

# **Comprehensive Annual Financial Report**

**of the**

**Old Bridge Township Board of Education**

**Old Bridge, New Jersey**

**For the Fiscal Year Ended June 30, 2014**

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## **INTRODUCTORY SECTION**



## Old Bridge Township Public Schools

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Matawan, New Jersey 07747  
Fax (732) 583-4644

November 2014

**David Cittadino**

Superintendent of Schools  
(732) 290-3976

**Joseph J. Marra**

School Business Administrator  
& Board Secretary  
(732) 290-3952

**Kathleen Hoeker, Ed.D.**

Assistant Superintendent  
of Schools  
(732) 290-3970

**Donna M. Kibbler**

Assistant Superintendent for  
Curriculum & Instruction  
(732) 290-3967

**James Tuohy, Ed.D.**

Director of Special Services  
(732) 360-4461

**Rosanne Moran**

Director of Technology  
(732) 290-3900 x-3800

**Anahita Keiller**

Director of Arts & Cultures  
(732) 290-3900 x-3805

**Robert Eriksen**

Director of Athletics  
(732) 290-3900 x-3925

Honorable President and  
Members of the Board of Education  
Old Bridge Township School District  
Middlesex County, New Jersey 07747

Dear Board Members:

The comprehensive annual financial report of the Old Bridge Township School District for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the administration of the Board of Education. To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and the results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules and the auditor's report. 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 conformance with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the state treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

### **REPORTING ENTITY AND ITS SERVICES:**

The Old Bridge Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All fund account groups of the District are included in this report. The Old Bridge Township Board of Education and all its schools constitute the District's reporting entity.



The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2013-2014 fiscal year with an average daily enrollment of 8,881 students, which is 221 students below the previous year's average enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	
	<u>Student Enrollment</u>	<u>Percent Change</u>
2013-14	8,881	(2.4%)
2012-13	9,102	(1.1%)
2011-12	9,203	(2.3%)
2010-11	9,415	(.7%)
2009-10	9,485	(1.3%)
2008-09	9,610	(.4%)
2007-08	9,648	(1.1%)
2006-07	9,758	(.9%)
2005-06	9,850	(1.3%)
2004-05	9,983	.3%
2003-04	9,956	.2%

#### **MAJOR INITIATIVES:**

Old Bridge Township School Districts' salient accomplishments for the 2013-14 school year included:

#### **HIGH SCHOOL 2013-14**

- Old Bridge High School revamped the Crisis Management and Security plan to ensure the continued safety of our students and staff.
- Old Bridge High School's 2013-2014 combined SAT average of 1,559 is an 85 point increase from the average score of 1,474.
- Amy Chernet was selected as Old Bridge High School Teacher of the Year.
- Old Bridge High School partnered with Monmouth University to strengthen our team teaching program.
- Old Bridge Marching Knights – National Champions and other various accolades.
- Old Bridge Indoor Percussion – various 1st and 2nd place accolades.
- Old Bridge High School Football Team advanced to the second round of New Jersey State Championships.
- Old Bridge High School Girls' Volleyball Team won the GMC championship.
- Old Bridge High School graduated 43 student athletes who continued their athletic career at the college level.
- Old Bridge High School began the process of creating an OBHS App to better communicate with our stakeholders.
- The Old Bridge High School Office of Student Activities sponsored a Pink Out and raised over \$5,000.
- Old Bridge High School set a Guinness Book of World Records at the Swish Out football game.
- The Old Bridge High School Peer Leadership Program sponsored Freeze Out and the Polar Plunge and raised over \$10,000.
- Old Bridge High School rallied around Stephen Bartlett, a student stricken with cancer, and through the Team Stephen Lacrosse Out Game raised over \$50,000.
- Approximately 250 students attended the Old Bridge High School's Senior Disney trip.



- Old Bridge High School Week of Respect - Students created posters/signs and displayed them along with yellow ribbons for the community to admire. Additionally yellow bracelets were sold and worn by students and staff to recognize the importance of respect/brotherhood in our community.
- Old Bridge High School's Future Business Leaders of America students received various awards and state accolades throughout the school year.
- Students in the EMGNC were able to purchase a "Kind Word" note and send it to a faculty/staff member or student thanking them for something they have done.
- Old Bridge High School Social Skills group – helped students use techniques in dealing with various social situations and media
- Old Bridge High School motto "Do the Right Thing" continued to be emphasized throughout the year through classroom visits, assemblies and modeling. This simple phrase became the "bumper sticker" of Old Bridge High School; our driving force in character education.
- Old Bridge High School's suspension rate declined in 2013-2014.

MIDDLE SCHOOLS 2013-14:

JONAS SALK M.S.

- Received recognition as a "National PTA School of Excellence" because of the schools ability to form lasting bonds with the local community that it serves and increase parent interests with all aspects of the school.
- The Salk School Safety Team planned a special event for 200 8th grade students. It was called Challenge Day, and students and teachers shared a new respect for each other and the individual challenges we all face in life. The goal is to create a larger sense of humanity and appreciation for diversity within the school community.
- 7th grade students attend Fairview, an overnight trip that explores environmental science tied to our curriculum in a real world setting. As well as participated in team building activities and strengthening peer to peer relationships.
- OBPD presented a detailed understanding of the affects and signs of drug use pertaining to the local community at our PTA meeting.
- Eighth grade career day
- Elementary school movie nights hosted at JSMS as a fundraiser for Challenge Day.
- Family movie night with over 250 participates to strengthen community ties with the school.
- Our Student Assistance Program multiple student support groups.
- Salk has a Crisis Response Team
- Project Respect program
- For the week of respect we conducted student readings each morning that focused on peer interactions and connected with the student body.
- Implementation of Quarterly Assessments
- Implementation of school-wide changes suggested by the RAC (ie: 3 Part Objectives, DOLs, portfolios, CFUs)
- Held a charity soccer game between the girls' and the boys' teams. During the latter part of the school day, the girls soccer team played the boys soccer team to raise funds to donate to the Memorial Sloan-Kettering Pediatric Cancer Center in New York in the name of former student Christopher Picco. Chris was a Salk student who lost his hard-fought battle with cancer in 2002.
- 6th grade orientation day in August where students were bused in and were able to meet their homeroom teachers and get acclimated with the school and some procedures.
- Our planetarium expanded its outreach to neighboring school districts to provide them a unique learning experience.
- JSMS piloted a new reading program that focused on data driven results to improve student Lexile levels.

- JSMS continues to offer the GLOBE Program which is a worldwide hands-on, primary and secondary school-based education and science program. GLOBE provides the opportunity to learn by: Taking scientifically valid measurements in the fields of atmosphere, hydrology, soils, and land cover/phenology - depending upon their local curricula, Reporting their data through the Internet, Creating maps and graphs on the free interactive Web site to analyze data sets, and Collaborating with scientists and other GLOBE students around the world.
- A mentoring program for at-risk students.
- Established "Dynamic Duo" Program to recognize and reward outstanding accomplishments of the staff who exhibited outstanding collaborative work.
- Student of the Month program and Student of the Month breakfast with the principal every 2 months. The Student of the Year dinner hosted at the Elks in June.
- STARS program, trip and breakfast
- The Academic Support Program was restructured and offered both a push in and pull out model for mathematics.
- All teachers reviewed "Individualized Student Improvement Plans" ISIPs and used that information to drive their instruction.
- "Honors" courses were offered in Science, Social Studies, Math, and LAL in the 8th grade as well as LAL and Math in 7th grade, and Math in 6th grade
- Character Education and service learning projects have been implemented
- Continued the expansion of the Community Service Program. Called "Salk Community of Caring" as well as 8th grade service learning projects

CARL SANDBURG M.S. 2013-14

- Final transition of the Math in Focus program to 8th grade.
- Continued Honors ELA program in 8th grade complete with student presentations and component lessons focused on themes.
- Academic Support Program for mathematics was modified to include an in-class, co-teaching delivery model.
- Adaptive physical education program including opportunities for mainstreaming.
- After school tutoring in ELA and mathematics for students at risk for failure.
- Data-driven instruction utilizing Individual Student Improvement Plans in ELA and mathematics.
- Introduction of benchmark assessments to monitor student progress.
- Project Read literacy program introduced and utilized by Special Education teachers to meet the needs of struggling readers in need of alternative instructional programs.
- Cougar Connect mentoring program implemented for at risk students. Teacher volunteers served as mentors before and after school.
- Challenge Day – two day event including at-risk students, teachers, District staff and community volunteers.
- New format of 6th grade orientation including spring school visitation and summer orientation. This included busing in order to accommodate working parents.
- Evening program made available for parents of incoming 6th graders.
- Administrator and guidance counselor visits to all sending elementary schools.
- Anti-Bullying/ Violence Awareness week activities.
- School-wide Character Education program.
- Student Leadership Corps (SLC) assembly program for all students promoting awareness and tolerance
- Cougar Cub program instituted by SAC and SLC students as expansion of our Peer to Peer program
- Wall of Caring (students' act of kindness were recorded and hung in the cafeteria)

- Builders Club dedicated to community awareness and community service. Builders Club sponsored the CSMS Talent Show.
- Visit from prosecutor's office to speak to students regarding Internet and Cyber Safety.
- Drugs and Violence Awareness program (held during PTA meeting)
- Steps for Vets (over \$16,000.00 Raised)
- St Jude Fundraiser (yearly event raises thousands of dollars each year)
- Food Bank Collection (in November for local food banks)
- Heavenly hats fundraiser for Pediatric Cancer
- Kids Walk for Kids with Cancer walkathon in conjunction with Arms Wide Open and Heart Association.
- Thank you to Veterans cards sent to veterans overseas. Musical outreach program for Veterans and Memorial day – Band participated in elementary and Township Parades
- Kindness Ticket program (students were encouraged to act kindly toward each other)
- Diversity Day—a day of exposure for 8th graders of the diverse clubs at the HS
- Student of the Month and Student of the Year programs held in conjunction with the OB Elks
- ACES trip – culminating trip earned by students who have demonstrated academic excellence, community service and/or participation in sports or school activities. Points are earned throughout the year to qualify for the trip.
- Holiday Fair Vendor Night to support Student Activities Fund.
- 9/11 Memorial Gathering at Municipal Center—interaction with the municipality during the 9/11 commemoration ceremony.
- Active involvement in the Clean Communities Program through the Environmental Club of Sandburg.
- Old Bridge Elks' Essay Contest on Americanism.
- Mahatma Gandhi Art and Writing Contest participation.
- World Language Fair to celebrate and recognize diversity.

#### ELEMENTARY SCHOOL 2013-14

- Rigby Reads Diagnostic Assessment
  - Online assessment for grades K-5
- Kids to College Program
  - Schedule of visitations

SCHOOL TAKING TRIP	NAME OF UNIVERSITY	DATE OF TRIP
Carpenter	Seton Hall	3/18/14
Cheesequake	Middlesex Community College	3/27/14
Cooper	Berkeley	4/4/14
Grissom	Brookdale Community	11/15/13
McDivitt	Rider University	4/4/14
Madison Park	Kean University	3/28/14
Memorial	Rutgers University	6/5/14
Miller	DeVry	5/28/14
Schirra	DeVry	4/2/14
Shepard	Monmouth	12/9/13
Southwood	UMDNJ	3/27/14
Voorhees	Georgian Court	3/25/14

- Parent University
  - October 15, 2013 and March 13, 2014
- Study Skills

- All elementary schools participate in reading initiatives and math incentives, cultural diversity program; poster and essay contests offerings by various organizations.
- Ice Skating Trips – Elementary, Middle & High School
  - Field trips to the Old Bridge Ice Skating Rink at no cost to the district. This initiative helped us to continue to address childhood obesity issues and promote First Lady Michelle Obama's Let's Move Program.
- Kindergarten
  - Pilot Program for Full day kindergarten at Cheesequake and Grissom.
- Pre-School
  - Continued to expand a tuition pre-school program at Glenn School to provide for an integrated program.
- Professional Learning Communities
  - Expanded practices of Professional Learning Communities to be in compliance with the State mandated School Based Professional Development Initiative focusing on school improvement, closing the student achievement gap and providing instruction with rigor and relevance.
- Safety Ambassador's Program – Southwood
- Outreach Programs
  - Recycling programs, assemblies, and activities were held in all schools in conjunction with township and county organizations.
  - Robert Wood Johnson University Hospital Safety Ambassador Program initiated a partnership with the High School Health Occupations Class. A Training Program was provided and the students prepared lessons to be taught to first and second graders.
- Kiwanis Key Club McDivitt & Carpenter Schools
- Character Education Programs
  - Cheesequake, Memorial, Voorhees & Southwood schools were recognized as 2014 NJ State Schools of Character and will hold the status from 2014-2016.
  - Carpenter, Miller & Schirra schools received Honorable Mention in 2014 and are reapplying in 2015. Grissom received Emerging School Status in 2014 and is reapplying in 2015.
  - Two of the schools that received State recognition in 2014 (Cheesequake, Voorhees), along with two that received State recognition in 2013 (Cooper and McDivitt) were also considered for National Recognition in 2014; Cheesequake, McDivitt and Voorhees were selected.
  - Cheesequake also was recognized even further as a 2014 National School of Character model.
  - With Shepard and Madison Park already recognized as State and National Schools of Character in prior years *we now have 8 State and 5 National Schools of Character.*

<b><u>State</u></b>	<b><u>National</u></b>	<b><u>National Model</u></b>
Cheesequake	Cheesequake	Cheesequake
Cooper		
Madison Park	Madison Park	
McDivitt	McDivitt	
Memorial		
Shepard	Shepard	
Southwood		
Voorhees	Voorhees	

- Implemented Mathematics Curriculum
  - Math in Focus Math Program – Middle School Grades 6 & 7
- Challenge Program
  - Review and prepare proposal
- Extensive support and resources for the Common Core State Standards and PARCC.
- Standard Solutions teacher and administrator's workshop.

**INTERNAL ACCOUNTING CONTROLS:** Administration 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 administration.

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

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 and to determine that the District has complied with applicable laws and regulations.

**BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is presented 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

**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.

**FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund. Revenues for the fiscal year ended June 30, 2014 and the amount and percentage of increases (decreases) in relation to prior year revenues.

REVENUE	JUNE 30, 2014	PERCENTAGE OF TOTAL	JUNE 30, 2013	INCR / DECR. FROM 2013	PERCENTAGE OF INCR / DECR
Local Sources	\$ 91,447,045	59.61%	\$ 88,443,682	\$ 3,003,362	3.40%
State Sources	58,442,338	38.10%	59,891,525	(1,449,188)	-2.42%
Federal Sources	3,491,250	2.28%	3,594,770	(103,520)	-2.88%
Private Sources	19,127	0.01%	89,365	(70,238)	-78.60%
TOTALS	\$ 153,399,760	100.00%	\$ 152,019,343	\$ 1,380,417	

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended **June 30, 2014** and the amount and percentage of increases (decreases) in relation to prior year amounts:

REVENUE	JUNE 30, 2014	PERCENTAGE OF TOTAL	JUNE 30, 2013	INCR / DECR. FROM 2013	PERCENTAGE OF INCR / DECR
Current Expenditures Instruction	\$ 61,346,816	40.67%	\$ 60,429,981	\$ 916,835	1.52%
Undistributed	84,863,646	56.26%	84,291,212	572,434	0.68%
Capital Outlay	1,647,290	1.09%	5,963,609	*4,316,319	-72.38%
Special Schools	37,315	0.02%	19,442	17,873	91.93%
Debt Service	2,959,969	1.96%	2,954,362	5,607	0.20%
TOTALS	\$ 150,855,035	100.00%	\$ 153,686,362	\$ (2,802,327)	

**DEBT ADMINISTRATION:** At June 30, 2014, the District's outstanding debt issues included \$38,855,000.00 of general obligation bonds.

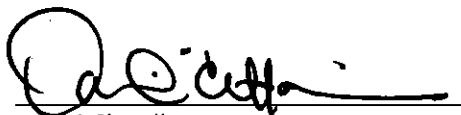
**CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted an investment policy which requires it to deposit public funds in public depositories protected from loss under the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

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

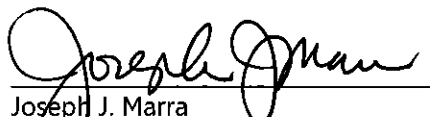
**INDEPENDENT AUDIT:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Samuel Klein and Company was approved by the Board during the meeting of April 29, 2014. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state 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.

**ACKNOWLEDGEMENTS:** We would like to express our appreciation to the Old Bridge Township Board of Education for its concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing its full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the central office staff.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'David Cittadino', written over a horizontal line.

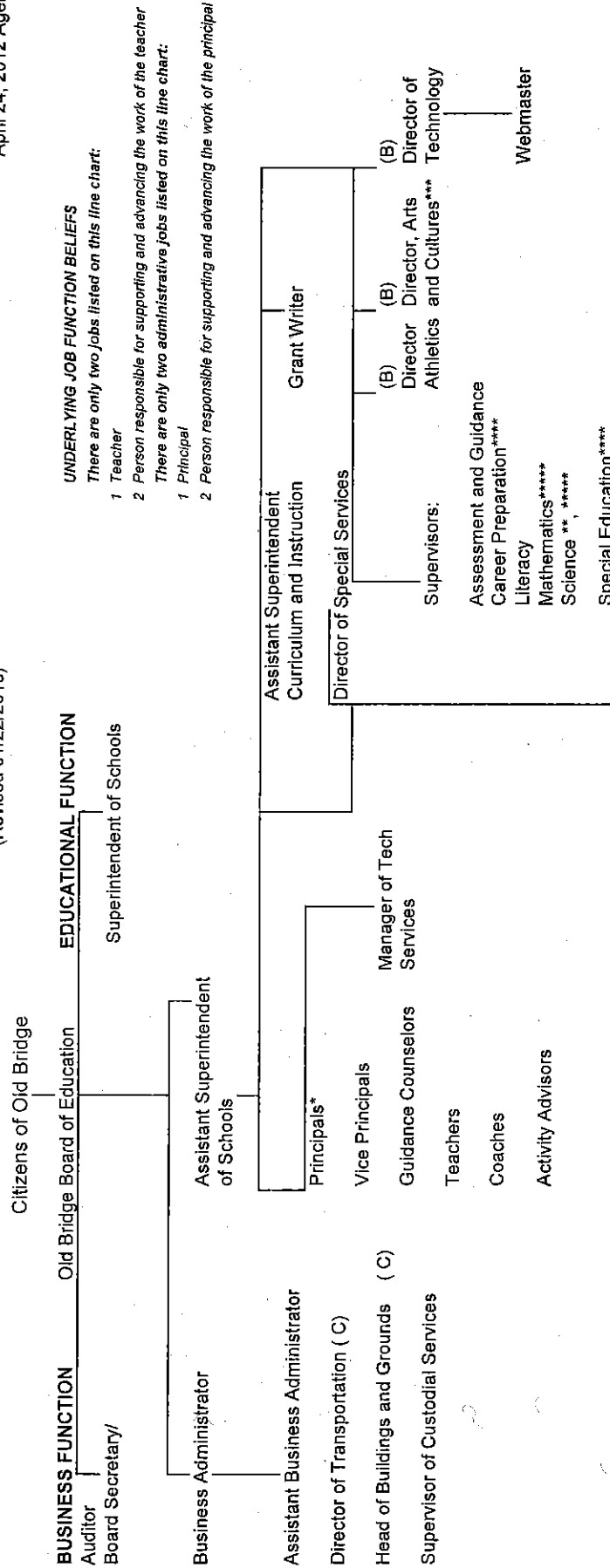
David Cittadino  
Superintendent of Schools

A handwritten signature in black ink, appearing to read 'Joseph J. Marra', written over a horizontal line.

