

**SCHOOL DISTRICT OF THE
BOROUGH OF SPRING LAKE
COUNTY OF MONMOUTH, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

**BOARD OF EDUCATION
BOROUGH OF SPRING LAKE
STATE OF NEW JERSEY**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015

**PREPARED BY
SPRING LAKE BOARD OF EDUCATION
BOARD SECRETARY'S OFFICE**

OUTLINE OF CAFR

INTRODUCTORY SECTION

Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7

FINANCIAL SECTION

Independent Auditor's Report	8
Required Supplementary Information - Part I Management's Discussion and Analysis	12

BASIC FINANCIAL STATEMENTS

A. District-wide Financial Statements:

A-1 Statement of Net Position	21
A-2 Statement of Activities	22

B. Fund Financial Statements:

Governmental Funds:

B-1 Balance Sheet	23
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	24
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25

Proprietary Funds:

B-4 Statement of Net Position	26
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	27
B-6 Combining Statement of Cash Flows	28

Fiduciary Funds:

B-7 Statement of Fiduciary Net Position	29
B-8 Statement of Changes in Fiduciary Net Position	30

Notes to the Financial Statements	31
---	----

OUTLINE OF CAFR

Required Supplementary Information - Part II

C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule - General Fund	63
C-1a	Not Applicable	
C-2	Budgetary Comparison Schedule - Special Revenue Fund	74

Notes to the Required Supplementary Information - Part III

C-3	Budgetary Comparison Schedule	75
-----	-------------------------------------	----

Required Supplementary Information - Part III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

L-1	Schedule of the District's Proportionate Share of the Net Pension Liability – PERS	76
L-2	Schedule of District Contributions – PERS	77
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF	78
L-4	Notes to Requires Schedules of Supplementary Information - Part III.	79

Other Supplementary Information

D. School Level Schedules:

Not Applicable

E. Special Revenue Fund:

E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	80
E-1a	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	81
E-1b	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	82
E-1c	Not Applicable	
E-2	Not Applicable	
E-3	Not Applicable	
E-4	Not Applicable	

F. Capital Projects Fund:

Not Applicable

OUTLINE OF CAFR

G. Proprietary Funds:

Enterprise Fund:

G-1	Combining Statement of Net Position	83
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	84
G-3	Combining Statement of Cash Flows	85

Internal Service Fund:

Not Applicable

H. Fiduciary Funds:

H-1	Combining Statement of Fiduciary Net Position	86
H-2	Combining Statement of Changes in Fiduciary Net Position	87
H-3	Student Activity Agency Fund - Schedule of Receipts and Disbursements	88
H-4	Payroll Agency Fund - Schedule of Receipts and Disbursements	89

I. Long-Term Debt:

I-1	Statement of Serial Bonds	90
I-2	Budgetary Comparison Schedule - Debt Service Fund	91
I-3	Not Applicable	

J. Statistical Section (Unaudited)

Financial Trends

J-1	Net Position by Component	92
J-2	Changes in Net Position	93
J-3	Fund Balances - Governmental Funds	95
J-4	Governmental Fund Expenditures by Function	96
J-5	General Fund Other Local Revenue by Source	97

Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property (Revised July 2010)	98
J-7	Direct and Overlapping Property Tax Rates	99
J-8	Principal Property Taxpayers	100
J-9	School Tax Levies and Collections	101

OUTLINE OF CAFR

Debt Capacity

J-10	Ratios of Outstanding Debt by Type	102
J-11	Ratios of General Bonded Debt Outstanding	103
J-12	Direct and Overlapping Governmental Activities Debt	104
J-13	Legal Debt Margin Information	105

Demographic and Economic Information

J-14	Demographic and Economic Statistics	106
J-15	Principal Employers	107

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program	108
J-17	Operating Statistics	109
J-18	School Building Information	110
J-19	Schedule of Required Maintenance for School Facilities	111
J-20	Insurance Schedule	112

K. SINGLE AUDIT SECTION

K-1	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	113
K-2	Independent Auditor's Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and N.J. OMB Circular 04-0.	115
K-3	Schedule of Expenditures of Federal Awards - Schedule A	118
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B	119
K-5	Notes to the Schedules of Expenditures of Federal and State Awards	120
K-6	Schedule of Findings and Questioned Costs	122
K-7	Summary Schedule of Prior Audit Findings	125

INTRODUCTORY SECTION

Spring Lake Board of Education

H.W. MOUNTZ ELEMENTARY SCHOOL

411 Tuttle Avenue
Phone: (732) 449-2056 x416

Spring Lake, New Jersey 07762
Fax (732) 449-2058

November 17, 2015

Honorable President and
Members of the Board of Education
Spring Lake School District
Monmouth County, New Jersey 07762

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Spring Lake 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 CAFR is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provision of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local governments and Non-Profit Organizations", and the state Treasury Circular Letter 98-07 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.

1. REPORTING ENTITY AND ITS SERVICES: Spring Lake School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement #3. All funds and account groups of the District are included in this report. The Spring Lake Board of Education and the H. W. Mountz School constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational, and special education for handicapped youngsters. The District resident enrollment on October 15, 2014 as reported in the annual Application for State School Aid (ASSA) was 266, which is a decrease of 30 students over the previous year's enrollment. The following details the changes in the student enrollment of the district over the last ten years.

Resident Enrollment

Oct. 15 Year	Student Enrollment	Percent Change
2014	266	(10.1%)
2013	296	(4.2%)
2012	308.5	(0.03%)
2011	309.5	(2.8%)
2010	318.5	2%
2009	313.5	(3.2%)
2008	324	3.7%
2007	312.5	(6.0%)
2006	332.5	(12.6%)
2005	380.5	(4.88%)

2. ECONOMIC CONDITION AND OUTLOOK: The Borough of Spring Lake is located in the southeastern section of Monmouth County and is comprised of approximately 832 acres of 1.3 square miles. The community is, for all practical purposes, fully developed and is predominantly residential in character.

The decline in student enrollment experienced in the 1980's reversed in the 1990's. The growth was attributed to a shift of enrollments from parochial to public school and younger families moving into the district replacing older ones. This shift has again reversed and there is a decline in enrollment, which we believe is leveling off.

3. MAJOR INITIATIVES: The 2014-2015 budget contained funding for increased special education services, increased professional development, curriculum development, materials and resources for instructional improvements, and the completion of the science lab upgrades.

Students continue to score well above the national average on standardized ability tests and the District is a 2015 National Blue Ribbon recipient and an Exemplary High Performing School.

The school district has continued enhancements to its math, language arts, and science programs, provided extensive staff development, implemented the seventh year of anti-bullying strategies in all grades. All program initiatives and enhancements have been closely correlated with the State Core Curriculum Content Standards.

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

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

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

5. BUDGETARY CONTROLS:

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

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

6. 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.

7. DEBT ADMINISTRATION:

At June 30, 2015, the District had \$800,000 of outstanding school bonds.

8. CASH MANAGEMENT:

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

9. RISK MANAGEMENT:

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

10. OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva, P.A. was appointed by the Spring Lake Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendment of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor’s report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

11.ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Spring Lake School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school districts and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without efficient and dedicated services of our central office staff.

Respectfully submitted,

Robert Mahon

Robert Mahon
Superintendent, Interim

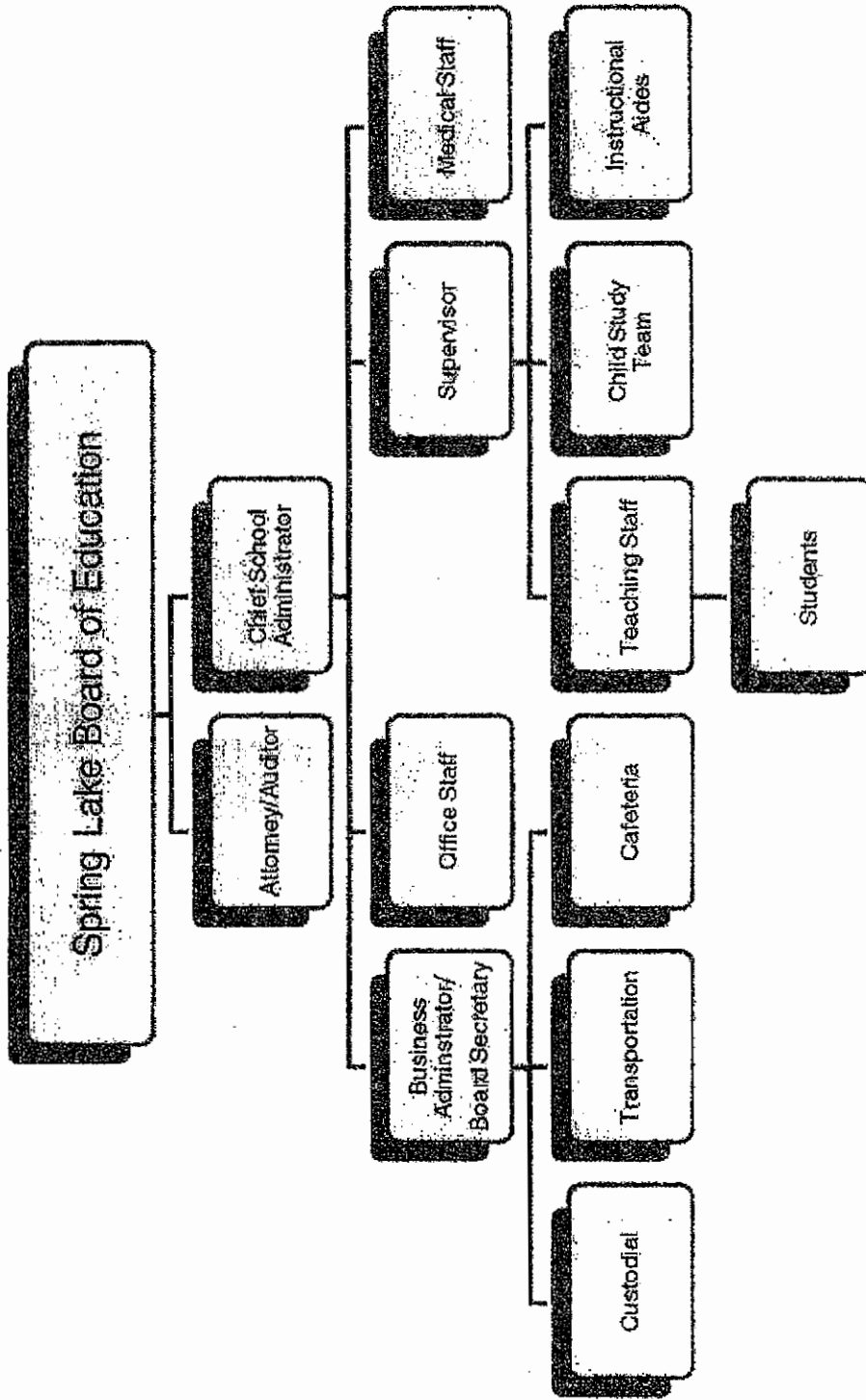
Nick Mackres

Nick Mackres
Business Administrator/Board Secretary

SPRING LAKE BOARD OF EDUCATION
Spring Lake, New Jersey

Exhibit

ORGANIZATIONAL CHART



**SPRING LAKE BOARD OF EDUCATION
SPRING LAKE, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2015

<u>Members of the Board of Education</u>	<u>Term Began</u>	<u>Term Expires</u>
Vincent Daino, President	2014	2016
Christine Valori, Vice President	2014	2016
Edwin Hale	2014	2015
Alan Ferraro	2015	2017
Barton Sterling	2015	2015

Other Officials

Robert Mahon, Superintendent, Interim

Nick Mackres, School Business Administrator / Board Secretary

Panda LLC, Reconciler of School Monies

Sciarrillo Cornell Merlino, McKeever & Osborne, LLC., Attorney

SPRING LAKE BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

Architect/Engineers

P. W. Moss & Associates
Engineering
7 Plumridge Drive
Doylestown, PA 18902

Audit Firm

Ferraioli, Wielkocz, Cerullo & Cuva, P. A.
Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, NJ 07442

Attorney

Sciarrillo Cornell
Merlino, McKeever & Osborne, LLC.
238 St. Paul Street
Westfield, NJ 07090

Official Depositories

TD Bank
555 Warren Avenue
Spring Lake Heights, NJ 07762

FINANCIAL SECTION

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, NJ 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Borough of Spring Lake School District
County of Monmouth
Spring Lake, 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 Borough of Spring Lake 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 of material misstatement.



Honorable President and
Members of the Board of Education
Page 2.

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, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Spring Lake Board of Education, 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 year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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



Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Spring Lake Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2015 on our consideration of the Borough of Spring Lake Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope

Honorable President and
Members of the Board of Education
Page 4.

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 Borough of Spring Lake Board of Education's internal control over financial reporting and compliance.

Paul J. Cuva

Paul J. Cuva, C.P.A.
Licensed Public School Accountant
No. CS00076600

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 17, 2015



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**SPRING LAKE BOARD OF EDUCATION
SPRING LAKE, NEW JERSEY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

The discussion and analysis of the Spring Lake Board of Education’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 District’s financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District’s revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position decreased \$238,686. Net position of governmental activities decreased \$238,446 while net position of business-type activity increased by \$754.
- General revenues accounted for \$7,701,619 revenue or 96.2 percent of all District revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$305,643 or 3.8 percent of total revenues of \$8,007,262.
- The School District had \$8,249,746 in expenses related to governmental activities; only \$305,643 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$7,701,619 were not adequate to provide for these programs.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (government-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

District-Wide Financial Statements

The *statement of net position and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, “Is the District better or worse off as a result of the year’s activities?” These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year’s revenues and expenses are taken into consideration regardless of when cash is received or paid.

Both of the district-wide financial statements distinguish functions of the Spring Lake Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

**SPRING LAKE BOARD OF EDUCATION
SPRING LAKE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

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

- Governmental Activities – All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity – This service is provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service Enterprise fund is reported as a business activity.

The two statements report the District's net position and changes in them. The change in net position can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Spring Lake Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

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

**SPRING LAKE BOARD OF EDUCATION
SPRING LAKE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

The Spring Lake Board of Education maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue and debt service funds, which are considered to be major funds.

The Spring Lake Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with their budgets.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Spring Lake Board of Education uses proprietary funds to account for its food service program.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our 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. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. 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 in the Financial Section.

