461.3	438	2.9%	95.0%
2008	446.0	6,992,066	15,677	12%	41.7	448	424	2.8%	94.8%
2009	439.0	8,683,586	19,780	24%	44.0	445.5	423.2	0.3%	95.0%
2010	437.0	9,027,177	20,657	4%	45.0	434.8	413.7	2.2%	95.1%
2011	435.0	9,178,736	21,101	2%	39.0	437	409.5	0.95%	93.7%
2012	585.0	8,140,767	13,916	0%	37.5	421.1	399.5	2.00%	94.9%
2013	572.0	8,245,530	14,415	0%	37.5	414.1	389.9	2.00%	94.1%
2014	413.0	8,131,323	19,688	36%	35.5	n/a	n/a	n/a	n/a
2015	383.0	8,885,814	23,201	18%	39.5	n/a	n/a	n/a	n/a

Source: District Records

**BOROUGH OF LAKEHURST SCHOOL DISTRICT  
BUILDINGS  
LAST TEN FISCAL YEARS  
UNAUDITED**

**Fiscal Year Ended June 30**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Lakehurst Elementary School</b>										
Square Feet	55,790	55,790	55,790	55,790	55,790	55,790	55,790	55,790	55,790	55,790
Capacity (Students)	521	521	521	521	521	521	521	521	521	521
Enrollment	470	470	455	439	430	435	585	417	413	383
 <b>Other</b>										
Administration Building:										
Square Feet	1180	1180	1180	1180	1180	1180	1180	1180	1180	1180

Source: District Records

**BOROUGH OF LAKEHURST SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
FOR THE LAST TEN FISCAL YEARS  
UNAUDITED**

**UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-XXXX**

<u>School Facilities</u>	<u>Lakehurst Elementary</u>	<u>Total School Facilities</u>
2006	76,000	76,000
2007	50,214	50,214
2008	49,448	49,448
2009	128,395	128,395
2010	113,418	113,418
2011	124,667	124,667
2012	123,444	123,444
2013	144,478	144,478
2014	150,642	150,642
2015	154,901	154,901

School facilities as defined under EFCFA (N.J.A.C. 6A:26-1.2 and  
Source: District Records

## Exhibit J-20

**BOROUGH OF LAKEHURST SCHOOL DISTRICT  
INSURANCE SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**UNAUDITED**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy – S.A.I.F.		
Property – Blanket Building & Contents	250,000,000	1,000
Extra Expense Section - All Risks Coverage	50,000,000	
Electronic Data Processing Equipment	7,700,000,000	
Contractors Equipment	7,700,000,000	
Musical Instruments Floater	7,700,000,000	
Monies and Security	50,000	1,000
Comprehensive General Liability	5,000,000	
Employers Non-Owned & Hired Auto Liability	5,000,000	
Employee Benefits Liability	5,000,000	1,000 Per Claim
Nurses Professional Liability	5,000,000	
Workers Compensation – NJSBAIG		
Covered Payrolls	5,000,000	
Boiler Insurance Extra Expense Section	100,000,000	1,000 Per Occurrence
Fidelity Bond - S.A.I.F.		
All Employees	100,000 Per Person	
Treasurer - Western Surety Co.	175,000	
SBA/ Board Secretary - Selective Ins. Co.	85,000	
School Board Legal Liability - NJSBAIG	1,000,000	5,000
Student Accident - AIG		
Accidental Death	1,000,000	
Medical		
Dental Limit	1,000,000	

Source: School Records

**SINGLE AUDIT SECTION**

*Robert A. Hulsart and Company*  
CERTIFIED PUBLIC ACCOUNTANTS

98.

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.

Telecopier:  
(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 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  
Lakehurst School District  
County of Ocean  
Lakehurst, 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 Lakehurst Board of Education, County of Ocean, 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 Lakehurst Board of Education, County of Ocean, State of New Jersey's basic financial statements, and have issued our report thereon dated December 3, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Lakehurst Board of Education, County of Ocean, 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 Lakehurst Board of Education, County of Ocean, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lakehurst Board of Education, County of Ocean, 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 Lakehurst Board of Education, County of Ocean, 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*

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

December 3, 2015

*Robert A. Hulsart and Company*  
CERTIFIED PUBLIC ACCOUNTANTS

100.

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.