Joseph J. Marra  
School Business Administrator/  
Board Secretary

# **ORGANIZATIONAL CHART** (Revised 01/22/2013)

Addendum  
 April 24, 2012 Agenda



\* Principals head the Teaching and Learning Team at their schools. Additionally, each principal has a specific responsibility for some aspect of the district T+L team  
 \*\* Also supervisor of health/physical education and nurses  
 \*\*\* Also supervisor of ELL and World Languages  
 \*\*\*\* also supervisor of the early childhood program at Glen School and administers the IDEA and Titles grants  
 \*\*\*\*\* jointly lead the district's efforts in STEM, science, instructional technology, engineering and math programs  
 \*\*\*\*\* Includes responsibility for special education transition to college or career



**OLD BRIDGE TOWNSHIP BOARD OF EDUCATION  
OLD BRIDGE, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2014**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Donna Andriani, President	2014
Sal DiPrima, Vice President	2015
Kevin Borsilli	2015
Annette Hopman	2016
Balwinder Signh	2016
Matthew Sulikowski	2015
Frank Weber	2014
Nancy Mongon	2016

**Other Officials**

David Cittadino, Superintendent of Schools  
Joseph J. Marra, School Business Administrator  
Himanshu Shah, Custodian of School Moneys  
Christopher B. Parton, Esq., Board Attorney

**OLD BRIDGE TOWNSHIP BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**JUNE 30, 2014**

**Architect**

Tokarski & Millemann, Architects, LLC  
228 Brick Boulevard, Suite 2  
Brick, New Jersey 08723

**Audit Firm**

Samuel Klein and Company  
Certified Public Accountants  
550 Broad Street, 11<sup>th</sup> Floor  
Newark, New Jersey 07102-4543

**Attorney**

Christopher B. Parton, Esq.  
Kenney, Gross, Kovats & Parton  
General Legal Counsel  
The Courts of Red Bank  
130 Maple Avenue, Building 8  
Red Bank, New Jersey 07701

**Official Depository**

Amboy National Bank  
3590 Highway #9, South  
Old Bridge, New Jersey 08857

## **FINANCIAL SECTION**

# **SAMUEL KLEIN AND COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR  
NEWARK, N.J. 07102-9969  
PHONE (973) 624-6100  
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303  
FREEHOLD, N.J. 07728-2291  
PHONE (732) 780-2600  
FAX (732) 780-1030

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and Members  
of the Board of Education  
Old Bridge Township Board of Education  
County of Middlesex  
Matawan, New Jersey 07747

### **Report on the Financial Statement**

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 Old Bridge Township School District, County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2014 and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express 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 standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe 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 Board of Education of the Old Bridge Township School District, as of June 30, 2014, 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 Discussion and Analysis and Budgetary Comparison Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary and Other Information**

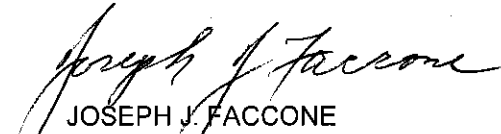
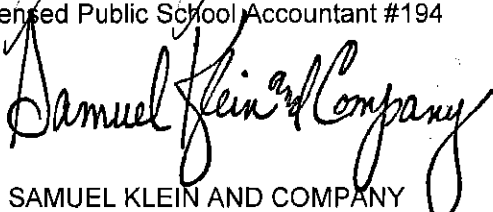
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Old Bridge Township School District's basic financial statements. The accompanying supplementary information, which consists of the combining and individual fund financial statements, noncurrent (long-term) debt schedules and schedules of expenditures of federal awards and state financial assistance, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information identified above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2014, on our consideration of the Board of Education of the Old Bridge Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Old Bridge Township School District's internal control over financial reporting and compliance.

  
JOSEPH J. FACCONI  
Licensed Public School Accountant #194  
  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
September 29, 2014

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**UNAUDITED**

The discussion and analysis of the Old Bridge Township Public School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the notes to the basic financial statements and other financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2014 are as follows:

In total, net assets totaled \$104,075,811 which represents a .13% increase from 2013.

General revenues accounted for \$142,088,629 in revenue or 90.8% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$14,386,855 or 9.2% to total revenues of \$156,475,484.

Total assets of governmental activities decreased by \$706,870 as cash and cash equivalents and investments increased by \$3,083,282. Receivables decreased by \$177,427 and capital assets decreased by \$3,612,725.

The District had \$156,340,489 in expenses; only \$14,386,855 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$91,021,964 and aid of \$50,492,078 were adequate to provide for these programs.

Among major funds, the General Fund had \$145,622,239 in revenues and \$144,077,514 in expenditures, which does not include the operating transfer out for the Capital Projects Fund. The General Fund's fund balance increased \$2,553,497 from 2013. The General Fund's fund balance is \$13,750,312.

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

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

The Statement of Net Position and Statement of Activities provide information about the activities of the District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. Governmental fund statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the Old Bridge Township Public School District, the General Fund is by far the most significant.



**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**UNAUDITED**  
**(Continued)**

**Reporting the District as a Whole**

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

This document contains all funds used by the District to provide programs and activities, viewing the District as a whole and reports the culmination of all financial transactions. The report answers the question "How We Did Financially during Fiscal Year 2014". The Statement of Net Position and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in those assets. This change in net position is important because they report on whether the District's financial position has improved or diminished.

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

**Governmental Activities** — all of the 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 Activities** — these services are provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and Community School Enterprise Funds are reported as business activities.

**Reporting the District's Most Significant Funds**

**Fund Financial Statement**

The Analysis of the District's major funds begins on page 35. Fund financial reports provide detailed information about the District's major funds. The District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

**Governmental Funds**

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

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**UNAUDITED**  
**(Continued)**

**Enterprise Fund**

The Enterprise Fund uses the same basis of accounting as business-type activities. The reporting of this fund did not change with the conversion to GASB 34.

**The District as a Whole**

The Statement of Net Position provides the financial perspective of the District as a whole.

Table 1 provides a comparative summary of the District's net position for 2014 and 2013.

**Table 1 - Net Position**

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Current and Other Assets	\$ 16,550,522	\$ 13,716,026
Capital Assets	<u>135,051,061</u>	<u>138,678,199</u>
Total Assets	<u><u>\$151,601,583</u></u>	<u><u>\$152,394,225</u></u>
<b>Liabilities</b>		
Long-Term Liabilities	\$ 42,730,904	\$ 43,744,492
Other Liabilities	<u>4,794,867</u>	<u>4,708,917</u>
Total Liabilities	<u><u>\$ 47,525,771</u></u>	<u><u>\$ 48,453,409</u></u>
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	\$ 96,196,061	\$ 98,292,396
Restricted	14,103,165	11,397,479
Unrestricted	<u>(6,223,415)</u>	<u>(5,749,059)</u>
Total Net Position	<u><u>\$104,075,811</u></u>	<u><u>\$103,940,816</u></u>

The District's combined net position was \$104,075,811 on June 30, 2014. This is an increase of .13% from the previous year.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**UNAUDITED**  
**(Continued)**

Table 2 shows the comparative changes in net position from fiscal year 2014 and 2013.

**Table 2 - Comparative Changes in Net Position**

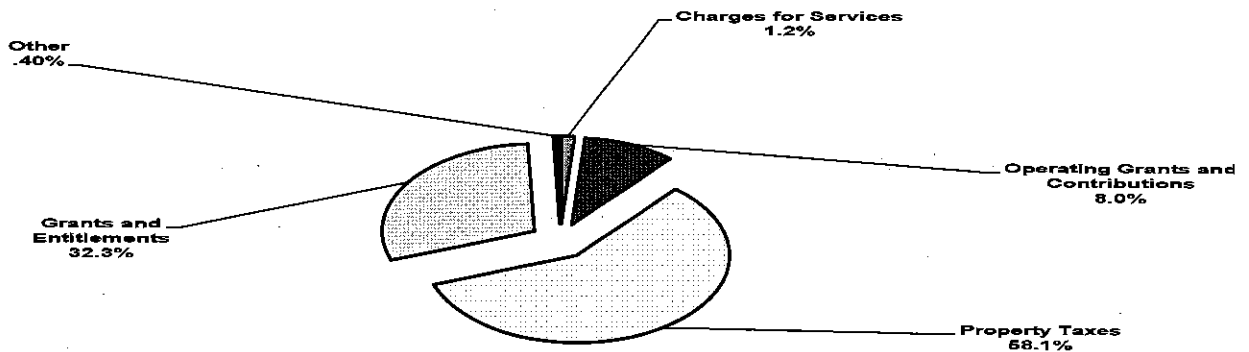
Revenues:			
Program Revenues:			
Charges for Services	\$ 1,809,854	\$ 1,763,335	2.64%
Operating Grants and Contributions	12,577,001	14,060,386	-10.55%
General Revenues:			
Property Taxes	91,021,964	87,890,380	3.56%
Grants and Entitlements	50,481,575	50,519,317	-0.07%
Other	585,090	940,161	-37.77%
Total Revenues	156,475,484	155,173,579	0.84%
Program Expenses:			
Instruction	85,352,058	84,968,050	0.45%
Support Services:			
Pupils and Instructional Staff	23,671,609	23,333,522	1.45%
General Administration, School Administration, Business Operations and Maintenance of Facilities	30,288,220	29,134,666	3.96%
Pupil Transportation	12,095,664	12,034,579	0.51%
Special Schools	51,916	27,337	89.91%
Debt Service	1,729,969	1,759,300	-1.67%
Food Service and Community School	3,151,053	3,107,851	1.39%
Total Expenses	156,340,489	154,365,304	1.28%
Increase in Net Position	134,995	808,275	
Beginning Net Position	103,940,816	103,132,541	
Ending Net Position	\$ 104,075,811	\$ 103,940,816	

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**UNAUDITED**  
**(Continued)**

**Government Activities**

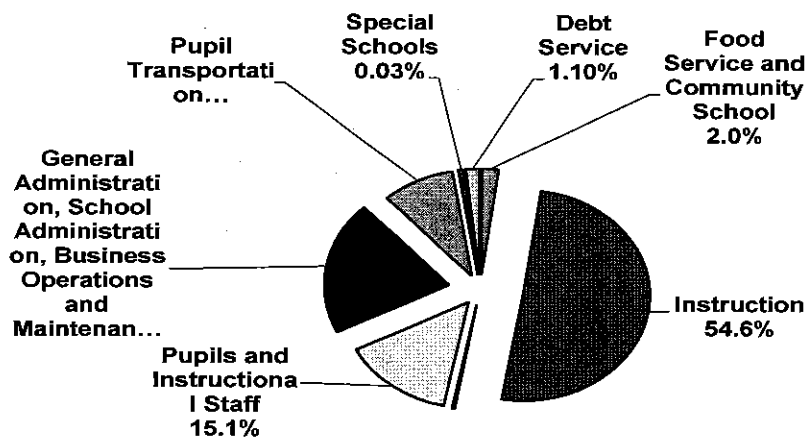
Property taxes as approved by the voters of the Old Bridge Township made up 58.2% of revenues for governmental activities for the fiscal year 2014. The District's total revenues were \$156,475,484 for the year ended June 30, 2014. Federal, state and local grants accounted for another 33.2%.

**Revenue for Fiscal Year 2014**



The total cost of all programs and services was \$156,340,489. Instruction comprises 54.6% of the District's expenses.

**Expenses for Fiscal Year 2014**



**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED  
(Continued)**

**Business-Type Activities**

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

Food service expenses exceeded revenues by \$75,329. Charges for services represent \$1,809,854 of revenue. This represents the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$1,135,490.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3 - Comparative Statement of Activities**

	Total Cost of Services			Net Cost of Services		
	2013-2014	2012-2013	% Change	2013-2014	2012-2013	% Change
Instruction	\$ 85,352,058	\$ 84,968,050	0.45%	\$ 76,067,927	\$ 74,446,090	2.18%
Support Services:						
Pupils and Instructional Staff	23,671,609	23,333,522	1.45%	22,232,633	21,702,690	2.44%
General Administration, School Administration, Business Operation and Maintenance of Facilities	30,288,220	29,134,666	3.96%	29,569,816	28,320,478	4.41%
Pupil Transportation	12,095,664	12,034,579	0.51%	12,095,664	12,034,579	0.51%
Special Schools	51,916	27,337	89.91%	51,916	27,337	89.91%
Debt Service	1,729,969	1,759,300	-1.67%	1,729,969	1,759,300	-1.67%
	<u>\$ 153,189,436</u>	<u>\$ 151,257,454</u>	<u>1.28%</u>	<u>\$ 141,747,925</u>	<u>\$ 138,290,474</u>	<u>2.50%</u>

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

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**UNAUDITED**  
**(Continued)**

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

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

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

Pupil transportation includes activities involved with the conveyance of students to and from school, to school co-curricular, athletic activities and co-curricular field trips as provided by state law.

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

**The District's Funds**

Information about the District's major funds starts on page 35. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$153,399,760 and expenditures of \$150,855,035.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ended June 30, 2014 and June 30, 2013, and the amount and percentage of increases and decreases in relation to prior year revenues.

**Comparative Summary of Revenues**

<u>Revenue</u>	<u>June 30,</u> <u>2014</u>	<u>Percent</u> <u>of Total</u>	<u>June 30,</u> <u>2013</u>	<u>Increase</u> <u>(Decrease)</u> <u>from 2013</u>	<u>Percent of</u> <u>Increase</u> <u>(Decrease)</u>
Local Sources	\$ 91,457,548	59.62%	\$ 88,443,682	\$ 3,013,866	3.41%
State Sources	58,442,338	38.10%	59,891,525	(1,449,187)	-2.42%
Federal Sources	3,480,747	2.27%	3,594,770	(114,023)	-3.17%
Private Sources	19,127	0.01%	89,365	(70,238)	-78.60%
	<u>\$ 153,399,760</u>	<u>100.00%</u>	<u>\$ 152,019,342</u>	<u>\$ 1,380,418</u>	<u>0.91%</u>

The increase in Local Sources is attributed to increases in the local tax levy and the Interlocal Agreement with the Township of Old Bridge.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**UNAUDITED**  
**(Continued))**

The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2014 and the amount and percentage of increases (decreases) in relation to prior year amounts.

**Comparative Summary of Expenditures**

<u>Expenditures</u>	<u>June 30,</u> <u>2014</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>June 30,</u> <u>2013</u>	<u>Increase/</u> <u>(Decrease)</u> <u>from 2012</u>	<u>Percent of</u> <u>Increase</u> <u>(Decrease)</u>
Current Expenditures					
Instruction	\$ 61,346,816	40.67%	\$ 60,429,981	\$ 916,835	1.52%
Undistributed	84,863,646	56.26%	84,291,212	572,434	0.68%
Capital Outlay	1,647,290	1.09%	5,963,609	(4,316,319)	-72.38%
Special Schools	37,315	0.02%	19,442	17,873	91.93%
Debt Service	<u>2,959,968</u>	<u>1.96%</u>	<u>2,954,119</u>	<u>5,849</u>	<u>0.20%</u>
	<u>\$150,855,035</u>	<u>100.00%</u>	<u>\$153,658,363</u>	<u>\$(2,803,328)</u>	<u>-1.82%</u>

The increase in Current Instruction is attributed to the costs of salaries of teachers and to serve increased enrollments.

The major increases for Undistributed Expenditures are attributable to the following increased costs:

- Pupil Transportation increases.
- Operation and Maintenance of Plant Services increases.

Capital outlay decrease of \$4,316,319 is attributable to the completion of District Projects.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**UNAUDITED**  
**(Continued)**

**General Fund Budgeting Highlights**

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

During the course of the fiscal year 2014, the District amended its General Fund budget as needed. The District uses program based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management. Transfers from one program to another must be approved by the Board of Education. Transfers were necessitated by:

- Operation and Maintenance of Plant increased energy costs, maintenance and contracted services.
- Out of District tuition increased student placements for special and regular programs.
- Special Education increased related service costs for in district classified students.
- Special Education increased staffing needs for mandated programs.

At the end of the fiscal year 2014, the District had \$209,417,884 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2014 balances compared to 2013.

**Table 4 - Capital Assets at June 30**

	<u>2014</u>	<u>2013</u>
Land/Sites	\$ 32,473,067	\$ 32,473,067
Site Improvements	10,405,882	10,312,377
Buildings and Improvements	145,552,679	145,198,968
Machinery and Equipment	20,986,256	20,246,417
	<hr/>	<hr/>
Totals	<u>\$209,417,884</u>	<u>\$208,230,829</u>

Overall capital assets increased \$209,417,884 from fiscal year 2013 to fiscal year 2014. The increases in capital assets were due primarily to the improvements made in the District during 2014.



**OLD BRIDGE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**UNAUDITED**  
**(Continued)**

**For the Future**

The Old Bridge Township Public School District is financially sound and is able to meet all instructional programs and service requirements.