**SPRING LAKE BOARD OF EDUCATION
SPRING LAKE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net position is \$2,834,380 at June 30, 2015. Of this amount, \$(1,377,073) was in unrestricted balances. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items for day-to-day operations. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets						
Current and Other Assets	2,720,532	3,358,599	1,116	2,403	2,721,648	3,361,002
Capital Assets	<u>2,685,544</u>	<u>2,445,050</u>	<u>2,041</u>	_____	<u>2,687,585</u>	<u>2,445,050</u>
Total Assets	<u>5,406,076</u>	<u>5,803,649</u>	<u>3,157</u>	<u>2,403</u>	<u>5,409,233</u>	<u>5,806,052</u>
Deferred Outflow of Resources	<u>345,303</u>	_____	_____	_____	<u>345,303</u>	_____
Liabilities						
Current Liabilities	287,760	90,456			287,760	90,456
Noncurrent Liabilities	<u>2,527,873</u>	<u>1,166,607</u>	_____	_____	<u>2,527,873</u>	<u>1,166,607</u>
Total Liabilities	<u>2,815,633</u>	<u>1,257,063</u>	_____	_____	<u>2,815,633</u>	<u>1,257,063</u>
Deferred inflows of Resources	<u>101,366</u>	_____	_____	_____	<u>101,366</u>	_____
Net Position						
Invested in Capital Assets-						
Net of Debt	1,885,544	1,480,050	2,041		1,887,585	1,480,050
Restricted	2,325,909	2,352,821			2,325,909	2,352,821
Unrestricted	<u>(1,377,073)</u>	<u>(759,051)</u>	<u>1,116</u>	<u>2,403</u>	<u>(1,375,957)</u>	<u>(756,648)</u>
Total Net Position	<u>2,834,380</u>	<u>3,073,820</u>	<u>3,157</u>	<u>2,403</u>	<u>2,837,537</u>	<u>3,076,223</u>

**SPRING LAKE BOARD OF EDUCATION
SPRING LAKE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2015 compared to 2014.

**Table 2
Changes in Net Position
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			3,798	4,947	3,798	4,947
Operating Grants and						
Contributions	301,845	311,101			301,845	311,101
General Revenues:						
Taxes:						
Property taxes, levied for:						
General purposes	6,072,464	5,953,397			6,072,464	5,953,397
Debt Service	138,636	127,242			138,636	127,242
Federal and State Aid	1,363,533	753,768			1,363,533	753,768
Miscellaneous Income	<u>126,986</u>	<u>133,374</u>	<u> </u>	<u> </u>	<u>126,986</u>	<u>133,374</u>
Total Revenues and Transfers	<u>8,003,464</u>	<u>7,278,882</u>	<u>3,798</u>	<u>4,947</u>	<u>8,007,262</u>	<u>7,283,829</u>

**SPRING LAKE BOARD OF EDUCATION
SPRING LAKE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Functions/Program Expenses						
Instruction:						
Regular	1,668,325	1,930,010			1,668,325	1,930,010
Special Education	570,168	333,070			570,168	333,070
Other Instruction	67,903	68,236			67,903	68,236
Support Services:						
Tuition	1,434,110	1,256,070			1,434,110	1,256,070
Student & Instruction Related Services	1,090,409	1,132,302			1,090,409	1,132,302
School Administrative Services	77,832	86,258			77,832	86,258
General Administrative Services	153,494	156,136			153,494	156,136
Central Services and Admin.	140,788	146,341			140,788	146,341
Admin. Info. Technology	6,869	7,278			6,869	7,278
Plant Operations and Maintenance	605,381	514,555			605,381	514,555
Pupil Transportation	320,422	341,177			320,422	341,177
Unallocated Benefits	1,915,052	1,292,314			1,915,052	1,292,314
Capital Outlay - Undepreciable	3,953	1,285			3,953	1,285
Interest on Long-Term Debt	33,843	38,330			33,843	38,330
Unallocated depreciation	154,355	150,724			154,355	150,724
Food Service			<u>3,044</u>	<u>6,774</u>	<u>3,044</u>	<u>6,774</u>
Total Expenses	<u>8,242,904</u>	<u>7,454,086</u>	<u>3,044</u>	<u>6,774</u>	<u>8,245,948</u>	<u>7,460,860</u>
Increase or (Decrease) in Net Position	<u>(239,440)</u>	<u>(175,204)</u>	<u>754</u>	<u>(1,827)</u>	<u>(238,686)</u>	<u>(177,031)</u>

**SPRING LAKE BOARD OF EDUCATION
SPRING LAKE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business- Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$8,245,948. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was \$6,211,100 because some of the cost was paid by those who benefitted from the programs \$3,798, by other governments and organizations who subsidized certain programs with grants and contributions \$1,665,378, and by miscellaneous sources \$126,986.

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service expenses exceeded revenues by \$754.
- ✓ Charges for services provided totaled \$3,044. This represents amounts paid by consumers for daily milk services.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2015, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund and post retirement medical benefits and TPAF social security reimbursements, is neither a revenue item nor an expenditures item to the District but is required to be reflected in the governmental funds financial statements.
- The special revenue fund was increased by \$358,487 for an increase in federal and state grant awards.

General Fund

The general fund actual revenue was \$6,930,273. That amount is \$643,555 above the final amended budget of \$6,286,718. The variance between the actual revenues and final budget was largely the result of non-budgeted on-behalf payments of \$478,579 for TPAF social security reimbursements and on-behalf pension and post retirement medical benefits payments and a \$46,344 excess in miscellaneous anticipated revenues and \$118,632 excess in other state aids.

**SPRING LAKE BOARD OF EDUCATION
SPRING LAKE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)

General Fund, (continued)

The actual expenditures of the general fund were \$7,531,824 which is \$257,624 below the final amended budget of \$7,789,448. The variance between the actual expenditures and final budget was due to excess non-budget on-behalf State TPAF social security, pension and medical retirement payments of \$478,579 and \$736,203 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue was \$358,487. That amount is greater than the original budget estimate of \$252,527 and equal to the final amended budget of \$358,487.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2015 the School District had \$6,353,139 invested in sites, buildings and equipment. Of this amount, \$3,667,595 in depreciation has been taken over the years. We currently have a net book value of \$2,685,544. Total additions for the year were \$397,889. Total depreciation for the year was \$154,355. Table 3 shows fiscal year 2015 balances compared to 2014.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land Improvements	492,117	492,117			492,117	492,117
Construction in Progress	450,649	99,186			450,649	
Buildings and Improvements	1,579,363	1,664,311			1,579,363	1,664,311
Furniture, Equipment and Vehicles	<u>163,415</u>	<u>18,943</u>	<u>2,041</u>	<u>-0-</u>	<u>165,456</u>	<u>18,943</u>
	<u>2,685,544</u>	<u>2,274,557</u>	<u>2,041</u>	<u>-0-</u>	<u>2,687,585</u>	<u>2,175,371</u>

Debt Administration

At June 30, 2015, the District had \$2,692,873 of outstanding debt. Of this amount, \$192,604 is for compensated absences; \$965,000 of serial bonds for school construction; and \$1,700,269 for the net pension obligation for PERS.

**SPRING LAKE BOARD OF EDUCATION
SPRING LAKE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Many factors were considered by the District during the process of developing the 2015-2016 budget. The primary factors were the District's projected student population and the services that are required to be provided by the District, as well as increasing salary and benefit costs.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Spring Lake Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Mr. Nick Mackres,
School Business Administrator
Spring Lake Board of Education
411 Tuttle Avenue
Spring Lake, New Jersey 07762-1507

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Spring Lake School District
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	1,097,498	1,116	1,098,614
Receivables, net	278,696		278,696
Restricted assets:			
Cash and cash equivalents	1,344,338		1,344,338
Land	492,117		492,117
Other Capital Assets, net	2,193,427	2,041	2,195,468
Total Assets	<u>5,406,076</u>	<u>3,157</u>	<u>5,409,233</u>
Deferred outflow or resources	<u>345,303</u>		<u>345,303</u>
LIABILITIES			
Accounts payable	83,243	-	83,243
Accrued interest on bonds	8,034		8,034
Payable to federal and state government	11,754		11,754
Deferred revenue	19,729		19,729
Noncurrent liabilities:			
Due within one year	165,000		165,000
Due beyond one year	2,527,873		2,527,873
Total liabilities	<u>2,815,633</u>	<u>-</u>	<u>2,815,633</u>
Deferred inflow of resources	<u>101,366</u>		<u>101,366</u>
NET POSITION			
Invested in capital assets, net of related debt	1,885,544	2,041	1,887,585
Restricted for:			
Debt service	6		6
Other Purposes	2,325,903		2,325,903
Unrestricted	(1,377,073)	1,116	(1,375,957)
Total net position	<u>2,834,380</u>	<u>3,157</u>	<u>2,837,537</u>

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

Spring Lake School District
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	1,668,325					(1,668,325)		(1,668,325)
Special education	570,168		168,786			(401,382)		(401,382)
Other instruction	67,903					(67,903)		(67,903)
Support services:								
Tuition	1,434,110					(1,434,110)		(1,434,110)
Student & instruction related services	1,090,409		133,059			(957,350)		(957,350)
School administrative services	77,832					(77,832)		(77,832)
General administrative services	153,494					(153,494)		(153,494)
Central Services	140,788					(140,788)		(140,788)
Admin. Info. Technology	6,869					(6,869)		(6,869)
Plant operations and maintenance	605,381					(605,381)		(605,381)
Pupil transportation	320,422					(320,422)		(320,422)
Employee Benefits	1,915,052					(1,915,052)		(1,915,052)
Capital outlay-undepreciable	3,953					(3,953)		(3,953)
Interest on long-term debt	33,843					(33,843)		(33,843)
Unallocated depreciation	154,355					(154,355)		(154,355)
Total governmental activities	8,242,904	-	301,845	-		(7,941,059)	-	(7,941,059)
Business-type activities:								
Food Service	3,044						754	754
Total business-type activities	3,044						754	754
Total primary government	8,245,948		301,845			(7,941,059)	754	(7,940,305)
General revenues:								
Property Taxes Levied for:								
General Purposes						6,072,464		6,072,464
Debt Service						138,636		138,636
Federal and State aid not restricted						1,301,780		1,301,780
State aid restricted						61,753		61,753
Miscellaneous Income						126,986		126,986
Total general revenues, special items, extraordinary items and transfers						7,701,619		7,701,619
Change in Net Position						(239,440)	754	(238,686)
Net Position (Restated)—beginning						3,073,820	2,403	3,076,223
Net Position—ending						2,834,380	3,157	2,837,537

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

FUND FINANCIAL STATEMENTS

Spring Lake School District
Balance Sheet
Governmental Funds
June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	1,097,492		6	1,097,498
Receivables from Other Governments	132,288	146,408		278,696
Interfund Receivable	102,144			102,144
Restricted Cash and Cash Equivalents	1,344,338			1,344,338
Total Assets	<u>2,676,262</u>	<u>146,408</u>	<u>6</u>	<u>2,822,676</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable		102,144		102,144
Accounts Payable		13,443		13,443
Payable to State Government		11,754		11,754
Deferred Revenue	662	19,067		19,729
Total Liabilities	<u>662</u>	<u>146,408</u>		<u>147,070</u>
Fund Balances:				
Restricted for:				
Excess Surplus - Current Year	479,599			479,599
Excess Surplus-prior year-Designated for Subsequent Year's Expenditures	316,515			316,515
Emergency Reserve	250,000			250,000
Maintenance Reserve	362,291			362,291
Capital Reserve	580,047			580,047
Tuition Reserve	73,000			73,000
Debt Service			6	6
Assigned to:				
Year end encumbrances	110,922			110,922
Tuition Adjustment	79,000			79,000
Designated for Subsequent Year's Expenditures	74,529			74,529
Unassigned:				
General Fund	349,697			349,697
Total Fund Balances	<u>2,675,600</u>		<u>6</u>	<u>2,675,606</u>
Total Liabilities and Fund Balances	<u>2,676,262</u>	<u>146,408</u>	<u>6</u>	

Amounts reported for *governmental activities* in the statement of net assets (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 \$6,353,139 and the accumulated depreciation is \$3,667,595.	2,685,544
Deferred outflows of resources	345,303
Interest on Long-term debt accrued	(8,034)
Deferred inflow of resources	(101,366)
Accounts payable for PERS payment subsequent to the measurement date.	(69,800)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(2,692,873)</u>
Net position of governmental activities	<u>2,834,380</u>

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

Spring Lake School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
Local Tax Levy	6,072,464		138,636	6,211,100
Interest Earned on Investments			-	-
Miscellaneous	70,344	56,642		126,986
Total - Local Sources	<u>6,142,808</u>	<u>56,642</u>	<u>138,636</u>	<u>6,338,086</u>
State Sources	786,899	168,786	61,753	1,017,438
Federal Sources	-	133,059		133,059
Total Revenues	<u>6,929,707</u>	<u>358,487</u>	<u>200,389</u>	<u>7,488,583</u>
EXPENDITURES				
Current:				
Regular Instruction	1,677,328			1,677,328
Special Education Instruction	344,740	225,428		570,168
Other Instruction	67,903			67,903
Support Services and Undistributed Costs:				
Tuition	1,434,110			1,434,110
Student & Instruction Related Services	957,350	133,059		1,090,409
General Administrative Services	153,494			153,494
School Administrative Services	77,832			77,832
Central Services	140,788			140,788
Admin. Info. Technology	6,869			6,869
Plant Operations and Maintenance	605,381			605,381
Pupil Transportation	320,422			320,422
Employee Benefits	1,346,805			1,346,805
Debt Service:				
Principal			165,000	165,000
Interest and Other Charges			35,407	35,407
Capital Outlay	398,802			398,802
Total Expenditures	<u>7,531,824</u>	<u>358,487</u>	<u>200,407</u>	<u>8,090,718</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(602,117)</u>	<u>-</u>	<u>(18)</u>	<u>(602,135)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Transfers out				-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(602,117)	-	(18)	(602,135)
Fund Balance—July 1	<u>3,277,717</u>		<u>24</u>	<u>3,277,741</u>
Fund Balance—June 30	<u>2,675,600</u>	<u>-</u>	<u>6</u>	<u>2,675,606</u>

