

SCHOOL DISTRICT

OF

MONMOUTH BEACH



MONMOUTH BEACH BOARD OF EDUCATION
MONMOUTH BEACH, NEW JERSEY

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**MONMOUTH BEACH
BOARD OF EDUCATION**

MONMOUTH BEACH, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PREPARED BY

**MONMOUTH BEACH BOARD OF EDUCATION
FINANCE DEPARTMENT**

MONMOUTH BEACH SCHOOL DISTRICT

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INTRODUCTORY SECTION



MONMOUTH BEACH **SCHOOL**

7 Hastings Place, Monmouth Beach, NJ 07750-1199 • Phone (732) 222-6139 • Fax (732) 222-2395

Michael Ettore, Superintendent
Kristoffer Brogna, Assistant Principal
Dennis W. Kotch, Business Administrator

www.mbschool.org

December 18, 2015

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

Dear Board Members:

The comprehensive annual financial report of the Monmouth Beach School District (District) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). 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 as follows:

The Introductory Section includes the Letter of Transmittal, the District's Organizational Chart, and a list of Principal Officials.

The Financial Section includes the General Purpose Financial Statements and Schedules, the Independent Auditor's and the Management's Discussion and Analysis.

The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

The Single Audit Section: The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, as amended and the U.S. Office of Management and Budget Circular A - 133, AAudits of State and Local Governments, @ and the State Treasury Circular A-04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments. @ Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES:

Monmouth Beach School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14 and Statement 34. All funds and account groups of the District are included in this report. The Monmouth Beach Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-School through Eighth Grade. These services include regular as well as special education disabled youngsters. The District completed the 2014-2015 fiscal year with an enrollment of 286 students. The following details the changes in the student enrollment within the district over the last twenty-two years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2014-15	286.0	0.01
2013-14	284.5	0.78
2012-13	282.3	-10.0
2011-12	313.7	2.65
2010-11	305.6	-4.32
2009-10	319.4	.06
2008-09	319.6	-2.17
2007-08	326.7	4.75
2006-07	311.9	-1.11
2005-06	315.4	-1.04
2004-05	318.7	1.34
2003-04	314.5	3.59
2002-03	303.6	-0.69
2001-02	305.7	0.39
2000-01	304.5	1.57
1999-00	299.8	-3.66
1998-99	311.2	1.30
1997-98	307.2	2.13
1996-97	300.8	5.03
1995-96	286.4	4.15
1994-95	275.0	5.00
1993-94	261.9	4.43
1992-93	250.8	0.00

ECONOMIC CONDITION AND OUTLOOK:

As a result of the District's efforts over the past several years, the financial status of the Monmouth Beach School continues to remain stable and many accomplishments have occurred as a result. Funds continue to be set aside for capital projects and tax relief. The District suffered substantial loss during the 2012-2013 as a result of Hurricane Sandy. The District's insurance covered 100% of the costs associated with

the restoration of the school building and its contents. The school building was shut-down from October 29, 2012 – June 2, 2013 saving the District hundreds of thousands of dollars on operating costs.

The improved financial picture and proactive planning have allowed the district to renovate facilities, increase staff development, review curriculum needs and upgrade instructional materials (as per the curriculum review cycle), as well as provide technological improvements as per the district's technology plan (i.e. Chromebooks, tablets, SMARTboards, video-conference equipment, mobile labs). As a result, the District is better prepared to meet the challenge of preparing all students for the future.

The above has permitted the District to have a much improved economic condition and a brighter outlook for the future. The improved educational facility, a Long Range Facility Plan that includes ongoing upgrades of the building, a "stabilized" budget, and ongoing community support will continue to contribute to this improved economic condition and outlook.

MAJOR INITIATIVES:

The district continued throughout the year to refine, expand or re-evaluate its programs and to provide many opportunities for staff development, in and outside of the district. This initiative is meant to assure that students score above the State averages on State Assessments and above National averages on standardized assessments. The district will be completing the State's QSAC monitoring program during the 2015-2016 school year. AYP (Adequate Yearly Progress) has also been annually achieved.

The district has integrated technology components throughout the curriculum. The upgrading of technology hardware and software and the training of staff members is an ongoing project (i.e. Chromebooks, tablets, video conference equipment, SMARTBoards). The District is working towards a 1-to-1 initiative with every student having his/her own device. As of September 1, 2015, approximately 70% of the students were equipped with a District owned laptop. Administrative software, library software, and teacher tools (i.e. grading software, website) are continually expanded and improved. A technology consultant was employed to assure the district was moving in the right direction and to lend assistance with the implementation of our Technology Plan.

Professional development opportunities occur on many levels. As part of faculty meetings, mandated topics, such as HIB (Harassment, Intimidation & Bullying), sexual harassment, affirmative action, right-to-know and bloodborne pathogens, are reviewed and updated. Specific staff members attend monthly meetings of organizations related to their professional responsibilities. These include, but not limited to, meetings for special education, gifted and talented, technology educators, careers, and substance abuse.

Professional staff development days are held throughout the year to provide opportunities for staff members to increase their knowledge and skills. During the 2014-2015 school year, staff development days focused on technology, health issues, character education, anti-bullying, special education, writing, and the core-curriculum content standards. The 2015-2016 school year will focus again on the infusion of technology, Response to Intervention (RTI), special education, anti-bullying, writing, Wilson Reading, autism, ABA, Balanced literacy initiatives, and the new "common core" curriculum with an emphasis on differentiated instruction.

Finally, opportunities are provided for staff members to attend workshops to support the district's initiatives and individual professional improvement plans. For the 2014-2015 school year their opportunities included the following:

Language Arts Literacy

Core Curriculum Standards and Framework Review
 Curriculum articulation with neighboring districts
 The Newly Adopted Common Core Standards in English, Language Arts (five staff members)
 Wilson Reading Introductory Workshop
 Wilson – Introductory/applied Methods Training – Three Days (two staff members)
 Wilson Reading Training – Just Words – Two Day Seminar – two days (two staff members)
 Differentiated Instruction in the Language Arts Class (K-6)
 Annual Conference on Reading and Writing at Rutgers University
 Middle Level Readers Workshop at Oceanport School District (four staff members)
 Reader’s Workshop (language arts teachers)
 Teachers College Reading and Writing Project (eight staff members)
 Balance Literacy (language arts teachers)

Mathematics

Core Curriculum Standards and Framework Review
 Curriculum articulation with neighboring districts
 Study Island Training in Math (new staff members)
 The Newly Adopted Common Core Standards in Mathematics (five staff members)
 Math Strategies for Improving NJ ASK Scores
 Algebra End of Year Exam
 Math Activities to Prepare for NJASK 6-8

Science

Core Curriculum Standards and Framework Review
 Curriculum articulation with neighboring districts
 New Jersey Science Convention
 Explore the Western Monarch Sanctuaries

Social Studies

Core Curriculum Standards and Framework Review
 Curriculum articulation with neighboring districts

World Language

Core Curriculum Standards and Framework Review
 Curriculum articulation with neighboring districts

Visual and Performing Arts

Core Curriculum Standards and Framework Review
 Curriculum articulation with neighboring districts

Comprehensive Health and Physical Education

Core Curriculum Standards and Framework Review
 Curriculum articulation with neighboring districts
 NJ Association for Health, Physical Education, Recreation and Dance Annual Convention
 New Jersey PEOSH Indoor Air Quality Training

Juvenile Arthritis
 Suicide Prevention Workshop
 Pediatric Hypertension
 Head Injury & Sport Concussions
 Evaluation of Sore Throats for School Nurses, Pediatric Dental Emergencies
 Head and Back Injuries
 Meeting the Challenge of a Changing School Health Environment
 Exploring Epilepsy
 Homeless State Law and Code and Behavioral Health Services
 Allergies, Anaphylaxis, and Asthma Updates
 Communicable Disease Reporting: Bed Bugs – Why Now

Career Education and Consumer, Family and Life Skills / Cross Content Readiness / Media

Core Curriculum Standards and Framework Review
 Curriculum articulation with neighboring districts

Special Education

Core Curriculum Standards and Framework Review
 Curriculum articulation with neighboring districts
 ABA/ABLLS Training with Lauren Clark (all staff members)
 ABLLS Training with Lauren Clark (three staff members)
 ABA Training and Observation (two staff members)
 CNNH Autism Workshop at West Long Branch (two staff members)
 Lesson Planning with Differentiated Instruction to Support Students with Disabilities
 in General Education Classroom – Two Day Workshop (two staff members)
 Data Collection Workshop at Douglass Developmental Disabilities Center (two staff
 members)
 Demonstration of Correct Teaching Procedures for Young Students with Autism (two
 staff members)
 Teaching Functional Communication Skills to Vocal and Non-Vocal Learners
 Facilitating Inclusion through DI in General Education – Focus Math – Two Day
 Workshop (two staff members)
 Teaching Verbal Behavior to Students with Autism Using Intensive Teaching
 Verbal Behavior Strategies (two staff members)
 Teaching Functional Communication Skills to Vocal and Non-Vocal Learners (two staff
 members)
 Accountability with Effective Behavioral Intervention: Best Practices in Developing
 Measurable IEP Goals
 Including Students on the Autism Spectrum: Strategies for Success (two staff members)

Transitioning Students with Disabilities to and within General Education (three staff
 members)
 IEP Decision Making Process: Emphasis on Least Restrictive Environment
 Administrators – Building a Comprehensive Program for Learners with Autism

Technological Literacy

Core Curriculum Standards and Framework Review
 Curriculum articulation with neighboring districts

Grade Quick Training (all staff members)
 Edline Training for entire staff on new website
 Annual NJ Association for Educational Technology Conference
 NJASA Techspo 2012 Convention
 Discussing 1:1 Student Laptop/Tablet Best Practices (two staff members)
 NJ Assoc. for Educational Technology – Riding the Tech Wave
 SmartBoard Training (all staff members)

Miscellaneous

Education of Homeless Children and Youth Program – Homeless Liaison Meetings
 Supervision and Evaluation: State and Federal Information on Efforts to Revise Process
 Role of Student Achievement in an Era of Accountability
 Aligning Staff Evaluation Procedures and Practices to Promote Student Achievement
 Foundation for Educational Administration – Supervision and Evaluation
 NJ ASK District Test Coordinator Training
 Intimidation in the Schools: Bullying, Child Abuse, and Sex and Technology (two staff members)
 NJ School Counselors Association Annual Fall Conference
 Right to Know Training – Initial Training and Refresher (all staff members)
 Monmouth County Professional Development Committee Meetings
 Regional Articulation Inservice (all staff members)
 Character Education – Positive Ways to Thrive During Waves of Change (all staff members)
 Security Drill Training (all staff members)
 Unpacking the Core Curriculum Standards – Bruce Preston (all staff members)
 Gang Awareness Training – Mon. Co. Sheriff Dept. (all staff members)
 CPR Training (ten staff members)
 Right to Know Training (nine new staff members)
 Test Prep (State, NJPASS, & TerraNova) all staff members
 Affirmative Action – Procedures (all staff members)
 Child Abuse – Procedures (all staff members)
 Asbestos – Practices / Procedures (all staff members)
 Pest Management – Practices (all staff members)
 Bloodborne Pathogens (all staff members)
 Food Allergies and Eip-Pen Training (all staff members)
 Automatic External Defibrillator Training (all staff members)

Bullying and Harassment (all staff members)
 On-Line Suicide Prevention (all staff members)
 Professional Learning Communities/Response to Intervention (all staff members)
 Professional Development Plan and Diabetes (all staff members)
 Coach/Advisor Meeting and CPR
 Learnia Training (all staff members)

INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in

conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

BUDGETARY CONTROLS:

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

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

ACCOUNTING SYSTEM AND REPORTS:

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

CASH MANAGEMENT:

The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statement," 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.

RISK MANAGEMENT:

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

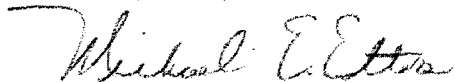
OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert Hulsart & Company, CPAs, was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, as amended and the related OMB Circular A - 133 and State Treasury Circular Letter A-04-04 OMB. The auditor's report on the general purpose financial statements and combined and individual fund statements and schedules are 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.

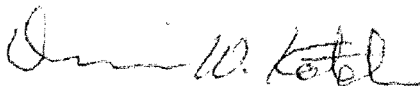
ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Monmouth Beach 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.