The District priorities are to successfully launch the Partnership for Assessment of Readiness for College and Careers (PARCC) standardized test, meet all obligations of the Achieve NJ Educator Evaluation guidelines and connect student performance data to staff professional development. Additionally, we will implement a 3 tiered targeted intervention system, Response to Intervention (RTI), to meet the varying needs of our learners and provide technological support systems to ensure the success of these goals.

In terms of reserves, the District on June 30, 2014 had \$4,099,676 in Capital Reserves and \$1,476,484 in Maintenance Reserves.

Capital Reserves will be used to fund projects on the District Long Range Facilities Plan and Capital Outlay projects.

Maintenance Reserves will be used to supplement annual budgets to fund required maintenance projects.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, you may contact Joseph J. Marra, School Business Administrator / Board Secretary, Old Bridge Township Public Schools, Patrick A. Torre Administration Building, 4207 Route 516, Matawan, New Jersey 07747.

## **BASIC FINANCIAL STATEMENTS**

**A. DISTRICT-WIDE FINANCIAL STATEMENTS**

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2014

A-1

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 7,406,482.33	\$ 22,297.06	\$ 7,428,779.39
Receivables - Net	3,317,492.70	207,623.19	3,525,115.89
Inventory		20,467.03	20,467.03
Restricted Assets:			
Capital Reserve Account - Cash	4,099,675.82		4,099,675.82
Maintenance Reserve Account - Cash	1,476,483.57		1,476,483.57
Capital Assets, Net	134,931,515.00	119,545.93	135,051,060.93
 Total Assets	 \$151,231,649.42	 \$ 369,933.21	 \$151,601,582.63
 <u>LIABILITIES</u>			
Accounts Payable	\$ 2,419,206.33	\$ 225,816.19	\$ 2,645,022.52
Due to State of New Jersey	68,340.59		68,340.59
Accrued Interest Payable	763,970.06		763,970.06
Deferred Inflows	22,534.35		22,534.35
Noncurrent Liabilities:			
Due Within One Year	1,295,000.00		1,295,000.00
Due Beyond One Year	42,730,903.72		42,730,903.72
 Total Liabilities	 47,299,955.05	 225,816.19	 47,525,771.24
 <u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	96,076,515.00	119,545.93	96,196,060.93
Restricted for:			
Capital Projects	4,099,675.82		4,099,675.82
Debt Service	39,741.27		39,741.27
Other Purposes	9,963,747.99		9,963,747.99
Unassigned	(6,247,985.71)	24,571.09	(6,223,414.62)
 Total Net Position	 \$103,931,694.37	 \$ 144,117.02	 \$104,075,811.39

See accompanying notes to financial statements.

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014

A-2

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
					Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 59,268,443.04	\$	\$ 6,958,423.52	\$	\$ (52,310,019.52)	\$	\$ (52,310,019.52)
Special Education	17,717,024.22		1,681,893.45		(16,035,130.77)		(16,035,130.77)
Other Special Instruction	6,273,661.48		636,777.53		(5,636,883.97)		(5,636,883.97)
Other Instruction	2,085,264.74		7,035.04		(2,078,229.71)		(2,078,229.71)
Community Service Programs	7,664.34				(7,664.34)		(7,664.34)
<b>Support Services:</b>							
Tuition	5,299,625.87				(5,299,625.87)		(5,299,625.87)
Student and Instruction Related Services	18,371,983.39		1,438,976.54		(16,933,006.85)		(16,933,006.85)
School Administrative Services	7,440,668.95		582,188.74		(6,858,500.21)		(6,858,500.21)
General Administrative Services	4,649,743.70		136,235.62		(4,513,508.08)		(4,513,508.08)
Plant Operations and Maintenance	18,197,807.46				(18,197,807.46)		(18,197,807.46)
Pupil Transportation	12,095,663.67				(12,095,663.67)		(12,095,663.67)
Charter Schools	51,916.22				(51,916.22)		(51,916.22)
Debt Service:							
Interest	1,729,968.78				(1,729,968.78)		(1,729,968.78)
Total Governmental Activities	153,189,435.88		11,441,510.43		(141,747,925.45)		(141,747,925.45)
<b>Business-Type Activities:</b>							
Food Service	3,151,052.80	1,809,854.24	1,135,490.42			(205,708.14)	(205,708.14)
Total Business-Type Activities	3,151,052.80	1,809,854.24	1,135,490.42			(205,708.14)	(205,708.14)
Total Primary Government	\$ 156,340,488.68	\$ 1,809,854.24	\$ 12,577,000.85	\$ -	\$ (141,747,925.45)	\$ (205,708.14)	\$ (141,953,633.59)
<b>General Revenues</b>							
Taxes:							
Property Taxes Levied for General Purposes, Net					\$ 88,061,995.00	\$	\$ 88,061,995.00
Property Taxes Levied for Debt Service					2,959,969.00		2,959,969.00
Federal and State Aid Not Restricted					50,481,574.71		50,481,574.71
Miscellaneous Income					454,710.59	130,379.35	585,089.94
Total General Revenues, Special Items, Extraordinary Items and Transfers					141,958,249.30	130,379.35	142,088,628.65
Change in Net Position					210,323.85	(75,328.79)	134,995.06
Net Position - Beginning					103,721,370.52	219,445.81	103,940,816.33
Net Position - Ending					\$ 103,931,694.37	\$ 144,117.02	\$ 104,075,811.39

## **B. FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

## B-1

Net Position of Governmental Activities (A-1)	\$ 103,931,694.37
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OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

B-2

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 88,061,995.00	\$	\$	\$ 2,959,969.00	\$ 91,021,964.00
Tuition	15,536.32				15,536.32
Interest on Capital Reserve Account	4,876.52				4,876.52
Miscellaneous	415,170.55				415,170.55
Private Sources		19,127.20			19,127.20
Total Local Sources	<u>88,497,578.39</u>	<u>19,127.20</u>		<u>2,959,969.00</u>	<u>91,476,674.59</u>
State Sources	57,977,408.43	464,929.41			58,442,337.84
Federal Sources	147,251.94	3,333,495.36			3,480,747.30
Total Revenues	<u>146,622,238.76</u>	<u>3,817,551.97</u>		<u>2,959,969.00</u>	<u>153,399,759.73</u>
<u>Expenditures</u>					
Current:					
Regular Instruction	39,801,032.25	2,798,178.12			42,599,210.37
Special Education Instruction	12,734,116.22				12,734,116.22
Other Special Instruction	4,509,195.99				4,509,195.99
Other Instruction	1,498,784.63				1,498,784.63
Community Service Programs	5,508.75				5,508.75
Support Services and Undistributed Costs:					
Tuition	3,513,757.61	295,350.00			3,809,107.61
Student and Instruction Related Services	12,539,683.46	665,184.85			13,204,868.31
School Administrative Services	5,347,982.93				5,347,982.93
Other Administrative Services	3,342,004.61				3,342,004.61
Plant Operations and Maintenance	13,079,679.31				13,079,679.31
Pupil Transportation	8,744,518.26				8,744,518.26
Employee Benefits	37,335,484.45				37,335,484.45
Charter School	37,314.80				37,314.80
Debt Service:					
Principal				1,230,000.00	1,230,000.00
Interest				1,729,968.78	1,729,968.78
Capital Outlay	1,588,450.85	58,839.00			1,647,289.85
Total Expenditures	<u>144,077,514.12</u>	<u>3,817,551.97</u>		<u>2,959,968.78</u>	<u>150,855,034.87</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>2,544,724.64</u>			<u>0.22</u>	<u>2,544,724.86</u>
Other Financing Sources (Uses):					
Transfers:					
Operating Transfers In	8,772.05				8,772.05
Cancellation of Capital Projects - Local Share			(8,772.05)		(8,772.05)
Total Other Financing Sources and Uses	<u>8,772.05</u>		<u>(8,772.05)</u>		<u>-</u>
Net Change in Fund Balances	2,553,496.69		(8,772.05)	0.22	2,544,724.86
Fund Balance July 1	<u>11,196,815.19</u>		<u>8,772.05</u>	<u>39,741.05</u>	<u>11,245,328.29</u>
Fund Balance June 30	<u>\$ 13,750,311.88</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,741.27</u>	<u>\$ 13,790,053.15</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014

B-3

	<u>Ref.</u>	
Total Net Change in Fund Balances - Governmental Funds	B-2	\$ 2,544,724.86
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense		\$ (4,799,780.00)
Capital Outlays, net of capital lease principal payments reported below of		<div style="border-top: 1px solid black; display: inline-block; width: 100px; text-align: right;">1,187,055.00</div>
		(3,612,725.00)
Repayment of Bond Principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		1,230,000.00
Repayment of Capital Lease Principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		300,803.13
Increase in Compensated Absences		(281,411.43)
Decrease in Accrued Interest Payable		<div style="border-top: 1px solid black; display: inline-block; width: 100px; text-align: right;">28,932.29</div>
Change in Net Position of Governmental Activities	A-2	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100px; text-align: right;">\$ 210,323.85</div>

## **PROPRIETARY FUNDS**

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2014

B-4

Business-Type  
Activities  
Enterprise  
Funds  

---

Food  
Service

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 22,297.06
Accounts Receivable:	
State Sources	2,740.08
Federal Sources	73,337.45
Other Sources	131,545.66
Inventories:	
Regular	19,260.97
Food Distribution Program	
Commodities	<u>1,206.06</u>

Total Current Assets	<u>250,387.28</u>
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Noncurrent Assets:

Furniture, Machinery and Equipment	466,208.80
Less: Accumulated Depreciation	<u>(346,662.87)</u>

Total Noncurrent Assets	<u>119,545.93</u>
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Total Assets	<u><u>\$ 369,933.21</u></u>
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LIABILITIES

Current Liabilities:

Accounts Payable	<u><u>\$ 225,816.19</u></u>
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NET POSITION

Invested in Capital Assets, Net of Related Debt	\$ 119,545.93
Unrestricted	<u>24,571.09</u>

Total Net Position	<u><u>\$ 144,117.02</u></u>
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OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

B-5

	Business-Type Enterprise Funds <u>Food Service</u>
Operating Revenues:	
Charges for Services:	
Daily Sales	\$ 1,760,640.61
Other	49,213.63
Total Operating Revenues	<u>1,809,854.24</u>
Operating Expenses:	
Cost of Sales	1,104,181.85
Salaries	1,137,722.14
Payroll Taxes	259,699.56
Purchased Professional and Technical Services	128,000.00
Management Fee	153,000.00
Supplies and Materials	201,577.14
Miscellaneous	152,459.37
Depreciation	14,412.74
Total Operating Expenses	<u>3,151,052.80</u>
Operating Loss	<u>(1,341,198.56)</u>
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	28,124.23
Federal Sources:	
National School Lunch Program	932,208.60
Food Distribution Program	175,157.59
Food Company Contribution	130,181.94
Interest Revenue	197.41
Total Nonoperating Revenues	<u>1,265,869.77</u>
Loss before Operating Transfers	<u>(75,328.79)</u>
Change in Net Position	(75,328.79)
Total Net Position - Beginning	<u>219,445.81</u>
Total Net Position - Ending	<u><u>\$ 144,117.02</u></u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

B-6

	Business-Type Activities Enterprise Funds <u>Food Service</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 1,872,947.03
Payments to Suppliers	<u>(2,943,057.24)</u>
Net Cash Used for Operating Activities	<u>(1,070,110.21)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
State Sources	27,608.22
Federal Sources	930,993.11
Other Sources	<u>131,913.44</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,090,514.77</u>
<u>Cash Flows from Investing Activities</u>	
Interest	<u>197.41</u>
Net Increase in Cash and Cash Equivalents	20,601.97
Balances - Beginning of Year	<u>1,695.09</u>
Balances - End of Year	<u>\$ 22,297.06</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	<u>\$(1,341,198.56)</u>
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Depreciation	14,412.74
Federal Commodities	175,157.59
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	63,092.79
(Increase)/Decrease in Inventory	28,869.68
Increase/(Decrease) in Accounts Payable	<u>(10,444.45)</u>
Total Adjustments	<u>271,088.35</u>
Net Cash Used by Operating Activities	<u><u>\$(1,070,110.21)</u></u>

## **FIDUCIARY FUNDS**

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2014

B-7

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	<u>\$ 98,229.57</u>	<u>\$ 1,112,971.67</u>
<u>LIABILITIES</u>		
Payable to Student Groups		\$ 477,558.72
Payroll Deductions and Withholdings		630,937.12
Interfunds Payable		<u>4,475.83</u>
Total Liabilities		<u>\$ 1,112,971.67</u>
<u>NET POSITION</u>		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 98,229.57</u>	



OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

B-8

Unemployment  
Compensation  
Trust Fund

Additions

Contributions:

Payroll Deductions

\$ 206,735.91

Board Contributions

10,000.00

Investment Earnings:

Interest

67.25

Total Additions

216,803.16

Deductions

Quarterly Contribution Reports

85,943.42

Unemployment Claims

83,409.40

Total Deductions

169,352.82

Change in Net Position

47,450.34

Total Net Position - Beginning

50,779.23

Total Net Position - Ending

\$ 98,229.57

***NOTES TO FINANCIAL STATEMENTS***

## **OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014**

#### **1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Old Bridge Township School District (the "District") is a Type II District located in the County of Middlesex, State of New Jersey. As a Type II District, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K - 12. The District had an approximate enrollment at June 30, 2014 of 8,990 students.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

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 District holds the corporate powers of the organization
- . the District appoints a voting majority of the organization's board
- . the District is able to impose its will on the organization
- . the organization has the potential to impose a financial benefit/burden on the District
- . there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

##### **A. Basis of Presentation**

The District's basic financial statements consist of government-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.

##### **1. Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **A. Basis of Presentation (Continued)**

#### **1. Government-Wide Financial Statements (Continued)**

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department 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 that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

#### **2. Fund Financial Statements**

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

### **B. Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

#### **1. Governmental Funds**

Governmental funds are those through which most governmental functions typically 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 District's major governmental funds:

**General Fund** - The General Fund is the general operating fund of the District. 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 District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America (GAAP) 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.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **B. Fund Accounting (Continued)**

#### **1. Governmental Funds (Continued)**

##### **General Fund (Continued)**

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 temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**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.

**Permanent Fund** - The Permanent Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. Resources are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting entity's programs - that is, for the benefit of the school district. The District presently has no resources that are considered permanent funds.

#### **2. Proprietary Fund Type**

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Fund of the District:

**Enterprise Fund** - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District is that the costs (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 District 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 District's Enterprise Fund is comprised of the Food Service Fund and the Community School.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **B. Fund Accounting (Continued)**

#### **2. Proprietary Fund Type (Continued)**

##### **Enterprise Fund (Continued)**

All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Machinery and Equipment	5 - 12 Years
Community School:	
Equipment	5 Years

**Internal Service Funds** - These funds may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary entity and its component units, or to other governments, on a cost-reimbursement basis. In addition, internal service funds are used only if the reporting school district is the predominant participant in the activity. The District does not currently utilize any Internal Service Funds.

#### **3. Fiduciary Funds**

Fiduciary Fund reporting focuses on net position and changes in net position. They are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the District's own programs. There are four fiduciary fund types - pension (and other employee benefit) trust funds, investment trust funds, private-purpose trusts and agency funds. The overarching rule for these funds is that they should never be used to report resources that can be used for programs of the reporting district.

**Unemployment Insurance Trust** - The SUI Fund is an employee benefit trust fund which accounts for resources held and administered while acting in a fiduciary capacity for individuals or other government agencies. Assets are held in trust for members of the defined contribution plan.

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **B. Fund Accounting (Continued)**

#### **4. Long-Term Debt**

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt, not in the governmental funds. This includes serial bonds outstanding that are expected to be financed from governmental funds, the outstanding principal balance on capital leases, lease-purchase agreements, compensated absences, claims and judgments, early retirement incentive programs and rebatable arbitrage.

### **C. Measurement Focus**

#### **1. Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement of Net Position.

#### **2. 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 government-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.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Fiduciary funds are reported using the economic resources measurement focus.

### **D. Basis of Accounting**

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **D. Basis of Accounting (Continued)**

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

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

### **E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office for approval. Budgets which meet the tax levy cap requirements do not require voter approval. Budgets which exceed the tax levy cap require voter approval for the excess amount at the November election. 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. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C. 6A:23A-2.3 (et seq.).

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

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

The following presents a reconciliation of the General Fund Revenue and Special Revenue Fund Revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### E. Budgets/Budgetary Control (Continued)

		<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources:</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 146,624,381.76	\$ 3,817,551.97
Difference - Budget-to-GAAP:			
State aid payment recognized for budgetary purposes, not recognized for GAAP statements - current year		(4,400,553.00)	
State aid payment not recognized for budgetary purposes, recognized for GAAP statements - prior year		<u>4,398,410.00</u>	<u>                    </u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	<u>\$ 146,622,238.76</u>	<u>\$ 3,817,551.97</u>
<b>Uses/Outflows of Resources:</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	<u>\$ 144,077,514.12</u>	<u>\$ 3,817,551.97</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	<u>\$ 144,077,514.12</u>	<u>\$ 3,817,551.97</u>

### F. Encumbrances

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

Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the balance sheet as deferred inflows at fiscal year end. There were no open encumbrances recorded in the Special Revenue Fund as of June 30, 2014.

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.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **G. 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.

New Jersey school districts are limited 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 District 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 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.

### **H. Inventories and Prepaid Expenses**

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

### **I. Tuition Receivable**

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

### **J. Tuition Payable**

Tuition charges for the fiscal years 2012-13 and 2013-14 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

### **K. Short-Term Interfund Receivables/Payables**

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **L. Capital Assets**

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of two thousand dollars. 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.

All reported capital assets except for land 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>Estimated Lives</u>
Buildings and Improvements	20 - 40 Years
Furniture and Equipment	7 - 20 Years
Vehicles	8 Years

### **M. Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical 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 District 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 District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

### **N. Accrued Liabilities and Long-Term Obligations**

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

In general, 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 governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **O. Net Position**

The District has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

The District has implemented GASB No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

### **P. Deferred Inflows**

Deferred inflows in the special revenue fund represents cash that has been received but not yet earned.