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

**Spring Lake School District
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2015**

Total net change in fund balances - governmental funds (from B-2)	(602,135)									
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>										
<p>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.</p>										
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Depreciation expense</td> <td style="width: 20%; text-align: right;">(154,355)</td> <td style="width: 20%;"></td> </tr> <tr> <td>Depreciable Capital outlays</td> <td style="text-align: right;"><u>394,849</u></td> <td style="text-align: right; vertical-align: bottom;">240,494</td> </tr> </table>	Depreciation expense	(154,355)		Depreciable Capital outlays	<u>394,849</u>	240,494				
Depreciation expense	(154,355)									
Depreciable Capital outlays	<u>394,849</u>	240,494								
<p>Repayment of long-term debt is reported as 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. In the current year, these amounts consist of:</p>										
Principal Payments	165,000									
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>										
Decrease in compensated absences payable	9,003									
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in accrued interest is an addition to the reconciliation.</p>										
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Prior Year Accrued Interest</td> <td style="width: 20%;"></td> <td style="width: 20%; text-align: right;">9,598</td> </tr> <tr> <td>Current Year Accrued Interest</td> <td></td> <td style="text-align: right;">(8,034)</td> </tr> </table>	Prior Year Accrued Interest		9,598	Current Year Accrued Interest		(8,034)				
Prior Year Accrued Interest		9,598								
Current Year Accrued Interest		(8,034)								
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>										
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">District Pension Contributions</td> <td style="width: 20%; text-align: right;">74,865</td> <td style="width: 20%;"></td> </tr> <tr> <td>Less: Pension Expense</td> <td style="text-align: right;"><u>(128,231)</u></td> <td></td> </tr> <tr> <td>Increase in Pension Expense</td> <td></td> <td style="text-align: right; vertical-align: bottom;">(53,366)</td> </tr> </table>	District Pension Contributions	74,865		Less: Pension Expense	<u>(128,231)</u>		Increase in Pension Expense		(53,366)	
District Pension Contributions	74,865									
Less: Pension Expense	<u>(128,231)</u>									
Increase in Pension Expense		(53,366)								
<p>Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements</p>										
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Increase in On-behalf State Aid TPAF Pension</td> <td style="width: 20%;"></td> <td style="width: 20%; text-align: right;">514,881</td> </tr> <tr> <td>Increase in On-behalf TPAF Pension Expense</td> <td></td> <td style="text-align: right;">(514,881)</td> </tr> </table>	Increase in On-behalf State Aid TPAF Pension		514,881	Increase in On-behalf TPAF Pension Expense		(514,881)				
Increase in On-behalf State Aid TPAF Pension		514,881								
Increase in On-behalf TPAF Pension Expense		(514,881)								
Change in net assets of governmental activities	<u><u>(239,440)</u></u>									

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

**Spring Lake School District
Statement of Net Position
Proprietary Funds
June 30, 2015**

	Business-Type Activities - Enterprise Fund	
	Food Service Program	Total Enterprise Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	1,116	1,116
Total Current Assets	1,116	1,116
Noncurrent Assets:		
Capital Assets:		
Equipment	9,912	9,912
Less Accumulated Depreciation	(7,871)	(7,871)
Total Capital Assets (Net of Accumulated Depreciation)	2,041	2,041
Total Assets	3,157	3,157
LIABILITIES		
Current Liabilities:		
Account Payable		
Total Current Liabilities	-	
NET ASSETS		
Invested in Capital Assets Net of Related Debt	2,041	2,041
Unrestricted	1,116	1,116
Total Net Position	3,157	3,157

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

Spring Lake School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Fund	
	Food Service Program	Total Enterprise Fund
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	3,798	3,798
Total Operating Revenues	3,798	3,798
 Operating Expenses:		
Cost of Sales	2,974	2,974
Supplies and Materials		-
Depreciation Expense	70	70
Total Operating Expenses	3,044	3,044
Operating Income (Loss)	754	754
 Transfers In (Out)		-
Change in Net Assets	754	754
Total Net Position—Beginning	2,403	2,403
Total Net Position—Ending	3,157	3,157

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

**Spring Lake School District
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015**

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	3,798	3,798
Payments to Vendors	(2,974)	(2,974)
Net Cash Provided by (Used for) Operating Activities	<u>824</u>	<u>824</u>
Cash to investing activities		
Purchase of Equipment	(2,111)	(2,111)
Net Cash Provided by (Used for) Investing Activities	<u>(2,111)</u>	<u>(2,111)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,287)	(1,287)
Balances—Beginning of Year	2,403	2,403
Balances—End of Year	<u>1,116</u>	<u>1,116</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	754	754
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	70	70
Total Adjustments	<u>70</u>	<u>70</u>
Net Cash Provided by (Used for) Operating Activities	<u>824</u>	<u>824</u>

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

**Spring Lake School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015**

Fiduciary Funds

	Unemployment Compensation Trust Fund	Scholarship Fund	Agency Fund
ASSETS			
Cash and Cash Equivalents	33,596	830	30,699
Due from Payroll Agency	7,559		
Total Assets	41,155	830	30,699
LIABILITIES			
Payable to student groups			16,498
Payroll deductions and withholdings			6,642
Due to Unemployment Trust Fund			7,559
Total Liabilities	-	-	30,699
NET POSITION			
Held in trust for unemployment claims and other purposes	41,155		
Reserved for Scholarships		830	

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

**Spring Lake School District
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015**

	Unemployment Compensation Trust Fund	Scholarship Fund
ADDITIONS		
Contributions:		
Plan Member	\$ 5,537	
District Contribution	-	
Total Contributions	5,537	0
Investment earnings:		
Net investment earnings	21	1
Total additions	5,558	1
DEDUCTIONS		
Quarterly contribution reports	3,155	
Scholarships awarded		
Total deductions	3,155	-
Change in net assets	2,403	1
Net position - beginning of the year	38,752	829
Net position - end of the year	\$ 41,155	\$ 830

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

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY:

The Board of Education of the Borough of Spring Lake (“Board”) School District (the “District”) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Spring Lake 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 five members elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board’s duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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

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

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. Basis of Presentation:

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

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

District-wide Financial Statements:

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or function and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues, including all taxes, are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

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

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

GOVERNMENTAL FUNDS, (continued)

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

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

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

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). The financial resources are derived from sale of bonds, lease purchases and other revenues.

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 FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

PROPRIETARY FUNDS, (continued)

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position.

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the Board in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Agency Funds - Agency funds are used to account for the assets that the Board holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

B. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Measurement Focus: (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

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

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Basis of Accounting: (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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(G)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Budgets/Budgetary Control: (continued)

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

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

E. 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 Board 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.

F. Cash, Cash Equivalents and Investments:

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

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

F. Cash, Cash Equivalents and Investments: (continued)

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

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

G. Tuition Revenues/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.

H. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 2015 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board currently maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

L. Compensated Absences:

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

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

M. Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

N. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

O. Accounting and Financial Reporting for Pensions:

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

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

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

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

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

O. Accounting and Financial Reporting for Pensions: (continued)

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

P. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Q. Net Position:

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

R. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for milk. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

S. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

T. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

U. Use of Estimates:

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

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

V. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

W. Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, “Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27”. This statement, which is effective for fiscal periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Governmental Accounting Standards Board (GASB) issued Statement No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68”. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Government Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

W. Recent Accounting Pronouncements: (continued)

The Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for fiscal years beginning after June 15, 2017. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

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

Checking/Money Market Accounts	\$1,802,244
State of New Jersey Cash Management Fund	<u>705,833</u>
	<u>\$2,508,077</u>

During the period ended June 30, 2015, the Board did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2015 was \$2,508,077 and the bank balance was \$3,469,551. The entire balance was covered by federal depository insurance and the collateral pool maintained by the banks as required by New Jersey statutes.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based on banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments (established in New Jersey Statutes 18A:20-37) are treated as cash equivalents. As of June 30, 2015, \$-0- of the Board's bank balance of \$3,469,551 was exposed to custodial credit risk.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A-37 limit the length of time for most investments to 397 days.

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (continued)

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified by the Statutes. The type of allowance investments are Bonds of the United States of America or local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

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 Investments’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. As of June 30, 2015, the District has \$705,833 on deposit with the New Jersey Cash Management Fund.

NOTE 4. RECEIVABLES:

Receivables at June 30, 2015, consisted of accounts receivable, interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
State Aid	\$128,883		\$128,883
Federal Aid	133,059	\$	133,059
Other	<u>16,754</u>	_____	<u>16,754</u>
Gross receivables	278,696		278,696
Less: Allowance for Uncollectibles	_____	_____	_____
Total Receivables, Net	<u>\$278,696</u>	<u>\$</u>	<u>\$278,696</u>

NOTE 5. INTERFUND BALANCES AND TRANSFERS:

The District had the following interfund balances as of June 30, 2015:

\$102,144 Due to the General Fund from the Special Revenue Fund for short-term loans.

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 6. CAPITAL ASSETS:

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

	Restated Balance <u>6/30/14</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/15</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$492,117			\$492,117
Construction in Progress	<u>99,186</u>	<u>\$351,463</u>	\$ _____	<u>450,649</u>
Total Capital Assets, Not Being Depreciated	<u>591,303</u>	<u>351,463</u>	_____	<u>942,766</u>
Capital Assets Being Depreciated				
Buildings and Improvements	4,852,657	32,500		4,885,157
Furniture, Equipment and Vehicles	<u>511,290</u>	<u>13,926</u>	_____	<u>525,216</u>
Total Capital Assets, Being Depreciated	<u>5,363,947</u>	<u>46,426</u>	_____	<u>5,410,373</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(3,188,346)	(117,448)		(3,305,794)
Furniture, Equipment and Vehicles	<u>(324,894)</u>	<u>(36,907)</u>	_____	<u>(361,801)</u>
Total Accumulated Depreciation	<u>(3,513,240)</u>	<u>(154,355)</u>	_____	<u>(3,667,595)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,850,707</u>	<u>(107,929)</u>	_____	<u>1,742,778</u>
Governmental Activities Capital Assets, Net	<u>2,442,010</u>	<u>243,534</u>	=====	<u>2,685,544</u>
	Balance <u>6/30/14</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/15</u>
Business-Type Activity				
Machinery and Equipment	<u>7,801</u>	<u>2,111</u>	_____	<u>9,912</u>
Totals	<u>7,801</u>	<u>2,111</u>	_____	<u>9,912</u>
Less Accumulated Depreciation				
Machinery and Equipment	<u>(7,801)</u>	<u>(70)</u>	_____	<u>(7,871)</u>
Total Accumulated Depreciation	<u>(7,801)</u>	<u>(70)</u>	_____	<u>(7,871)</u>
Business-Type Activity Capital Assets, Net	<u>\$0</u>	<u>\$2,041</u>	\$ _____	<u>\$2,041</u>

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as “unallocated depreciation”.

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 7. LONG-TERM DEBT OBLIGATIONS:

Changes in long-term obligations for the fiscal year ended June 30, 2015 are as follows:

	<u>Balance</u> <u>6/30/14</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/15</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Compensated absences payable	\$201,607	\$45,564	\$54,567	\$192,604	
Net Pension Obligation		1,700,269		1,700,269	
Bonds payable	<u>965,000</u>	<u> </u>	<u>165,000</u>	<u>800,000</u>	<u>\$165,000</u>
	<u>\$1,166,607</u>	<u>\$1,745,833</u>	<u>\$219,567</u>	<u>\$2,692,873</u>	<u>\$165,000</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Principal and interest due on serial bonds outstanding is as follows:

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$165,000	\$30,044	\$195,044
2017	165,000	24,475	189,475
2018	160,000	18,700	178,700
2019	155,000	12,900	167,900
2020	<u>155,000</u>	<u>6,200</u>	<u>161,200</u>
Total	<u>\$800,000</u>	<u>\$92,319</u>	<u>\$892,319</u>

On September 30, 2008, the District refunded \$1,515,000 School Bonds, Series 2000 and issued \$1,625,000 Refunding School Bonds. The refunding resulted in a savings of \$96,980.62, throughout the life of the Bonds, and a net present value savings of \$85,434.01 or 5.26% of the refunding bonds.

B. Bonds and Notes Authorized But Not Issued:

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

C. Capital Leases

The District has no capital leases outstanding at June 30, 2015.

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. 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, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

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

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

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

Contribution Requirements Fund Based Statements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. PENSION PLANS: (continued)

fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board’s contribution to PERS AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/15	\$74,865	\$1,873
6/30/14	58,063	-0-
6/30/13	58,007	-0-

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

Year	Pension	Post-Retirement Medical	NCGI
<u>Ending</u> 6/30/15	<u>Contributions</u> \$108,897	<u>Contributions</u> \$185,312	<u>Premium</u> \$7,835
6/30/14	85,372	152,334	7,536
6/30/13	148,272	176,480	7,801

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$176,535 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 fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. PENSION PLANS: (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported a liability of \$1,700,269 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was .0090813 percent, which was a decrease of .0013753 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$128,361. 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>
Changes of assumptions	\$53,466	\$
Net difference between projected and actual earnings on pension plan investments		101,366
Changes in proportion and differences between District contributions and proportionate share of contributions	222,037	
District contributions subsequent to the measurement date	<u>69,800</u>	<u> </u>
Total	<u>\$345,303</u>	<u>\$101,366</u>

The \$69,800 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$(15,503)
2017	(15,503)
2018	(15,503)
2019	9,828
Thereafter	4,324

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. PENSION PLANS: (continued)

Additional Information

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

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Collective deferred outflows of resources	\$952,194,675	Not Available
Collective deferred inflows of resources	1,479,224,662	Not Available
Collective net pension liability	18,722,735,003	19,111,986,911
District's Proportion	.009081%	.0013753%

Actuarial Assumptions

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

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

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

Mortality Rates

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

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. PENSION PLANS: (continued)

Long-Term Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

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.

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. PENSION PLANS: (continued)

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

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

	June 30, 2014		
	1% Decrease <u>4.39%</u>	At Current Discount Rate <u>5.39%</u>	1% Increase <u>6.39%</u>
District's proportionate share of the pension liability	\$2,138,997	\$1,700,269	\$1,331,850

Pension Plan Fiduciary Net Position

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

Teachers Pensions and Annuity Fund (TPAF)

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

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

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>11,737,963</u>
	<u>\$11,737,963</u>

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. PENSION PLANS: (continued)

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was .0219619799%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$631,613 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

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

Inflation rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. 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 table on the following page:

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

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

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. PENSION PLANS: (continued)

at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

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

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

NOTE 9. POST-RETIREMENT BENEFITS:

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension 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 Chapter 62. Funding of post-retirement medical premiums 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 Chapter 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 10. DEFERRED COMPENSATION:

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

Lincoln Investment Planning, Inc.
Reliastar Life Insurance

The Variable Annuity Life Insurance Co.
The Equitable

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 11. 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 are 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 polity permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District school for the unused sick leave in accordance with the District's school's agreements with the various employee unions.

In the District-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefit accrue to employees. As of June 30, 2015, a liability existed for compensated absences in the Food Service Fund in the amount of \$-0-.