Respectfully submitted,



Michael E. Ettore
Superintendent



Dennis W. Kotch
Business Administrator/
Board Secretary

MONMOUTH BEACH BOARD OF EDUCATION
MONMOUTH BEACH, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Brian McAndrew, President	2015
Kirk Ruoff, Vice President	2015
David Baker	2015
Dianne Bolsch	2016
Leo Decker	2017
Sandi Gardner	2017
Kathleen Denker	2015
Steve Mariani	2016
David Roberts	2017

Other Officials

Michael Ettore, Superintendent/Principal

Dennis W. Kotch, School Business Administrator/Board Secretary

James Cunniff, Treasurer

Douglas J. Kovats, Esq.
Kenney, Gross, Kovats and Parton

**MONMOUTH BEACH BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

Audit Firm

**Robert A. Hulsart and Company
2807 Hurley Pond Road
P.O. Box 14980
Wall, New Jersey 07719**

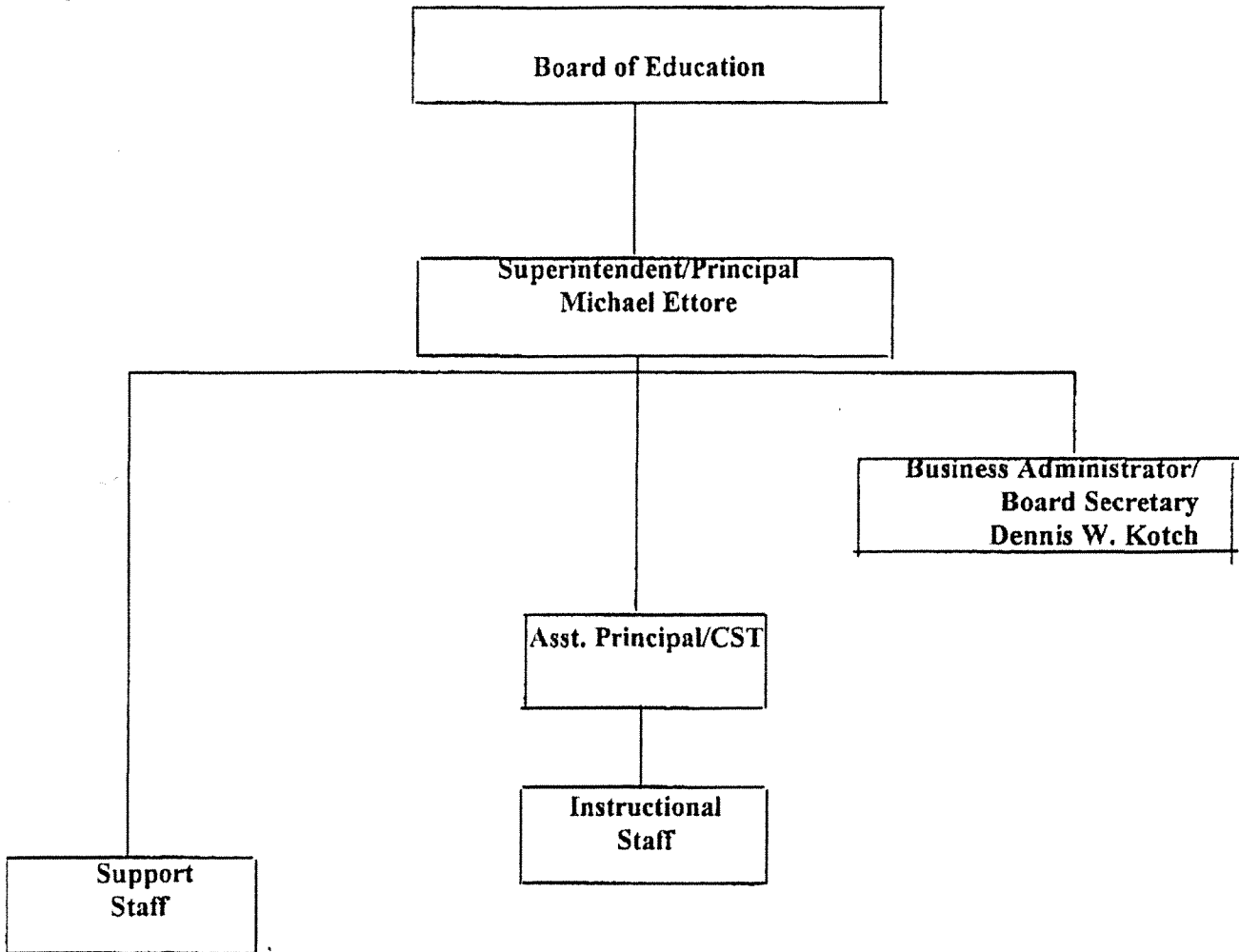
Attorney

**Douglas J. Kovats, Esq.
Kenney, Gross, Kovats, Campbell & Parton
130 Maple Avenue
P.O. Box 8610
Red Bank, New Jersey 07701**

Official Depositories

**Investor Savings Bank
169 Broadway
Long Branch, New Jersey 07740**

**MONMOUTH BEACH
BOARD OF EDUCATION
Organizational Chart
(Unit Control)**



FINANCIAL SECTION

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Monmouth Beach School District
County of Monmouth
Monmouth Beach, 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 Monmouth Beach School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

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

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

Other Reporting Required by *Government Auditing Standards*

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

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

December 18, 2015

REQUIRED SUPPLEMENTARY INFORMATION
PART I

BOROUGH OF MONMOUTH BEACH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

The discussion and analysis of Monmouth Beach 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 \$5,178,342 in revenue or 97% 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 \$145,707 or 3% percent to total revenues.
- Total net position of governmental activities increased by \$89,604.
- The School District had \$5,234,445 in expenses; only \$145,707 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$5,178,342 were adequate to provide for these programs.
- The General Fund had \$4,948,592 in revenues and \$4,630,001 in expenditures. The General Fund's balance increased \$318,591 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 Monmouth Beach School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

These two statements report the School District’s net position and changes in 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, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

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

	Table 1	
	Net Position	
	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Current and Other Assets	\$ 3,221,195	2,937,985
Capital Assets, Net	<u>3,941,872</u>	<u>4,018,208</u>
Total Assets	<u>\$ 7,163,067</u>	<u>6,956,193</u>
<u>Deferred Outflow of Resources</u>		
Contribution to Pension Plan	<u>\$ 39,770</u>	<u> </u>
<u>Deferred Inflow of Resources</u>		
Pension Deferrals	<u>\$ 214,088</u>	<u> </u>
<u>Liabilities</u>		
Long-Term Liabilities	\$ 2,889,254	2,070,802
Other Liabilities	<u>178,953</u>	<u>234,488</u>
Total Liabilities	<u>\$ 3,068,207</u>	<u>2,305,290</u>
<u>Net Position</u>		
Invested in Capital Assets, Net of Debt	\$ 1,946,872	1,878,208
Restricted	2,926,408	2,605,861
Unrestricted	<u>(952,738)</u>	<u>166,834</u>
Total Net Position	<u>\$ 3,920,542</u>	<u>4,650,903</u>

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

Table 2
Changes in Activities

	<u>2015</u>	<u>2014</u>
<u>Revenues</u>		
Program Revenues		
Charges for Services	\$ 73,740	94,021
Operating Grants and Contributions	147,572	14,815
General Revenues		
Property Taxes	4,235,006	4,149,172
Grants and Entitlements	842,347	803,035
Other	<u>100,989</u>	<u>204,523</u>
Total Revenues	<u>5,399,654</u>	<u>5,265,566</u>
<u>Program Expenses</u>		
Instruction	2,111,825	2,048,776
Support Services		
Pupils and Instructional Staff	393,638	369,043
General Administration, School Administration, Business	2,194,258	1,988,915
Operations and Maintenance of Facilities	408,497	417,107
Pupil Transportation	42,836	43,301
Interest on Debt	83,391	86,325
Food Service	<u>56,811</u>	<u>58,685</u>
Total Expenses	<u>5,291,256</u>	<u>5,012,152</u>
Increase in Net Position	<u>\$ 108,398</u>	<u>253,414</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 80% percent of revenues for governmental activities for the Monmouth Beach School District for fiscal year 2015. The District's total revenues were \$5,324,049 for the fiscal year ended June 30, 2015.

Business-Type Activities

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

- Expenses exceeded revenue by \$16,929.
- Charges for services represent \$73,740 of revenue. This represents amount paid by patrons for daily food services and fees for the preschool program.
- Federal reimbursements for special milk was \$1,865.

Governmental Activities

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

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

School Board Funds

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Borough of Monmouth Beach'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 \$3,920,542. The Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net position.

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

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

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

Capital Assets

At June 30, 2015, the School Board had approximately \$7,945,486 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.

	Governmental Activities
Table II	
Capital Assets at June 30, 2015	
Land	\$ 47,821
Construction in Progress	521,721
Buildings & Sites	3,296,212
Machinery and Equipment	<u>76,118</u>
Total	<u>\$ 3,941,872</u>

Debt Administration

At June 30, 2015 the School District had \$3,034,254 as outstanding debt. Of this amount \$79,475 is for compensated absences, \$430,967 is for pension liability, and the balance \$2,523,812 for bonds for school construction.

Economic Factors and Next Year's Budget

The Monmouth Beach School District is in very good financial condition presently. Future finances are not without challenges as state funding is decreased.

The Borough of Monmouth Beach is primarily a residential community, with very few ratables. The majority of revenues needed to operate the District are derived from homeowners through property tax assessments and collections.

The \$(1,011,504) is unrestricted net position for all governmental activities represent the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's noncurrent liabilities such as compensated absences, the School Board would have a deficit of \$1,011,504.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Dennis Kotch, School Business Administrator/Board Secretary at Monmouth Beach Board of Education, 9 Hastings Place, Monmouth Beach, NJ 07739.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

STATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ -	58,687	58,687
Receivables, Net	610,638	79	610,717
Restricted Assets:			
Cash and Cash Equivalents	561,169		561,169
Capital Reserve Account - Cash	1,990,622		1,990,622
Capital Assets, Not Being Depreciated	569,542		569,542
Capital Assets, Net	<u>3,372,330</u>		<u>3,372,330</u>
 Total Assets	 <u>\$ 7,104,301</u>	 <u>58,766</u>	 <u>7,163,067</u>
 <u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>\$ 39,770</u>		<u>39,770</u>
 <u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>\$ 214,088</u>		<u>214,088</u>
 <u>Liabilities</u>			
Accrued Interest	\$ 33,953		33,953
Noncurrent Liabilities:			
Due Within One Year	145,000		145,000
Due Beyond One Year	<u>2,889,254</u>		<u>2,889,254</u>
 Total Liabilities	 <u>\$ 3,068,207</u>	 <u>-</u>	 <u>3,068,207</u>
 <u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	\$ 1,946,872		1,946,872
Restricted For:			
Capital Projects	52,613		52,613
Other Purposes	2,873,795		2,873,795
Unrestricted	<u>(1,011,504)</u>	<u>58,766</u>	<u>(952,738)</u>
 Total Net Position	 <u>\$ 3,861,776</u>	 <u>58,766</u>	 <u>3,920,542</u>

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

MONMOUTH BEACH SCHOOL DISTRICT

Exhibit A-2
Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$ 1,585,548			(1,585,548)		(1,585,548)
Special Education	422,196		145,707	(276,489)		(276,489)
Other Instruction	104,081			(104,081)		(104,081)
Support Services:						
Student & Instruction Related Services	393,638			(393,638)		(393,638)
School Administrative Services	316,663			(316,663)		(316,663)
Other Administrative Services	172,832			(172,832)		(172,832)
Plant Operations and Maintenance	408,497			(408,497)		(408,497)
Pupil Transportation	42,836			(42,836)		(42,836)
Unallocated Benefits	1,305,865			(1,305,865)		(1,305,865)
Interest on Long-Term Debt	83,391			(83,391)		(83,391)
Unallocated Depreciation	398,898			(398,898)		(398,898)
Total Government Activities	<u>5,234,445</u>	<u>-</u>	<u>145,707</u>	<u>(5,088,738)</u>	<u>-</u>	<u>(5,088,738)</u>
Business-Type Activities:						
Food Service	2,941	4,875	1,865		3,799	3,799
Preschool	53,870	68,865			14,995	14,995
Total Business-Type Activities	<u>56,811</u>	<u>73,740</u>	<u>1,865</u>	<u>-</u>	<u>18,794</u>	<u>18,794</u>
Total Primary Government	<u>5,291,256</u>	<u>73,740</u>	<u>147,572</u>	<u>(5,088,738)</u>	<u>18,794</u>	<u>(5,069,944)</u>