### **Q. Fund Equity**

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

### **R. Fund Balance Reserves**

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **S. Proprietary Funds Revenues and Expenses**

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund (the Food Service) are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **T. Rebatable Arbitrage**

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the Capital Projects Fund. The liability, if any, is recorded in the "Statement of Net Position".

### **U. Non-Monetary Transactions**

Commodities received under the Federal Food Distribution Program are received by the District and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

### **V. Allocation of 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. Employee benefits, including the employer's share of social security, worker's compensation and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

### **W. Extraordinary and Special Items**

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

## **3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months, but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

### **3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)**

#### **Deposits**

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

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

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

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

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

As of June 30, 2014, cash and cash equivalents (Deposits) of the District consisted of the following:

Checking and Money Market Accounts, Interest Bearing	<u>\$ 14,216,140.02</u>
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Of the total amount, deposits of \$4,099,675.82 have been earmarked towards the Capital Reserve Account (See Note 4).

#### **Investments**

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

#### 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Resolution on October 10, 2000 by inclusion of \$100.00 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. 6:23A-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, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance, July 1, 2013	\$ 2,436,027.25
Interest Earned	4,876.52
Transfer in from Capital Projects	8,772.05
Transfer by Board Resolution	<u>1,650,000.00</u>
Ending Balance, June 30, 2014	<u><u>\$ 4,099,675.82</u></u>

## 5. CAPITAL ASSETS

### Classification of Balances - June 30, 2014

	Beginning July 1, 2013	Additions	Retirements	Ending June 30, 2014
<u>Governmental Activities</u>				
Nondepreciable:				
Sites	\$ 32,473,067.00	\$	\$	\$ 32,473,067.00
CIP	<u>32,473,067.00</u>	<u>75,502.00</u>		<u>75,502.00</u>
				<u>32,548,569.00</u>
Depreciable:				
Site Improvements	10,312,377.00	18,003.00		10,330,380.00
Buildings and Improvements	145,198,968.00	353,711.00		145,552,679.00
Machinery and Equipment	<u>20,246,417.00</u>	<u>739,839.00</u>		<u>20,986,256.00</u>
	<u>175,757,762.00</u>	<u>1,111,553.00</u>		<u>176,869,315.00</u>
Total Assets	208,230,829.00	1,187,055.00		209,417,884.00
Less Accumulated Depreciation:				
Buildings and Improvements	<u>(69,686,589.00)</u>	<u>(4,799,780.00)</u>		<u>(74,486,369.00)</u>
Assets Net of Depreciation	<u>\$ 138,544,240.00</u>	<u>\$ (3,612,725.00)</u>	<u>\$ -</u>	<u>\$ 134,931,515.00</u>
<u>Capital Outlay</u>				
General		\$ 1,588,450.85		
Special Revenue		<u>58,839.00</u>		
		<u>1,647,289.85</u>		
Less: Lease Payments		<u>(300,802.85)</u>		
Debt		<u>(159,432.00)</u>		
Total Additions to Capital Assets		<u>\$ 1,187,055.00</u>		

### Business-Type Activities

The following is a summary of Proprietary Fund type fixed assets at June 30, 2014:

Machinery and Equipment	\$ 466,208.80
Less: Accumulated Depreciation	<u>(346,662.87)</u>
Net Position	<u>\$ 119,545.93</u>



# 6. LONG-TERM DEBT

## Long-Term Liability Conversion Schedule - June 30, 2014

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Amounts Due One Year	Long-Term Portion
Compensated Absences	\$ 4,889,492.29	\$ 281,411.43	\$	\$ 5,170,903.72	\$	\$ 5,170,903.72
Lease Purchase Payable	300,803.13		300,803.13			
Serial Bonds Payable	40,085,000.00		1,230,000.00	38,855,000.00	1,295,000.00	37,560,000.00
	<u>\$ 45,275,295.42</u>	<u>\$ 281,411.43</u>	<u>\$ 1,530,803.13</u>	<u>\$ 44,025,903.72</u>	<u>\$ 1,295,000.00</u>	<u>\$ 42,730,903.72</u>

## 6. LONG-TERM DEBT (Continued)

### 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. Interest rates on outstanding bonds range from 4.00% to 5.00%.

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

Year	Refunding 2006 Bonds		Total
	Principal	Interest	
2014-15	\$ 1,295,000.00	\$ 1,666,843.76	\$ 2,961,843.76
2015-16	1,370,000.00	1,600,218.76	2,970,218.76
2016-17	1,445,000.00	1,529,843.76	2,974,843.76
2017-18	1,525,000.00	1,455,593.76	2,980,593.76
2018-19	1,600,000.00	1,381,468.76	2,981,468.76
2019-20	1,685,000.00	1,306,503.13	2,991,503.13
2020-21	1,760,000.00	1,232,337.50	2,992,337.50
2021-22	1,840,000.00	1,160,337.50	3,000,337.50
2022-23	1,915,000.00	1,085,237.50	3,000,237.50
2023-24	1,995,000.00	1,007,037.50	3,002,037.50
2024-25	2,085,000.00	924,134.38	3,009,134.38
2025-26	2,175,000.00	836,271.88	3,011,271.88
2026-27	2,270,000.00	741,925.00	3,011,925.00
2027-28	2,375,000.00	641,968.75	3,016,968.75
2028-29	2,480,000.00	537,250.00	3,017,250.00
2029-30	2,590,000.00	426,343.75	3,016,343.75
2030-31	2,705,000.00	310,515.63	3,015,515.63
2031-32	2,820,000.00	189,656.26	3,009,656.26
2032-33	2,925,000.00	63,984.38	2,988,984.38
	<u>\$ 38,855,000.00</u>	<u>\$ 18,097,471.96</u>	<u>\$ 56,952,471.96</u>

## **6. LONG-TERM DEBT (Continued)**

### **B. Bonds Authorized but Not Issued**

As of June 30, 2014, the Board had no authorized but not issued bonds.

### **C. 2002 Project School Bonds**

On January 15, 2002, the Board issued \$47,823,000 in School Bonds.

**Redemption** - The Bonds of this issue maturing prior to July 15, 2012 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after July 15, 2012 are redeemable at the option of the Board in whole or in part on any date on or after July 15, 2011 upon notice as required herein at one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

Notice of redemption ("Notice of Redemption") shall be given by mailing such notice at least thirty (30) days but not more than sixty (60) days before the date fixed for redemption by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Board of a duly appointed Bond Registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such Securities Depository and shall not be sent to the beneficial owners of the Bonds. Any failure of the Securities Depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the board determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be selected by the Board; the Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption.

**Authorization and Purpose** - The Bonds have been authorized and are issued pursuant to: (i) Title 18A, Chapter 24 of the New Jersey Statutes, as amended and supplemented; (ii) a proposal adopted by the Board on August 21, 2001 and approved by the affirmative vote of a majority of the legal voters present and voting at a special School District election held on September 25, 2001; and (iii) a resolution adopted by the Board on December 18, 2001, which resolution sets forth the terms of the offering and sale of the Bonds.

Proceeds of the Bonds are being issued to construct, renovate and equip additions to the Old Bridge High School East Campus, to convert Old Bridge High School West Campus to a Middle School, to construct additions to, renovate, upgrade and equip all elementary schools, to undertake HVAC upgrades at Salk Middle School and to provide technology systems upgrades to all schools (the "Project"). The \$47,823,000 aggregate cost of the Project will be funded through a combination of the issuance of the Bonds and an approved grant in the amount of \$18,892,084 to be received from the State of New Jersey pursuant to the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72.

**Refunding Bond Sale** - On September 19, 2006, the School District sold Refunding School Bonds in the sum of \$41,445,000.00. The School District will use the proceeds from the sale to retire previously issued debt resulting in a savings of overall debt service over the life of the Bonds.

## **7. PENSION PLANS**

### **Description of Plans**

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

### **Teachers' Pension and Annuity Fund (TPAF)**

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey On-Behalf of the District and the system's other related noncontributing 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.

### **Vesting and Benefit Provisions**

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Pension benefits for members enrolled in PERS after May 21, 2010 would be based on 1/60<sup>th</sup> of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member of the member's beneficiary. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

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

### **Significant Legislation**

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operates and to the benefit provisions of those systems.

## 7. PENSION PLANS (Continued)

### Significant Legislation (Continued)

This new legislation's provisions impacting employee pension and health benefits include:

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

### Contribution Requirements

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contribution employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

In accordance with the provisions of Chapter 78, P.L. 2011, employee pension contribution rates for TPAF and PERS is currently 6.78% of employees' annual compensation, as defined.

Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. The actuarially determined employer contribution includes funding for both 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 premium. Under current statute, the District is a noncontributing employer of the TPAF.

### Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Net Cost to District</u>	<u>Percentage of APC Contributed</u>
June 30, 2014	\$ 1,284,324.34	\$ 1,284,324.34	100%
June 30, 2013	1,379,395.49	1,379,395.49	100%
June 30, 2012	1,504,726.09	1,504,726.09	100%

## 7. PENSION PLANS (Continued)

### Contribution Requirements (Continued)

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

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Post-</u> <u>Retirement</u> <u>Medical</u> <u>Benefits</u>
June 30, 2014	\$ None	100%	\$ 6,849,013.00
June 30, 2013	None	100%	8,444,378.00
June 30, 2012	None	100%	5,723,107.00

During the fiscal year ended June 30, 2014, the State of New Jersey contributed \$6,849,013.00 for post-retirement medical benefits On-Behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$4,592,497.43 during the year ended June 30, 2014 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 basic financial statements and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

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

## 8. DEFINED CONTRIBUTION RETIREMENT PROGRAM

### Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the municipal base salary required for eligibility in the DCRP was increased to \$5,000.00.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).

## **8. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)**

### **Description of System (Continued)**

- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

### **Contributions Required and Made**

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan for the past year are as follows:

<u>Year</u>	<u>School District</u>	<u>Employees</u>
2014	\$ 11,125.00	\$ 20,478.75

## **9. POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

## **10. COMPENSATED ABSENCES**

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

## 10. COMPENSATED ABSENCES (Continued)

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. The current portion of the compensated absences balance of the governmental funds is reported separately on the Statement of Net Position.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2014, no liability existed for compensated absences in the Proprietary Fund types.

## 11. DEFERRED COMPENSATION

The District offers its employees a choice of various 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:

Thomas Seely  
Variable Annuity Life Insurance Company  
Vision Financial Services  
VTA (American Skandia)  
The Equitable

Lincoln Investment Planning, Inc.  
Fidelity Investments  
USAA Insurance Company  
Vanguard

## 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 commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due 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>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Miscellaneous</u>	<u>Amount Reimbursed</u>
2014	\$ 10,000.00	\$206,735.91	\$ 67.25	\$	\$169,352.82
2013	100,000.00	198,327.83	84.69	2,656.83	338,916.80
2012	94,800.00	186,647.53	848.82		366,008.42

### **Workers' Compensation Insurance**

The District's Workers' Compensation Claims are processed by Inservco Insurance Services. As of June 30, 2014, Inservco projects that the District will be liable for open claims in the amount of \$1,973,936.00.



### 13. INTERFUND RECEIVABLES AND PAYABLES

The following are reflected as interfund receivables and payables on the various balance sheets at June 30, 2014:

	Interfund Receivable	Interfund Payable
General:		
Due from Agency Trust Fund	\$ 4,475.83	\$
Agency Trust Fund:		
Due to General		4,475.83
	<u>\$ 4,475.83</u>	<u>\$ 4,475.83</u>

### 14. INVENTORY

Inventory in the Enterprise Fund for regular food and supplies and Food Distribution Program Commodities at June 30, 2014 of \$19,260.97 and \$1,206.06, respectively, is stated at lower of cost or market.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

### 15. FUND BALANCE APPROPRIATED

**General Fund [Exhibit B-1]** - Of the \$13,750,311.88 General Fund fund balance at June 30, 2014, \$587,715.73 is reserved for encumbrances; \$3,248,051.69 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$4,099,675.82 has been reserved in the Capital Reserve Account; \$1,476,483.57 has been reserved in the Maintenance Reserve Account; \$2,999,999.67 has been appropriated and included as anticipated revenue for the year ending June 30, 2014; \$1,651,497.33 is reserved as excess surplus designated for subsequent years' expenditures and \$(333,111.93) is unreserved and undesignated.

**Debt Service Fund** - Of the \$39,741.27 Debt Service Fund balance at June 30, 2014, \$39,741.05 is designated for subsequent years' expenditures.

### 16. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$313,111.93 in the General Fund as of June 30, 2014 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event that a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$313,111.93 is less than the last state aid payment.

## **17. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18:7F-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 as of June 30, 2014 is \$3,248,051.69.

## **18. SECONDARY MARKET DISCLOSURE**

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

## **19. CONTINGENT LIABILITIES**

### **A. Litigation**

The District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Board, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements and would be covered by the District's insurance policy.

### **B. Federal and State Awards**

The School District participates in several federal and state grant and aid programs which are governed by various rules and regulations of the grantor agencies, therefore, to the extent that the School District has not complied with the rules and regulations governing the grants or aid, refunds of any money received may be required and the collectability of any related receivable at June 30, 2014 may be impaired. In the opinion of the management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants, therefore, no provisions have been recorded in the accompanying general purpose financial statements for such contingencies.

## **20. SUBSEQUENT EVENT**

The Old Bridge Township School District has evaluated subsequent events that occurred after the balance sheet date, but before September 29, 2014. No items were determined to require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

### **C. BUDGETARY COMPARISON SCHEDULES**

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

C-1  
Sheet #1

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>Revenues</b>					
Local Sources:					
Tuition from Other LEA's Within the State	\$ 175,000.00	\$	\$ 175,000.00	\$ 15,536.32	\$ (159,463.68)
Local Tax Levy	88,061,995.00		88,061,995.00	88,061,995.00	
Interest on Capital Reserve Account	10,000.00		10,000.00	4,876.52	(5,123.48)
Miscellaneous	349,800.00		349,800.00	415,170.55	65,370.55
Total - Local Sources	88,596,795.00		88,596,795.00	88,497,578.39	(99,216.61)
State Sources:					
Equalization Aid	36,867,100.00		36,867,100.00	36,867,100.00	
Special Educational Aid	5,499,282.00		5,499,282.00	5,499,282.00	
Security Aid	817,494.00		817,494.00	817,494.00	
Extraordinary Aid	640,743.00		640,743.00	1,913,317.00	1,272,574.00
Categorical Transportation Aid	841,635.00		841,635.00	841,635.00	
Nonpublic Transportation Aid				162,147.00	162,147.00
Other State Aid	437,066.00		437,066.00	437,066.00	
Nonbudgeted:					
On-Behalf Contributions				6,849,013.00	6,849,013.00
Reimbursed TPAF Social Security Contributions				4,592,497.43	4,592,497.43
Total - State Sources	45,103,320.00		45,103,320.00	57,979,551.43	12,876,231.43
Federal Sources:					
Medicare Reimbursement	93,050.00		93,050.00	147,251.94	54,201.94
Total - Federal Sources	93,050.00		93,050.00	147,251.94	54,201.94
Total Revenues	\$ 133,793,165.00	\$ -	\$ 133,793,165.00	\$ 146,624,381.76	\$ 12,831,216.76
<b>Expenditures</b>					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:	\$ 873,057.00	\$ 50,000.00	\$ 923,057.00	\$ 894,687.75	\$ 28,369.25
Preschool/Kindergarten	13,722,502.00	(51,450.00)	13,671,052.00	13,356,684.58	314,367.42
Grades 1 - 5	9,957,821.00	30,000.00	9,987,821.00	9,981,037.59	6,783.41
Grades 6 - 8	14,295,950.00	(55,000.00)	14,240,950.00	14,114,789.14	126,160.86
Grades 9 - 12					
Home Instruction:					
Salaries of Teachers	95,000.00		95,000.00	71,632.38	23,367.62
Purchased Professional - Educational Services	80,000.00		80,000.00	21,098.00	58,902.00
Purchased Professional - Regular	15,000.00	(5,100.00)	9,900.00	5,351.64	4,548.36

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

C-1  
Sheet #2

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Expenditures</u>					
Current Expense:					
Regular Programs - Undistributed Instruction:					
Other Purchased Services - Travel	\$ 8,232.00	\$ 5,100.00	\$ 13,332.00	\$ 13,288.06	\$ 63.94
General Supplies	1,280,933.00	36,712.21	1,317,645.21	1,199,976.91	117,668.30
Textbooks	145,515.00	(33,895.15)	111,619.85	102,608.70	9,011.15
Other Objects - Miscellaneous	55,000.00		55,000.00	39,897.50	15,102.50
Total Regular Programs	40,529,010.00	(23,632.94)	40,505,377.06	39,801,032.25	704,344.81
Special Education:					
Autism:					
Salaries of Teachers	263,738.00		263,738.00	261,559.98	2,178.02
Other Salaries for Instruction	234,243.00	10,500.00	244,743.00	244,738.66	4.34
General Supplies	4,000.00		4,000.00	3,925.00	75.00
Textbooks	1,000.00		1,000.00	1,000.00	
Total Autism	502,981.00	10,500.00	513,481.00	511,223.64	2,257.36
Learning/Language Disabilities:					
Salaries of Teachers	1,076,517.00	(28,000.00)	1,048,517.00	1,048,020.83	496.17
Other Salaries for Instruction	658,607.00	500.00	659,107.00	658,823.17	283.83
General Supplies	17,000.00	5,000.00	22,000.00	21,353.98	646.02
Textbooks	1,000.00		1,000.00	1,000.00	
Total Learning/Language Disabilities	1,753,124.00	(22,500.00)	1,730,624.00	1,729,197.98	1,426.02
Cognitive - Mild:					
Salaries of Teachers	260,927.00	53,000.00	313,927.00	313,729.51	197.49
Other Salaries for Instruction	226,033.00	(31,000.00)	195,033.00	194,556.77	476.23
General Supplies	5,000.00	(1,000.00)	4,000.00	210.00	3,790.00
Textbooks		1,000.00	1,000.00	1,000.00	
Total Cognitive - Mild	491,960.00	22,000.00	513,960.00	509,496.28	4,463.72
Multiple Disabilities:					
Salaries of Teachers	62,540.00	30,000.00	92,540.00	90,122.00	2,418.00
Other Salaries for Instruction	146,303.00	(8,100.00)	138,203.00	137,888.22	314.78
General Supplies	3,000.00	100.00	3,100.00	3,006.60	93.40
Total Multiple Disabilities	211,843.00	22,000.00	233,843.00	231,016.82	2,826.18