NOTE 12. RISK MANAGEMENT:

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

Property and Liability Insurance - The District maintains insurance coverage through the New Jersey Boards Association Insurance Group (NJSBAIG), the state's largest school board insurance group.

NJSBAIG provides coverage for workers' compensation, general and auto liability, property damage, crime, bonds, boiler and machinery, umbrella excess catastrophe, and school boards officials' errors and omissions. Reinsurance has been purchased by NJSBAIG to cap losses retained by the group. Retention levels have been set on a "per accident" basis. NJSBAIG encourages loss control among the school districts by giving cost reductions for good loss history and uses individual experience modifications in the calculation of premiums.

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

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 12. RISK MANAGEMENT: (continued)

employees and charged to its account with the State. The District is billed quarterly for amounts due to 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 and prior year:

<u>Fiscal Year</u>	Employee Contributions/ Interest Earnings/ District <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2014-2015	\$5,558	\$3,155	\$41,155
2013-2014	5,506	6,594	38,752
2012-2013	61,984	55,823	39,840

NOTE 13. CAPITAL RESERVE ACCOUNT:

A capital reserve account was established by the Borough of Spring Lake Board of Education by inclusion of \$100 on September 25, 2000 and has since increased the reserve by additional budget appropriations and by the interest earned on investments for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning balance, July 1, 2014	\$576,585
Interest Earnings	462
Deposits:	
Transfer by Board Resolution - June 30, 2015	3,000
Ending balance, June 30, 2015	\$580,047

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 13. CAPITAL RESERVE ACCOUNT: (continued)

The June 30, 2015 LRFP balance of local support costs of uncompleted capital projects at June 30, 2015 is \$4,454,365. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District’s Long Range Facilities Plan.

NOTE 14. EMERGENCY RESERVE ACCOUNT

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

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

Beginning balance, July 1, 2014	<u>\$250,000.00</u>
Ending balance, June 30, 2015	<u>\$250,000.00</u>

NOTE 15. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by Board of Education resolution adopted June 29, 2010. The account is maintained in the general fund. The maintenance reserve account is used to accumulated funds for the required maintenance of a facility in accordance with the EFCRA (N.J.S.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund. The activity of the maintenance reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$421,849
Interest Earnings	442
Deposits:	
Transfer by Board Resolution - June 30, 2015	40,000
Budgeted Withdrawal	<u>(100,000)</u>
Ending balance, June 30, 2015	<u>\$362,291</u>

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 16. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$2,675,600 General Fund fund balance at June 30, 2015, \$110,922 is reserved for encumbrances; \$79,000 has been legally reserved for tuition adjustment in accordance with N.J.A.C. 6A:23-3.1(f)(8); \$362,291 has been legally established as a maintenance reserve in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c.73; \$250,000 has been legally established as an emergency reserve in accordance with N.J.S.A. 18A:7F-41c(1); \$73,000 has been legally established as a tuition reserve in accordance with N.J.A.C. 6A:23A-17.1(f); \$796,114 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$316,515 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2016); \$580,047 has been reserved in the Capital Reserve Account; \$74,529 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; and \$349,697 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund fund balance at June 30, 2015 of \$6 is restricted for the payment of debt service.

NOTE 17. CALCULATION OF EXCESS SURPLUS:

In accordance with *N.J.S.A.* 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$796,114 of which \$479,599 is the result of current year operations.

NOTE 18. INTERFUND RECEIVABLES AND PAYABLES

The District had the following interfund balance as of June 30, 2015:

\$102,144	Due to the General Fund from the Special Revenue Fund for short-term loans.
-----------	--

NOTE 19. RESTATEMENT:

Net position for June 30, 2014 was restated in the amount of \$1,472,766 to reflect the net pension liability at June 30, 2013 for the Public Employee Retirement System (PERS) as per Governmental Accounting Standards Board ("GASB") number 68. This resulted in restatement of net position as of June 30, 2014 as follows:

	<u>Governmental Activities</u>
Net Position at June 30, 2014	\$4,546,586
Prior Period Adjustment for Net Pension Liability	<u>(1,472,766)</u>
Net Position at June 30, 2014 - Restated	<u>\$3,073,820</u>

**Borough of Spring Lake School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 20. CONTINGENT LIABILITIES:

It is the best judgment of the District's management that there are no pending or threatened litigation, unasserted claims or assessments that would have any adverse effect on the accompanying financial statements.

NOTE 21. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through November 17, 2015, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Spring Lake School District							Exhibit C-1
Budgetary Comparison Schedule							
General Fund							
For the Year Ended June 30, 2015							
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 14-15	Variance Final to Actual		
REVENUES:							
Local Sources:							
Local Tax Levy	6,072,464		6,072,464	6,072,464			
Miscellaneous	24,000		24,000	70,344	46,344		
Total - Local Sources	6,096,464		6,096,464	6,142,808	46,344		
State Sources:							
Categorical Transportation Aid	14,122		14,122	14,122			
Categorical Security Aid	4,583		4,583	4,583			
Categorical Special Education Aid	165,889		165,889	165,889			
Extraordinary Aid				117,707	117,707		
Non-public Transportation Aid				925	925		
Other State Aids	5,660		5,660	5,660			
TPAF Post Retirement Pension (On-Behalf - Non-Budgeted)				108,897	108,897		
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				185,312	185,312		
TPAF NCGI Premium (On-Behalf - Non-Budgeted)				7,835	7,835		
TPAF Social Security (Reimbursed - Non-Budgeted)				176,535	176,535		
Total - State Sources	190,254		190,254	787,465	597,211		
TOTAL REVENUES	6,286,718		6,286,718	6,930,273	643,555		

Spring Lake School District							Exhibit C-1
Budgetary Comparison Schedule							
General Fund							
For the Year Ended June 30, 2015							
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 14-15	Variance Final to Actual		
EXPENDITURES:							
Current Expense:							
Regular Programs - Instruction							
Preschool Salaries of Teachers	65,360		65,360	64,698	662		
Kindergarten - Salaries of Teachers	110,602	73,485	184,087	180,448	3,639		
Grades 1-5 - Salaries of Teachers	832,822	(73,485)	759,337	745,575	13,762		
Grades 6-8 - Salaries of Teachers	531,414		531,414	528,023	3,391		
Regular Programs - Home Instruction:							
Salaries of Teachers	12,370		12,370		12,370		
Purchased Professional-Educational Services							
General Supplies	250		250		250		
Regular Programs - Undistributed Instruction							
Other Salaries for Instruction	32,605	(14,685)	17,920	7,532	10,388		
Purchased Professional-Educational Services							
Purchased Technical Services	43,765	17,565	61,330	40,308	21,022		
Other Purchased Services (400-500 series)	12,067		12,067	11,753	314		
General Supplies	70,000		70,000	68,058	1,942		
Tools of Mind PK/K							
Textbooks	20,614	(680)	19,934	19,934			
Other employee benefits							
Other Objects	11,400		11,400	10,999	401		
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,743,269	2,200	1,745,469	1,677,328	68,141		
Special Education Instruction - Resource Room/Resource Center							
Salaries of Teachers	306,260	(18,379)	287,881	243,711	44,170		
Other salaries for instruction	50,628	55,179	105,807	98,967	6,840		
General Supplies	600	355	955	942	13		
Other Objects	350		350	139	211		
Textbooks	22,640	(355)	22,285	981	21,304		
Total Resource Room/Resource Center	380,478	36,800	417,278	344,740	72,538		
TOTAL SPECIAL EDUCATION - INSTRUCTION	380,478	36,800	417,278	344,740	72,538		

Spring Lake School District							Exhibit C-1
Budgetary Comparison Schedule							
General Fund							
For the Year Ended June 30, 2015							
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 14-15	Variance Final to Actual		
Basic Skills/Remedial - Instruction							
Salaries of Teachers	20,219		20,219	6,945	13,274		
General Supplies	100		100		100		
Total Basic Skills/Remedial - Instruction	20,319		20,319	6,945	13,374		
School-Sponsored Cocurricular Activities - Instruction							
Salaries of Teachers	29,901		29,901	28,795	1,106		
General Supplies	1,000	573	1,573	78	1,495		
Other Objects							
Total School-Sponsored Cocurricular Activities - Instruction	30,901	573	31,474	28,873	2,601		
School-Sponsored Athletics - Instruction							
Salaries	20,049		20,049	20,049			
Purchased Services (300-500 series)	6,500		6,500	4,366	2,134		
Other Objects	2,725		2,725	2,284	441		
Supplies and Materials	6,554	(573)	5,981	5,386	595		
Total School-Athletics - Instruction	35,828	(573)	35,255	32,085	3,170		
Total Instructional Programs - Instruction	87,048		87,048	67,903	19,145		
TOTAL INSTRUCTION	2,210,795	39,000	2,249,795	2,089,971	159,824		

Spring Lake School District										Exhibit C-1
Budgetary Comparison Schedule										
General Fund										
For the Year Ended June 30, 2015										
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 14-15	Variance Final to Actual					
Undistributed Expenditures - Instruction:										
Tuition to Other LEAs Within the State - Regular	844,806		844,806	831,485	13,321					
Tuition to Other LEAs Within the State - Special	65,880	101,754	167,634	123,405	44,229					
Tuition to County Voc. School Dist. - Regular	88,000	(8,154)	79,846	79,846						
Tuition to County Voc. School Dist. - Special	10,200	5,400	15,600	15,600						
Tuition to Private Schools for the Disabled - Within State	503,141	(77,000)	426,141	383,774	42,367					
Total Undistributed Expenditures - Instruction:	1,512,027	22,000	1,534,027	1,434,110	99,917					
Undist. Expend. - Attendance & Social Work										
Salaries	20,605	2,668	23,273	23,273						
Purchased Professional and Technical Services	600		600	600						
Other Purchased Services		200	200	200						
Supplies and Materials	350	(200)	150		150					
Total Undist. Expend. - Attendance & Social Work	21,555	2,668	24,223	24,073	150					
Undist. Expend. - Health Services										
Salaries	74,240		74,240	72,556	1,684					
Purchased Professional and Technical Services	100	1,878	1,978	1,978						
Supplies and Materials	1,750		1,750	1,064	686					
Other Purchased Services (400-500 series)	100		100	100						
Other Objects	300		300	170	130					
Total Undistributed Expenditures - Health Services	76,490	1,878	78,368	75,868	2,500					
Undist. Expend. - Other Supp. Serv. Students - Related Serv.										
Salaries	80,885		80,885	80,435	450					
Purchased Professional - Educational Services	75,600	6,740	82,340	51,146	31,194					
Other Objects	316		316	58	258					
Supplies and Materials	870	520	1,390	1,389	1					
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	157,671	7,260	164,931	133,028	31,903					
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.										
Salaries	41,500	210	41,710	41,710						
Purchased Professional - Educational Services	77,000	7,495	84,495	75,821	8,674					
Supplies and Materials	2,000		2,000	1,982	18					
Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.	120,500	7,705	128,205	119,513	8,692					

Spring Lake School District										Exhibit C-1
Budgetary Comparison Schedule										
General Fund										
For the Year Ended June 30, 2015										
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 14-15	Variance Final to Actual					
Undist. Expend. - Child Study Team										
Salaries of Other Professional Staff	149,644	(92)	149,552	141,139	8,413					
Salaries of Secretarial and Clerical Assistants	41,263	92	41,355	41,355						
Purchased Professional - Educational Services	5,000	(1,878)	3,122	2,635	487					
Other Purchased Prof. And Tech Services	1,800		1,800	1,502	298					
Misc Pur Serv (400-500 series O/than Resid Costs)	260	(58)	202		202					
Supplies and Materials	3,717	350	4,067	3,700	367					
Other Objects	467	(292)	175	175						
Total Undist. Expend. - Other Supp. Serv. Students-Special	202,151	(1,878)	200,273	190,506	9,767					
Undist. Expend. - Improvement of Instructional Services										
Salaries of Supervisor of Instruction	107,100		107,100	107,100						
Salaries of Other Professional Staff	4,127		4,127	1,030	3,097					
Salaries of Secretarial and Clerical Assistants	61,075		61,075	57,740	3,335					
Other Purchased Services (400-500 series)	1,635		1,635	920	715					
Total Undist. Expend. - Improvement of Inst. Services	173,937		173,937	166,790	7,147					
Undist. Expend. - Educational Media Serv./Sch. Library										
Salaries	84,285		84,285	75,430	8,855					
Salaries of Technology Coordinators	72,979		72,979	70,979	2,000					
Purchased Professional - Technical Services	10,570	2,888	13,458	13,405	53					
Other Purchased Services (400-500 series)	24,979	(3,435)	21,544	21,544						
Supplies and Materials	13,500	1,341	14,841	14,841						
Other Objects	2,000	(1,126)	874	874						
Total Undist. Expend. - Educational Media Serv./Sch. Library	208,313	(332)	207,981	197,073	10,908					
Undist. Expend. - Instructional Staff Training Serv.										
Other Salaries	7,680	6,517	14,197	14,197						
Purchased Professional - Educational Services	16,850	(6,037)	10,813	10,813						
Other Purchased Prof. And Tech Services	4,400		4,400	4,400						
Other Purchased Services (400-500 series)	17,480	(879)	16,601	15,485	1,116					
Supplies and Materials	2,911	2,700	5,611	5,604	7					
Total Undist. Expend. - Instructional Staff Training Serv.	49,321	2,301	51,622	50,499	1,123					

Spring Lake School District										Exhibit C-1
Budgetary Comparison Schedule										
General Fund										
For the Year Ended June 30, 2015										
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 14-15	Variance Final to Actual					
Undist. Expend. - Supp. Serv. - General Administration										
Salaries	76,682		76,682	75,252	1,430					
Legal Services	16,500	17,070	33,570	33,506	64					
Audit Fees	15,000		15,000	14,718	282					
Other Purchased Professional Services	2,000	800	2,800	2,800						
Purchased Technical Services	3,600	120	3,720	3,410	310					
Communications/Telephone	13,755		13,755	12,831	924					
BOE Other Purchased Services	2,028		2,028	1,945	83					
Other Purchased Services (400-500 series)	5,200		5,200	3,650	1,550					
General Supplies	6,423		6,423	1,467	4,956					
Judgments Against the School District	113,900	(25,577)	88,323		88,323					
BOE Membership Dues and Fees	5,000	(620)	4,380	3,915	465					
Total Undist. Expend. - Supp. Serv. - General Administration	260,088	(8,207)	251,881	153,494	98,387					
Undist. Expend. - Support Serv. - School Administration										
Salaries of Principals/Assistant Principals	75,000		75,000	67,500	7,500					
Salaries of Secretarial and Clerical Assistants	9,180		9,180	8,253	927					
Other Purchased Services (400-500 series)	1,300	5	1,305	1,305						
Supplies and Materials	2,400	(5)	2,395	774	1,621					
Total Undist. Expend. - Support Serv. - School Administration	87,880		87,880	77,832	10,048					
Undistributed Expenditures-Central Services										
Salaries	142,654		142,654	137,080	5,574					
Purchased Professional Services	4,000	(770)	3,230	3,230						
Supplies and Materials	481	770	1,251	478	773					
Total Undistributed-Central Services	147,135		147,135	140,788	6,347					
Undistributed Expenditures-Admin. Info. Tech.										
Purchased Technical Services	7,500		7,500	6,625	875					
Other Objects	800		800	244	556					
Supplies and Materials	500		500	500						
Total Undistributed Expenditures-Admin. Info. Tech.	8,800		8,800	6,869	1,931					