Telecopier:  
(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 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  
Lakehurst School District  
County of Ocean  
Lakehurst, New Jersey

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

We have audited the Board of Education of the Lakehurst School District, County of Ocean, 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 Lakehurst School District, County of Ocean, State of New Jersey's major federal and state programs for the year ended June 30, 2015. The Board of Education of the Lakehurst School District, County of Ocean, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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



### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Lakehurst School District, County of Ocean, State of New Jersey's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 federal and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Lakehurst School District, County of Ocean, 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 federal and state program. However, our audit does not provide a legal determination of the Board of Education of the Lakehurst School District, County of Ocean, State of New Jersey's compliance.

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

In our opinion, the Board of Education of the Lakehurst School District, County of Ocean, 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 federal and state programs for the year ended June 30, 2015.

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

Management of the Board of Education of the Lakehurst School District, County of Ocean, 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 Lakehurst School District, County of Ocean, 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 federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Lakehurst School District, County of Ocean, 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 federal and 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 federal and state program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and 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*

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

December 3, 2015

**LAKEHURST SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Schedule A

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

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Balance at June 30, 2015		
				From	To						(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education:													
General Fund:													
Medicaid Reimbursement	93.778		\$ 37,269	7/1/14	6/30/15	\$ -		37,269	(37,269)				
Impact Aid	84.041		906,043	9/1/14	8/31/15	-		906,043	(906,043)				
Total General Fund						-	-	943,312	(943,312)	-	-	-	
U.S. Department of Education													
Passed Through State Department of Education:													
Special Revenue Fund:													
I.D.E.A.:													
Basic	84.027		145,524	9/1/14	8/31/15			142,576	(145,524)		(2,948)		
Basic	84.027		158,416	9/1/13	8/31/14	(7,727)		7,727					
Preschool	84.173		6,158	9/1/14	8/31/15			4,420	(6,158)		(1,738)		
No Child Left Behind:													
Title I	84.010A	NCLB	126,064	9/1/14	8/31/15			94,554	(126,064)		(31,510)		
Title I	84.010A	NCLB	116,144	9/1/11	8/31/12	(19,969)		19,969					
Title IIA	84.367	NCLB	15,888	9/1/14	8/31/15				(15,888)		(15,888)		
Total Special Revenue						(27,696)	-	269,246	(293,634)	-	(52,084)	-	
U.S. Department of Agriculture													
Passed Through Department of Education:													
Enterprise Fund:													
National School Lunch Program	10.555	N/A	85,170	9/1/14	8/31/15			78,342	(85,170)		(6,828)		
National School Lunch Program	10.555	N/A	90,707	9/1/13	8/31/14	(6,401)		6,401					
Federal HHFKA Lunch Program	10.555	N/A	2,178	9/1/14	8/31/15			2,006	(2,178)		(172)		
Federal HHFKA Lunch Program	10.555	N/A	2,493	9/1/13	8/31/14	(166)		166					
School Breakfast Program	10.553	N/A	11,299	9/1/14	8/31/15			10,122	(11,299)		(1,177)		
School Breakfast Program	10.553	N/A	33,080	9/1/13	8/31/14	(2,859)		2,859					
Total Enterprise Fund						(9,426)	-	99,896	(98,647)	-	(8,177)	-	
Total Federal Financial Awards						\$ (37,122)	-	1,312,454	(1,335,593)	-	(60,261)	-	

See accompanying notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**LAKEHURST SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