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

C-1  
Sheet #3

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Expenditures</u>					
Current Expense:					
Special Education:					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 7,152,309.00	\$ (157,500.00)	\$ 6,994,809.00	\$ 6,994,683.61	\$ 125.39
Other Salaries for Instruction	1,249,613.00	(33,000.00)	1,216,613.00	1,215,684.16	928.84
General Supplies	40,400.00	169.25	40,569.25	40,528.30	40.95
Textbooks	4,000.00		4,000.00	4,000.00	
Total Resource Room/Resource Center	8,446,322.00	(190,330.75)	8,255,991.25	8,254,896.07	1,095.18
Preschool Disabilities Part-Time:					
Salaries of Teachers	372,297.00	42,000.00	414,297.00	414,023.48	273.52
Other Salaries for Instruction	332,647.00	(47,700.00)	284,947.00	284,912.47	34.53
Purchased Professional Services - Nurses	6,000.00	(6,000.00)			
General Supplies	7,000.00	500.00	7,500.00	7,359.38	140.62
Total Preschool Disabilities Part-Time	717,944.00	(11,200.00)	706,744.00	706,295.33	448.67
Preschool Disabilities Full-Time:					
Salaries of Teachers	303,299.00	6,000.00	309,299.00	308,361.02	937.98
Other Salaries for Instruction	276,541.00	5,000.00	281,541.00	281,367.39	173.61
Purchased Professional - Educational Services	500.00		500.00		500.00
General Supplies	6,000.00		6,000.00	6,000.00	
Total Preschool Disabilities Full-Time	586,340.00	11,000.00	597,340.00	595,728.41	1,611.59
Home Instruction:					
Salaries of Teachers	115,000.00	42,000.00	157,000.00	156,574.66	425.34
Purchased Professional - Educational Services	85,000.00	(42,000.00)	43,000.00	39,687.03	3,312.97
Total Home Instruction	200,000.00	-	200,000.00	196,261.69	3,738.31
Total Special Education	12,910,514.00	(158,530.75)	12,751,983.25	12,734,116.22	17,867.03
Basic Skills/Remedial:					
Salaries of Teachers	2,929,039.00	3,300.00	2,932,339.00	2,932,295.96	43.04
Other Salaries for Instruction	550,976.00	(45,000.00)	505,976.00	505,697.39	278.61
Other Purchased Services	1,860.00		1,860.00	1,060.02	799.98
General Supplies	37,200.00	(5,000.00)	32,200.00	31,772.50	427.50
Textbooks	18,600.00	(15,000.00)	3,600.00	3,533.81	66.19
Total Basic Skills/Remedial	3,537,675.00	(61,700.00)	3,475,975.00	3,474,359.68	1,615.32

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

C-1  
Sheet #4

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>Expenditures</b>					
Current Expense:					
Bilingual Education:					
Salaries of Teachers	\$ 931,609.00	\$ 29,000.00	\$ 960,609.00	\$ 960,584.54	\$ 24.46
Other Salaries for Instruction	73,113.00		73,113.00	57,670.37	15,442.63
Other Purchased Services	930.00		930.00		930.00
General Supplies	12,090.00	1,875.57	13,965.57	12,724.63	1,240.94
Textbooks	6,508.00		6,508.00	3,856.77	2,651.23
Total Bilingual Education	1,024,250.00	30,875.57	1,055,125.57	1,034,836.31	20,289.26
School Sponsored Cocurricular Activities:					
Salaries	220,641.00	25,000.00	245,641.00	227,513.32	18,127.68
Supplies and Materials	22,310.00	5,000.00	27,310.00	18,453.19	8,856.81
Total School Sponsored Cocurricular Activities	242,951.00	30,000.00	272,951.00	245,966.51	26,984.49
School Sponsored Athletics:					
Salaries	1,030,081.00	(27,000.00)	1,003,081.00	953,385.30	49,695.70
Purchased Services	9,500.00		9,500.00	9,000.00	500.00
Supplies and Materials	127,858.00	25,258.18	153,116.18	147,821.35	5,294.83
Transfers to Cover Deficit	91,259.00	3,000.00	94,259.00	94,259.00	
Total School Sponsored Athletics	1,258,698.00	1,258.18	1,259,956.18	1,204,465.65	55,490.53
Instructional Alternative Education Program - Instruction:					
Salaries of Teachers	32,219.00	37,500.00	37,500.00	37,450.19	49.81
Purchased Professional - Technical Services	18,181.00	(21,315.00)	10,904.00	10,902.28	1.72
General Supplies	50,400.00	(16,185.00)	1,996.00		1,996.00
Total Instructional Alternative Education Program - Instruction			50,400.00	48,352.47	2,047.53
Total - Instruction	59,553,498.00	(181,729.94)	59,371,768.06	58,543,129.09	828,638.97
Community Service Programs - Operations:					
Salaries	5,600.00		5,600.00	5,508.75	91.25
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Regular	95,000.00	9,000.00	104,000.00	78,362.43	25,637.57
Tuition to Other LEA's Within the State - Special	1,652,808.00	92,000.00	1,744,808.00	1,735,922.21	8,885.79
Tuition to County Vocational School Districts - Regular	80,000.00	37,000.00	117,000.00	116,100.00	900.00
Tuition to CSSD and Regular Day Schools	200,022.00	(138,500.00)	61,522.00	162.50	61,359.50



OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

C-1  
Sheet #5

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>Expenditures</b>					
Current Expense:					
Undistributed Expenditures:					
Instruction:					
Tuition to Private Schools for the Handicapped W/ State	\$ 2,085,281.00	\$ (383,605.00)	\$ 1,701,676.00	\$ 1,516,051.47	\$ 185,624.53
Tuition - State Facilities	67,159.00		67,159.00	67,159.00	
Total Instruction	4,180,270.00	(384,105.00)	3,796,165.00	3,513,757.61	282,407.39
Attendance and Social Work Services:					
Salaries	173,241.00	500.00	173,741.00	173,312.72	428.28
Health Services:					
Salaries	1,368,144.00	22,797.77	1,390,941.77	1,386,195.34	4,746.43
Purchased Professional - Technical Services	61,800.00	(300.00)	61,500.00	58,014.17	3,485.83
Other Purchased Services		300.00	300.00	152.21	147.79
Supplies and Materials	30,000.00	32,483.95	62,483.95	59,900.32	2,583.63
Total Health Services	1,459,944.00	55,281.72	1,515,225.72	1,504,262.04	10,963.68
Other Support Services Students - Related Services:					
Salaries	1,211,120.00		1,211,120.00	1,152,720.41	58,399.59
Purchased Professional - Educational Services	906,000.00	174,000.00	1,080,000.00	1,079,941.01	58.99
Total Other Support Services Students - Related Services	2,117,120.00	174,000.00	2,291,120.00	2,232,661.42	58,458.58
Other Support Services Students - Extraordinary Services:					
Salaries	289,000.00	(48,600.00)	240,400.00	240,304.50	95.50
Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	2,739,549.00	(2,000.00)	2,737,549.00	2,737,015.63	533.37
Salaries of Secretarial and Clerical Assistants	444,819.00	2,000.00	446,819.00	446,242.03	576.97
Other Purchased Professional and Technical Services	200,000.00		200,000.00	179,385.45	20,614.55
Total Other Support Services - Students - Guidance	3,384,368.00	-	3,384,368.00	3,362,643.11	21,724.89
Other Support Services - Students - Child Study Teams:					
Salaries of Other Professional Staff	2,007,229.00	39,000.00	2,046,229.00	2,041,995.21	4,233.79
Salaries of Secretarial and Clerical Assistants	441,809.00		441,809.00	439,967.05	1,841.95
Miscellaneous Purchased Services	15,000.00		15,000.00	9,425.83	5,574.17
Supplies and Materials	50,000.00	544.50	50,544.50	49,589.76	954.74
Total Other Support Services - Students - Child Study Teams	2,514,038.00	39,544.50	2,553,582.50	2,540,977.85	12,604.65

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

C-1  
Sheet #6

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>Expenditures</b>					
Current Expense:					
Undistributed Expenditures:					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 1,281,405.00	\$ (8,633.00)	\$ 1,272,772.00	\$ 1,270,044.96	\$ 2,727.04
Salaries of Other Professional Staff		8,733.00	8,733.00	8,633.52	99.48
Other Purchased Services	4,200.00	(4,000.00)	200.00		200.00
Supplies and Materials	44,100.00	(14,100.00)	30,000.00	29,276.36	723.64
Other Objects - Miscellaneous	2,500.00	1,000.00	3,500.00	2,603.00	897.00
Total Improvement of Instructional Services	1,332,205.00	(17,000.00)	1,315,205.00	1,310,557.84	4,647.16
Educational Media Services/School Library:					
Salaries	976,075.00	(8,000.00)	968,075.00	934,752.91	33,322.09
Supplies and Materials	65,292.00		65,292.00	56,795.24	8,496.76
Total Educational Media Services/School Library	1,041,367.00	(8,000.00)	1,033,367.00	991,548.15	41,818.85
Instructional Staff Training Services:					
Salaries of Other Professional Staff	65,500.00		65,500.00	61,668.27	3,831.73
Purchased Professional - Educational Services	35,000.00	87,000.00	122,000.00	121,747.56	252.44
Total Instructional Staff Training Services	100,500.00	87,000.00	187,500.00	183,415.83	4,084.17
Support Services General Administration:					
Salaries	844,001.00		844,001.00	835,622.98	8,378.02
Legal Services	225,000.00		225,000.00	179,054.45	45,945.55
Accountants/Audit Fees	32,000.00		32,000.00	29,750.00	2,250.00
Architectural/Engineering Service	100,000.00	29,413.09	129,413.09	107,064.26	22,348.83
Other Purchased Professional Services	148,371.00	(2,000.00)	146,371.00	116,681.02	29,689.98
Communications/Telephone	361,446.00		361,446.00	239,144.95	122,301.05
BOE Other Purchased Services	5,000.00	2,000.00	7,000.00	6,608.18	391.82
Miscellaneous Purchased Services	320,816.00	563.58	321,379.58	318,678.82	2,700.76
General Supplies	130,000.00	(13,000.00)	117,000.00	72,186.86	44,813.14
Judgments	125,000.00		125,000.00	83,528.33	41,471.67
BOE Membership Fees and Dues	30,067.00		30,067.00	26,662.70	3,404.30
Total Support Services General Administration	2,321,701.00	16,976.67	2,338,677.67	2,014,982.55	323,695.12

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

C-1  
Sheet #7

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>Expenditures</b>					
Current Expense:					
Undistributed Expenditures:					
Support Services School Administration:					
Salaries of Principals/Assistant Principals	\$ 3,249,426.00	\$ (34,000.00)	\$ 3,215,426.00	\$ 3,213,852.27	\$ 1,573.73
Salaries of Other Professional Staff	300,900.00	7,000.00	307,900.00	306,563.83	1,336.17
Salaries of Secretarial and Clerical Assistants	1,729,920.00	34,000.00	1,763,920.00	1,762,363.15	1,556.85
Other Purchased Services - Travel	44,500.00		44,500.00	37,405.98	7,094.02
Other Objects	30,860.00	6,000.00	36,860.00	27,797.70	9,062.30
Total Support Services School Administration	5,355,606.00	13,000.00	5,368,606.00	5,347,982.93	20,623.07
Central Services:					
Salaries	805,787.00	(49,000.00)	756,787.00	755,249.99	1,537.01
Miscellaneous Purchased Services - Travel	5,500.00		5,500.00	4,791.68	708.32
Supplies and Materials	65,000.00	(3,000.00)	62,000.00	35,949.61	26,050.39
Interest for Lease Purchase Agreements	23,102.00	3,000.00	26,102.00	25,693.77	408.23
Total Central Services	899,389.00	(49,000.00)	850,389.00	821,685.05	28,703.95
Administrative Information Technology					
Salaries	148,882.00	(24,000.00)	124,882.00	124,075.56	806.44
Purchased Professional Services	168,500.00	119,400.00	287,900.00	265,682.73	22,217.27
Other Purchased Services	3,100.00	4,000.00	7,100.00	6,145.12	954.88
Supplies and Materials	143,500.00	111,132.92	254,632.92	109,433.60	145,199.32
Total Administrative Information Technology	463,982.00	210,532.92	674,514.92	505,337.01	169,177.91
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	5,087,988.00	61,335.10	5,149,323.10	4,968,633.69	180,689.41
Custodial Services:					
Salaries	1,671,483.00	(1,523.56)	1,669,959.44	1,605,014.18	64,945.26
Salaries of Noninstructional Aides	730,000.00		730,000.00	681,987.83	48,012.17
Rental of Land and Buildings Other than Lease	582,965.00		582,965.00	572,378.90	10,586.10
Other Purchased Property Services	581,000.00	435,332.50	1,016,332.50	1,013,984.75	2,347.75
Insurance	321,134.00	77,967.00	399,101.00	391,560.00	7,541.00
Miscellaneous Purchased Services	5,625.00		5,625.00	1,388.05	4,236.95
General Supplies	248,000.00	215,000.00	463,000.00	450,818.30	12,181.70
Energy (Electricity)	2,500,000.00	(429,000.00)	2,071,000.00	1,632,617.90	438,382.10
Energy (Natural Gas)	1,275,000.00	(133,209.00)	1,141,791.00	812,465.55	329,325.45
Total Custodial Services	7,915,207.00	164,566.94	8,079,773.94	7,162,215.46	917,558.48

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

C-1  
Sheet #8

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>Expenditures</b>					
Current Expense:					
Undistributed Expenditures:					
Care and Upkeep of Grounds:					
Salaries	\$ 232,954.00	\$ 33,000.00	\$ 265,954.00	\$ 264,975.47	\$ 978.53
Cleaning, Repair, and Maintenance Services	300,000.00	69,589.00	369,589.00	353,399.67	16,189.33
Total Care and Upkeep of Grounds	532,954.00	102,589.00	635,543.00	618,375.14	17,167.86
Security:					
Salaries	300,000.00	(94,000.00)	206,000.00	195,174.93	10,825.07
Purchased Professional Services	300,000.00	136,000.00	136,000.00	135,280.09	719.91
		42,000.00	342,000.00	330,455.02	11,544.98
Total Operation and Maintenance of Plant Services	13,836,149.00	370,491.04	14,206,640.04	13,079,679.31	1,126,960.73
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Noninstructional Aides	315,400.00		315,400.00	311,097.49	4,302.51
Salaries for Pupil Transportation (Between Home and School) - Regular	787,580.00		787,580.00	658,545.38	129,034.62
Salaries for Pupil Transportation (Between Home and School) - Special Education	641,731.00		641,731.00	576,660.81	65,070.19
Salaries for Pupil Transportation (Other Than Between Home and School)	685,374.00	26,000.00	711,374.00	709,649.11	1,724.89
Salaries for Pupil Transportation (Nonpublic)	207,368.00		207,368.00	165,525.44	41,842.56
Purchased Professional and Technical Services	7,000.00	(2,000.00)	5,000.00	5,000.00	
Cleaning, Repair and Maintenance Services	71,000.00	10,678.00	81,678.00	73,831.08	7,846.92
Contracted Services (Between Home and School) - Vendors	100,000.00	2,180.00	102,180.00	51,963.20	50,216.80
Contracted Services (Other Than Between Home and School) - Vendors	3,925,000.00	(46,000.00)	3,879,000.00	3,856,969.03	22,030.97
Contracted Services (Between Home and School) - Joint Agreements	17,000.00		17,000.00	4,420.00	12,580.00
Contracted Services - Special Education Students - Vendors	1,825,000.00	(150,000.00)	1,675,000.00	1,664,716.54	10,283.46
Contracted Services - Special Education Students Joint Agreement	60,000.00	(6,000.00)	54,000.00	11,871.15	42,128.85
Contracted Services - Aid-in-Lieu - Nonpublic	218,525.00	16,000.00	234,525.00	225,810.29	8,714.71
Miscellaneous Purchased Services - Transportation	63,097.00	27,000.00	90,097.00	89,314.00	783.00
Transportation Supplies	291,500.00	50,000.00	341,500.00	339,144.74	2,355.26
Total Student Transportation Services	9,215,575.00	(72,142.00)	9,143,433.00	8,744,518.26	398,914.74

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

C-1  
Sheet #9

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>Expenditures</b>					
Current Expense:					
Undistributed Expenditures:					
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 1,650,000.00	\$	\$ 1,650,000.00	\$ 1,442,585.25	\$ 207,414.75
TPAF Contributions - ERIP	13,000.00	17,000.00	30,000.00	16,833.39	13,166.61
Other Retirement Contributions - Regular	1,555,000.00	(270,000.00)	1,285,000.00	1,284,324.34	675.66
Unemployment Benefits	125,000.00	(19,000.00)	106,000.00	9,934.33	96,065.67
Workers' Compensation Benefits	1,138,908.00	702,000.00	1,840,908.00	1,840,236.30	671.70
Health Benefits	22,748,468.00	(1,042.39)	22,747,425.61	20,799,442.62	1,947,982.99
Employee Course Reimbursement	280,610.00		280,610.00	201,641.48	78,968.52
Other Employee Benefits	1,000,000.00	(500,000.00)	500,000.00	298,976.31	201,023.69
Total Unallocated Benefits - Employee Benefits	28,510,986.00	(71,042.39)	28,439,943.61	25,893,974.02	2,545,969.59
Nonbudgeted:					
On-Behalf Contributions					
Reimbursed TPAF Social Security Contributions				6,849,013.00	(6,849,013.00)
Total Nonbudgeted				4,592,497.43	(4,592,497.43)
				11,441,510.43	(11,441,510.43)
Total Undistributed Expenditures	77,201,041.00	317,437.46	77,518,478.46	83,908,619.38	5,051,369.51
Total Expenditures - Current Expense	136,754,539.00	135,707.52	136,890,246.52	142,451,748.47	5,880,008.48
Capital Outlay:					
Interest Deposit to Capital Reserve	10,000.00		10,000.00		10,000.00
Equipment:					
Undistributed Expenditures:					
Support Services - Related and Extraordinary	10,000.00	7,340.00	17,340.00	16,828.93	511.07
Equipment Grades 1 - 5	208,244.00	10,126.00	218,370.00	208,962.74	9,407.26
Equipment Grades 6 - 8	41,745.00	100.00	41,845.00	3,001.00	38,844.00
Equipment Grades 9 - 12	28,200.00	94,240.00	122,440.00	105,406.03	17,033.97
General Administration	24,700.00	70,100.00	94,800.00	74,104.00	20,696.00
Administrative Information Technology	292,287.00		292,287.00	164,578.39	127,708.61
Custodial Services	5,000.00		5,000.00		5,000.00
Maintenance of Vehicles		35,000.00	35,000.00	34,861.02	138.98
Student Transportation - Regular	85,000.00	199,298.36	284,298.36	199,298.36	85,000.00
Required Maintenance for School Facilities	754,165.00	232,091.17	986,256.17	313,540.25	672,715.92
Total Equipment	1,449,341.00	648,295.53	2,097,636.53	1,120,580.72	977,055.81