Spring Lake School District							Exhibit C-1
Budgetary Comparison Schedule							
General Fund							
For the Year Ended June 30, 2015							
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 14-15	Variance Final to Actual		
Undist. Expend. - Required Maint. for School Facilities							
Cleaning, Repair and Maintenance Services	100,000	91,650	191,650	187,760	3,890		
General Supplies	6,000	700	6,700	3,970	2,730		
Other Objects	1,000		1,000	878	122		
Undist. Expend. - Required Maint. for School Facilities	107,000	92,350	199,350	192,608	6,742		
Undist. Expend. - Custodial Services							
Salaries	190,866	(3,847)	187,019	176,255	10,764		
Salaries of Non-Instructional Aides	21,892		21,892	14,657	7,235		
Cleaning, Repair and Maintenance Services	30,000	(700)	29,300	20,485	8,815		
Insurance	43,000	300	43,300	42,161	1,139		
General Supplies	17,000	1,171	18,171	17,997	174		
Energy (Natural Gas)	65,000	(17,171)	47,829	32,123	15,706		
Energy (Electricity)	65,000	(10,000)	55,000	44,504	10,496		
Other Objects	3,650	(1,778)	1,872	1,872			
Total Undist. Expend. - Other Oper. & Maint. Of Plant	436,408	(32,025)	404,383	350,054	54,329		
Undistributed Expenditures-Care & Upkeep of Grounds							
Cleaning, Repair and Maintenance Services	29,000		29,000	15,061	13,939		
General Supplies	4,000	293	4,293	1,309	2,984		
Other Objects	200		200	200			
Undistributed Expenditures-Care & Upkeep of Grounds	33,200	293	33,493	16,370	17,123		
Undistributed Expenditures-Security							
Salaries	32,610		32,610	24,014	8,596		
Cleaning, Repair and Maintenance Services	21,315		21,315	19,783	1,532		
General Supplies	3,700		3,700	1,931	1,769		
Other Objects	675		675	621	54		
Undistributed Expenditures-Security	58,300		58,300	46,349	11,951		

Spring Lake School District							Exhibit C-1
Budgetary Comparison Schedule							
General Fund							
For the Year Ended June 30, 2015							
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 14-15	Variance Final to Actual		
Undist. Expend. - Student Transportation Services							
Salaries for Pupil Tran. (Between Home & School)-Reg.	5,360		5,360	4,913	447		
Salaries for Pupil Tran. (Between Home & School)-Sp. Ed.	5,360		5,360	4,913	447		
Contracted Services - Aid in Lieu of Payments	5,304	(3,334)	1,970	339			
Contract Services (Other than Between Home & School)-Vendors	14,000	374	14,374	13,229	1,145		
Contracted Services (Special Ed. Students)-Vendors	4,980	(4,000)	980	100			
Contracted Services (Regular Ed. Students)-ESCs & CTSA's	189,000	(62,000)	127,000	116,348	10,652		
Contracted Services (Special Ed. Students)-ESCs & CTSA's	1,44,000	68,960	212,960	180,580	32,380		
Total Undist. Expend. - Student Transportation Services	368,004		368,004	320,422	47,582		
Other Support Services							
Miscellaneous Expenditures		294	294	294			
Total Regular Programs Instruction-Employee Benefits		294	294	294			

Spring Lake School District							Exhibit C-1
Budgetary Comparison Schedule							
General Fund							
For the Year Ended June 30, 2015							
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 14-15	Variance Final to Actual		
Operation and Maintenance of Plant Services-Employee Benefits							
Social Security Contributions	28,750	(28,750)					
Other Retirement Contributions-Regular	65,000	(65,000)					
Total Operation and Maintenance of Plant Services-Health Benefits	93,750	(93,750)					
UNALLOCATED BENEFITS							
Group Insurance							
Social Security Contributions	30,000	32,473	62,473	61,555	918		
Other Retirement Contributions-Regular		76,643	76,643	76,520	123		
Unemployment Compensation	10,000		10,000	1,028	8,972		
Health Benefits Undistributed	793,410	(52,001)	741,409	625,417	115,992		
Other Employee Benefits		51,023	51,023				
Tuition Reimbursement	16,000	684	16,684	13,724	2,960		
Workmen's Compensation	40,000	(594)	39,406	38,665	741		
TOTAL UNALLOCATED BENEFITS	889,410	108,228	997,638	867,932	129,706		
TPAF Post Retirement - Pension (On-Behalf - Non-Budgeted)				108,897	(108,897)		
On-behalf TPAF Post Retirement Medical (non-budgeted)				185,312	(185,312)		
On-behalf TPAF NCGI Premium (non-budgeted)				7,835	(7,835)		
Reimbursed TPAF Social Security Contributions (non-budgeted)				176,535	(176,535)		
TOTAL ON-BEHALF CONTRIBUTIONS				478,579	(478,579)		
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	983,160	14,772	997,932	1,346,805	(348,873)		
TOTAL UNDISTRIBUTED EXPENDITURES	5,011,940	108,785	5,120,725	5,043,051	77,674		
TOTAL GENERAL CURRENT EXPENSE	7,222,735	147,785	7,370,520	7,133,022	237,498		

Spring Lake School District							Exhibit C-1
Budgetary Comparison Schedule							
General Fund							
For the Year Ended June 30, 2015							
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 14-15	Variance Final to Actual		
CAPITAL OUTLAY							
Equipment							
Undistributed Expended-Instruction	23,000		23,000	16,252	6,748		
Undistributed Expended-Custodial Serv.							
Total Equipment	23,000		23,000	16,252	6,748		
Facilities Acquisition and Construction Services							
Legal Services							
Architectural/Engineering Services		27,270	27,270	24,160	3,110		
Construction Serv.		368,658	368,658	357,477	11,181		
Assessment for Debt Service on SDA				913	(913)		
Total Facilities Acquisition and Construction Services		395,928	395,928	382,550	13,378		
TOTAL CAPITAL OUTLAY	23,000	395,928	418,928	398,802	20,126		
TOTAL EXPENDITURES	7,245,735	543,713	7,789,448	7,531,824	257,624		
Excess (Deficiency) of Revenues Over (Under) Expenditures	(959,017)	(543,713)	(1,502,730)	(601,551)	901,179		
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(959,017)	(543,713)	(1,502,730)	(601,551)	901,179		
Fund Balance, July 1	3,296,086		3,296,086	3,296,086			
Fund Balance, June 30	2,337,069	(543,713)	1,793,356	2,694,535	901,179		

Spring Lake School District						Exhibit C-1
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2015						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 14-15	Variance Final to Actual	
Recapitulation of excess (deficiency) of revenues under expenditures:						
Adjustment for Prior Year Encumbrances		(471,913)	(471,913)	(471,913)		
Increase in Tuition Reserve:				69,000	(69,000)	
Principal				3,000	(3,000)	
Interest				462	(462)	
Increase in Maintenance Reserve						
Principal				40,000	(40,000)	
Interest				442	(442)	
Budgeted Withdrawal from Tuition Reserve	(69,000)		(69,000)	(69,000)		
Budgeted Withdrawal from Maintenance Reserve	(100,000)		(100,000)	(100,000)		
Budgeted Fund Balances	(790,017)	(71,800)	(861,817)	(73,542)	(788,275)	
	(959,017)	(543,713)	(1,502,730)	(601,551)	(901,179)	
Recapitulation:						
Restricted Fund Balance:						
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				316,515		
Reserved - Excess Surplus				479,599		
Maintenance Reserve				362,291		
Capital Reserve				580,047		
Emergency Reserve				250,000		
Tuition Reserve				73,000		
Committed Fund Balance:						
Tuition Adjustment				79,000		
Assigned Fund Balance:						
Year end Encumbrances				110,922		
Designated for Subsequent Year's Expenditures				74,529		
Unassigned Fund Balance				368,632		
Total				2,694,535		
Reconciliation to Governmental Funds Statement (GAAP):						
Last State Aid Payment not recognized on GAAP basis				(18,935)		
Fund Balance per Governmental Funds (GAAP)				2,675,600		

Spring Lake School District
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		56,642	56,642	56,642	-
State Sources	143,926	24,860	168,786	168,786	
Federal Sources	108,601	24,458	133,059	133,059	
Total Revenues	252,527	105,960	358,487	358,487	
EXPENDITURES:					
Instruction:					
Purchased Professional - Educational Services					
Purchased Professional and Technical Services	123,552	23,077	146,629	146,629	
Other Purchased Services					
General Supplies	56,642		56,642	56,642	
Textbooks	20,374	1,783	22,157	22,157	
Other Objects					
Total Instruction	200,568	24,860	225,428	225,428	
Support Services:					
Purchased Professional & Technical Services					
Purchased Professional - Educational Services	9,041	(5,319)	3,722	3,722	
Purchased Technical Services					
Tuition	99,560	29,777	129,337	129,337	
Travel					
Other Purchased Services					
Travel					
Supplies & Materials					
Other Objects					
Total Support Services	108,601	24,458	133,059	133,059	
Facilities Acquisition and Const. Serv.:					
Buildings					
Instructional Equipment					
Total Facilities Acquisition and Const. Serv.					
Total Expenditures	309,169	49,318	358,487	358,487	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(56,642)	56,642			

**Spring Lake School District
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Year Ended June 30, 2015**

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	6,930,273	358,487
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add Prior Year Encumbrances			-
Less Current Year Encumbrances			-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		18,369	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year (GASB 33).		(18,935)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	6,929,707	358,487
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	7,531,824	358,487
Differences - budget to GAAP			
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Add Prior Year Encumbrances			-
Less Current Year Encumbrances			-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to general fund			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	7,531,824	358,487

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

Spring Lake School District
 Schedules of Required Supplementary Information
 Schedule of District's Share of Net Pension Liability - PERS
 Last 10 Fiscal Years*

	<u>2015</u>
Districts proportion of the net pension liability (asset)	0.0090813088%
District's proportionate share of the net pension liability (asset)	\$ 1,700,269
District's covered payroll - PERS	\$ 519,224
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	327.46%
Plan fiduciary net position as a percentage of the total pension liability	52.08%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Spring Lake School District
 Schedules of Required Supplementary Information
 Schedule of District's Contributions - PERS
 Last 10 Fiscal Years*

	2015
Contractually required contribution	\$ 74,865.00
Contributions in relation to the contractually required contribution	\$ <u>(74,865.00)</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>
District's covered payroll - PERS	\$ 519,224
Contributions as a percentage of covered payroll	14.42%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Spring Lake School District
 Schedules of Required Supplementary Information
 Schedule of District's Share of Net Pension Liability - TPAF
 Last 10 Fiscal Years*

	2015
District's proportion of the net pension liability (asset)	0.0206392045%
District's proportionate share of the net pension liability (asset)	\$ 11,737,963
District's covered payroll - TPAF	\$ 2,375,076
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	494.21%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**Spring Lake School District
Note to Required Schedules of Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2015**

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

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

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

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

SPECIAL REVENUE FUND

Spring Lake School District
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1a)	Local Sources	Improving Teachers Quality Title II Part A	Totals 2015
REVENUES				
Local Sources	168,786	56,642		56,642
State Sources	129,337		3,722	168,786
Federal Sources				133,059
Total Revenues	298,123	56,642	3,722	358,487
EXPENDITURES:				
Instruction:				
Purchased Professional - Educational Services				
Purchased Professional and Technical Services	146,629			146,629
Other Purchased Services (400-500 series)				
General Supplies		56,642		56,642
Textbooks	22,157			22,157
Other Objects				
Total Instruction	168,786	56,642		225,428
Support Services:				
Purchased Professional & Technical Services				
Purchased Professional - Educational Services			3,722	3,722
Purchased Technical Services	129,337			129,337
Tuition				
Travel				
Other Purchased Services (400-500 series)				
Supplies & Materials				
Other Objects				
Total Support Services	129,337	-	3,722	133,059
Facilities Acquisition and Const. Serv.:				
Instructional Equipment				
Total Facilities Acquisition and Const. Serv.				
Total Expenditures	298,123	56,642	3,722	358,487
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)				

Spring Lake School District
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1b)	IDEA PART B				Total Carried Forward
		Basic	Preschool	Nonpublic Textbook Aid	Nonpublic Technology Aid	
REVENUES						
Local Sources	99,345			22,157	12,118	168,786
State Sources		125,524	3,813			129,337
Federal Sources						
Total Revenues	99,345	125,524	3,813	22,157	12,118	298,123
EXPENDITURES:						
Instruction:						
Purchased Professional - Educational Services						
Purchased Professional and Technical Services	99,345				12,118	146,629
Other Purchased Services (400-500 series)						
General Supplies				22,157		22,157
Textbooks						
Other Objects						
Total instruction	99,345			22,157	12,118	168,786
Support services:						
Purchased Professional & Technical Services						
Purchased Professional - Educational Services						
Purchased Technical Services						
Tuition		125,524	3,813			129,337
Travel						
Other Purchased Services (400-500 series)						
Supplies & Materials						
Other Objects						
Total support services		125,524	3,813			129,337
Facilities acquisition and const. serv.:						
Instructional Equipment						
Total facilities acquisition and const. serv.						
Total Expenditures	99,345	125,524	3,813	22,157	12,118	298,123
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)						