MONMOUTH BEACH SCHOOL DISTRICT

Exhibit A-2

Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>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>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purpose, Net				\$ 4,005,256		4,005,256
Property Taxes, Levied for Debt Service,				229,750		229,750
Federal and State Aid Not Restricted				842,347		842,347
Miscellaneous				100,989		100,989
Total General Revenues, Special Items and Transfers				<u>5,178,342</u>	<u>-</u>	<u>5,178,342</u>
Change in Net Position				89,604	18,794	108,398
Restatement for Pension				(430,967)		(430,967)
Net Position - Beginning				<u>4,203,139</u>	<u>39,972</u>	<u>4,243,111</u>
Net Position - Ending				<u>\$ 3,861,776</u>	<u>58,766</u>	<u>3,920,542</u>

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 2,499,178		52,613	2,551,791
Interfund Receivable	74,598			74,598
Receivables from Other Governments	<u>536,040</u>	<u>74,598</u>		<u>610,638</u>
Total Assets	<u>\$ 3,109,816</u>	<u>74,598</u>	<u>52,613</u>	<u>3,237,027</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Interfund Payable	\$	<u>74,598</u>		<u>74,598</u>
Total Liabilities	<u>-</u>	<u>74,598</u>	<u>-</u>	<u>74,598</u>
Fund Balance:				
Restricted for:				
Designated for Subsequent Years Expenditures	1,426			1,426
Designated for Subsequent Years Expenditures - Capital Reserve Withdrawal	300,000			300,000
Excess Surplus - Prior Year - Designated for Subsequent Years Expenditures	273,879			273,879
Excess Surplus-Current Year	283,506			283,506
Maintenance Reserve	170,032			170,032
Capital Reserve Account	1,690,622			1,690,622
Emergency Reserve	70,000			70,000
Committed To:				
Other Purposes	84,330			84,330
Unassigned:				
Capital Projects			52,613	52,613
General Fund	236,021			236,021
Total Fund Balances	<u>3,109,816</u>	<u>-</u>	<u>52,613</u>	<u>3,162,429</u>
Total Liabilities and Fund Balance	<u>\$ 3,109,816</u>	<u>74,598</u>	<u>52,613</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 \$7,945,486 and the accumulated depreciation is \$4,003,614.	3,941,872
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,034,254)
Deferred outflow of resources - contributions to pension plan	39,770
Deferred inflow of resources - acquisition of assets applicable to future reporting periods	(214,088)
Accrued Interest	<u>(33,953)</u>
Net position of governmental activities	<u>\$ 3,861,776</u>

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

MONMOUTH BEACH SCHOOL DISTRICT

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 4,005,256			229,750	4,235,006
Interest Earned	7,020				7,020
Miscellaneous	93,969				93,969
Total Local Sources	4,106,245	-	-	229,750	4,335,995
State Sources	575,323				575,323
Federal Sources	267,024	145,707			412,731
Total Revenues	4,948,592	145,707	-	229,750	5,324,049
<u>Expenditures</u>					
Current:					
Regular Instruction	1,585,548				1,585,548
Special Education Instruction	276,489	145,707			422,196
Other Instruction	104,081				104,081
Support Services and Undistributed Costs:					
Student and Instruction Related Services	393,638				393,638
School Administrative Services	316,663				316,663
Other Administrative Services	172,832				172,832
Plant Operations and Maintenance	408,497				408,497
Pupil Transportation	42,836				42,836
Unallocated Benefits	1,127,874				1,127,874
Debt Service:					
Principal				145,000	145,000
Interest and Other Charges				84,750	84,750
Capital Outlay	201,543				201,543
Total Expenditures	4,630,001	145,707	-	229,750	5,005,458

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

MONMOUTH BEACH SCHOOL DISTRICT

Exhibit B-2

Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>318,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>318,591</u>
Net Change in Fund Balances	318,591	-	-	-	318,591
Fund Balance - July 1	<u>2,791,225</u>	<u>-</u>	<u>52,613</u>	<u>-</u>	<u>2,843,838</u>
Fund Balance - June 30	<u><u>\$ 3,109,816</u></u>	<u><u>-</u></u>	<u><u>52,613</u></u>	<u><u>-</u></u>	<u><u>3,162,429</u></u>

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

MONMOUTH BEACH SCHOOL DISTRICT**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Exhibit B-3

TO THE STATEMENT OF ACTIVITIES**FOR THE YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$ 318,591
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	(398,898)	
Capital Outlays	<u>201,543</u>	
		(197,355)
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.		145,000
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		39,770
Pension related deferrals		(214,088)
Compensated Absences		(3,673)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		<u>1,359</u>
Change in Net Position of Governmental Activities		<u>\$ 89,604</u>

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

MONMOUTH BEACH SCHOOL DISTRICT

STATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDS

JUNE 30, 2015

	<u>Business-type Activities Enterprise Fund</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 58,687
Accounts Receivable	79
Total Current Assets	<u>58,766</u>
Total Assets	<u>\$ 58,766</u>
<u>Net Position</u>	
Unrestricted	<u>\$ 58,766</u>
Total Net Position	<u>\$ 58,766</u>

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

MONMOUTH BEACH SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit B-5

IN FUND NET POSITIONPROPRIETARY FUNDSJUNE 30, 2015

	<u>Business-type Activities</u>
	<u>Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Daily Sales Reimbursable Programs	\$ 4,875
Fees	68,865
Total Operating Revenue	<u>73,740</u>
Operating Expenses:	
Cost of Sales	2,941
Salaries	53,870
Total Operating Expenses	<u>56,811</u>
Operating (Loss)/Profit	16,929
Non-Operating Revenues:	
Federal Sources:	
Special Milk Program	1,865
Total Non-Operating Revenues	<u>1,865</u>
Change in Net Position	18,794
Net Position, July 1	<u>39,972</u>
Net Position, June 30	<u>\$ 58,766</u>

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

MONMOUTH BEACH SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDS

JUNE 30, 2015

	<u>Business-type Activities Enterprise Fund</u>
Cash Flows from Operating Activities:	
Receipts from Daily Sales & Fees	\$ 73,740
Payments to Suppliers	(110,970)
Net Cash Used by Operating Activities	<u>(37,230)</u>
Cash Flows from Noncapital Financing Activities:	
Federal Sources	1,865
Net Cash Provided by Noncapital Financing Activities	<u>1,865</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(35,365)
Cash and Cash Equivalents July 1	<u>94,052</u>
Cash and Cash Equivalents June 30	<u>\$ 58,687</u>
Cash Flows from Operating Activities:	
Operating (Loss)/Profit	\$ 16,929
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Changes in Assets and Liabilities:	
Increase/(Decrease) in Accounts Payables	(54,175)
(Increase)/Decrease in Accounts Receivable	<u>16</u>
Net Cash Used by Operating Activities	<u>\$ (37,230)</u>

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

MONMOUTH BEACH SCHOOL DISTRICTSTATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

FIDUCIARY FUNDSJUNE 30, 2015

	<u>Unemployment Compensation Trust</u>
Assets:	
Cash and Cash Equivalents	\$ 9,897
Total Assets	<u>\$ 9,897</u>
Net Position:	
Held in Trust for Unemployment Claims and Other Purposes	\$ 9,897
Total Net Position	<u>\$ 9,897</u>

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

MONMOUTH BEACH SCHOOL DISTRICTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Exhibit B-8

FIDUCIARY FUNDSJUNE 30, 2015

	<u>Unemployment Compensation Trust</u>
<u>Additions</u>	
Interest	\$ 26
Net Investments Earnings	<u>26</u>
Total Additions	<u>26</u>
<u>Deductions</u>	
Unemployment Claims	<u>9</u>
Total Deductions	<u>9</u>
Change in Net Position	17
Net Position - Beginning of Year	<u>9,880</u>
Net Position - End of the Year	<u><u>\$ 9,897</u></u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
MONMOUTH BEACH 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 Monmouth Beach 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 Monmouth Beach School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Monmouth Beach School District had an approximate enrollment at June 30, 2015 of 302 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.

Proprietary Fund Type

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Fiduciary Fund Types

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

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

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

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

E. Basis of Accounting:

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 were insignificant.

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

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

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

G. Encumbrances:

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

H. Short-Term Interfund Receivables/Payables:

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

I. Inventories and Prepaid Expenses

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

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

J. Capital Assets and Depreciation

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

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

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

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

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

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

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2015</u>
Governmental Activities:				
Capital Assets that are Not Being Depreciated:				
Land	\$ 47,821			47,821
Construction in Progress	<u>494,843</u>	<u>26,878</u>	_____	<u>521,721</u>
Total Capital Assets Not Being Depreciated	<u>542,664</u>	<u>26,878</u>	_____	<u>569,542</u>
Depreciable Assets:				
Buildings & Site Improvements	6,424,565	124,060		6,548,625
Machinery & Equipment	<u>655,695</u>	<u>171,624</u>	_____	<u>827,319</u>
Totals at Historical Cost	<u>7,080,260</u>	<u>295,684</u>	_____	<u>7,375,944</u>
Less: Accumulated Depreciation for:				
Buildings & Site Improvements	(3,100,934)	(151,479)		(3,252,413)
Machinery & Equipment	<u>(503,782)</u>	<u>(247,419)</u>	_____	<u>(751,201)</u>
Total Accumulated Depreciation	<u>(3,604,716)</u>	<u>(398,898)</u>	_____	<u>(4,003,614)</u>
Net Depreciable Assets	<u>3,475,544</u>	<u>(103,214)</u>	_____	<u>3,372,330</u>
Governmental Activities Capital Assets, Net	<u>\$ 4,018,208</u>	<u>(76,336)</u>	=====	<u>3,941,872</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated \$ 398,898

NOTE 1: Summary of Significant Accounting Policies (Continued)

K. Compensated Absences

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

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

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

L. Deferred Revenue

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

M. Long-Term Obligations

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

N. Fund Equity

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

O. Tuition Receivable

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

P. Tuition Payable

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

NOTE 2: Cash and Cash Equivalents and Investments

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

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

Deposits

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

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

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

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

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

Investments

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

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

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

FDIC	\$ 250,000
GUPDA	<u>2,559,208</u>
	<u>\$ 2,809,208</u>

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

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

	Cash and Cash Equivalents
Interest Bearing Checking Accounts	<u>\$ 2,783,910</u>

The carrying amount of the Board’s cash, cash equivalents and investments at June 30, 2015 was \$2,783,910 and the bank balance was \$2,809,208. Of the bank balance \$250,000 was covered by federal depository insurance and \$2,559,208 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment’s existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the “Other-than-State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

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:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015	Long-Term Portion	2015-16 Payment
Compensated Absences Payable	\$ 75,802	3,673		79,475	79,475	
Bonds Payable	2,140,000	528,812	145,000	2,523,812	2,378,812	145,000
Pension Liability	<u> </u>	<u>430,967</u>	<u> </u>	<u>430,967</u>	<u>430,967</u>	<u> </u>
	<u>\$ 2,215,802</u>	<u>963,452</u>	<u>145,000</u>	<u>3,034,254</u>	<u>2,889,254</u>	<u>145,000</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	\$ 145,000	81,488	226,488
2017	150,000	77,500	227,500
2018	160,000	73,000	233,000
2019	165,000	65,000	230,000
2020	175,000	56,750	231,750
2019-2023	985,000	163,600	1,148,600
2024-2026	<u>215,000</u>	<u>8,600</u>	<u>223,600</u>
	<u>\$ 1,995,000</u>	<u>525,938</u>	<u>2,520,938</u>

Refinancing bonds 3/25/10 for \$2,580,000 at interest from 2.00% to 5.00% maturing 2/21/26 with a balance of \$1,995,000 at June 30, 2015.

B. Bonds Authorized But Not Issued

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

NOTE 4: Pension Plans

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

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

NOTE 4: Pension Plans (Continued)

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

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

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

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

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

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/15	\$ 26,218	100%	0
6/30/14	31,682	100%	0
6/30/13	31,894	100%	0

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/15	\$ 277,920	100%	0
6/30/14	242,019	100%	0
6/30/13	294,023	100%	0

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$277,920 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$145,329 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenue and expenditure in accordance with GASB 24.