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

C-1  
Sheet #10

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Expenditures</u>					
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	\$ 300,803.00	\$ 7,635.00	\$ 7,635.00	\$ 7,635.00	\$ 0.87
Lease Purchase Agreements - Principal	245,835.00	1.00	300,804.00	300,803.13	51,402.00
Assessment for Debt Service on SDA Funding	546,638.00	(35,001.00)	210,834.00	159,432.00	51,402.87
Total Facilities Acquisition and Construction Services		(27,365.00)	519,273.00	467,870.13	
Total Capital Outlay	2,005,979.00	620,930.53	2,626,909.53	1,588,450.85	1,038,458.68
Transfer of Funds to Charter Schools	58,312.00	5,605.00	63,917.00	37,314.80	26,602.20
Total Expenditures	138,818,830.00	762,243.05	139,581,073.05	144,077,514.12	6,945,069.36
Other Financing Sources (Uses):					(8,772.05)
Operating Transfer In - Capital Projects				8,772.05	
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(5,025,665.00)	(762,243.05)	(5,787,908.05)	2,555,639.69	5,877,375.35
Fund Balances, July 1	15,595,225.19		15,595,225.19	15,595,225.19	
Fund Balances, June 30	\$ 10,569,560.19	\$ (762,243.05)	\$ 9,807,317.14	\$ 18,150,864.88	\$ 5,877,375.35
<u>Recapitulation of Fund Balance</u>					
Restricted Fund Balance:					
Assigned Fund Balance - Designated for Subsequent Years' Expenditures				\$ 2,999,999.67	
Reserve Excess Surplus Designated for Subsequent Years' Expenditures				1,651,497.33	
Reserve for Excess Surplus				3,248,051.69	
Capital Reserve				4,099,675.82	
Maintenance Reserve				1,476,483.57	
Committed Fund Balance:					
Year Ended Encumbrances				587,715.73	
Unassigned Fund Balance				4,087,441.07	
Reconciliation to Governmental Funds Statements (GAAP):				18,150,864.88	
Last State Aid Payment Not Recognized on GAAP Basis				4,400,553.00	
Fund Balance per Governmental Funds (GAAP)				\$ 13,750,311.88	

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

C-2

	Original Budget	Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<u>Revenues</u>					
State Sources	\$ 630,593.00	\$ (100,868.00)	\$ 529,725.00	\$ 464,929.41	\$ 64,795.59
Federal Sources	2,606,408.00	766,952.06	3,373,360.06	3,333,495.36	39,864.70
Private Sources		41,661.55	41,661.55	19,127.20	22,534.35
	<u>3,237,001.00</u>	<u>707,745.61</u>	<u>3,944,746.61</u>	<u>3,817,551.97</u>	<u>127,194.64</u>
<u>Expenditures</u>					
<u>Instruction</u>					
Salaries of Teachers	690,057.00	185,227.31	875,284.31	871,879.14	3,405.17
Purchased Professional - Educational Services	18,882.00	(1,407.80)	17,474.20	17,474.20	
Tuition	1,593,177.00	200,000.00	1,793,177.00	1,732,136.00	61,041.00
General Supplies	23,260.00	87,147.36	110,407.36	108,787.21	1,620.15
Other Objects	10,000.00	(1,864.38)	8,135.62	7,860.39	275.23
Textbooks	63,791.00		63,791.00	60,041.18	3,749.82
Total Instruction	<u>2,399,167.00</u>	<u>469,102.49</u>	<u>2,868,269.49</u>	<u>2,798,178.12</u>	<u>70,091.37</u>
<u>Support Services:</u>					
Salaries of Other Professional Staff	90,015.00	58,236.01	148,251.01	144,861.42	3,389.59
Personal Services - Employee Benefits	150,000.00	15,995.00	165,995.00	165,751.53	243.47
Purchased Professional and Technical Services	1,000.00		1,000.00	950.00	50.00
Other Purchased Services	300,000.00	27,751.11	327,751.11	326,194.43	1,556.68
Tuition	275,000.00	72,133.86	347,133.86	295,350.00	51,783.86
Supplies and Materials	21,819.00	5,688.14	27,507.14	27,427.47	79.67
Total Support Services	<u>837,834.00</u>	<u>179,804.12</u>	<u>1,017,638.12</u>	<u>960,534.85</u>	<u>57,103.27</u>
<u>Facilities Acquisition and Construction Services:</u>					
Noninstructional Equipment		58,839.00	58,839.00	58,839.00	
Total Expenditures	<u>3,237,001.00</u>	<u>707,745.61</u>	<u>3,944,746.61</u>	<u>3,817,551.97</u>	<u>127,194.64</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**



OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGET-TO-GAAP RECONCILIATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

C-3

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 146,624,381.76	[C-2]	\$ 3,817,551.97
Difference - Budget-to-GAAP:				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements - current year.		(4,400,553.00)		
State aid payment not recognized for budgetary purposes, recognized for GAAP statements - prior year.		<u>4,398,410.00</u>		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 146,622,238.76</u>	[B-2]	<u>\$ 3,817,551.97</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 144,077,514.12	[C-2]	\$ 3,817,551.97
Difference - Budget-to-GAAP:				
Net transfers (outflows) to the enterprise fund				
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	<u>\$ 144,077,514.12</u>	[B-2]	<u>\$ 3,817,551.97</u>

## **OTHER SUPPLEMENTARY INFORMATION**

**D. SCHOOL BASED BUDGET SCHEDULES (IF APPLICABLE)**

**E. SPECIAL REVENUE FUND**

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

E-1  
Sheet #1

	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Public Transportation	Nonpublic Chapter 192 Compensatory Education	Nonpublic ESL	Supplemental Instruction	Nonpublic Chapter 193 Exam and Classification	Annual Review	Corrective Speech
REVENUES:										
State Sources	\$ 60,041.18	\$ 86,966.02	\$ 19,027.21	\$ 27,098.00	\$ 117,270.00	\$ 26,187.00	\$ 28,447.00	\$ 37,876.00	\$ 9,256.00	\$ 49,216.00
Federal Sources										
Private Sources										
Total Revenues	\$ 60,041.18	\$ 86,966.02	\$ 19,027.21	\$ 27,098.00	\$ 117,270.00	\$ 26,187.00	\$ 28,447.00	\$ 37,876.00	\$ 9,256.00	\$ 49,216.00
EXPENDITURES:										
Instruction:										
Salaries	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Purchased Professional - Educational Services										
Tuition										
General Supplies			19,027.21							
Other Objects										
Textbooks	60,041.18									
	60,041.18		19,027.21							
Support Services:										
Salaries of Other Professional Staff		86,966.02								
Personal Services - Employee Benefits										
Purchased Professional and Technical Services										
Other Purchased Services				27,098.00	117,270.00	26,187.00	28,447.00	37,876.00	9,256.00	49,216.00
Tuition										
Supplies and Materials		86,966.02		27,098.00	117,270.00	26,187.00	28,447.00	37,876.00	9,256.00	49,216.00
Facilities Acquisition and Construction Services:										
Instructional Equipment										
Total Expenditures	\$ 60,041.18	\$ 86,966.02	\$ 19,027.21	\$ 27,098.00	\$ 117,270.00	\$ 26,187.00	\$ 28,447.00	\$ 37,876.00	\$ 9,256.00	\$ 49,216.00

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

E-1  
Sheet #2

	Home Instruction	Title I (Chapter 1)		Title IIA		Perkins Grant
		2014 Part A	2013 Part A	FY 2014	Carryover FY 2013	
REVENUES:						
State Sources	\$ 3,545.00	\$ 622,527.30	\$ 102,486.10	\$ 201,521.39	\$ 17,615.18	\$ 52,946.00
Federal Sources						
Private Sources						
Total Revenues	<u>\$ 3,545.00</u>	<u>\$ 622,527.30</u>	<u>\$ 102,486.10</u>	<u>\$ 201,521.39</u>	<u>\$ 17,615.18</u>	<u>\$ 52,946.00</u>
EXPENDITURES:						
Instruction:						
Salaries	\$	\$ 507,257.30	\$ 102,486.10	\$ 104,639.00	\$	\$ 7,474.20
Purchased Professional - Educational Services						
Tuition	3,545.00				270.23	34,884.18
General Supplies				2,382.77		6,660.62
Other Objects						
Textbooks	<u>3,545.00</u>	<u>507,257.30</u>	<u>102,486.10</u>	<u>107,021.77</u>	<u>270.23</u>	<u>49,019.00</u>
Support Services:						
Salaries of Other Professional Staff						
Personal Services - Employee Benefits		115,270.00		48,532.61	5,312.39	2,647.00
Purchased Professional and Technical Services				39,288.00		
Other Purchased Services				6,679.01	12,032.56	1,280.00
Tuition						
Supplies and Materials		<u>115,270.00</u>		<u>94,499.62</u>	<u>17,344.95</u>	<u>3,927.00</u>
Facilities Acquisition and Construction Services:						
Instructional Equipment						
Total Expenditures	<u>\$ 3,545.00</u>	<u>\$ 622,527.30</u>	<u>\$ 102,486.10</u>	<u>\$ 201,521.39</u>	<u>\$ 17,615.18</u>	<u>\$ 52,946.00</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

E-1  
Sheet #3

	IDEA				Title III Immigration	FY 2014	Carryover FY 2013
	Regular Program Part B	Preschool Handicapped	Carryover Part B	Preschool Handicapped	ELA		
REVENUES:							
State Sources	\$ 2,027,966.71	\$ 57,030.00	\$ 13,930.55	\$ 5,646.00	\$ 78,105.34	\$ 58,204.84	\$ 1,306.35
Federal Sources							
Private Sources							
Total Revenues	\$ 2,027,966.71	\$ 57,030.00	\$ 13,930.55	\$ 5,646.00	\$ 78,105.34	\$ 58,204.84	\$ 1,306.35
EXPENDITURES:							
Instruction:							
Salaries	\$	\$	\$	\$	\$ 44,603.12	\$ 43,076.00	\$
Purchased Professional - Educational Services					10,000.00		
Tuition	1,671,561.00	57,030.00		5,646.00	11,503.70	5,221.84	1,306.35
General Supplies							
Other Objects							
Textbooks	1,671,561.00	57,030.00		5,646.00	66,106.82	48,297.84	1,306.35
Support Services:							
Salaries of Other Professional Staff					1,403.40		
Personal Services - Employee Benefits						9,907.00	
Purchased Professional and Technical Services			13,930.55		9,994.60		
Other Purchased Services					600.52		
Tuition	21,819.00				11,998.52	9,907.00	
Supplies and Materials	297,566.71		13,930.55				
Facilities Acquisition and Construction Services:							
Instructional Equipment	58,839.00						
Total Expenditures	\$ 2,027,966.71	\$ 57,030.00	\$ 13,930.55	\$ 5,646.00	\$ 78,105.34	\$ 58,204.84	\$ 1,306.35

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

E-1  
Sheet #4

	Koppelman Grant	NJ Agricultural Grant	Character Ed Partnership Grant	Target Grant	BJS Grant	Hooked on Fishing not Drugs Grant	Healthier School Grant
REVENUES:							
State Sources	\$	\$	\$	\$	\$	\$	\$
Federal Sources	598.53	303.01	1,045.66	1,199.77	235.48	860.17	140.18
Private Sources	598.53	303.01	1,045.66	1,199.77	235.48	860.17	140.18
Total Revenues							
EXPENDITURES:							
Instruction:							
Salaries	\$	\$	\$	\$	\$	\$	\$
Purchased Professional - Educational Services							
Tuition							
General Supplies	598.53	303.01	1,045.66	1,199.77	235.48	860.17	140.18
Other Objects							
Textbooks	598.53	303.01	1,045.66	1,199.77	235.48	860.17	140.18
Support Services:							
Salaries of Other Professional Staff							
Personal Services - Employee Benefits							
Purchased Professional and Technical Services							
Other Purchased Services							
Tuition							
Supplies and Materials							
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Total Expenditures	598.53	303.01	1,045.66	1,199.77	235.48	860.17	140.18



OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

E-1  
Sheet #5

	Confucius Grant	Cooper Breakfast Blitz Grant	Rulgers Grant	MSG Varsity Grant	Walmart Greenhouse Grant	Peer 2 Peer	Totals 2014
REVENUES:							
State Sources	\$	\$	\$	\$	\$	\$	\$ 464,929.41
Federal Sources	5,974.50	950.00	74.23	1,451.92	4,730.30	1,563.45	3,333,495.36
Private Sources	5,974.50	950.00	74.23	1,451.92	4,730.30	1,563.45	19,127.20
Total Revenues	<u>\$ 5,974.50</u>	<u>\$ 950.00</u>	<u>\$ 74.23</u>	<u>\$ 1,451.92</u>	<u>\$ 4,730.30</u>	<u>\$ 1,563.45</u>	<u>\$ 3,817,551.97</u>
EXPENDITURES:							
Instruction:							
Salaries	\$	\$	\$	\$	\$	\$	\$ 871,879.14
Purchased Professional - Educational Services							17,474.20
Tuition							1,732,136.00
General Supplies			74.23	1,451.92	4,730.30		108,787.21
Other Objects							7,860.39
Textbooks			74.23	1,451.92	4,730.30		60,041.18
							<u>2,798,178.12</u>
Support Services:							
Salaries of Other Professional Staff							144,861.42
Personal Services - Employee Benefits							185,751.53
Purchased Professional and Technical Services		950.00					950.00
Other Purchased Services	2,530.00						326,194.43
Tuition	3,444.50					1,563.45	295,350.00
Supplies and Materials	<u>5,974.50</u>	<u>950.00</u>				<u>1,563.45</u>	<u>27,427.47</u>
							<u>960,534.85</u>
Facilities Acquisition and Construction Services:							
Instructional Equipment							58,838.00
Total Expenditures	<u>\$ 5,974.50</u>	<u>\$ 950.00</u>	<u>\$ 74.23</u>	<u>\$ 1,451.92</u>	<u>\$ 4,730.30</u>	<u>\$ 1,563.45</u>	<u>\$ 3,817,551.97</u>

**F. CAPITAL PROJECTS FUND**

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

F-1

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Unexpended Appropriation June 30, 2014</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Construction of Concession Stand	December 30, 2011	\$ 1,700,000.00	\$ 1,691,227.95	\$ -	\$ 8,772.05	\$ -
			<u>\$ 1,691,227.95</u>	<u>\$ -</u>	<u>\$ 8,772.05</u>	<u>\$ -</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

F-2

**Other Financing Sources:**

Transfer Out - General Fund	<u>\$ 8,772.05</u>
Total Other Financing Sources	<u>8,772.05</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(8,772.05)
Fund Balance - Beginning	<u>8,772.05</u>
Fund Balance - Ending	<u><u>\$ -</u></u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
CONSTRUCTION OF CONCESSION STAND  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

F-2a

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
Capital Reserve Fund	<u>\$ 1,700,000.00</u>		<u>\$1,700,000.00</u>	<u>\$1,700,000.00</u>
Total Revenues	<u>1,700,000.00</u>		<u>1,700,000.00</u>	<u>1,700,000.00</u>
<b>Expenditures and Other Financing Uses:</b>				
Construction Services	<u>1,691,227.95</u>		<u>1,691,227.95</u>	<u>1,700,000.00</u>
Total Expenditures	<u>1,691,227.95</u>		<u>1,691,227.95</u>	<u>1,700,000.00</u>
<b>Other Financing Sources:</b>				
Transfer Out - General Fund		<u>8,772.05</u>	<u>8,772.05</u>	
Total Other Financing Sources		<u>(8,772.05)</u>	<u>(8,772.05)</u>	
Excess of Revenues Over Expenditures	<u>\$ 8,772.05</u>	<u>\$ (8,772.05)</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	
Date	December 28, 2011
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 1,700,000.00
Additional Authorized Cost	
Revised Authorized Cost	\$ 1,700,000.00
Percentage Increase/(Decrease) Over Original Authorized Cost	
Original Target Completion Date	September 2012
Revised Target Completion Date	N/A

## **G. PROPRIETARY FUNDS**

## ENTERPRISE FUND

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2014

G-1

Business-Type  
Activities  
Enterprise  
Funds  

---

Food  
Service

ASSETS

Current Assets:

Cash and Cash Equivalents

\$ 22,297.06

Accounts Receivable:

State Sources

2,740.08

Federal Sources

73,337.45

Other Sources

131,545.66

Inventories:

Regular

19,260.97

Food Distribution Program

Commodities

---

1,206.06

Total Current Assets

---

250,387.28

Noncurrent Assets:

Furniture, Machinery and Equipment

466,208.80

Less: Accumulated Depreciation

---

(346,662.87)

Total Noncurrent Assets

---

119,545.93

Total Assets

---

---

\$ 369,933.21

LIABILITIES

Current Liabilities:

Accounts Payable

---

---

\$ 225,816.19

NET POSITION

Invested in Capital Assets, Net  
of Related Debt

\$ 119,545.93

Unrestricted

---

24,571.09

Total Net Position

---

---

\$ 144,117.02



OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

G-2

	Business-Type Activities Enterprise Funds <u>Food Service</u>
Operating Revenues:	
Charges for Services:	
Daily Sales	\$ 1,760,640.61
Special Functions	49,213.63
Total Operating Revenues	<u>1,809,854.24</u>
Operating Expenses:	
Cost of Sales	1,104,181.85
Salaries	1,137,722.14
Payroll Taxes	259,699.56
Purchased Professional and Technical Services	128,000.00
Management Fee	153,000.00
Supplies and Materials	201,577.14
Miscellaneous	152,459.37
Depreciation	14,412.74
Total Operating Expenses	<u>3,151,052.80</u>
Operating Loss	<u>(1,341,198.56)</u>
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	28,124.23
Federal Sources:	
National School Lunch Program	932,208.60
Food Distribution Program	175,157.59
Food Service Company Contribution	130,181.94
Interest Revenue	197.41
Total Nonoperating Revenues	<u>1,265,869.77</u>
Loss before Operating Transfers	<u>(75,328.79)</u>
Change in Net Position	(75,328.79)
Total Net Position - Beginning	<u>219,445.81</u>
Total Net Position - Ending	<u>\$ 144,117.02</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

G-3

	Business-Type Activities Enterprise Funds <u>Food Service</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 1,872,947.03
Payments to Suppliers	<u>(2,943,057.24)</u>
Net Cash Used for Operating Activities	<u>(1,070,110.21)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
State Sources	27,608.22
Federal Sources	930,993.11
Other Sources	<u>131,913.44</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,090,514.77</u>
<u>Cash Flows from Investing Activities</u>	
Interest	<u>197.41</u>
Net Increase in Cash and Cash Equivalents	20,601.97
Balances - Beginning of Year	<u>1,695.09</u>
Balances - End of Year	<u><u>\$ 22,297.06</u></u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	<u>\$ (1,341,198.56)</u>
Adjustments to Reconcile Operating Loss to Cash Used by Operating Activities:	
Depreciation	14,412.74
Federal Commodities	175,157.59
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	63,092.79
(Increase)/Decrease in Inventory	28,869.68
Increase/(Decrease) in Accounts Payable	<u>(10,444.45)</u>
Total Adjustments	<u>271,088.35</u>
Net Cash Used by Operating Activities	<u><u>\$ (1,070,110.21)</u></u>

**INTERNAL SERVICE FUND**

## **H. FIDUCIARY FUNDS**

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2014

H-1

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	<u>\$ 98,229.57</u>	<u>\$ 1,112,971.67</u>
<u>LIABILITIES</u>		
Payable to Student Groups		\$ 477,558.72
Payroll Deductions and Withholdings		630,937.12
Interfunds Payable		<u>4,475.83</u>
Total Liabilities		<u>\$ 1,112,971.67</u>
<u>NET POSITION</u>		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 98,229.57</u>	

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

H-2

	<u>Unemployment Compensation Trust Fund</u>
<u>Additions</u>	
Payroll Deductions	\$ 206,735.91
Board Contribution	10,000.00
Investment Earnings:	
Interest	<u>67.25</u>
Total Additions	<u>216,803.16</u>
<u>Deductions</u>	
Quarterly Contribution Reports	85,943.42
Unemployment Claims	<u>83,409.40</u>
Total Deductions	<u>169,352.82</u>
Change in Net Position	47,450.34
Total Net Position - Beginning	<u>50,779.23</u>
Total Net Position - Ending	<u><u>\$ 98,229.57</u></u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

H-3

	<u>Balance</u> <u>July 1, 2013</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2014</u>
Elementary Schools:				
Cheesequake	\$ 2,844.71	\$ 520.99	\$ 435.83	\$ 2,929.87
Cooper	605.53	632.58	450.00	788.11
Glenn	90.29	1.62		91.91
Grissom	14.63	0.28		14.91
Madison Park	132.54	76.71		209.25
McDivitt	13.93	0.25		14.18
Memorial	7,793.73	397.06	2,444.29	5,746.50
Miller		37.19		37.19
Schirra	856.09	457.52		1,313.61
Shepard	2,330.59	664.66	957.88	2,037.37
Southwood	1,017.72	119.90	1,037.63	99.99
General	259.85	26,015.91		26,275.76
General Interest		42.01		42.01
Interest	26,268.22	7.54	26,275.76	
Elementary Enrichment	296.87	4.94		301.81
Project Graduation	4,599.26	21,937.02	24,627.82	1,908.46
	<u>47,123.96</u>	<u>50,916.18</u>	<u>56,229.21</u>	<u>41,810.93</u>
Total Elementary Schools				
	<u>47,123.96</u>	<u>50,916.18</u>	<u>56,229.21</u>	<u>41,810.93</u>
Junior High Schools:				
Jonas Salk	45,534.41	145,653.26	163,186.39	28,001.28
Jonas Salk Athletic Fund	717.26	7,292.38	7,462.50	547.14
Carl Sandburg	41,419.86	191,292.83	187,217.87	45,494.82
Carl Sandburg Athletic Fund	887.78	8,297.22	8,008.00	1,177.00
	<u>88,559.31</u>	<u>352,535.69</u>	<u>365,874.76</u>	<u>75,220.24</u>
Total Junior High Schools				
	<u>88,559.31</u>	<u>352,535.69</u>	<u>365,874.76</u>	<u>75,220.24</u>
Senior High Schools:				
Athletic Fund	6,792.51	114,467.28	117,071.46	4,188.33
Old Bridge High School	339,609.89	1,365,670.21	1,348,940.88	356,339.22
	<u>346,402.40</u>	<u>1,480,137.49</u>	<u>1,466,012.34</u>	<u>360,527.55</u>
Total Senior High Schools				
	<u>346,402.40</u>	<u>1,480,137.49</u>	<u>1,466,012.34</u>	<u>360,527.55</u>
Total All Schools	<u>\$ 482,085.67</u>	<u>\$ 1,883,589.36</u>	<u>\$ 1,888,116.31</u>	<u>\$ 477,558.72</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

H-4

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	<u>\$ 111,731.29</u>	<u>\$ 90,674,285.07</u>	<u>\$ 90,150,603.41</u>	<u>\$ 635,412.95</u>
<u>LIABILITIES</u>				
Liabilities:				
Payroll Deductions and				
Withholdings	\$ 107,403.72	\$ 90,672,875.41	\$ 90,149,342.01	\$ 630,937.12
Due to General Fund	<u>4,327.57</u>	<u>1,409.66</u>	<u>1,261.40</u>	<u>4,475.83</u>
Total Liabilities	<u>\$ 111,731.29</u>	<u>\$ 90,674,285.07</u>	<u>\$ 90,150,603.41</u>	<u>\$ 635,412.95</u>



## **I. LONG-TERM DEBT**

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF SERIAL BONDS  
LONG-TERM DEBT  
JUNE 30, 2014

I-1

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2013	Retired/ Refunded	Balance June 30, 2014
			Date	Amount				
Refunding 2006 Bonds	1/15/2007	\$ 41,445,000.00	7/15/2014	\$ 1,295,000.00	5.00%			
			7/15/2015	1,370,000.00	5.00%			
			7/15/2016	1,445,000.00	5.00%			
			7/15/2017	1,525,000.00	5.00%			
			7/15/2018	1,600,000.00	4.50%			
			7/15/2019	1,685,000.00	4.625%			
			7/15/2020	1,760,000.00	4.00%			
			7/15/2021	1,840,000.00	4.00%			
			7/15/2022	1,915,000.00	4.00%			
			7/15/2023	1,995,000.00	4.00%			
			7/15/2024	2,085,000.00	4.125%			
			7/15/2025	2,175,000.00	4.125%			
			7/15/2026	2,270,000.00	4.25%			
			7/15/2027	2,375,000.00	4.375%			
			7/15/2028	2,480,000.00	4.375%			
			7/15/2029	2,590,000.00	4.375%			
			7/15/2030	2,705,000.00	4.375%			
			7/15/2031	2,820,000.00	4.375%			
			7/15/2032	2,925,000.00	4.375%			
						\$ 40,085,000.00	\$ 1,230,000.00	\$ 38,855,000.00

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

I-3

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 2,959,969.00	\$	\$ 2,959,969.00	\$ 2,959,969.00	\$
Total Revenues	<u>2,959,969.00</u>		<u>2,959,969.00</u>	<u>2,959,969.00</u>	
<u>Expenditures</u>					
Regular Debt Service:					
Redemption of Principal	1,230,000.00		1,230,000.00	1,230,000.00	
Interest Payment	<u>1,729,969.00</u>		<u>1,729,969.00</u>	<u>1,729,968.78</u>	<u>0.22</u>
	<u>2,959,969.00</u>		<u>2,959,969.00</u>	<u>2,959,968.78</u>	<u>0.22</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures				0.22	0.22
Fund Balance, July 1	<u>39,741.05</u>		<u>39,741.05</u>	<u>39,741.05</u>	
Fund Balance, June 30	<u>\$ 39,741.05</u>	<u>\$ -</u>	<u>\$ 39,741.05</u>	<u>\$ 39,741.27</u>	<u>\$ 0.22</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT  
LONG-TERM DEBT  
JUNE 30, 2014

I-4

<u>Purpose</u>	<u>Interest Rate</u>	<u>Balance June 30, 2013</u>	<u>Retired</u>	<u>Balance June 30, 2014</u>
Lease Purchase Agreement - Boiler Upgrades at Cheesequake and Memorial Elementary Schools	3.47%	<u>\$ 300,803.13</u>	<u>\$ 300,803.13</u>	<u>\$ -</u>
		<u><u>\$ 300,803.13</u></u>	<u><u>\$ 300,803.13</u></u>	<u><u>\$ -</u></u>

**STATISTICAL SECTION (UNAUDITED)**

## **INTRODUCTION TO THE STATISTICAL SECTION**

## FINANCIAL TRENDS

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
*Unaudited*

J-1

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities:										
Invested in Capital Assets, Net of										
Related Debt	\$ 53,458,218	\$ 59,790,130	\$ 58,062,805	\$ 60,466,826	\$ 61,294,520	\$ 59,015,122	\$ 97,553,404	\$ 95,478,801	\$ 98,158,437	\$ 96,076,515
Restricted	3,855,106	2,326,294	5,369,510	8,179,398	10,427,417	8,406,534	10,842,595	14,962,241	11,397,480	14,103,165
Unrestricted	(9,590,037)	(10,614,781)	(7,887,039)	(7,972,236)	(9,480,469)	(783,437)	(7,699,776)	(7,481,561)	(5,834,546)	(6,247,986)
Total Governmental Activities Net Assets	\$ 47,723,287	\$ 51,501,643	\$ 55,545,276	\$ 60,673,987	\$ 62,241,469	\$ 66,638,219	\$ 100,696,223	\$ 102,959,481	\$ 103,721,371	\$ 103,931,694
Business-Type Activities:										
Invested in Capital Assets, Net of										
Related Debt	\$ 52,692	\$ 47,211	\$ 42,792	\$ 36,764	\$ 37,185	\$ 86,147	\$ 89,677	\$ 85,742	\$ 133,959	\$ 119,546
Unrestricted	78,958	72,911	68,575	71,867	60,209	58,056	113,913	87,319	85,487	24,571
Total Business-Type Activities Net Assets	\$ 131,650	\$ 120,122	\$ 111,367	\$ 108,631	\$ 97,394	\$ 146,203	\$ 203,590	\$ 173,060	\$ 219,446	\$ 144,117
District-Wide:										
Invested in Capital Assets, Net of										
Related Debt	\$ 53,458,218	\$ 59,790,130	\$ 58,105,597	\$ 60,503,590	\$ 61,331,705	\$ 59,103,268	\$ 97,643,081	\$ 95,564,542	\$ 98,292,396	\$ 96,196,061
Restricted	3,855,106	2,326,294	5,369,510	8,179,397	13,427,417	8,406,534	10,842,595	14,962,241	11,397,480	14,103,165
Unrestricted	(9,458,387)	(10,494,659)	(7,618,464)	(7,900,369)	(9,420,260)	(725,381)	(7,585,864)	(7,394,242)	(5,749,059)	(6,223,415)
Total District-Wide Net Assets	\$ 47,854,937	\$ 51,621,765	\$ 55,656,643	\$ 60,782,618	\$ 65,338,863	\$ 66,784,422	\$ 100,899,812	\$ 103,132,541	\$ 103,940,816	\$ 104,075,811

Source: School District Financial Reports.



**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**  
**Unaudited**

J-2

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
<b>Governmental Activities:</b>										
<b>Instruction:</b>										
Regular	\$ 49,502,881	\$ 51,036,285	\$ 54,230,248	\$ 54,293,155	\$ 54,208,236	\$ 58,791,880	\$ 57,347,509	\$ 58,345,604	\$ 58,063,513	\$ 59,268,443
Special Education	9,562,970	10,169,119	11,788,278	12,059,955	12,825,309	13,827,108	15,449,993	15,985,185	17,356,430	17,717,024
Other Special Education	3,745,249	3,837,518	4,845,985	4,507,118	5,163,054	5,797,947	6,035,749	5,536,212	5,780,984	6,273,861
Other Instruction	1,584,948	1,810,288	1,744,590	1,745,280	1,750,868	1,807,858	1,726,949	1,649,071	2,179,542	2,085,205
Community Service Programs	3,979	4,419	4,188	4,244	6,439	6,702	6,940	2,459	7,581	7,664
<b>Support Services:</b>										
Tuition	5,048,151	6,619,945	7,766,051	8,742,207	6,554,588	5,208,497	6,780,682	5,368,305	5,069,644	5,299,626
Student and Instruction Related Services	12,837,181	13,481,421	15,065,627	15,206,366	15,333,654	16,069,546	17,226,198	16,840,914	18,273,878	18,371,983
School Administrative Services	9,018,536	6,312,882	6,580,170	9,535,762	9,649,603	9,802,092	10,618,290	10,917,476	7,494,734	7,440,669
General Administration	2,348,361	4,480,581	4,453,586	2,054,197	2,114,911	2,061,388	2,101,265	2,175,406	4,679,557	4,649,744
Plant Operations and Maintenance	14,865,644	17,356,966	18,879,250	18,629,016	19,159,345	17,464,358	17,109,257	16,915,285	16,980,375	18,197,807
Pupil Transportation	11,977,813	12,484,867	11,588,024	11,232,486	11,236,216	11,480,509	11,755,762	11,733,580	12,034,579	12,085,664
Special Schools	910,551	984,504	952,110	963,914	870,623	950,126	109,390	46,752	27,337	51,919
Interest on Long-Term Debt	2,220,334	2,495,198	1,829,961	2,065,998	2,008,350	1,917,686	1,860,838	1,809,368	1,758,300	1,729,969
	<u>124,242,396</u>	<u>130,649,713</u>	<u>140,228,778</u>	<u>139,240,697</u>	<u>141,058,995</u>	<u>143,985,289</u>	<u>149,108,784</u>	<u>147,449,487</u>	<u>151,257,453</u>	<u>153,189,436</u>
<b>Business-Type Activities:</b>										
Food Service	2,760,312	2,750,327	2,722,955	2,786,932	2,878,371	2,958,361	2,983,509	3,120,636	3,107,851	3,151,053
Community School	36,680	30,936	28,864	42,265	25,235	12,055	4,751	53,305		
	<u>2,796,992</u>	<u>2,781,263</u>	<u>2,751,819</u>	<u>2,829,197</u>	<u>2,903,606</u>	<u>2,970,417</u>	<u>2,988,260</u>	<u>3,173,941</u>	<u>3,107,851</u>	<u>3,151,053</u>
<b>Total District Expenses</b>	<u>\$ 127,041,588</u>	<u>\$ 133,630,976</u>	<u>\$ 142,980,627</u>	<u>\$ 142,069,893</u>	<u>\$ 143,990,601</u>	<u>\$ 146,955,706</u>	<u>\$ 151,077,044</u>	<u>\$ 150,623,428</u>	<u>\$ 154,365,304</u>	<u>\$ 156,340,489</u>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charge for Services - Instruction	\$ 133,041	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Grants and Contributions	12,842,569	13,769,431	13,545,707	13,813,335	8,086,619	8,379,199	8,466,690	10,185,089	12,986,979	11,441,510
<b>Total Governmental Activities Program Revenue</b>	<u>12,775,810</u>	<u>13,769,431</u>	<u>13,545,707</u>	<u>13,813,335</u>	<u>8,086,619</u>	<u>8,379,199</u>	<u>8,466,690</u>	<u>10,185,089</u>	<u>12,986,979</u>	<u>11,441,510</u>
<b>Business-Type Activities:</b>										
Charges for Food Service	2,018,983	2,040,015	1,989,750	2,025,535	1,970,930	1,927,421	2,021,891	1,680,064	1,783,335	1,809,854
Charges for Community School	38,965	24,259	24,555	45,557	13,577	9,903				
Operating Grants and Contributions	592,832	633,222	858,564	899,890	775,892	892,195	987,017	1,107,969	1,063,407	1,135,490
<b>Total Business-Type Activities Program Revenue</b>	<u>2,649,810</u>	<u>2,706,496</u>	<u>2,872,872</u>	<u>2,770,984</u>	<u>2,761,389</u>	<u>2,829,520</u>	<u>3,008,907</u>	<u>2,868,053</u>	<u>2,866,743</u>	<u>2,945,345</u>
<b>Total District Program Revenues</b>	<u>\$ 15,425,420</u>	<u>\$ 16,475,927</u>	<u>\$ 16,418,579</u>	<u>\$ 16,584,319</u>	<u>\$ 10,847,998</u>	<u>\$ 11,208,719</u>	<u>\$ 11,495,597</u>	<u>\$ 13,173,131</u>	<u>\$ 15,823,721</u>	<u>\$ 14,386,855</u>
<b>Net (Expense)/Revenue</b>										
<b>Governmental Activities</b>	<u>\$(11,466,786)</u>	<u>\$(117,080,282)</u>	<u>\$(126,683,071)</u>	<u>\$(125,427,361)</u>	<u>\$(133,000,376)</u>	<u>\$(135,607,090)</u>	<u>\$(138,622,094)</u>	<u>\$(137,284,419)</u>	<u>\$(138,290,474)</u>	<u>\$(141,747,925)</u>
<b>Business-Type Activities</b>	<u>(149,392)</u>	<u>(74,467)</u>	<u>(78,978)</u>	<u>(58,213)</u>	<u>(142,238)</u>	<u>(140,897)</u>	<u>40,647</u>	<u>(185,678)</u>	<u>(251,108)</u>	<u>(205,708)</u>
<b>Total District-Wide Net Expense</b>	<u>\$(111,616,168)</u>	<u>\$(117,154,749)</u>	<u>\$(126,762,049)</u>	<u>\$(125,485,574)</u>	<u>\$(133,142,614)</u>	<u>\$(135,747,987)</u>	<u>\$(139,581,447)</u>	<u>\$(137,450,266)</u>	<u>\$(138,541,583)</u>	<u>\$(141,953,634)</u>
<b>General Revenue and Other Changes in Net Assets</b>										
<b>Governmental Activities:</b>										
General Purpose Property Taxes	\$ 70,922,282	\$ 75,238,507	\$ 81,116,084	\$ 83,269,211	\$ 83,083,096	\$ 83,644,545	\$ 84,320,510	\$ 86,006,920	\$ 84,936,261	\$ 88,061,095
Taxes Levied for Debt Service	2,592,399	3,000,836	3,045,088	2,503,564	2,911,113	2,938,594	2,947,219	2,847,969	2,954,119	2,959,969
Unrestricted Grants and Contributions	45,558,487	41,263,337	41,700,965	43,768,717	48,186,383	52,430,474	46,999,280	49,617,618	50,519,317	50,481,575
Miscellaneous	292,846	1,371,190	4,868,146	1,014,581	801,247	1,112,371	1,112,371	955,169	642,667	454,711
Loss on Temporary Note Pay-Off					(1,387,841)					
Asset Revaluation Adjustment					(6,350)					
Transfers	(25,958)	(18,036)	(4,227)		(61,526)		38,300,737			
	<u>118,340,068</u>	<u>120,858,036</u>	<u>130,726,704</u>	<u>130,556,079</u>	<u>134,567,857</u>	<u>140,003,840</u>	<u>173,680,068</u>	<u>139,527,678</u>	<u>138,052,364</u>	<u>141,856,250</u>
<b>Business-Type Activities:</b>										
Miscellaneous	124,542	46,903	65,995	55,477	124,551	128,160	16,739	155,349	287,494	130,379
Transfers	25,958	18,036	4,227		6,350	61,526				
	<u>150,498</u>	<u>64,939</u>	<u>70,222</u>	<u>55,477</u>	<u>131,001</u>	<u>189,708</u>	<u>16,739</u>	<u>155,349</u>	<u>287,494</u>	<u>130,379</u>
<b>Total District-Wide</b>	<u>\$ 119,490,566</u>	<u>\$ 120,921,575</u>	<u>\$ 130,796,926</u>	<u>\$ 130,611,550</u>	<u>\$ 134,698,858</u>	<u>\$ 140,193,546</u>	<u>\$ 173,696,837</u>	<u>\$ 139,683,025</u>	<u>\$ 138,349,858</u>	<u>\$ 142,086,629</u>
<b>Change in Net Assets</b>										
<b>Governmental Activities</b>	<u>\$ 7,873,282</u>	<u>\$ 3,778,354</u>	<u>\$ 4,043,633</u>	<u>\$ 5,128,712</u>	<u>\$ 1,567,482</u>	<u>\$ 4,396,750</u>	<u>\$ 34,058,004</u>	<u>\$ 2,263,258</u>	<u>\$ 761,890</u>	<u>\$ 210,325</u>
<b>Business-Type Activities</b>	<u>1,116</u>	<u>(11,528)</u>	<u>(8,758)</u>	<u>(2,736)</u>	<u>(11,237)</u>	<u>48,810</u>	<u>57,386</u>	<u>(30,528)</u>	<u>46,385</u>	<u>(75,329)</u>
<b>Total District</b>	<u>\$ 7,674,398</u>	<u>\$ 3,766,826</u>	<u>\$ 4,034,877</u>	<u>\$ 5,125,976</u>	<u>\$ 1,556,244</u>	<u>\$ 4,445,559</u>	<u>\$ 34,115,390</u>	<u>\$ 2,232,728</u>	<u>\$ 808,275</u>	<u>\$ 134,996</u>