Spring Lake School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2015

	Ch. 193 - Handicapped Services					Total Carried Forward
	Ch. 192 Aux. Services	Nonpublic Annual Exam & Classification	Nonpublic Initial Exam & Classification	Nonpublic Corrective Speech	Nonpublic Supplemental Instruction	
REVENUES						
Local Sources	47,119	7,220	12,598	15,903	14,910	99,345
State Sources						
Federal Sources						
Total Revenues	47,119	7,220	12,598	15,903	14,910	99,345
EXPENDITURES:						
Instruction:						
Purchased Professional - Educational Services						
Purchased Professional and Technical Services	47,119	7,220	12,598	15,903	14,910	99,345
Other Purchased Services (400-500 series)						
General Supplies						
Textbooks						
Other Objects						
Total Instruction	47,119	7,220	12,598	15,903	14,910	99,345
Support Services:						
Purchased Professional & Technical Services						
Purchased Professional - Educational Services						
Purchased Technical Services						
Tuition						
Travel						
Other Purchased Services (400-500 series)						
Supplies & Materials						
Other Objects						
Total Support Services	-	-	-	-	-	-
Facilities Acquisition and Const. Serv.:						
Instructional Equipment						
Total Facilities Acquisition and Const. Serv.	-	-	-	-	-	-
Total Expenditures	47,119	7,220	12,598	15,903	14,910	99,345
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

PROPRIETARY FUNDS

**Spring Lake School District
Combining Statement of Net Position
Enterprise Funds
June 30, 2015**

	Food Service Program	Totals
ASSETS		
Current Assets:		
Cash and Cash Equivalents	1,116	1,116
Total Current Assets	1,116	1,116
Noncurrent Assets:		
Capital Assets:		
Equipment	9,912	9,912
Less Accumulated Depreciation	(7,871)	(7,871)
Total Capital Assets (Net of Accumulated Depreciation)	2,041	2,041
Total Assets	3,157	3,157
LIABILITIES		
Current Liabilities:		
Account Payable	-	-
Total Current Liabilities		
NET POSITION		
Invested in Capital Assets Net of Related Debt	2,041	2,041
Unrestricted	1,116	1,116
Total Net Position	3,157	3,157

Spring Lake School District
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2015

	<u>Food Service Program</u>	<u>Totals</u>
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	3,798	3,798
Total Operating Revenues	<u>3,798</u>	<u>3,798</u>
 Operating Expenses:		
Cost of Sales	2,974	2,974
Supplies and Materials		-
Depreciation Expense	70	70
Total Operating Expenses	<u>3,044</u>	<u>3,044</u>
Operating Income (Loss)	754	754
 Transfers In (Out)		
Change in Net Assets	<u>754</u>	<u>-</u> 754
 Total Net Position—Beginning	<u>2,403</u>	<u>2,403</u>
Total Net Position—Ending	<u><u>3,157</u></u>	<u><u>3,157</u></u>

**Spring Lake School District
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2015**

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	3,798	3,798
Payments to Vendors	(2,974)	(2,974)
Net Cash Provided by (Used for) Operating Activities	824	824
Cash to investing activities		
Purchase of Equipment	(2,111)	(2,111)
Net Cash Provided by (Used for) Investing Activities	(2,111)	(2,111)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,287)	(1,287)
Balances—Beginning of Year	2,403	2,403
Balances—End of Year	1,116	1,116
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	754	754
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	70	70
Total Adjustments	70	70
Net Cash Provided by (Used for) Operating Activities	824	824

FIDUCIARY FUND

Spring Lake School District
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Fiduciary Funds		
	Unemployment Compensation Trust Fund	Scholarship Fund	Agency Fund
ASSETS			
Cash and cash equivalents	\$ 33,596	\$ 830	\$ 30,699
Due from Payroll Agency	\$ 7,559		
Total assets	41,155	830	30,699
 LIABILITIES			
Payable to student groups			16,498
Payroll deductions and withholdings			6,642
Due to Unemployment Compensation Trust			7,559
Total liabilities	-	-	30,699
 NET POSITION			
Held in trust for unemployment claims and other purposes	\$ 41,155		
Reserved for Scholarships		\$ 830	

Spring Lake School District
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

	Unemployment Compensation Trust Fund	Scholarship Fund
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Plan Member	\$ 5,537	
District Contribution		
Total Contributions	<u> 5,537</u>	<u> -</u>
Investment earnings:		
Interest		
Net investment earnings	<u> 21</u>	<u> 1</u>
Total additions	<u> 5,558</u>	<u> 1</u>
DEDUCTIONS		
Quarterly contribution reports	3,155	
Scholarships awarded		
Total deductions	<u> 3,155</u>	<u> -</u>
Change in net assets	2,403	1
Net position - beginning of the year	38,752	829
Net position - end of the year	<u><u>\$ 41,155</u></u>	<u><u>\$ 830</u></u>

**Spring Lake School District
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2015**

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Adjustments</u>	<u>Balance June 30, 2015</u>
ELEMENTARY SCHOOLS:					
General	1,085	25			1,110
Student Council	2,794	1,180	2,072		1,902
Yearbook	(670)	7,324	6,489		165
8th Grade	13,522	36,340	39,309		10,553
Reading Fund	3				3
Tree Fund	40				40
Loaner Books	326				326
Agriculture Fund	53				53
Special Olympics	76				76
Art Fund	746				746
Com to Ed	100		100		-
Science Boards	33	305	319		19
Recycle	103				103
Natl Jr Honor Society	884	1,779	1,777		886
Zans Garden	-	500	176		324
Band/Chorus	180				180
Autism		229	227		2
Bowling	-	930	920		10
	<u>19,275</u>	<u>48,612</u>	<u>51,389</u>	<u>-</u>	<u>16,498</u>

**Spring Lake School District
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2015**

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2015</u>
Net Payroll	-	1,985,087	1,985,087	-
Payroll Deductions and Withholdings	14,163	1,555,072	1,555,034	14,201
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>14,163</u>	<u>3,540,159</u>	<u>3,540,121</u>	<u>14,201</u>

LONG-TERM DEBT

**Spring Lake School District
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2015**

ISSUE	Date of Issue	Amount of Issue	Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
School District Refunding Bonds	3/15/2000	\$ 1,625,000	3/15/2016	165,000	3.375%				
			3/15/2017	165,000	3.500%				
			3/15/2018	160,000	3.625%				
			3/15/2019	105,000	4.000%				
			3/15/2019	50,000	5.000%				
			3/15/2020	155,000	4.000%				
						965,000		165,000	800,000
						965,000		165,000	800,000

**Spring Lake School District
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	138,636		138,636	138,636	-
Miscellaneous					-
State Sources:					
Debt Service Aid Type II	61,753		61,753	61,753	-
Total - State Sources	61,753	-	61,753	61,753	-
Total Revenues	200,389	-	200,389	200,389	-
EXPENDITURES:					
Regular Debt Service:					
Interest	35,407		35,407	35,407	-
Redemption of Principal	165,000		165,000	165,000	-
Total Regular Debt Service	200,407	-	200,407	200,407	-
Total expenditures	200,407	-	200,407	200,407	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18)	-	(18)	(18)	-
Other Financing Sources:					
Operating Transfers In:					
Transfer from Capital Projects Fund					-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(18)	-	(18)	(18)	-
Fund Balance, July 1	18		18	24	6
Fund Balance, June 30	-	-	-	6	6
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures	(18)	-	(18)	(18)	-
Budgeted Fund Balance					

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

Demographic and Economic Information

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

BOROUGH OF SPRING LAKE SCHOOL DISTRICT

Net Position by Component
Last Ten Fiscal Years*
(accrual basis of accounting)
Unaudited

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities									
Invested in Capital Assets, Net of Related Debt	862,979	1,024,812	1,007,068	1,266,767	1,251,534	1,261,343	1,357,025	1,480,050	1,885,544
Restricted	2,071,050	3,177,391	2,768,974	2,878,792	3,179,438	3,265,915	3,278,196	2,352,821	2,325,909
Unrestricted	338,599	188,025	444,423	226,266	59,438	76,835	86,569	713,715	(1,377,073)
Total Governmental Activities Net Assets	3,272,628	4,390,228	4,220,465	4,371,825	4,490,410	4,604,093	4,721,790	4,546,586	2,834,380
Business-type Activities									
Invested in Capital Assets, Net of Related Debt	800	2,143	1,307	471	-	-	-	-	2,041
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	4,099	1,517	2,327	2,795	2,575	3,236	4,230	2,403	1,116
Total Business-type Activities Net Assets	4,899	3,660	3,634	3,266	2,575	3,236	4,230	2,403	3,157
District-wide									
Invested in Capital Assets, Net of Related Debt	863,779	1,026,955	1,008,375	1,267,238	1,251,534	1,261,343	1,357,025	1,480,050	1,887,585
Restricted	2,071,050	3,177,391	2,768,974	2,878,792	3,179,438	3,265,915	3,278,196	2,352,821	2,325,909
Unrestricted	342,698	189,542	446,750	229,061	62,013	80,071	90,799	716,118	(1,375,957)
Total District Net Assets	3,277,527	4,393,888	4,224,099	4,375,091	4,492,985	4,607,329	4,726,020	4,548,989	2,837,537

Source: CAFR Schedules A-1

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2006 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years data is presented.

BOROUGH OF SPRING LAKE SCHOOL DISTRICT

Changes in Net Position
Last Ten Fiscal Years*
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Expenses										
Governmental Activities:										
Instruction:										
Regular	1,815,005	1,850,184	1,891,301	1,987,368	1,922,931	2,216,761	2,119,383	1,693,205	1,668,325	
Special Education	340,295	220,144	315,921	366,556	360,436	327,798	397,754	569,875	570,168	
Other Instruction	41,966	44,025	50,077	46,519	78,181	82,749	145,392	68,236	67,903	
Support Services:										
Tuition	1,666,310	1,620,480	1,734,301	1,297,325	1,490,746	1,077,317	1,126,132	1,256,070	1,434,110	
Student & Instruction Related Services	696,071	926,473	1,062,707	1,209,172	1,201,200	1,284,629	1,194,607	1,132,302	1,090,409	
School Administrative Services	94,653	99,326	106,884	109,809	114,091	75,959	76,368	86,258	77,832	
General Administrative Services	151,661	156,740	161,833	161,833	144,245	275,002	197,461	156,136	153,494	
Central Services & Admin. Info. Technology	142,412	145,228	152,915	159,432	158,033	161,623	165,753	153,619	147,657	
Plant Operations and Maintenance	451,858	660,207	1,511,369	784,065	582,670	625,744	667,272	514,555	605,381	
Pupil Transportation	365,674	303,745	307,908	264,900	242,528	185,923	205,282	341,177	320,422	
Unallocated Benefits	541,389	556,279	332,113	349,515	370,105	440,230	607,334	1,292,314	1,915,052	
Capital outlay-undepreciable	15,742		5,279		3,818		592	1,285	3,953	
Cancellation of Prior Year Receivables	16,335									
Interest on Long-term Debt	107,202	101,451	70,457	58,566	54,513	48,657	43,963	38,330	33,843	
Unallocated Depreciation	119,763	120,882	147,929	166,379	169,614	170,762	166,329	150,724	154,355	
Total Governmental Activities Expenses	6,566,336	6,805,164	7,849,054	6,966,718	6,893,111	6,973,154	7,113,622	7,454,086	8,242,904	
Business-type Activities:										
Food Service	5,799	6,622	5,411	5,625	6,722	6,639	4,791	6,774	3,044	
Total Business-type Activities Expenses	5,799	6,622	5,411	5,625	6,722	6,639	4,791	6,774	3,044	
Total District Expenses	6,572,135	6,811,786	7,854,465	6,972,343	6,899,833	6,979,793	7,118,413	7,460,860	8,245,948	
Program Revenues										
Governmental Activities:										
Operating Grants and Contributions	354,339	318,133	362,220	360,184	264,608	417,295	328,411	311,101	301,845	
Total Governmental Activities Program Revenues	354,339	318,133	362,220	360,184	264,608	417,295	328,411	311,101	301,845	
Business-type Activities:										
Charges for Service:										
Food Service	2,550	2,370	5,385	5,257	6,031	7,300	5,785	4,947	3,798	
Operating Grants and Contributions	2,998	3,013								
Total Business-type Activities Program Revenues	5,548	5,383	5,385	5,257	6,031	7,300	5,785	4,947	3,798	
Total District Program Revenues	359,887	323,516	367,605	365,441	270,639	424,595	334,196	316,048	305,643	
Net (Expense)/Revenue										
Governmental Activities	(6,211,997)	(6,487,031)	(7,486,834)	(6,606,534)	(6,628,503)	(6,555,859)	(6,785,211)	(7,142,985)	(7,941,059)	
Business-type Activities	(251)	(1,239)	(26)	(368)	(691)	661	994	(1,827)	754	
Total District-wide Net Expense	(6,212,248)	(6,488,270)	(7,486,860)	(6,606,902)	(6,629,194)	(6,555,198)	(6,784,217)	(7,144,812)	(7,940,305)	

BOROUGH OF SPRING LAKE SCHOOL DISTRICT

Changes in Net Position
Last Ten Fiscal Years*
(accrual basis of accounting)
Unaudited

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Fiscal Year Ending June 30,									
General Revenues and Other Changes in Net Position									
Governmental Activities:									
Property Taxes Levied for General Purposes	6,137,862	6,340,311	6,340,311	5,823,546	5,969,135	5,894,453	5,894,453	5,953,397	6,072,464
Taxes Levied for Debt Service	135,729	134,699	128,224	133,279	128,470	141,754	142,009	127,242	138,636
Unrestricted/Restricted Federal and State Aid	977,067	1,014,056	877,470	696,764	564,555	557,971	826,949	753,768	1,363,533
Interest on Investments	98,130	96,240	9,784	9,784	6,304	9,860	3,240	2,411	
Miscellaneous Income	76,268	19,325	81,492	94,521	78,624	65,504	36,257	130,963	126,986
Cancellation of accounts receivable			(426)	-					
Loss on refunding of long-term debt			(110,000)	-					
Transfers									
Total Governmental Activities	7,425,056	7,604,631	7,317,071	6,757,894	6,747,088	6,669,542	6,902,908	6,967,781	7,701,619
Business-type Activities:									
Miscellaneous Income									
Transfers									
Total Business-type Activities	-	-	-	-	-	-	-	-	-
Total District-wide	7,425,056	7,604,631	7,317,071	6,757,894	6,747,088	6,669,542	6,902,908	6,967,781	7,701,619
Change in Net Position									
Governmental Activities	1,213,059	1,117,600	(169,763)	151,360	118,585	113,683	117,697	(175,204)	(239,440)
Business-type Activities	(251)	(1,239)	(26)	(368)	(691)	661	994	(1,827)	754
Total District	1,212,808	1,116,361	(169,789)	150,992	117,894	114,344	118,691	(177,031)	(238,686)

Source: CAFR A-2

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2006 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years data is presented.