Pension Expense Deferred Outflows/Inflows – PERS

For the year ended June 30, 2015, the District recognized pension expense of \$26,218. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$	
Changes of Assumptions	13,552	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		25,683
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions		188,405
District Contributions Subsequent to the Measurement Date	<u>26,218</u>	<u> </u>
Total	<u>\$ 39,770</u>	<u>214,088</u>

NOTE 4: Pension Plans (Continued)

\$39,770 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Additional Information

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

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Collective Deferred Outflows of Resources	\$ 39,770	
Collective Deferred Inflows of Resources	214,088	
Collective Net Pension Liability	430,967	662,964
District's Proportion	.00230%	.00347%

Components of Net Pension Liability

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

	<u>2014</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,777,950,141	39,071,470,586	67,849,420,727
Plan Fiduciary Net Position	<u>8,650,846,191</u>	<u>20,348,735,583</u>	<u>28,999,581,774</u>
Net Pension Liability	<u>\$ 20,127,103,950</u>	<u>18,722,735,003</u>	<u>38,849,838,953</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	30.06%	52.08%	42.74%

	<u>2013</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 27,515,277,069	37,272,295,162	64,787,572,231
Plan Fiduciary Net Position	<u>8,216,653,950</u>	<u>18,160,308,251</u>	<u>26,376,962,201</u>
Net Pension Liability	<u>\$ 19,298,623,119</u>	<u>19,111,986,911</u>	<u>38,410,610,030</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	29.86%	48.72%	40.71%

NOTE 4: Pension Plans (Continued)

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2103, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15% - 4.40% Based on Age
Thereafter	3.15% – 5.40% Based on Age
Investment Rate of Return	7.90%

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

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

Long-Term Expected Rate of Return

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

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

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

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 2014 and 2013, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2014		
	At 1% Decrease (4.39%)	At Current Discount Rate (5.39%)	At 1% Increase (6.39%)
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>
	2013		
	At 1% Decrease (4.55%)	At Current Discount Rate (5.55%)	At 1% Increase (6.55%)
State	\$ 22,822,255,839	19,298,623,119	16,351,193,705
Local	<u>23,791,905,551</u>	<u>19,111,986,911</u>	<u>15,190,834,283</u>
Total	<u>\$ 46,614,161,390</u>	<u>38,410,610,030</u>	<u>31,542,027,988</u>

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

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

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

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2014</u>	<u>2013</u>
District's Liability	<u>\$ 11,583,709</u>	<u>10,792,901</u>
District's Proportion	.02153%	.02125%

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

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.90%

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

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

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

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

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

Discount Rate

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

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

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

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

NOTE 5: Post-Retirement Benefits

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

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

NOTE 6: Contingent Liabilities

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

NOTE 7: Equity Balance

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

Restricted For:	
Capital Reserve	\$ 1,690,622
Emergency Reserve	70,000
Maintenance Reserve	170,032
Excess Surplus	283,506
Designated for Subsequent Year's Expenditures	1,426
Designated for Subsequent Year's Expenditures –	
Capital Reserve	300,000
Designated for Subsequent Year's Expenditures –	
Excess Surplus	273,879
Assigned to:	
Year-End Encumbrances	84,330
Unassigned:	
General Fund	<u>250,000</u>
	<u>\$ 3,123,795</u>

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

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

<u>2% Calculation of Excess Surplus</u>	
2014-15 Total General Fund Expenditures Per the CAFR	\$ 4,630,001
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(423,249)</u>
Adjusted 2014-15 General Fund Expenditures	<u>\$ 4,206,752</u>
2% of Adjusted 2014-15 General Fund Expenditures	<u>\$ 84,135</u>
Enter Above or \$250,000 Whichever is Greater	\$ 250,000
Increased by: Allowable Adjustment	_____
Maximum Unassigned Fund Balance	<u>\$ 250,000</u>

NOTE 7: Equity Balance**Section 2**

Total General Fund – Fund Balance @ 6-30-15	\$ 3,123,795
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Decreased by:

Reserved for Encumbrances	(84,330)
Capital Reserve	(1,690,622)
Maintenance Reserve	(170,032)
Emergency Reserve	(70,000)
Designated for Subsequent Years Expenditures:	
Withdrawal from Capital Reserve	(300,000)
Excess Surplus	(273,879)
Unreserved	<u>(1,426)</u>

Total Unassigned Fund Balance	<u>\$ 533,506</u>
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Excess Surplus – Reserved Fund Balance	<u>\$ 283,506</u>
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Section 3

Reserved Fund Balance – Excess Surplus Designated for Subsequent Years Expenditures	\$ 273,879
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Reserved Fund Balance – Excess Surplus	<u>283,506</u>
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	<u>\$ 557,385</u>
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Detail of Other Restricted Fund Balance

Maintenance Reserve	\$ 170,032
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Emergency Reserve	70,000
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Capital Reserve	<u>1,990,622</u>
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Total Other Restricted/Reserved Fund Balance	<u>\$ 2,230,654</u>
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NOTE 8: Risk Management

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

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

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

NOTE 8: Risk Management (Continued)

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Ending Balance</u>
2012-2013	\$ 30	22,000	20,428	10,020
2013-2014	36		176	9,880
2014-2015	26		9	9,897

NOTE 9: CAPITAL RESERVE ACCOUNT

A Capital Reserve account was established by the Borough of Monmouth Beach Board of Education by inclusion of \$1,000 on September 1, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Balance July 1, 2014	\$ 1,690,622
Add: Increase by Board Resolution	<u>300,000</u>
Balance June 30, 2015	<u>\$ 1,990,622</u>

NOTE 10: FAIR VALUES OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Monmouth Beach 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 11: FUND BALANCE APPROPRIATED

General Fund – Of the \$3,123,795 General Fund fund balance at June 30, 2015, \$84,330 is year-end encumbrances; \$1,990,622 has been reserved in the Capital Reserve Account; \$70,000 has been reserved as Emergency Reserve, \$170,032 has been reserved in the Maintenance Reserve Account; \$275,035 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; and \$283,560 has been reserved as excess surplus and \$250,000 is unreserved and undesignated.

NOTE 12: 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 13: RECENT ACCOUNTING PRONOUNCEMENTS

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

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

NOTE 14: FEMA COMMUNITY DISASTER LOAN (CDL)

The School District applied for and received a CDL in response to the devastating effects on the property tax ratable base of the Municipality due to Superstorm Sandy in October 2012. The District used \$261,788 to offset the cost of the 2013-14 budget. For the 2014-2015 budget, \$267,024 is being used to offset costs. FEMA in 2016 will review the CDL and may fully or partially cancel the loan based upon FEMA's calculation of revenue loss that the District experienced.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

MONMOUTH BEACH SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 4,005,256		4,005,256	4,005,256	-
Interest	150		150	7,020	6,870
Miscellaneous	5,000		5,000	93,969	88,969
Total Local Sources	<u>4,010,406</u>		<u>4,010,406</u>	<u>4,106,245</u>	<u>95,839</u>
State Sources:					
Special Education Aid	136,900		136,900	136,900	-
Security Aid	4,377		4,377	4,377	-
Transportation Aid	4,041		4,041	4,041	-
Additional Adjustment Aid	1,986		1,986	1,986	-
PARCC Readiness Aid	2,650		2,650	2,650	-
Per Pupil Growth Aid	2,650		2,650	2,650	-
TPAF Pension Contribution (On-Behalf)				277,920	277,920
TPAF Social Security Contribution (Reimbursed)				145,329	145,329
Total State Sources	<u>152,604</u>	<u>-</u>	<u>152,604</u>	<u>575,853</u>	<u>423,249</u>
Federal Sources:					
Community Disaster Loan	267,024		267,024	267,024	-
Total Revenues	<u>4,430,034</u>	<u>-</u>	<u>4,430,034</u>	<u>4,949,122</u>	<u>519,088</u>
Distributed Expenditures:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	124,792	(81,050)	43,742		43,742
Grades 1-5 - Salaries of Teachers	877,238	(38,646)	838,592	838,592	-
Grades 6-8 - Salaries of Teachers	516,846	3,141	519,987	519,987	-
Subtotal	<u>1,518,876</u>	<u>(116,555)</u>	<u>1,402,321</u>	<u>1,358,579</u>	<u>43,742</u>

MONMOUTH BEACH SCHOOL DISTRICT

Exhibit C-1
Sheet 2 of 10

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>
Regular Programs - Other:					
Salaries of Teachers	4,000		4,000		4,000
Subtotal	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	36,456	34,211	70,667	70,677	(10)
Purchased Technical Services	28,000	(12,927)	15,073	15,073	-
Other Purchased Services	45,000		45,000	27,222	17,778
General Supplies	105,000	(52,800)	52,200	52,200	-
Textbooks	35,000	15,918	50,918	50,453	465
Other Objects	20,000		20,000	11,344	8,656
Subtotal	<u>269,456</u>	<u>(15,598)</u>	<u>253,858</u>	<u>226,969</u>	<u>26,889</u>
Total Regular Programs - Instruction	<u>1,792,332</u>	<u>(132,153)</u>	<u>1,660,179</u>	<u>1,585,548</u>	<u>74,631</u>
Resource Room/Center:					
Salaries of Teachers	247,136		247,136	235,984	11,152
Other Salaries for Instruction	48,014		48,014	39,878	8,136
Purchased Professional Education Services	19,000	(10,228)	8,772		8,772
Purchased Technical Services	15,000		15,000		15,000
General Supplies	4,000		4,000	627	3,373
Total Resource Room/Center	<u>333,150</u>	<u>(10,228)</u>	<u>322,922</u>	<u>276,489</u>	<u>46,433</u>
Total Special Education - Instruction	<u>333,150</u>	<u>(10,228)</u>	<u>322,922</u>	<u>276,489</u>	<u>46,433</u>

MONMOUTH BEACH SCHOOL DISTRICT

**Exhibit C-1
Sheet 3 of 10**

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>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	41,257	4,441	45,698	45,698	-
Other Salaries For instruction	48,014		48,014	20,072	27,942
Total Basic Skills/Remedial - Instruction	<u>89,271</u>	<u>4,441</u>	<u>93,712</u>	<u>65,770</u>	<u>27,942</u>
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	4,000		4,000		4,000
Other Objects	4,000		4,000	250	3,750
Total School Sponsored Co-Curricular	<u>8,000</u>	<u>-</u>	<u>8,000</u>	<u>250</u>	<u>7,750</u>
School Sponsored Athletics - Instruction:					
Salaries	35,000	1,982	36,982	36,982	-
Supplies and Materials	5,000		5,000	663	4,337
Other Objects	8,000		8,000	416	7,584
Total School Sponsored Athletics - Instruction	<u>48,000</u>	<u>1,982</u>	<u>49,982</u>	<u>38,061</u>	<u>11,921</u>
Total Distributed Expenditures	<u>2,270,753</u>	<u>(135,958)</u>	<u>2,134,795</u>	<u>1,966,118</u>	<u>168,677</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs in State - Special	86,000		86,000	51,736	34,264
Total Instruction	<u>86,000</u>	<u>-</u>	<u>86,000</u>	<u>51,736</u>	<u>34,264</u>

MONMOUTH BEACH SCHOOL DISTRICT

**Exhibit C-1
Sheet 4 of 10**

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>
Attendance & Social Work:					
Salaries	100		100	-	100
Total Attendance & Social Work	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>
Health Services:					
Salaries	64,087	(905)	63,182	59,155	4,027
Purchased Professional/Technical Services	3,800	594	4,394	4,394	-
Supplies and Materials	3,000	2,422	5,422	5,422	-
Total Health Services	<u>70,887</u>	<u>2,111</u>	<u>72,998</u>	<u>68,971</u>	<u>4,027</u>
Other Support Services Students - Related:					
Salaries	34,902	8,940	43,842	43,842	-
Purchased Professional/Technical Services	5,000	(2,111)	2,889		2,889
Supplies and Materials	2,000		2,000	1,256	744
Total Other Support Services Students - Related	<u>41,902</u>	<u>6,829</u>	<u>48,731</u>	<u>45,098</u>	<u>3,633</u>
Other Support Services Students - Special:					
Salaries of Other Professional Staff	129,557	(2,331)	127,226	125,921	1,305
Salaries of Secretarial & Clerical	10,815	1,584	12,399	12,399	-
Purchased Professional/Educational Services	30,000	23,661	53,661	53,661	-
Other Purchased Services	15,000	(8,940)	6,060	525	5,535
Supplies and Materials	3,000		3,000	1,690	1,310
Other Objects	12,000		12,000		12,000
Total Other Support Services Students - Special	<u>200,372</u>	<u>13,974</u>	<u>214,346</u>	<u>194,196</u>	<u>20,150</u>