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

Schedule B

State Grantor/Program State Department of Education:	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2015			MEMO		
			From	To						(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
General Fund:															
Categorical Special Education Aid	15-495-034-5120-089	\$ 304,592	7-1-14	6-30-15	\$ -		304,592	(304,592)					30,228	304,592	
Equalization Aid	15-495-034-5120-078	5,421,371	7-1-14	6-30-15			5,421,371	(5,421,371)					544,097	5,421,371	
Categorical Security Aid	15-495-034-5120-084	135,295	7-1-14	6-30-15			135,295	(135,295)					11,693	135,295	
Transportation Aid	15-495-034-5120-014	116,548	7-1-14	6-30-15			116,548	(116,548)					11,693	116,548	
Adjustment Aid	15-495-034-5120-085	28,730	7-1-14	6-30-15			28,730	(28,730)					3,015	28,730	
Under Adequacy Aid	15-495-034-5120-083	29,812	7-1-14	6-30-15			29,812	(29,812)					3,016	29,812	
PARCC Readiness Aid	15-495-034-5120-098	4,910	7-1-14	6-30-15			4,910	(4,910)					405	4,910	
Per Pupil Growth Aid	15-495-034-5120-097	4,910	7-1-14	6-30-15			4,910	(4,910)					405	4,910	
Extraordinary Aid	15-495-034-5120-044	40,233	7-1-14	6-30-15				(40,233)			(40,233)			40,233	
Extraordinary Aid	14-495-034-5120-044	41,069	7-1-13	6-30-14	(41,069)		41,069								
Non-Public Transportation Aid	15-495-034-5120-014	1,566						(1,566)			(1,566)			1,566	
Non-Public Transportation Aid	14-495-034-5120-014	1,473	7-1-13	6-30-14	(1,473)		1,473								
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	14-100-034-5095-002	181,958	7-1-14	6-30-15			173,859	(181,958)			(8,099)			181,958	
<b>Total General Fund</b>					<b>(42,542)</b>	<b>-</b>	<b>6,262,569</b>	<b>(6,269,925)</b>	<b>-</b>	<b>-</b>	<b>(49,888)</b>	<b>-</b>	<b>-</b>	<b>604,552</b>	<b>6,269,925</b>
Special Revenue:															
Preschool Education Aid	15-495-034-5120-086	291,603	7-1-14	6-30-15			291,603	(291,603)					27,164	291,603	
<b>Total Special Revenue</b>					<b>-</b>	<b>-</b>	<b>291,603</b>	<b>(291,603)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,164</b>	<b>291,603</b>	
Capital Projects Fund															
EDA Grant - Building Program	2500-050-13-3002	2,764,015	2014	2016				(2,332,321)			(2,332,321)			2,332,321	
<b>Total Capital Projects Fund</b>					<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,332,321)</b>	<b>-</b>	<b>-</b>	<b>(2,332,321)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,332,321</b>
Enterprise Fund:															
National School Lunch Program (State Share)	15-100-010-3350-023	1,875	7-1-14	6-30-15			1,726	(1,875)			(149)			1,875	
National School Lunch Program (State Share)	14-100-010-3350-023	2,120	7-1-13	6-30-14	(143)		143								
<b>Total Enterprise Fund</b>					<b>(143)</b>	<b>-</b>	<b>1,869</b>	<b>(1,875)</b>	<b>-</b>	<b>-</b>	<b>(149)</b>	<b>-</b>	<b>-</b>	<b>1,875</b>	
<b>Total State Financial Assistance</b>					<b>\$ (42,685)</b>	<b>-</b>	<b>6,556,041</b>	<b>(8,895,724)</b>	<b>-</b>	<b>-</b>	<b>(2,382,358)</b>	<b>-</b>	<b>-</b>	<b>631,716</b>	<b>8,895,724</b>

See accompanying Notes to Schedules of Federal Awards and State Financial Assistance.

**LAKEHURST 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, Lakehurst 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 schedules 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 National School Lunch Program. These bases of accounting are described in the 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 payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

	<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	\$ 6,269,925	291,603	1,875	6,563,403
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	329,159			329,159
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>(3,106)</u>	<u>(5,350)</u>	<u>_____</u>	<u>(8,456)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 6,595,978</u>	<u>286,253</u>	<u>1,875</u>	<u>6,884,106</u>

	<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	\$ 943,312	293,634	98,647	1,335,593
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized	_____	_____	_____	_____
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures and Changes in Fund Balances	<u>\$ 943,312</u>	<u>293,634</u>	<u>98,647</u>	<u>1,335,593</u>

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

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

LAKEHURST 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

**Federal Awards**

Internal control over compliance:

1) Material weakness(es) identified? \_\_\_\_\_ Yes   x   No

2) Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   x   None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? \_\_\_\_\_ Yes   x   No

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

84.041  
84.027  
84.173  
\_\_\_\_\_  
\_\_\_\_\_

Impact Aid  
I.D.E.A. Basic  
I.D.E.A. Preschool  
\_\_\_\_\_  
\_\_\_\_\_

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

Auditee qualified as low-risk auditee?   x   Yes \_\_\_\_\_ No





LAKEHURST SCHOOL DISTRICT

SCHEDULE 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: 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

LAKEHURST SCHOOL DISTRICT

SCHEDULE 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**

Finding: NONE

Information on the Federal 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

**STATE 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

LAKEHURST SCHOOL DISTRICT

SCHEDULE 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 (Continued)*

STATE AWARDS (Continued)

Recommendation: N/A

Management's response: N/A

**LAKEHURST SCHOOL DISTRICT**

113.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

K-7

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

**Prior Audit Findings:**

There were no prior year audit findings.