(1) Prior to 2014 special revenue fund instruction was classified as regular instruction, this was corrected in 2014 to special education instruction.

BOROUGH OF SPRING LAKE SCHOOL DISTRICT
Fund Balances Governmental Funds
 Last Ten Fiscal Years*
(modified accrual basis of accounting)
 Unaudited

	2007	2008	2009	Fiscal Year Ending June 30, 210	2011	2012	2013	2014	2015
General Fund									
Reserved	2,047,379	3,153,817	2,839,879	2,850,716					
Unreserved	412,520	392,496	532,896	453,449					
Restricted					3,047,904	3,097,292	2,941,884	2,352,797	2,061,452
Committed					111,125	110,433			
Assigned					5,284	43,138	321,315	618,760	264,451
Unassigned					293,138	183,995	312,847	306,160	349,697
Total General fund	2,459,899	3,546,313	3,372,775	3,304,165	3,457,451	3,434,858	3,576,046	3,277,717	2,675,600
All Other Governmental Funds									
Restricted, Reported in:									
Capital Projects Fund					14,966	14,966			
Debt Service Fund					159	86	14,997	24	6
Unreserved, Reported in:									
Capital Projects Fund	20,873	15,392	14,966	14,966					
Debt Service	2,798	8,182	14,129	13,110					
Total Other Governmental Funds	23,671	23,574	29,095	28,076	15,125	15,052	14,997	24	6

Source: CAFR B-1

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2006 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years data is presented.

BOROUGH OF SPRING LAKE SCHOOL DISTRICT

Governmental Fund Expenditures by Function
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	5,660,542	6,273,591	6,475,010	6,468,535	5,956,825	6,097,605	6,036,207	6,036,462	6,080,639	6,211,100
Other Local Revenue	105,178	190,777	128,167	139,191	105,208	124,063	107,558	77,881	133,374	126,986
State Sources	1,098,760	1,165,790	1,176,737	1,052,731	848,247	665,966	680,764	980,410	920,963	1,017,438
Federal Sources	99,451	149,238	142,850	129,260	207,798	124,062	262,308	136,566	143,906	133,059
Total Revenues	6,963,931	7,779,396	7,922,764	7,789,717	7,118,078	7,011,696	7,086,837	7,231,319	7,278,882	7,488,583
Expenditures										
Instruction:										
Regular	1,385,071	1,503,271	1,517,239	1,560,249	1,601,758	1,579,047	1,794,973	1,721,386	1,706,045	1,677,328
Special	232,347	274,313	201,838	232,226	273,298	276,146	251,379	308,207	569,875	570,168
Other Special Instruction	33,911	41,966	44,025	50,077	46,519	78,181	82,749	145,392	68,236	67,903
Support Services:										
Instruction - Tuition	2,034,176	1,568,317	1,620,480	1,734,301	1,297,325	1,490,746	1,077,317	1,126,132	1,256,070	1,434,110
Student Related Services	649,719	741,775	816,581	955,299	1,023,734	983,496	1,084,730	1,040,772	1,132,302	1,090,409
General Administration	176,751	151,661	156,740	165,172	161,833	144,245	275,002	182,773	156,136	153,494
School Administration	80,527	70,954	74,311	80,838	83,318	87,426	69,772	76,368	86,258	77,832
Central Services & Admin. Info. Technology	124,500	125,633	129,506	134,393	140,682	146,940	144,141	152,006	153,619	147,657
Operations and Maintenance	366,615	388,709	571,565	1,392,741	660,148	431,593	464,530	531,874	514,555	605,381
Student Transportation	344,982	364,674	303,745	307,908	264,900	242,528	185,923	205,282	341,177	320,422
Cancellation of Prior Year Receivables		16,335		426						
Employee Benefits	944,331	1,120,871	1,124,517	1,023,208	1,140,747	1,198,301	1,348,403	1,392,028	1,292,314	1,346,805
Debt Service:										
Principal	195,923	50,565	62,715	115,185	-	8,199	25,571	102,603	110,034	398,802
Interest and Other Charges	100,000	105,000	110,000	125,000	145,000	150,000	155,000	160,000	165,000	165,000
Total Debt Service	114,255	108,855	103,185	80,711	62,088	54,513	50,013	45,363	40,563	35,407
Total Governmental Fund Expenditures	6,783,108	6,632,899	6,836,447	7,957,734	7,187,707	6,871,361	7,009,503	7,190,186	7,592,184	8,090,718
Excess (Deficiency) of Revenues Over (Under) Expenditures	180,823	1,146,497	1,086,317	(168,017)	(69,629)	140,335	77,334	41,133	(313,302)	(602,135)
Other Financing Sources (Uses)										
Operating Transfers In										
Operating Transfers Out			5,481					14,966		
Proceeds from Borrowing			(5,481)					(14,966)		
Funding of Temporary Notes										
Capital Leases (non-budgeted)										
Total Other Financing Sources (Uses)										
Net Changes in Fund Balance	180,823	1,146,497	1,086,317	(168,017)	(69,629)	140,335	77,334	41,133	(313,302)	(602,135)
Debt Service as a percentage of noncapital expenditures	3.25%	3.25%	3.15%	2.62%	#VALUE!	2.98%	2.94%	2.90%	2.75%	2.61%

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

(1) Prior to 2014 special revenue fund instruction was classified as regular instruction, this was corrected in 2014 to special education instruction.

BOROUGH OF SPRING LAKE SCHOOL DISTRICT

**General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	Tuition	Interest Income	Miscellaneous	Total
2006	31,474	35,555	0	67,029
2007	28,729	98,130	45,943	172,802
2008	19,325	95,135	0	114,460
2009	14,050	60,952	0	75,002
2010	11,300	9,698	10,517	31,515
2011	9,102	6,231	6,503	21,836
2012	1,600	9,847	731	12,178
2013	31,700	3,222	4,557	39,479
2014	121,180	2,411	9,783	133,374
2015	80,433	2,040	44,510	126,983

Source: District records.

BOROUGH OF SPRING LAKE SCHOOL DISTRICT

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities	Net Assessed Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2005	41,355,900	3,128,856,100	0	152,188,100	599,100	2,509,600	3,325,508,800	0	1,896,880	3,327,405,680	2,534,410,806	0.163
2006	48,100,500	3,110,588,100	0	152,188,100	599,100	2,509,600	3,313,985,400	0	3,962,272	3,317,947,672	3,121,529,348	0.180
2007	62,810,300	3,116,649,200	0	150,525,200	599,100	2,509,600	3,333,093,400	0	3,898,189	3,336,991,589	3,307,276,592	0.191
2008	68,458,600	3,135,610,200	0	149,299,200	599,100	2,509,600	3,356,476,700	0	4,367,261	3,360,843,961	3,525,966,720	0.193
2009	90,443,000	3,120,915,900	0	146,210,600	599,100	2,509,600	3,360,678,200	0	4,932,510	3,365,610,710	3,583,221,548	0.185
2010	83,692,700	3,150,077,100	0	144,670,800	599,100	2,509,600	3,381,549,300	0	4,225,968	3,385,775,268	3,536,863,169	0.178
2011	88,366,100	3,156,092,400	0	144,758,100	599,100	2,509,600	3,392,325,300	0	4,197,740	3,396,523,040	3,358,513,626	0.179
2012	97,278,400	3,147,986,400	0	144,809,200	599,100	2,509,600	3,393,182,700	0	4,065,470	3,397,248,170	3,412,472,147	0.178
2013	85,233,500	3,167,943,900	0	143,603,400	599,100	2,509,600	3,399,889,500	0	0	3,399,889,500	3,374,210,701	0.178
2014	59,070,300	3,201,315,000	0	143,588,100	599,100	2,509,600	3,407,082,100	0	0	3,407,082,100	3,356,628,469	0.181
2015	72,274,400	3,241,938,600	0	144,285,000	599,100	0	3,459,097,100	0	0	3,459,097,100	3,544,640,966	0.182

Source: Monmouth County, Abstract of Ratables and Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation.

Reassessment occurs when County Board of Taxation requests Treasury to order a reassessment.

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

(b) Tax rates are per \$100 of assessed value.

BOROUGH OF SPRING LAKE SCHOOL DISTRICT

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
Per \$100 of Assessed Valuation
Unaudited**

Assessment Year	Basic Rate ^a	General Obligation ^b			Local School District	Regional School District	Overlapping Rates		Total Direct and overlapping Tax Rate
		Debt Service ^b	School District	Municipality			County		
2005	0.158	0.005	0.163	0.000	0.159	0.247	0.569		
2006	0.176	0.004	0.180	0.000	0.179	0.263	0.622		
2007	0.187	0.004	0.191	0.000	0.200	0.253	0.644		
2008	0.189	0.004	0.193	0.000	0.200	0.253	0.646		
2009	0.181	0.004	0.185	0.000	0.200	0.260	0.645		
2010	0.174	0.004	0.178	0.000	0.203	0.268	0.649		
2011	0.174	0.005	0.179	0.000	0.205	0.263	0.647		
2012	0.174	0.004	0.178	0.000	0.204	0.276	0.658		
2013	0.174	0.004	0.178	0.000	0.208	0.284	0.670		
2014	0.177	0.004	0.181	0.000	0.218	0.287	0.686		
2015	0.178	0.004	0.182	0.000	0.220	0.296	0.698		

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

(a) The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

(b) Rates for debt service are based on each year's requirements.

BOROUGH OF SPRING LAKE SCHOOL DISTRICT
Schedule of Principal Taxpayers
Current and Nine Years Ago
Unaudited

Taxpayer	2015			2004		
	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation
Spring Lake Bath/Tennis	18,957,100	1	0.56%	4,445,500	2	0.48%
Scardino T/A Breakers Hotel	16,607,400	2	0.49%	5,557,900	1	0.52%
Green Gables Trust				3,713,200	3	0.32%
Bluth Real Estate	9,396,200	4	0.28%			
Taxpayer #1	10,540,200	3	0.31%	3,150,500	4	0.28%
Taxpayer #2	7,772,100	5	0.23%	2,632,500	5	0.23%
Taxpayer #3	7,748,200	6	0.23%	2,327,400	6	0.20%
Taxpayer #4	6,913,900	7	0.20%	2,319,500	7	0.20%
Taxpayer #5	6,846,300	8	0.20%	2,319,200	8	0.20%
Taxpayer #6	6,773,700	9	0.20%	2,064,200	9	0.18%
Taxpayer #7	6,726,200	10	0.20%	2,063,300	10	0.18%
	<u>98,281,300</u>		<u>2.89%</u>	<u>30,593,200</u>		<u>2.79%</u>

Source: Municipal Tax Assessor's Office.

BOROUGH OF SPRING LAKE SCHOOL DISTRICT

**School Tax Levies and Collections
Last Ten Years
Unaudited**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	5,660,542	5,660,542	100.00%	
2007	6,273,591	6,273,591	100.00%	
2008	6,475,010	6,475,010	100.00%	
2009	6,468,535	6,468,535	100.00%	
2010	5,956,825	5,956,825	100.00%	
2011	6,097,605	6,097,605	100.00%	
2012	6,036,207	6,036,207	100.00%	
2013	6,036,462	5,784,944	95.83%	251,518
2014	6,080,639	6,080,639	100.00%	
2015	6,211,100	6,206,100	99.92%	5,000

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

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

BOROUGH OF SPRING LAKE SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Business-Type		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2006	1,970,000	-	-	-	-	1,970,000	2.61%	51,437
2007	1,865,000	-	-	-	-	1,865,000	2.94%	54,801
2008	1,755,000	-	-	-	-	1,755,000	3.23%	56,755
2009	1,740,000	-	-	-	-	1,740,000	3.15%	54,771
2010	1,595,000	-	-	-	-	1,595,000	3.57%	56,955
2011	1,445,000	-	-	-	-	1,445,000	4.04%	58,355
2012	1,290,000	-	-	-	-	1,290,000	4.76%	61,426
2013	1,130,000	-	-	-	-	1,130,000	6.43%	72,680
2014	965,000	-	-	-	-	965,000	Not Available	Not Available
2015	800,000	-	-	-	-	800,000	Not Available	Not Available

BOROUGH OF SPRING LAKE SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	1,970,000	-	1,970,000	0.06%	51,437
2007	1,865,000	-	1,865,000	0.06%	54,801
2008	1,755,000	-	1,755,000	0.05%	56,755
2009	1,740,000	-	1,740,000	0.05%	54,771
2010	1,595,000	-	1,595,000	0.05%	56,955
2011	1,445,000	-	1,445,000	0.04%	58,355
2012	1,290,000	-	1,290,000	0.04%	61,426
2013	1,130,000	-	1,130,000	0.03%	72,680
2014	965,000	-	965,000	0.03%	Not Available
2015	800,000	-	800,000	0.02%	Not Available

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

(a) See Exhibit J-6 for property tax data.

(b) Population data can be found in Exhibit J-14.

N/A Information was not available as of the report date.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

BOROUGH OF SPRING LAKE SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015
Unaudited

<u>Borough of Spring Lake</u>	<u>Net Debt</u>	<u>Estimated</u>	<u>Estimated Share of</u>
	<u>Outstanding</u>	<u>Percentage</u>	<u>Overlapping Debt</u>
		<u>Applicable ^a</u>	
Borough of Spring Lake 12/31/2014	\$ 3,914,425	100.000%	\$ 3,914,425
Monmouth County General Obligation Net Debt 12/31/2014	428,759,790	3.142%	13,471,633
			<hr/>
Subtotal, overlapping debt			17,386,058
Spring Lake School District Direct Debt			<hr/>
			800,000
Total direct and overlapping debt			<hr/> <hr/>
			\$ 18,186,058

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

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

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

BOROUGH OF SPRING LAKE SCHOOL DISTRICT
Legal Debt Margin Information,
Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Borough of Spring Lake:										
Debt limit	\$ 78,966,947	\$ 119,509,557	\$ 131,882,232	\$ 137,327,561	\$ 140,922,769	\$ 138,874,711	\$ 136,661,063	\$ 133,624,829	\$ 133,872,727	\$ 135,958,923
Total net debt applicable to limit	1,970,000	1,865,000	1,755,000	1,740,000	1,595,000	1,445,000	1,290,000	1,130,000	965,000	800,000
Legal debt margin	\$ 76,996,947	\$ 117,644,557	\$ 130,127,232	\$ 135,587,561	\$ 139,327,769	\$ 137,429,711	\$ 135,371,063	\$ 132,494,829	\$ 132,907,727	\$ 135,158,923
Total net debt applicable to the limit as a percentage of debt limit	2.49%	1.56%	1.33%	1.27%	1.13%	1.04%	0.94%	0.85%	0.72%	0.59%

	2014	2013	2012	2011	2010	2009	2008	2007	2006
Equalized valuation basis	\$ 3,487,646,740	\$ 3,345,689,333	\$ 3,363,583,168	\$ 3,398,973,080	\$ 3,398,973,080	\$ 3,398,973,080	\$ 3,398,973,080	\$ 3,398,973,080	\$ 3,398,973,080
[A]	\$ 10,196,919,241	\$ 10,196,919,241	\$ 10,196,919,241	\$ 10,196,919,241	\$ 10,196,919,241	\$ 10,196,919,241	\$ 10,196,919,241	\$ 10,196,919,241	\$ 10,196,919,241
[B]	135,958,923	135,958,923	135,958,923	135,958,923	135,958,923	135,958,923	135,958,923	135,958,923	135,958,923
[C]	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
[B-C]	\$ 135,158,923	\$ 135,158,923	\$ 135,158,923	\$ 135,158,923	\$ 135,158,923	\$ 135,158,923	\$ 135,158,923	\$ 135,158,923	\$ 135,158,923

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

(a) Limit set by NISA 18A:24-19 for a K through I2 district; other % limits would be applicable for other district types.