MONMOUTH BEACH SCHOOL DISTRICT

**Exhibit C-1
Sheet 5 of 10**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Improvement Instructional Services:					
Purchased Professional Educational Services	11,000		11,000	358	10,642
Other Purchased Services	40,000	(22,914)	17,086	6,566	10,520
Supplies and Materials	6,000		6,000		6,000
Other Objects	6,000		6,000		6,000
Total Improvement Instructional Services	<u>63,000</u>	<u>(22,914)</u>	<u>40,086</u>	<u>6,924</u>	<u>33,162</u>
Educational Media/Library:					
Salaries	23,436	1,553	24,989	24,413	576
Other Professional Technical Services	17,000	(1,553)	15,447	1,735	13,712
Other Purchased Services	2,000		2,000		2,000
Supplies & Materials	2,500		2,500	565	1,935
Total Educational Media/Library	<u>44,936</u>	<u>-</u>	<u>44,936</u>	<u>26,713</u>	<u>18,223</u>
Staff Training:					
Other Purchased Services	38,400		38,400		38,400
Supplies and Materials	1,000		1,000		1,000
Other Objects	1,000		1,000		1,000
Total Staff Training	<u>40,400</u>	<u>-</u>	<u>40,400</u>	<u>-</u>	<u>40,400</u>

MONMOUTH BEACH SCHOOL DISTRICT

**Exhibit C-1
Sheet 6 of 10**

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>
Support Services - General Administration:					
Salaries	135,000		135,000	135,000	-
Legal Services	10,000	10,858	20,858	19,271	1,587
Audit Fees	10,000		10,000	7,500	2,500
Other Purchased Professional Services	15,000	(6,858)	8,142	8,029	113
Purchased Technical Services	4,000	(4,000)	-		-
Communications/Telephone	14,000	7,505	21,505	16,917	4,588
General Supplies	3,000		3,000		3,000
BOE In-House Training	1,000		1,000		1,000
Miscellaneous Expenditures	5,000		5,000	4,472	528
BOE Membership Dues and Fees	4,000		4,000	2,877	1,123
Total Support Services - General Administration	<u>201,000</u>	<u>7,505</u>	<u>208,505</u>	<u>194,066</u>	<u>14,439</u>
Support Services - School Administration:					
Salaries of Principals/Vice Principals	30,189	5,753	35,942	35,942	-
Salaries of Secretarial & Clerical	86,211		86,211	85,585	626
Supplies & Materials	4,000	(1,639)	2,361	1,070	1,291
Total Support Services - School Administration	<u>120,400</u>	<u>4,114</u>	<u>124,514</u>	<u>122,597</u>	<u>1,917</u>
Central Services:					
Salaries		34,814	34,814	34,814	-
Purchased Professional Services	40,392		40,392	30,600	9,792
Miscellaneous Purchased Services	40,000	3,092	43,092	43,092	-
Supplies and Materials	4,000	(1,171)	2,829	1,680	1,149
Miscellaneous Expenditures	5,000		5,000	644	4,356
Total Central Services	<u>89,392</u>	<u>36,735</u>	<u>126,127</u>	<u>110,830</u>	<u>15,297</u>

MONMOUTH BEACH SCHOOL DISTRICT

**Exhibit C-1
Sheet 7 of 10**

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>
Admin. Information Technology:					
Salaries	50,000	1,732	51,732	51,732	-
Miscellaneous Purchased Services	20,000	(1,732)	18,268	10,270	7,998
Other Objects	2,700	(800)	1,900		1,900
Total Admin. Information Technology	<u>72,700</u>	<u>(800)</u>	<u>71,900</u>	<u>62,002</u>	<u>9,898</u>
Required Maintenance for School Facilities:					
Cleaning Repair & Maintenance	20,000	16,759	36,759	36,759	-
Total Required Maintenance for School Facilities	<u>20,000</u>	<u>16,759</u>	<u>36,759</u>	<u>36,759</u>	<u>-</u>
Other Operations & Maintenance:					
Salaries	119,995	9,621	129,616	129,616	-
Cleaning, Repair & Maintenance Services	52,000	28,475	80,475	73,477	6,998
Other Purchased Property Services	7,000	(5,640)	1,360	1,360	-
Insurance	60,000	(9,464)	50,536	50,536	-
General Supplies	30,000	(7,456)	22,544	22,544	-
Energy (Heat & Electricity)	72,000	(23,648)	48,352	48,352	-
Other Objects	20,000	(5,093)	14,907	14,907	-
Energy-Natural Gas	55,000	(34,995)	20,005	20,005	-
Total Other Operations & Maintenance	<u>415,995</u>	<u>(48,200)</u>	<u>367,795</u>	<u>360,797</u>	<u>6,998</u>
Care & Upkeep of Grounds:					
Other Objects	8,000	2,941	10,941	10,941	-
Total Care & Upkeep of Grounds	<u>8,000</u>	<u>2,941</u>	<u>10,941</u>	<u>10,941</u>	<u>-</u>
Security:					
Purchased Professional & Technical Services	3,000	(2,941)	59		59
Total Security	<u>3,000</u>	<u>(2,941)</u>	<u>59</u>	<u>-</u>	<u>59</u>

MONMOUTH BEACH SCHOOL DISTRICT

**Exhibit C-1
Sheet 8 of 10**

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>
Total Operations & Maintenance	<u>446,995</u>	<u>(31,441)</u>	<u>415,554</u>	<u>408,497</u>	<u>7,057</u>
Student Transportation:					
Contracted Services (Other than Between Home & School) - Vendors	11,000		11,000	7,775	3,225
Contracted Services (Special Ed. Students)	<u>66,027</u>	<u>(17,670)</u>	<u>48,357</u>	<u>35,061</u>	<u>13,296</u>
Total Student Transportation	<u>77,027</u>	<u>(17,670)</u>	<u>59,357</u>	<u>42,836</u>	<u>16,521</u>
Undistributed Expenditures-Employee Benefits:					
Other Retirement Contrib. - Social Security	42,000	17,670	59,670	59,670	-
Retirement Contributions - PERS	30,000		30,000	26,218	3,782
T.P.A.F. Contributions - ERIP	14,000		14,000	12,763	1,237
Unemployment Compensation	25,000	(20,000)	5,000		5,000
Workman's Compensation	30,000	4,924	34,924	34,924	-
Health Benefits	510,000	81,050	591,050	571,050	20,000
Tuition Reimbursements	3,000		3,000		3,000
Other Employee Benefits	<u>3,000</u>		<u>3,000</u>		<u>3,000</u>
Total Unallocated Benefits	<u>657,000</u>	<u>83,644</u>	<u>740,644</u>	<u>704,625</u>	<u>36,019</u>
Interest Earned on Maintenance Reserve	<u>50</u>		<u>50</u>		<u>50</u>
TPAF Pension Contribution (On-Behalf)	-	-	-	277,920	(277,920)
TPAF Social Security Contribution (Reimbursed)	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,329</u>	<u>(145,329)</u>
Total Undistributed Expenditures	<u>2,212,161</u>	<u>82,087</u>	<u>2,294,248</u>	<u>2,462,340</u>	<u>(168,092)</u>
Total General Current Expense	<u>4,482,914</u>	<u>(53,871)</u>	<u>4,429,043</u>	<u>4,428,458</u>	<u>585</u>

MONMOUTH BEACH SCHOOL DISTRICT

**Exhibit C-1
Sheet 9 of 10**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Equipment:					
Regular Programs - Instruction:					
Security	100,000		100,000	97,927	197,927
Interest on Capital Reserve	100		100		100
Total Regular Programs - Instruction	<u>100,100</u>	<u>-</u>	<u>100,100</u>	<u>97,927</u>	<u>198,027</u>
Facilities, Acquisition and Construction Services:					
Architectural/Engineering Services	20,000	3,138	23,138	23,138	-
Purchased Professional and Technical Services	20,000	11,994	31,994	31,994	-
Supplies and Materials	30,000	1,818	31,818	8,632	23,186
Land and Improvements	30,000	14,531	44,531	26,975	17,556
Assessment For Debt Service on SDA Funding	21,924		21,924	12,877	9,047
Total Facilities, Acquisition and Construction Services	<u>121,924</u>	<u>31,481</u>	<u>153,405</u>	<u>103,616</u>	<u>49,789</u>
Total Capital Outlay	<u>222,024</u>	<u>31,481</u>	<u>253,505</u>	<u>201,543</u>	<u>247,816</u>
Total Current Expense and Capital Outlay	<u>4,704,938</u>	<u>(22,390)</u>	<u>4,682,548</u>	<u>4,630,001</u>	<u>248,401</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(274,904)	22,390	(252,514)	319,121	767,489

MONMOUTH BEACH SCHOOL DISTRICT

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

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>
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	(274,904)	22,390	(252,514)	319,121	767,489
Fund Balance July 1	<u>2,804,674</u>		<u>2,804,674</u>	<u>2,804,674</u>	<u>-</u>
Fund Balance June 30	<u><u>\$ 2,529,770</u></u>	<u><u>22,390</u></u>	<u><u>2,552,160</u></u>	<u><u>3,123,795</u></u>	<u><u>767,489</u></u>

Recapitulation of Fund Balance:

Restricted Fund Balance:

Reserved for Excess Surplus - Designated for Subsequent Years Expenditures	\$ 273,879
Designated for Subsequent Years Expenditures	1,426
Reserved For Excess Surplus - Current Year	583,506
Withdrawal Form Capital Reserve - Designated for Subsequent Years Expenditures	300,000
Maintenance Reserve	170,032
Capital Reserve	1,390,622
Emergency Reserve	70,000
Committed Fund Balance:	
Year End Encumbrances	84,330
Unassigned Fund Balance	<u>250,000</u>
	3,123,795

Reconciliation to Governmental Funds Statement (GAAP):

Final State Audit Payments not Recognized on GAAP Basis	<u>(13,979)</u>
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Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 3,109,816</u></u>
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MONMOUTH BEACH 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:					
Federal Sources	<u>\$ 145,707</u>	<u> </u>	<u>145,707</u>	<u>145,707</u>	<u> </u>
Total Revenues	<u><u>\$ 145,707</u></u>	<u><u>-</u></u>	<u><u>145,707</u></u>	<u><u>145,707</u></u>	<u><u>-</u></u>
Expenditures:					
Instruction:					
Instruction - Personal Services	<u>\$ 1,657</u>	<u> </u>	<u>1,657</u>	<u>1,657</u>	<u>-</u>
Other Purchased Services	<u>136,632</u>	<u> </u>	<u>136,632</u>	<u>136,632</u>	<u> </u>
Total Instruction	<u><u>138,289</u></u>	<u><u>-</u></u>	<u><u>138,289</u></u>	<u><u>138,289</u></u>	<u><u>-</u></u>
Support Services:					
Purchased Prof. & Tech. Services	<u>7,418</u>	<u> </u>	<u>7,418</u>	<u>7,418</u>	<u> </u>
Total Support Services	<u><u>7,418</u></u>	<u><u>-</u></u>	<u><u>7,418</u></u>	<u><u>7,418</u></u>	<u><u> </u></u>
Total Expenditures	<u><u>\$ 145,707</u></u>	<u><u>-</u></u>	<u><u>145,707</u></u>	<u><u>145,707</u></u>	<u><u>-</u></u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

MONMOUTH BEACH SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

BUDGET TO GAAP RECONCILIATION

NOTE TO RSI

JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 4,949,122	145,707
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	13,449	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(13,979)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 4,948,592</u>	<u>145,707</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 4,630,001	145,707
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 4,630,001</u>	<u>145,707</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

MONMOUTH BEACH 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)	\$ 430,967	662,964
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>
Total	<u>\$ 430,967</u>	<u>662,964</u>
District's Covered-Employee Payroll	\$ 196,268	150,236
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	45.54%	22.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.74%	40.71%

MONMOUTH BEACH SCHOOL DISTRICT**SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS**

Exhibit L-2

LAST TWO FISCAL YEARS

	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 31,682	31,894
Contributions in Relation to the Contractually Required Contribution	<u>31,682</u>	<u>31,894</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 196,268	150,236
Contributions as a Percentage of Covered-Employee Payroll	16.14%	21.23%