BOROUGH OF SPRING LAKE SCHOOL DISTRICT

**Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2005	3,561	169,838,334	47,694	4.70
2006	3,514	180,749,618	51,437	4.70
2007	3,506	192,132,306	54,801	4.30
2008	3,520	199,777,600	56,755	5.60
2009	3,542	193,998,882	54,771	9.10
2010	2,993	170,466,315	56,955	9.20
2011	2,993	174,656,515	58,355	9.70
2012	3,001	184,339,426	61,426	9.30
2013	3,001	218,040,000	72,680	8.60
2014	2,992	Not Available	Not Available	4.70
2015	Not Available	Not Available	Not Available	

Source:

- (a) Population information provided by the NJ Department of Labor and Workforce Development.
 - (b) Personal income has been estimated based on the municipal population and per capita personal income presented
 - (c) Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2010-2012 reflect county population estimates available as of July 2014.
 - (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development
- a** Census Bureau midyear.

BOROUGH OF SPRING LAKE SCHOOL DISTRICT

**Principal Employers
Current and Ten Years Ago
Unaudited**

Information not available

Source: Municipal Tax Assessor's Office.

BOROUGH OF SPRING LAKE SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction:										
Regular	21.00	21.00	21.00	21.00	20.00	20.00	23.00	23.00	22.00	22.60
Special Education	4.00	4.00	3.00	3.00	3.00	3.00	3.00	5.00	5.00	4.00
Other Special Instruction	3.00	4.00	4.00	3.40	4.50	4.50	5.00	2.00	4.00	3.20
Other Instruction								2.00	2.00	1.00
Support Services:										
Student & Instruction Related Services	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00	8.80
School Administrative Services	0.80	0.80	0.80	0.80	0.70	0.70	0.70	0.70	0.70	3.50
General Administrative Services	0.80	0.80	0.80	0.80	0.70	0.70	0.70	0.70	0.70	2.00
Central Services & Admin. Info. Technology	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60	1.60	1.25
Plant Operations and Maintenance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.50
Pupil Transportation	0.40	0.40	0.40	0.40	0.20	0.20	0.20	0.20	0.20	0.25
Business and Other Support Services										1.50
Special Schools										
Food Service										
Child Care										
Total	41.50	42.50	41.50	40.90	40.70	41.70	45.20	46.20	47.20	51.60

BOROUGH OF SPRING LAKE SCHOOL DISTRICT

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures (a)	Cost Per Pupil (d)	Percentage Change	Teaching Staff (b)	Elementary School	Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2006	279.0	6,372,930	13,868	15.24%	30.0	1:9:3	282	267.9	-3.09%	95.13%
2007	253.0	6,369,479	16,994	22.54%	30.0	1:8:4	251	237.0	-10.97%	94.42%
2008	253.5	6,560,547	15,191	-10.61%	30.0	1:8:5	254	240.1	1.36%	94.53%
2009	263.5	7,636,838	18,954	24.77%	30.0	1:8:8	264	251.3	3.70%	95.19%
2010	267.0	6,694,262	17,872	-5.71%	29.0	1:9:2	265	252.5	0.57%	95.28%
2011	274.0	6,658,649	19,677	10.10%	29.0	1:9:45	270	258.1	1.96%	95.59%
2012	269.0	6,778,919	18,915	-3.87%	30.0	1:8:9	268	256.3	0.74%	95.63%
2013	260.0	6,656,412	21,855	15.54%	30.0	1:7:0	257	244.3	-4.00%	95.06%
2014	244.0	6,882,220	24,409	11.69%	29.0	1:8:0	240	228.8	-6.61%	95.33%
2015	213.0	7,046,071	N/A	N/A	30.8	01:06:9	212	203.5	-11.56%	95.87%

Source:

- (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.
- (d) Cost per pupil from Taxpayer's Guide to Education Spending.

N/A = Data not available.

BOROUGH OF SPRING LAKE SCHOOL DISTRICT

**School Building Information
Last Ten Fiscal Years
Unaudited**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary:										
H W Mountz School (1921)										
Square Feet	61,160	61,160	61,160	61,160	61,160	61,160	61,160	61,160	61,160	61,160
Capacity (students)	324	324	324	324	324	324	324	324	324	324
Enrollment	282	251	254	264	267	274	269	269	244	213
Other:										
Utility/Storage										
Square Feet	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300

Number of Schools at June 30, 2015
Elementary 1

Source: District Records, SRS

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

BOROUGH OF SPRING LAKE SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities
Unaudited

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

School Facilities	Project #'s	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
H W Mountz School	N/A	192,608	137,842	137,909	98,616	68,335	294,419	#####	169,254	80,731	59,303
Total School Facilities		<u>192,608</u>	<u>137,842</u>	<u>137,909</u>	<u>98,616</u>	<u>68,335</u>	<u>294,419</u>	<u>#####</u>	<u>169,254</u>	<u>80,731</u>	<u>59,303</u>

BOROUGH OF SPRING LAKE SCHOOL DISTRICT

**Insurance Schedule
June 30, 2015
Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -		
Property - Blanket Building & Contents	11,943,541	1,000
Comprehensive General Liability	11,000,000	10,000
Comprehensive Automobile Liability	11,000,000	NA
Automobile Physical Damage	NQ	NA
Crime Coverage - Money Orders/Counterfeit	25,000	500
Computers and Schedule Equipment -		
Data Processing-Hardware		
Data Processing-Media/Data	405,970	1,000
Other (Audio Visual)Equip.& Software		
Boiler and Machinery - Property Damage	350,000,000	1,000
Umbrella Liability - Umbrella Policy		
School Board Legal Liability -		
School Leaders Errors & Omissions	11,000,000	10,000
Public Employee Faithful Performance	500,000	1000
Business Administrator Bond	200,000	500
Treasurer Bond	N/A	N/A
Workers Compensation		
Covered Payrolls - Professional	3,128,269	NA
Covered Payrolls - Non-Professional	194,866	NA
Supplemental Workers Compensation	7 Days	
Builders Risk	NQ	Per Property Deduction

Source: District Records.

SINGLE AUDIT SECTION

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkocz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, NJ 07860
973-579-3212
Fax 973-579-7128

K-1
Page 1 of 2

**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
Borough of Spring Lake School District
County of Monmouth
Spring Lake, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Spring Lake School District, in the County of Monmouth, New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 17, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

We noted certain matters that were required to be reported to the Board of Education of the Borough of Spring Lake School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 17, 2015.

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.

Paul J. Cuva

Paul J. Cuva, C.P.A.
Licensed Public School Accountant
No. CS00076600

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 17, 2015



Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, NJ 07860
973-579-3212
Fax 973-579-7128

K-2
Page 1 of 3

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable President and
Members of the Board of Education
Borough of Spring Lake School District
County of Monmouth
Spring Lake, New Jersey

Report on Compliance for Each Major State Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Spring Lake Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable



assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Spring Lake Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Borough of Spring Lake Board of Education's compliance.

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Awards Required by OMB Circular A-133 and N.J. OMB Circular 04-04

We have audited the financial statements of the Borough of Spring Lake Board of Education as of and for the year ended June 30, 2015, and have issued our report there dated November 17, 2015 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of state awards is fairly stated in all material respects in relation to the financial statements as a whole.

Paul J. Cuva

Paul J. Cuva, C.P.A.
Licensed Public School Accountant
No. CS00076600

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 17, 2015



**Borough of Spring Lakes School District
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2015**

SCHEDULE A
Exhibit K-3

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From	To	Balance at June 30, 2014	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2015	
												Accounts Receivable	Deferred Revenue
U.S. Department of Education													
Passed-through State Department of Education													
Special Revenue Fund:													
ID.E.A. Part B, Basic Regular	84.027	FT498014	152,251	7/1/2013	6/30/2014	(34,726)		34,726	(125,524)			(125,524)	
ID.E.A. Part B, Basic Regular	84.027	FT498015	148,997	7/1/2014	6/30/2015				(3,813)			(3,813)	
ID.E.A. Part B, Preschool	84.173	PS498015	3,813	7/1/2014	6/30/2015								
ID.E.A. Part B, Preschool, Carryover	84.173	PS498010	4,135	9/1/2009	8/31/2010	432							432
Title II, Part A Improving Teacher Quality	84.367A	NCLB498015	17,349	7/1/2014	6/30/2015	750			(3,722)			(3,722)	750
Title V	84.298A	NCLB498009		9/1/2008	8/31/2009								
Total Special Revenue Fund						(33,544)		34,726	(133,059)			(133,059)	1,182
Total Federal Financial Awards						(33,544)		34,726	(133,059)			(133,059)	1,182

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

Borough of Spring Lakes School District
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014			Balance at June 30, 2015			MEMO				
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Year's Balances		(Accounts Receivable)	Deferred Revenue/Interfund Payable	Due to Grantor	Budgetary Receivable
State Department of Education															
General Fund:															
Special Education Categorical Aid	15-495-034-5120-089	165,889	7/1/2014	6/30/2015											
Transportation Aid	15-495-034-5120-014	14,122	7/1/2014	6/30/2015											
Security Aid	15-495-034-5120-084	4,583	7/1/2014	6/30/2015											
Extraordinary Aid	14-100-034-5120-473	71,800	7/1/2013	6/30/2014	(71,800)										
Extraordinary Aid	15-100-034-5120-473	77,919	7/1/2014	6/30/2015											
Non-Public Transportation Aid	14-495-034-5120-014	2,729	7/1/2013	6/30/2014	(2,729)										
Non-Public Transportation Aid	15-495-034-5120-014	925	7/1/2014	6/30/2015											
NCIP Premium	15-495-034-5095-007	7,835	7/1/2014	6/30/2015											
Per Pupil Growth Aid	15-495-034-5120-097	2,830	7/1/2014	6/30/2015											
PARCC Readiness	15-495-034-5120-098	2,830	7/1/2014	6/30/2015											
On Behalf Teacher's Pension and Annuity Fund	15-495-034-5095-006	108,897	7/1/2014	6/30/2015											
On Behalf TPAF Post Retirement Medical	15-495-034-5095-001	185,312	7/1/2014	6/30/2015											
Reimbursed TPAF Social Security Contributions	14-495-034-5094-003	186,189	7/1/2013	6/30/2014	(18,394)										
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	176,535	7/1/2014	6/30/2015											
Total General Fund					(92,923)										
Special Revenue Fund:															
N.J. Nonpublic Aid:															
Textbook Aid	15-100-034-5120-064	22,581	7/1/2014	6/30/2015											
Textbook Aid	14-100-034-5120-064	21,446	7/1/2013	6/30/2014		605									
Auxiliary Services (Chapter 192):															
Compensatory Education	15-100-034-5120-067	47,119	7/1/2014	6/30/2015											
Home Instruction	15-100-034-5120-067	1,595	7/1/2014	6/30/2015											
Home Instruction	14-100-034-5120-067	10,007	7/1/2013	6/30/2014	(10,007)										
Nonpublic Handicapped Aid (Chapter 193):															
Supplementary Instruction	15-100-034-5120-066	14,910	7/1/2014	6/30/2015											
Examination & Classification	15-100-034-5120-066	29,897	7/1/2014	6/30/2015											
Examination & Classification	14-100-034-5120-066	27,074	7/1/2013	6/30/2014		1,915									
Corrective Speech	15-100-034-5120-066	16,787	7/1/2014	6/30/2015											
Corrective Speech	14-100-034-5120-066	14,843	7/1/2013	6/30/2014											
Nursing Services Aid	15-100-034-5120-070	35,948	7/1/2014	6/30/2015											
Nursing Services Aid	14-100-034-5120-070	30,185	7/1/2013	6/30/2014											
Technology Initiative	15-100-034-5120-373	12,128	7/1/2014	6/30/2015											
Technology Initiative	14-100-034-5120-373	7,820	7/1/2013	6/30/2014		9									
Character Education Aid	04-495-034-5120-053	4,000	7/1/2003	6/30/2004		983									
Total Special Revenue Fund					(9,024)	3,350									
Debt Service Fund:															
Debt Service Aid	14-495-034-5120-075	63,342	7/1/2014	6/30/2015											
Total State Financial Assistance					\$ (101,947)	\$ 3,350		\$ 951,133	\$ (956,251)	\$ (3,350)	\$ (120,227)	\$ 983	\$ 12,179	\$ 18,935	\$ 1,208,873

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

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state award programs of the Board of Education, Borough of Spring Lake School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state financial assistance passed through other government agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS: (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(566) for the general fund and \$-0- for the special revenue fund. See *Note A* [the Notes to Required Supplementary Information] for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$786,899	\$786,899
Special Revenue Fund	133,059	168,786	301,845
Debt Service Fund		<u>61,753</u>	<u>61,753</u>
Total Financial Awards	<u>\$133,059</u>	<u>\$1,017,438</u>	<u>\$1,150,497</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2015.

**BOROUGH OF SPRING LAKE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no
2. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Not Applicable

**BOROUGH OF SPRING LAKE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

Section I - Summary of Auditor's Results, (continued)

State Awards

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

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

2. Material weakness(es) identified? yes X no

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
15-495-034-5094-003	TPAF Social Security Contributions
15-495-034-5120-473	Extraordinary Special Education Aid

**BOROUGH OF SPRING LAKE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

Section II - Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

No matters were reported.

**BOROUGH OF SPRING LAKE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Status of Prior Year Findings

There were no prior year audit findings.