MONMOUTH BEACH 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>11,583,709</u>	<u>10,792,901</u>
Total	<u>\$ 11,583,709</u>	<u>10,792,901</u>
District's Covered-Employee Payroll	\$ 1,860,019	1,910,236
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	16.06%	17.70%
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

MONMOUTH BEACH SCHOOL DISTRICT

SPECIAL REVENUE FUND

Exhibit E-1

COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Title IIA</u>	<u>I.D.E.A Part B Basic</u>	<u>I.D.E.A Part B Preschool</u>	<u>Carry-Over I.D.E.A Part B Basic</u>	<u>I.D.E.A Part B Preschool</u>	<u>Totals June 30, 2015</u>
Revenues:						
Federal Sources	<u>\$ 7,418</u>	<u>66,362</u>	<u>818</u>	<u>70,270</u>	<u>839</u>	<u>145,707</u>
Total Revenue	<u>\$ 7,418</u>	<u>66,362</u>	<u>818</u>	<u>70,270</u>	<u>839</u>	<u>145,707</u>
Expenditures:						
Instruction:						
Instruction - Purchased Services	<u>\$ -</u>		<u>818</u>		<u>839</u>	<u>1,657</u>
Other Purchased Services		<u>66,362</u>		<u>70,270</u>		<u>136,632</u>
Total Instruction	<u>-</u>	<u>66,362</u>	<u>818</u>	<u>70,270</u>	<u>839</u>	<u>138,289</u>
Support Services:						
Purchased Prof. & Tech. Services	<u>7,418</u>					<u>7,418</u>
Total Support Services	<u>7,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,418</u>
Total Expenditures	<u>\$ 7,418</u>	<u>66,362</u>	<u>818</u>	<u>70,270</u>	<u>839</u>	<u>145,707</u>

CAPITAL PROJECTS FUND – F

MONMOUTH BEACH SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

Fund Balance - Beginning	\$ 52,613
Fund Balance - Ending	\$ 52,613

MONMOUTH BEACH SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

ADDITION TO ELEMENTARY SCHOOL

FROM 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>
<u>Revenues and Other Financing Sources</u>				
State Sources - SCC Grant	\$ 23,191		23,191	23,191
Bond Proceeds and Transfers	49,787		49,787	49,787
Total Revenues	<u>72,978</u>	<u>-</u>	<u>72,978</u>	<u>72,978</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	2,494		2,494	2,494
Construction Services	47,550		47,550	47,550
Total Expenditures	<u>50,044</u>	<u>-</u>	<u>50,044</u>	<u>50,044</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 22,934</u>	<u>-</u>	<u>22,934</u>	<u>22,934</u>

Additional Project Information

Project Number's	DOE# 3250-050-10-1002
Grant Date	2/28/11
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 82,970
Additional Authorized Cost	-
Revised Authorized Cost	\$ 72,978
Percentage Increase Over Original Authorized Cost	0
Percentage Completion	95%
Original Target Completion Date	6/30/2012
Revised Target Completion Date	6/30/2013

MONMOUTH BEACH SCHOOL DISTRICT

Exhibit F-1b

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

HVAC/LIGHTING SPRINKLER CEILING UPGRADES

FROM 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>
<u>Revenues and Other Financing Sources</u>				
State Sources - SCC Grant	\$ 143,648		143,648	143,648
Transfer From Budget	195,914		195,914	195,914
Transfer from Capital Reserve	50,940		50,940	50,940
Total Revenues	<u>390,502</u>	<u>-</u>	<u>390,502</u>	<u>390,502</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	9,078		9,078	9,078
Other Costs	19,751		19,751	19,751
Construction Services	331,994		331,994	331,994
Total Expenditures	<u>360,823</u>	<u>-</u>	<u>360,823</u>	<u>360,823</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 29,679</u>	<u>-</u>	<u>29,679</u>	<u>29,679</u>

Additional Project Information

Project Number's	DOE #3250-050-10-1001
Grant Date	8/30/10
Original Authorized Cost	\$ 411,424
Additional Authorized Cost	N/A
Revised Authorized Cost	N/A
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	95%
Original Target Completion Date	6/30/2012
Revised Target Completion Date	6/30/2013

PROPRIETARY FUNDS – G

MONMOUTH BEACH SCHOOL DISTRICT

COMPARATIVE SCHEDULE OF NET POSITION

Exhibit G-1

ENTERPRISE FUND

JUNE 30, 2015

	<u>Food Services</u>	<u>Preschool Account</u>	<u>Totals</u>
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 6,636	52,051	58,687
Accounts Receivable:			
Federal	79		79
Total Current Assets	<u>6,715</u>	<u>52,051</u>	<u>58,766</u>
Total Assets	<u>\$ 6,715</u>	<u>52,051</u>	<u>58,766</u>
 <u>Net Position</u>			
Unrestricted	<u>\$ 6,715</u>	<u>52,051</u>	<u>58,766</u>
Total Net Position	<u>\$ 6,715</u>	<u>52,051</u>	<u>58,766</u>

MONMOUTH BEACH SCHOOL DISTRICTCOMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGESIN FUND NET POSITION

Exhibit G-2

ENTERPRISE FUNDJUNE 30, 2015

	<u>Food Services</u>	<u>Preschool Account</u>	<u>Totals</u>
Operating Revenues:			
Local Sources:			
Daily Sales Reimbursable Programs	\$ 4,875		4,875
Fees	-	68,865	68,865
Total Operating Revenue	<u>4,875</u>	<u>68,865</u>	<u>73,740</u>
Operating Expenses:			
Cost of Sales	2,941		2,941
Salaries		53,870	53,870
Total Operating Expenses	<u>2,941</u>	<u>53,870</u>	<u>56,811</u>
Operating (Loss)/Profit	1,934	14,995	16,929
Non-Operating Revenues:			
Federal Sources:			
Special Milk Program	1,865		1,865
Total Non-Operating Revenues	<u>1,865</u>	<u>-</u>	<u>1,865</u>
Change in Net Position	3,799	14,995	18,794
Net Position, July 1	<u>2,916</u>	<u>37,056</u>	<u>39,972</u>
Net Position, June 30	<u>\$ 6,715</u>	<u>52,051</u>	<u>58,766</u>

MONMOUTH BEACH SCHOOL DISTRICT

COMPARATIVE SCHEDULE OF CASH FLOWS

Exhibit G-3

ENTERPRISE FUND

JUNE 30, 2015

	<u>Food Services</u>	<u>Preschool Account</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Receipts from Daily Sales & Fees	\$ 4,875	68,865	73,740
Payments to Suppliers	(2,925)	(108,045)	(110,970)
Net Cash Used by Operating Activities	<u>1,950</u>	<u>(39,180)</u>	<u>(37,230)</u>
Cash Flows from Noncapital Financing Activities:			
Federal Sources	1,865		1,865
Net Cash Provided by Noncapital Financing Activities	<u>1,865</u>	<u>-</u>	<u>1,865</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	3,815	(39,180)	(35,365)
Cash and Cash Equivalents July 1	<u>2,821</u>	<u>91,231</u>	<u>94,052</u>
Cash and Cash Equivalents June 30	<u>\$ 6,636</u>	<u>52,051</u>	<u>58,687</u>
Cash Flows from Operating Activities:			
Operating (Loss)/Profit	\$ 1,934	14,995	16,929
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:			
Changes in Assets and Liabilities:			
Increase/(Decrease) in Accounts Payable		(54,175)	(54,175)
(Increase)/Decrease in Accounts Receivable	16		16
Net Cash Used by Operating Activities	<u>\$ 1,950</u>	<u>(39,180)</u>	<u>(37,230)</u>

FIDUCIARY FUND – H

TRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2015

	<u>Agency</u>		<u>Expendable</u>	
	<u>Student</u>	<u>Agency</u>	<u>Trusts</u>	
	<u>Activity</u>	<u>Account</u>	<u>Unemployment</u>	<u>Totals</u>
			<u>Compensation</u>	
Assets:				
Cash and Cash Equivalents	<u>\$ 43,658</u>	<u>119,877</u>	<u>9,897</u>	<u>173,432</u>
Total Assets	<u>\$ 43,658</u>	<u>119,877</u>	<u>9,897</u>	<u>173,432</u>
Liabilities and Net Position:				
Liabilities:				
Due to Student Groups	\$ 43,658			43,658
Payroll Withholdings & Deductions		119,877		119,877
Total Liabilities	<u>43,658</u>	<u>119,877</u>	<u>-</u>	<u>163,535</u>
Net Position:				
Unreserved			9,897	9,897
Total Net Position	<u>-</u>	<u>-</u>	<u>9,897</u>	<u>9,897</u>
Total Liabilities and Net Position	<u>\$ 43,658</u>	<u>119,877</u>	<u>9,897</u>	<u>173,432</u>

MONMOUTH BEACH SCHOOL DISTRICT

EXPENDABLE TRUST FUNDS

Exhibit H-2

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Insurance Trust Fund</u>
Additions:	
Local Sources:	
Interest on Investments	\$ 26
Total Additions	<u>26</u>
Deductions:	
Unemployment Claims	<u>9</u>
Total Deductions	<u>9</u>
Change in Net Position	17
Net Position, July 1	<u>9,880</u>
Net Position, June 30	<u>\$ 9,897</u>

MONMOUTH BEACH SCHOOL DISTRICT

STUDENT ACTIVITY AGENCY FUND

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Elementary School: Monmouth Beach	<u>\$ 38,876</u>	<u>85,888</u>	<u>81,106</u>	<u>43,658</u>

MONMOUTH BEACH SCHOOL DISTRICT

PAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Assets:				
Cash and Cash Equivalents	<u>\$ 46,031</u>	<u>1,288,797</u>	<u>1,214,951</u>	<u>119,877</u>
Total Assets	<u><u>\$ 46,031</u></u>	<u><u>1,288,797</u></u>	<u><u>1,214,951</u></u>	<u><u>119,877</u></u>
Liabilities:				
Payroll Deductions and Withholdings	<u>\$ 46,031</u>	<u>1,288,797</u>	<u>1,214,951</u>	<u>119,877</u>
Total Liabilities	<u><u>\$ 46,031</u></u>	<u><u>1,288,797</u></u>	<u><u>1,214,951</u></u>	<u><u>119,877</u></u>

LONG-TERM DEBT – I

MONMOUTH BEACH SCHOOL DISTRICT

LONG-TERM DEBT

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2015

Exhibit I-1

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds	3/25/2010	\$ 2,580,000	2/1/2016	\$ 145,000	2.75%	\$ 2,140,000		145,000	1,995,000
			2/1/2017	150,000	3.00%				
			2/1/2018	160,000	5.00%				
			2/1/2019	165,000					
			2/1/2020	175,000					
			2/1/2021	185,000	4.00%				
			2/1/2022	190,000					
			2/1/2023	200,000					
			2/1/2024	200,000					
			2/1/2025	210,000					
			2/1/2026	215,000					
			Community Disaster Loan	2014/15	528,812				
			7/12019	105,763					
			7/12020	105,762					
			7/12021	105,762					
			7/12022	105,762					
						<u>\$ 2,140,000</u>	<u>528,812</u>	<u>145,000</u>	<u>2,523,812</u>

MONMOUTH BEACH SCHOOL DISTRICT

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE 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 Fund to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 229,750		229,750	229,750	
Total Revenues	<u>229,750</u>	<u>-</u>	<u>229,750</u>	<u>229,750</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	145,000		145,000	145,000	-
Redemption of Principal	84,750		84,750	84,750	-
Total Expenditures	<u>229,750</u>	<u>-</u>	<u>229,750</u>	<u>229,750</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance July 1					
Fund Balance June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATISTICAL SECTION

(Unaudited)

MONMOUTH BEACH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED

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	\$ 1,946,872	1,878,208	1,806,888	2,052,321	2,191,444	1,812,062	1,528,583	1,290,967	1,343,700	1,640,704
Restricted	2,926,408	2,605,861	2,387,586	1,929,392	1,574,739	1,384,994	1,221,637	938,555	878,571	842,741
Unrestricted	(1,011,504)	126,862	200,113	102,936	90,850	8,202	58,412	182,731	195,466	43,045
Total Governmental Activities	<u>\$ 3,861,776</u>	<u>4,610,931</u>	<u>4,394,587</u>	<u>4,084,649</u>	<u>3,857,033</u>	<u>3,205,258</u>	<u>2,808,632</u>	<u>2,412,253</u>	<u>2,417,737</u>	<u>2,526,490</u>
Business Type Activities										
Invested in Capital Assets, net of related Debt	\$ -	-	807	1,344	1,881	2,418	2,956	2,956	3,494	4,030
Unrestricted	58,766	39,972	2,902	2,672	1,323	1,369	738	481	760	951
Total Business Type Activities	<u>\$ 58,766</u>	<u>39,972</u>	<u>3,709</u>	<u>4,016</u>	<u>3,204</u>	<u>3,787</u>	<u>3,694</u>	<u>3,437</u>	<u>4,254</u>	<u>4,981</u>
District-wide										
Invested in Capital Assets, net of related Debt	\$ 1,946,872	1,878,208	1,807,695	2,053,665	2,139,325	1,814,480	1,531,539	1,293,923	1,347,194	1,644,734
Restricted	2,926,408	2,605,861	2,387,586	1,929,392	1,574,739	1,384,994	1,221,637	938,555	878,571	842,741
Unrestricted	(952,738)	166,834	203,015	105,608	92,173	9,571	59,150	183,212	196,226	43,996
Total District Position	<u>\$ 3,920,542</u>	<u>4,650,903</u>	<u>4,398,296</u>	<u>4,088,665</u>	<u>3,806,237</u>	<u>3,209,045</u>	<u>2,812,326</u>	<u>2,415,690</u>	<u>2,421,991</u>	<u>2,531,471</u>

MONMOUTH BEACH SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED

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	\$ 5,234,445	4,953,467	4,674,977	4,573,761	4,426,065	4,573,766	4,375,459	4,520,206	4,439,566	4,189,079
Business Type Activities	56,811	58,685	1,120	4,618	6,820	7,223	8,453	10,286	10,865	15,546
Total District Expenses	<u>5,291,256</u>	<u>5,012,152</u>	<u>4,676,097</u>	<u>4,578,379</u>	<u>4,432,885</u>	<u>4,580,989</u>	<u>4,383,912</u>	<u>4,530,492</u>	<u>4,450,431</u>	<u>4,204,625</u>
Program Revenues:										
Governmental Activities	145,707	13,081	65,755	86,938	81,552	114,325	78,422	75,777	79,193	82,365
Business Type Activities	75,605	95,755	813	5,430	6,237	5,102	7,710	7,469	10,138	13,364
Total District Program Revenues	<u>221,312</u>	<u>108,836</u>	<u>66,568</u>	<u>92,368</u>	<u>87,789</u>	<u>119,427</u>	<u>86,132</u>	<u>83,246</u>	<u>89,331</u>	<u>95,729</u>
Net (Expense):										
Governmental Activities	(5,088,738)	(4,940,386)	(4,609,222)	(4,486,823)	(4,344,513)	(4,459,441)	(4,297,037)	(4,444,429)	(4,360,373)	(4,106,714)
Business Type Activities	18,794	37,070	(307)	812	(583)	(2,121)	(743)	(2,817)	(727)	(2,182)
Total District-wide Net Expense	<u>(5,069,944)</u>	<u>(4,903,316)</u>	<u>(4,609,529)</u>	<u>(4,486,011)</u>	<u>(4,345,096)</u>	<u>(4,461,562)</u>	<u>(4,297,780)</u>	<u>(4,447,246)</u>	<u>(4,361,100)</u>	<u>(4,108,896)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities	5,178,342	5,156,730	4,919,160	4,714,439	4,804,634	5,187,168	4,532,114	4,604,684	4,477,951	4,172,632
Business Type Activities	-	-	-	-	-	2,214	1,000	2,000	-	1,665
Total District-wide	<u>5,178,342</u>	<u>5,156,730</u>	<u>4,919,160</u>	<u>4,714,439</u>	<u>4,804,634</u>	<u>5,189,382</u>	<u>4,533,114</u>	<u>4,606,684</u>	<u>4,477,951</u>	<u>4,174,297</u>
Change in Net Position:										
Governmental Activities	89,604	216,344	309,938	227,616	460,121	727,727	235,077	160,255	117,578	65,918
Business Type Activities	18,794	37,070	(307)	812	(583)	93	257	(817)	(727)	(517)
Total District	<u>108,398</u>	<u>253,414</u>	<u>309,631</u>	<u>228,428</u>	<u>459,538</u>	<u>727,820</u>	<u>235,334</u>	<u>159,438</u>	<u>116,851</u>	<u>65,401</u>

MONMOUTH BEACH SCHOOL DISTRICT
FUND BALANCES, GOVERNMENT FUNDS
LAST TEN FISCAL YEARS
UNAUDITED

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	\$ 2,873,795	2,553,248	2,334,973	1,861,039	1,298,310	1,121,875	1,217,625	924,544	874,566	838,061
Unreserved	236,021	237,977	236,551	242,236	90,850	230,652	239,492	249,276	253,837	103,348
Total General Fund	<u>\$ 3,109,816</u>	<u>2,791,225</u>	<u>2,571,524</u>	<u>2,103,275</u>	<u>1,389,160</u>	<u>1,352,527</u>	<u>1,457,117</u>	<u>1,173,820</u>	<u>1,128,403</u>	<u>941,409</u>
All Other Governmental Funds:										
Unreserved, Reported in:										
Capital Projects Fund	\$ 52,613	52,613	52,613	56,663	264,739	213,727	1,941	1,941	1,941	2,616
Debt Service Fund				11,690	11,690	1	2,071	2,070	2,064	2,064
Total All Other Government Funds	<u>\$ 52,613</u>	<u>52,613</u>	<u>52,613</u>	<u>68,353</u>	<u>276,429</u>	<u>213,728</u>	<u>4,012</u>	<u>4,011</u>	<u>4,005</u>	<u>4,680</u>

MONMOUTH BEACH SCHOOL DISTRICT
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
UNAUDITED

J-4

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Tax Levy	\$4,235,006	4,149,172	4,317,142	4,251,318	4,251,265	4,094,741	3,974,820	3,868,981	3,765,252	3,603,909
Other Local Revenue	100,989	147,304	13,943	9,586	12,655	18,134	18,351	45,048	59,360	44,781
State Sources	575,323	541,247	588,075	473,451	381,656	725,293	539,943	692,655	654,109	535,135
Federal Sources	412,731	273,869	65,755	86,938	81,552	114,325	78,422	75,777	78,423	78,365
Total Revenues	5,324,049	5,111,592	4,984,915	4,821,293	4,727,128	4,952,493	4,611,536	4,682,461	4,557,144	4,262,190
Expenditures										
Instruction:										
Regular	1,585,548	1,644,184	1,542,941	1,547,186	1,565,968	1,565,077	1,483,739	1,571,358	1,421,747	1,587,550
Special	276,489	299,270	233,717	273,984	233,657	303,688	353,552	270,632	237,116	221,194
Other	104,081	92,241	100,643	104,372	90,822	117,714	83,371	79,107	52,238	12,344
School-sponsored/other instructional								-		31,094
Total instruction	1,966,118	2,035,695	1,877,301	1,925,542	1,890,447	1,986,479	1,920,662	1,921,097	1,711,101	1,852,182
Undistributed:										
Instruction/Tuition				7,562	121,403	162,524	225,862	199,318	256,283	228,055
Attendance & Health Services										
Support services - Students										
Support services - Instructional staff	393,638	369,043	300,898	276,944	290,061	257,180	227,471	229,845	211,594	193,417
School Administration	316,663	136,312	118,058	195,513	208,678	243,461	224,339	232,259	276,727	203,000
Other Administration	172,832	249,244	239,958	239,661	234,043	191,113	241,630	184,754	123,747	169,516
Operations and Maintenance	408,497	417,107	291,354	319,538	339,464	329,648	307,845	324,258	296,708	251,221
Student Transportation	42,836	43,301	87,892	52,795	108,297	125,001	96,800	129,756	159,533	157,536
Unallocated Benefits	1,127,874	1,121,938	996,218	910,034	856,298	831,600	680,846	931,395	904,556	735,083
Education Jobs/Other				8,801				-		-
Total Undistributed	2,462,340	2,336,945	2,034,378	2,010,848	2,158,244	2,140,527	2,004,793	2,231,585	2,229,148	1,937,828
Capital Outlay:										
Equipment	201,543	341,939	328,472	30,591	-	349,000	82,653	166,245	110,980	43,143
Total Capital Outlay	201,543	341,939	328,472	30,591	-	349,000	82,653	166,245	110,980	43,143
Total General Fund Expenditures	4,630,001	4,714,579	4,240,151	3,966,981	4,048,691	4,476,006	4,008,108	4,318,927	4,051,229	3,833,153
Special Revenue:										
State								-	770	4,000
Federal	145,707	13,081	65,755	78,137	81,552	114,325	78,422	75,777	78,423	78,365
Total Special Revenue expenditures	145,707	13,081	65,755	78,137	81,552	114,325	78,422	75,777	79,193	82,365
Capital Projects Fund Expenditures					417,823	370,262		-	675	156,560
Debt Service Expenditures	229,750	222,450	226,500	225,400	263,606	235,774	240,708	240,334	239,728	238,890
Total Governmental Fund Expenditures	5,005,458	4,950,110	4,532,406	4,270,518	4,811,672	5,196,367	4,327,238	4,635,038	4,370,825	4,310,968
Excess(Deficiency) of Revenues										
Over(Under) Expenditures	318,591	161,482	452,509	550,775	(84,544)	(243,874)	284,298	47,423	186,319	(48,778)
Other Financing Sources (Uses)		58,219		(19,916)	159,058	349,000	(1,000)	(2,000)		(7,193)
Net Change in Fund Balance	\$ 318,591	219,701	452,509	530,859	74,514	105,126	283,298	45,423	186,319	(55,971)

Source: District records

MONMOUTH BEACH SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

J-5

	<u>Interest on Investments</u>	<u>Medical Insurance Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2006	\$ 33,758		9,762	43,520
2007	59,360		-	59,360
2008	48,048			48,048
2009	3,752		14,599	18,351
2010	2,731		15,403	18,134
2011	1,295		11,360	12,655
2012	8,058		1,528	9,586
2013	5,910		8,033	13,943
2014	7,316	98,553	40,435	146,304
2015	7,020		93,969	100,989

Source: District records

MONMOUTH BEACH SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

J-6

<u>Year Ended December 31,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2005 *	\$ 940,972,741	940,972,741	100.00%
2006	1,231,173,592	1,210,117,547	101.74%
2007	1,240,583,960	1,397,211,353	88.79%
2008	1,247,666,739	1,449,932,294	86.05%
2009	1,261,321,368	1,456,323,020	86.61%
2010	1,259,173,241	1,421,028,373	88.61%
2011	1,262,410,459	1,372,185,282	92.00%
2012	1,260,209,500	1,369,792,935	92.00%
2013	1,210,464,700	1,261,163,472	95.98%
2014	1,202,784,900	1,273,462,043	94.45%
2015	1,299,878,900	1,300,268,981	99.97%

Source: Abstract of Ratables, County Board of Taxation.

* - Revaluation in 2005

MONMOUTH BEACH SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
UNAUDITED

J-7

<u>Assessment Year</u>	<u>Monmouth Beach School District</u>	<u>Shore Regional High School</u>	<u>Monmouth Beach Borough</u>	<u>Monmouth County</u>	<u>Total</u>
2005	\$ 0.294	0.211	0.257	0.257	1.019
2006	0.306	0.235	0.274	0.292	1.107
2007	0.312	0.256	0.279	0.304	1.151
2008	0.319	0.253	0.297	0.296	1.165
2009	0.325	0.270	0.307	0.297	1.199
2010	0.338	0.279	0.318	0.305	1.240
2011	0.337	0.322	0.305	0.323	1.287
2012	0.343	0.328	0.309	0.307	1.287
2013	0.343	0.300	0.328	0.312	1.283
2014	0.352	0.292	0.333	0.323	1.300

Source: Tax Collector

MONMOUTH BEACH SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

J-8

<u>Taxpayer</u>	<u>Assessed Valuation 2015</u>	<u>As a Percentage of District Net Assessed Valuation</u>
Taxpayer #1	\$ -	0.00%
Taxpayer #2		0.00%
Taxpayer #3	NO DATA AVAILABLE	0.00%
Taxpayer #4		0.00%
Taxpayer #5		0.00%
Taxpayer #6		0.00%
Taxpayer #7		0.00%
Taxpayer #8		0.00%
Taxpayer #9		0.00%
Taxpayer #10		0.00%
 Total	 <u>\$ -</u>	 <u>0.00%</u>

Source: Municipal Tax Assessor.

Note: Information for Nine Years ago was not available

MONMOUTH BEACH SCHOOL DISTRICT
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
UNAUDITED

J-9

<u>Year Ended June 30,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
2005	\$ 12,523,609	12,325,194	98.42%
2006	13,693,231	13,452,474	98.24%
2007	14,279,123	14,184,491	99.34%
2008	14,614,668	14,363,813	98.26%
2009	15,187,360	14,908,948	98.16%
2010	15,613,748	15,491,955	98.43%
2011	16,326,535	16,309,727	98.24%
2012	16,298,628	16,011,166	98.23%
2013	15,845,481	15,844,473	99.99%
2014	15,616,487	15,375,993	98.46%

Source: Municipal Tax Collector

* - Information not available

MONMOUTH BEACH SCHOOL DISTRICT
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
UNAUDITED

J-10

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Other Debt</u>	<u>Total Debt Per District</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2006	\$ 3,021,000	-	3,021,000	1.8%	835.68
2007	2,926,000	-	2,926,000	2.0%	818.23
2008	2,826,000	-	2,826,000	2.1%	792.26
2009	2,721,000		2,721,000	2.0%	761.97
2010	2,690,000		2,690,000	2.1%	819.62
2011	2,540,000		2,540,000	2.2%	773.92
2012	2,410,000		2,410,000	2.4%	734.31
2013	2,275,000		2,275,000	2.5%	693.17
2014	2,140,000		2,140,000	2.7%	650.46
2015	1,995,000		1,995,000	2.9%	606.38

Source: District records.

MONMOUTH BEACH SCHOOL DISTRICT
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN YEARS
UNAUDITED

J-11

<u>Fiscal Year Ended June 30,</u>	<u>School District Population</u>	<u>Net Assessed Valuation Taxable</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2006	3,615	1,231,173,592	3,021,000	0.245%	835.68
2007	3,582	1,231,173,592	2,926,000	0.238%	816.86
2008	3,582	1,240,583,960	2,826,000	0.228%	788.94
2009	3,570	1,247,666,739	2,721,000	0.218%	756.88
2010	3,282	1,261,321,368	2,690,000	0.213%	819.62
2011	3,282	1,262,410,459	2,540,000	0.201%	773.92
2012	3,279	1,260,209,500	2,410,000	0.191%	734.98
2013	3,279	1,210,464,700	2,275,000	0.188%	693.81
2014	3,290	1,210,767,732	2,140,000	0.177%	650.46
2015	3,298	1,300,216,806	1,995,000	0.153%	604.91

Source: Abstract of Ratables, County Board of Taxation.
 School District records.

MONMOUTH BEACH SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014
UNAUDITED

J-12

Net Direct Debt of School District as of December 31, 2014		\$ 17,278,051
Net Overlapping debt of School District:		
Monmouth Beach Borough	4,527,346	
Regional High School	<u>11,880,000</u>	
County of Monmouth - 1.18%	<u>17,126,779</u>	
		<u>33,534,126</u>
Total Direct and Overlapping Bonded Debt as of June 30, 2015		<u><u>\$ 50,812,177</u></u>

Source: Monmouth Beach Chief Financial Officer and County Treasurer's Office.

MONMOUTH BEACH SCHOOL DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
UNAUDITED

J-13

						<u>Year</u>		<u>Equalized</u>		
						2014		Valuation Basis		
						2013		\$	-	
						2012		1,269,533,083		
								1,336,713,919		
								<u>\$2,606,247,002</u>		
Average Equalized Valuation of Taxable Property								\$	-	
School Borrowing Margin (3% of \$1,324,684,467)								\$	-	
Net Bonded School Debt as of June 30, 2014								_____		
School Borrowing Margin Available								<u>\$</u>	<u>-</u>	
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt Limit	\$39,740,534	39,748,799	40,735,931	41,276,702	42,314,403	43,045,052	42,676,758	40,299,475	35,236,302	26,600,389
Net Debt	1,995,000	2,140,000	2,275,000	2,410,000	2,540,000	2,690,000	2,721,000	2,826,000	2,926,000	3,021,000
Legal Debt Margin	<u>\$37,745,534</u>	<u>37,608,799</u>	<u>38,460,931</u>	<u>38,866,702</u>	<u>39,774,403</u>	<u>40,355,052</u>	<u>39,955,758</u>	<u>37,473,475</u>	<u>32,310,302</u>	<u>23,579,389</u>

Source: State of New Jersey, Department of Taxation.

MONMOUTH BEACH SCHOOL DISTRICT
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
UNAUDITED

J-14

<u>Year Ended December 31,</u>	<u>Monmouth Beach Unemployment Rate</u>	<u>Monmouth Beach Personal Income (a)</u>	<u>Monmouth Beach Per Capita Income</u>	<u>Population</u>
2005	3.6%	\$ 176,664,217	49,169	3,593
2006	4.1%	194,183,340	53,716	3,615
2007	3.7%	206,299,440	57,690	3,576
2008	4.8%	211,644,378	59,334	3,567
2009	7.9%	199,133,244	55,764	3,571
2010	8.0%	186,926,310	56,955	3,282
2011	8.1%	191,521,110	58,355	3,282
2012	8.5%	Unavailable	Unavailable	3,279
2013	2.3%	202,071,540	61,426	3,290
2014	4.5%	174,338,876	52,862	3,298

**Source: Bureau of Labor Statistics, United States Department of Commerce and
State Data Center**

(a) Personal Income has been estimated based upon the municipal population and per capita income presented

MONMOUTH BEACH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

2015

DATA NOT AVAILABLE

2006

DATA NOT AVAILABLE

Exhibit J-16

MONMOUTH BEACH SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TWO FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>
Instruction:		
Regular	21.40	22.4
Special Education	4.00	4
Other Instruction	4.10	4.10
Support Services:		
Student and Instruction Related Services	2.70	2.50
General Administration	1.00	1.00
School Administrative Services	0.20	0.20
Other Administrative Services	2.00	2.00
Central Services	1.30	1.30
Plant Operations and Maintenance	3.00	3.00
Other Support Services	0.00	0.00
Total	39.70	40.50

Source: District Personnel Records

MONMOUTH BEACH SCHOOL DISTRICT

OPERATING STATISTICS

LAST TWO FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^d</u>	<u>Percentage Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2014	285	4,876,061	17,109	13.34%	25.4	11.2	284.5	270.7	0.78%	95.15%
2015	278	4,704,938	16,924	-1.09%	29.5	9.4	265.1	252.2	-7.32%	95.13%

Source: District records

Note: Enrollment based on annual October District count.

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

MONMOUTH BEACH SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS
(UNAUDITED)

<u>District/Building</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Elementary:										
Monmouth Beach School										
Square Feet	61,882	61,882	61,882	61,882	61,882	61,882	61,882	61,882	61,882	61,882
Capacity	337	337	337	337	337	337	337	337	337	337
Enrollment	318	316	322	320	306	309	314	299	285	278

Source: District Records

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions.

Enrollment is based on the annual October District count.

MONMOUTH BEACH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

J-19

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Monmouth</u> <u>Beach</u> <u>Elementary</u>
2006	\$ 12,108
2007	22,813
2008	14,947
2009	17,238
2010	23,067
2011	19,175
2012	19,312
2013	6,975
2014	6,732
2015	36,759

Source: District records.

MONMOUTH BEACH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -		
Property-Blanket Building & Contents	\$ 10,164,943	1,000
Comprehensive General Liability	6,120,000	
Comprehensive Auto Liability	6,000,000	
Comprehensive Crime Coverage	25,000	500
Other Flood - Contents	10,000,000	*
 Computers and Scheduled Equipment -		
Data Processing Equipment	300,000	1,000
 Boiler and Machinery -		
Property Damage	1,000,000	1,000
 Umbrella Liability -		
Umbrella Policy	2,000,000	
 School Board Legal Liability -		
Directors and Officers Policy	5,000,000	5,000

* = Flood subject to alternate deductibles

Source: District records.

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

Honorable President and Members
of the Board of Education
Monmouth Beach School District
County of Monmouth
Monmouth Beach, 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 Monmouth Beach Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Monmouth Beach Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated December 18, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

December 18, 2015

MONMOUTH BEACH SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDING JUNE 30, 2015

Schedule A
K-3

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Grant Period	Program or Award Amount	Balance June 30, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Adjustment	Balance at June 30, 2015		
										(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Agriculture												
Passed Through State Department of Education:												
Special Milk Program	10.556	9-1-14 to 6-30-15	\$ 1,865			1,786	(1,865)				(79)	
Special Milk Program	10.556	9-1-13 to 6-30-14	1,734	\$ (95)		95						
Total U.S. Department of Agriculture				(95)	-	1,881	(1,865)	-	-		(79)	-
U.S. Department of Education:												
Passed Through State Department of Education:												
Special Revenue Fund:												
Title IIA	84.367A	9-1-14 to 8-30-15	7,418				(7,418)				(7,418)	
Title IIA	84.367A	9-1-13 to 8-30-14	7,355	(7,355)		7,355						
I.D.E.A. Basic	84.027	9-1-14 to 8-30-15	66,362				(66,362)				(66,362)	
I.D.E.A. Basic	84.027	9-1-13 to 8-30-14	70,207			70,207	(70,207)					
I.D.E.A. Preschool	84.173	9-1-14 to 8-30-15	818				(818)				(818)	
I.D.E.A. Preschool	84.173	9-1-13 to 8-30-14	839			839	(839)					
Total Special Revenue Fund				(7,355)	-	78,401	(145,644)	-	-		(74,598)	-
General Fund:												
Community Disaster Loan	97.030	9-1-14 to 8-30-15	267,024	(261,788)			(267,024)				(528,812)	
Total U.S. Department of Education				(269,143)	-	78,401	(412,668)	-	-		(603,410)	-
Total Federal Financial Assistance				\$ (269,238)	-	80,282	(414,533)	-	-		(603,489)	-

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

MONMOUTH BEACH SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Schedule B
K-4

State Grantor/Program State Department of Education:	Grant or State Project Number	Grant Period	Program or Award Amount	Balance June 30, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Adjustment	Balance at June 30, 2015			MEMO		
										(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures	
General Fund:															
Special Education Aid	15-495-034-5120-089	7-1-14 to 6-30-15	\$ 136,900	\$ -		136,900	(136,900)						(12,540)	136,900	
Transportation Aid	15-495-034-5120-014	7-1-14 to 6-30-15	4,041			4,041	(4,041)						(369)	4,041	
Security Aid	15-495-034-5120-084	7-1-14 to 6-30-15	4,377			4,377	(4,377)						(401)	4,377	
PARCC Readiness Aid	15-495-034-5120-098	7-1-14 to 6-30-15	2,650			2,650	(2,650)						(243)	2,650	
Per Pupil Growth Aid	15-495-034-5120-097	7-1-14 to 6-30-15	2,650			2,650	(2,650)						(243)	2,650	
Additional Adjustment Aid	15-495-034-5120-085	7-1-14 to 6-30-15	1,986			1,986	(1,986)						(183)	1,986	
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7-1-14 to 6-30-15	145,329			138,101	(145,329)			(7,228)				145,329	
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	7-1-13 to 6-30-14	150,498	(16,279)		16,279									
Non Public Transportation	14-495-034-5120-014	7-1-13 to 6-30-14	1,426	(1,426)		1,426									
Total General Fund				<u>(17,705)</u>	<u>-</u>	<u>308,410</u>	<u>(297,933)</u>	<u>-</u>	<u>-</u>	<u>(7,228)</u>	<u>-</u>	<u>-</u>	<u>(13,979)</u>	<u>297,933</u>	
Total State Financial Assistance				<u>\$ (17,705)</u>	<u>-</u>	<u>308,410</u>	<u>(297,933)</u>	<u>-</u>	<u>-</u>	<u>(7,228)</u>	<u>-</u>	<u>-</u>	<u>(13,979)</u>	<u>297,933</u>	

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

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MONMOUTH BEACH 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, Monmouth Beach School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

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

NOTE 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 297,933			297,933
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	277,920			277,920
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)	(530)			(530)
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 575,323</u>			<u>575,323</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$ 267,024	145,707	1,865	414,596
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>\$ 267,024</u>	<u>145,707</u>	<u>1,865</u>	<u>414,596</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

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