Source: CAFR Schedule A-2

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
Unaudited

J-3

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Restricted	\$ 1,373,437.89	\$ 785,994.57	\$ 1,546,877.96	\$ 6,989,514.05	\$ 7,425,617.77	\$ 6,888,190.57	\$ 9,370,675.04	\$ 12,842,264.81	\$ 11,348,966.43	\$ 14,063,423.81
Unassigned	(499,488.06)	(1,585,507.75)	955,016.18	828,293.43	(1,008,776.22)	(783,437.18)	(351,952.81)	(955,731.92)	(152,151.24)	(313,111.93)
Total General Fund	\$ 873,949.83	\$ (799,513.18)	\$ 2,501,694.14	\$ 7,817,807.48	\$ 6,416,841.55	\$ 6,104,753.39	\$ 9,018,722.23	\$ 11,886,532.89	\$ 11,196,815.19	\$ 13,750,311.88
All Other Governmental Funds:										
Restricted	\$ 2,501,994.05	\$ 1,410,435.85	\$ 1,270,451.11	\$ 30,264.00	\$ 1,491,535.60	\$	\$	\$	\$	\$
Unassigned, Reported in:										
Special Revenue	(20,325.78)	(20,641.05)	(20,646.60)	(20,639.00)	0.63	0.86	39,740.60	39,740.82	39,741.05	39,741.27
Debt Service Fund	0.09	150,504.42	30,264.29	0.29	1,510,263.44	1,518,342.43	1,478,147.02	2,080,235.33	8,772.05	
Capital Projects Fund			2,522,116.36	1,180,258.44						
Total All Other Governmental Funds	\$ 2,481,668.36	\$ 1,540,299.22	\$ 3,802,185.16	\$ 1,189,883.73	\$ 3,001,799.67	\$ 1,518,343.29	\$ 1,517,887.62	\$ 2,119,976.15	\$ 48,513.10	\$ 39,741.27
Total Fund Balances	\$ 3,355,618.19	\$ 740,786.04	\$ 6,303,879.30	\$ 9,007,691.21	\$ 9,418,641.22	\$ 7,623,096.68	\$ 10,536,609.85	\$ 14,006,509.14	\$ 11,245,328.29	\$ 13,790,053.15

Source: School District Financial Reports.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**  
*Unaudited*

J-4

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Tax Levy	\$ 73,514,681	\$ 78,240,145	\$ 84,161,790	\$ 85,772,775	\$ 85,994,209	\$ 86,583,139	\$ 87,267,729	\$ 88,954,889	\$ 87,890,380	\$ 91,021,964
Tuition	133,041	161,030	174,014	187,524	123,965	71,965	139,310	201,918	56,470	15,537
Miscellaneous	730,976	873,412	4,694,132	826,958	2,739,282	979,789	973,061	753,252	586,197	439,174
State Sources	54,856,733	51,539,854	51,899,333	54,297,430	53,839,280	48,330,400	51,288,220	54,202,576	59,891,525	58,442,338
Federal Sources	3,338,270	3,829,662	3,347,369	3,284,622	3,413,731	12,479,273	4,197,730	5,600,111	3,594,770	3,480,747
Total Revenue	132,573,701	134,644,103	144,276,639	144,369,409	146,110,467	148,444,566	143,866,051	149,712,745	152,019,343	153,399,760
<b>Expenditures</b>										
Instruction:										
Regular	38,815,566	39,384,366	38,940,440	40,280,263	41,279,234	43,377,753	40,675,109	42,112,753	42,433,185	42,599,210
Special Education	7,498,424	7,847,442	8,464,663	8,947,319	9,842,542	10,509,996	10,958,260	11,537,804	12,344,037	12,734,116
Other Special Instruction	2,936,688	2,961,465	3,336,092	3,343,844	3,391,633	4,407,024	4,281,001	3,995,933	4,097,260	4,509,196
Other Instruction	1,242,772	1,242,649	1,252,716	1,294,814	1,333,123	1,374,002	1,224,881	1,190,846	1,550,109	1,498,785
Community Service Programs	3,120	3,410	3,008	3,149	4,903	5,094	4,923	1,804	5,391	5,509
Support Services and Undistributed Costs:										
Tuition	4,427,205	5,108,260	5,576,902	5,002,064	4,991,278	3,959,743	4,795,178	3,889,177	3,598,461	3,809,108
Student and Instruction Related Services	10,065,767	10,403,524	11,248,822	11,281,666	11,676,482	12,612,212	12,218,098	11,993,355	12,929,390	13,204,868
School Administrative Services	7,069,959	4,871,594	4,724,941	7,074,612	7,348,113	7,450,578	7,531,279	7,880,028	5,330,317	5,347,983
Other Administrative Services	1,841,374	3,465,337	3,198,003	1,524,015	1,610,491	1,566,863	1,490,366	1,570,167	3,328,140	3,342,005
Plant Operation and Maintenance	11,671,988	13,395,823	13,556,388	13,969,307	14,598,722	13,274,657	12,135,155	12,209,133	12,062,359	13,079,679
Pupil Transportation	9,391,928	9,634,513	8,392,674	8,333,417	8,555,547	8,726,344	8,338,059	8,469,076	8,559,093	8,744,518
Employee Benefits	24,899,088	27,800,209	32,330,419	33,309,245	30,490,818	31,447,520	32,655,944	35,130,337	38,483,452	37,335,484
Special Schools	713,973	759,735	683,670	715,131	745,977	722,191	77,590	35,917	19,442	37,315
Debt Service:										
Principal	740,000	780,000	820,000	860,000	905,000	1,010,000	1,065,000	1,115,000	1,170,000	1,230,000
Interest	2,243,640	2,475,698	1,895,432	2,094,068	2,036,377	1,928,594	1,882,219	1,832,969	1,784,119	1,729,969
Capital Outlay	18,106,795	7,108,875	4,285,148	3,632,684	6,358,278	7,867,539	1,619,478	3,278,547	5,963,609	1,647,290
Total Expenditures	141,668,287	137,242,900	138,709,318	141,665,597	145,699,517	150,240,110	140,952,537	146,242,845	153,658,362	150,855,035
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(9,094,586)	(2,598,797)	5,567,321	2,703,812	410,950	(1,795,545)	2,913,513	3,469,899	(1,639,019)	2,544,725
<b>Other Financing Sources (Uses)</b>										
Capital Leases (Nonbudgeted)	1,048,000									(8,772)
Cancellation of Capital Projects - Local Share						251,711	39,740	1,700,000	(1,122,162)	8,772
Transfers In	(25,956)	(16,036)	(4,227)			(251,711)	(39,740)	(1,700,000)	(355,985)	-
Transfers Out	1,022,044	(16,036)	(4,227)			-	-	-	(1,122,162)	-
Total Other Financing Sources (Uses)	\$ (8,072,542)	\$ (2,614,833)	\$ 5,563,093	\$ 2,703,812	\$ 410,950	\$ (1,795,545)	\$ 2,913,513	\$ 3,469,899	\$ (2,761,181)	\$ 2,544,725
Net Change in Fund Balances										
Debt Service as a Percentage of Noncapital Expenditures	2.41%	2.50%	2.02%	2.14%	2.11%	2.06%	2.12%	2.06%	2.00%	1.98%

Source: School District Financial Reports.

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
*Unaudited*

J-5

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Interest Earned	\$ 29,806.75	\$ 33,444.27	\$ 88,331.79	\$ 150,604.31	\$ 185,140.11	\$ 325,896.83	\$ 500,909.69	\$ 454,317.93	\$ 178,663.17	\$ 379,691.08
Insurance Reimbursement			263,349.13				90,757.48			
ASFDF					59,665.92			905.00		
Refund of Prior Year Expenditures						25,872.59				945.77
Sale of Land										116,250.00
Sale of Browntown School				600,000.00						
Registration Fees	13,745.00	25,975.00	4,425.00	3,750.00						
Rentals	43,355.32	46,421.58	57,193.44	7,135.75	16,453.09	19,348.88	42,301.44	79,001.61	56,901.11	37,705.00
Text Sales										5,300.00
E-Rate	40,076.53	98,875.55	80,143.65	61,058.72		95,444.07	105,577.56	35,910.00	141,504.54	349.73
Tuition Refunds			30,459.95			29,748.00			192.00	607.25
Building Application Fee	590.00	760.00	800.00	12,279.00	695.00	1,040.00	3,515.00	840.00	9,343.11	
Planetarium									224,239.38	55,170.16
Refund of Jointure Agreements									3,459.11	3,795.73
Vandalism					1,050.00	95.00	2,729.77	11,183.32		
Retiree Drug Program	247,385.50	25,975.00	23,270.00	50,062.14						
Daycare Tuition		213,475.00								
Community School Close-Out			53,304.87							
Advertising	668.42	1,320.21	2,259.08	9,000.02	7,868.70	15,600.00				
Transportation Ventures	25,398.83	31,019.51	63,445.55	20,189.04	71,232.11		29,000.00			
Easement							18,788.21			
Other	14,144.20	13,787.87	35,446.81	38,145.67	96,101.11	40,493.22		86,506.33	4,027.16	4,190.88
Total	\$ 415,170.55	\$ 491,053.99	\$ 702,429.27	\$ 952,204.65	\$ 438,206.04	\$ 553,538.59	\$ 793,579.15	\$ 668,664.19	\$ 618,329.58	\$ 604,005.60

## REVENUE CAPACITY

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
*Unaudited*

J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Commercial	Industrial	Apartments	Total Assessed Value	Tax- Exempt Property	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized Value)
2005	\$ 125,358,600	\$2,556,402,600	\$ 9,633,100	\$331,672,100	\$ 50,634,500	\$185,974,100	\$3,259,675,000	\$379,331,200	\$3,265,492,900	\$ 2.32	\$6,323,326,867
2006	132,800,400	2,596,000,800	9,473,800	332,647,700	50,683,200	182,838,100	3,304,444,000	380,193,500	3,309,359,004	2.45	7,267,305,910
2007	97,428,300	2,670,475,100	9,137,200	329,575,900	50,693,700	177,960,400	3,335,270,600	381,738,000	3,339,763,515	2.54	7,832,951,151
2008	58,594,300	2,766,934,800	10,569,700	334,046,800	50,502,200	168,378,200	3,389,026,000	371,253,500	3,375,373,060	2.54	7,917,186,942
2009	60,767,300	2,762,914,100	10,202,400	340,455,300	50,246,400	164,023,700	3,388,609,200	372,158,400	3,339,763,515	2.54	8,001,438,489
2010	55,630,100	2,773,163,700	9,998,200	339,460,400	48,610,000	163,823,700	3,390,686,100	374,155,200	3,395,973,211	2.56	7,832,492,723
2011	54,894,600	2,772,812,500	9,825,300	353,469,800	46,073,000	163,568,400	3,400,663,600	374,845,700	3,404,867,872	2.59	7,562,460,359
2012	53,300,500	2,776,133,200	9,106,500	351,393,400	45,733,200	162,538,700	3,398,205,500	380,012,400	3,402,578,488	2.60	7,334,724,052
2013	52,633,000	2,780,083,800	9,760,300	342,230,000	44,862,700	161,764,700	3,391,334,500	380,908,200	3,395,470,040	2.64	6,898,557,578
2014	54,531,000	2,787,731,500	10,160,200	333,021,900	44,862,700	161,519,700	3,391,827,000	381,200,500	3,395,350,100	2.71	6,807,582,255

Source: 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 ordered by the County Board of Taxation.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Rate per \$100 of assessed value)  
*Unaudited***

**J-7**

Fiscal Year Ended <u>June 30.</u>	<u>Board of Education Direct Rate</u>			<u>Overlapping Rates</u>		<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct School Tax Rate</u>	<u>Old Bridge Township</u>	<u>Middlesex County</u>	
2005	\$ 2.24	\$ 0.08	\$ 2.32	\$ 0.78	\$ 0.57	\$ 3.67
2006	2.36	0.09	2.45	0.78	0.59	3.82
2007	2.46	0.08	2.54	0.81	0.64	3.99
2008	2.46	0.08	2.54	0.82	0.68	4.04
2009	2.46	0.08	2.54	0.87	0.70	4.11
2010	2.47	0.09	2.56	0.94	0.70	4.20
2011	2.50	0.09	2.59	0.98	0.75	4.32
2012	2.51	0.09	2.60	1.00	0.77	4.37
2013	2.55	0.09	2.64	1.01	0.78	4.43
2014	2.62	0.087	2.71	1.02	0.80	4.53

Source: Municipal Tax Collector and Business Administrator

N.J.S.A. 10A: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 calculation.

The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the Net Valuation Taxable.

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

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO**

*Unaudited*

**J-8**

	2014			2005		
	Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank
	Middlesex Builders, Inc.	\$ 20,000,000	1	0.589%	\$ 24,500,000	1
	Madison Realty Company	17,300,000	2	0.510%	20,800,000	2
	Route Nine Plaza LLC	15,227,200	3	0.448%		
	Division of Pensions Lamar Asset Management				20,000,000	3
	Heritage Old Bridge, LLC	15,135,900	4	0.446%		
	Aldercrest, Inc., Section 3	14,425,600	5	0.425%	14,425,600	5
	Aldercrest, Inc., Section 2	14,425,600	6	0.425%	14,425,600	6
	Aldercrest, Inc., Section 1	14,131,200	7	0.416%	14,131,200	7
	Wilf, Harry, Joe, Leonard and Zygmunt	14,000,000	8	0.412%	18,000,000	4
	MS Normandy OB Association	11,700,000	9	0.345%		
	Woodhaven Village NC	11,527,500	10	0.340%		
	Old Bridge Partners, LLC				13,854,500	8
	Nieuw Amsterdam c/o Smith and Kriegman				13,100,000	9
	Metropark South LLC/Denholtz				5,931,300	10
		<u>\$ 147,873,000</u>		<u>4.355%</u>	<u>\$ 159,168,200</u>	
					<u>0.190%</u>	<u>4.98%</u>

Source: Municipal Tax Assessor



**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS  
SCHOOL DISTRICT COLLECTION ONLY  
*Unaudited***

**J-9**

<u>Year Ended June 30.</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy <sup>a</sup></u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2005	\$ 73,514,681	\$ 73,514,681	100.00%	
2006	78,240,145	78,240,145	100.00%	
2007	84,161,790	84,161,790	100.00%	
2008	85,772,775	85,772,775	100.00%	
2009	85,994,209	85,994,209	100.00%	
2010	86,583,139	86,583,139	100.00%	
2011	87,267,729	87,267,729	100.00%	
2012	88,954,889	88,954,889	100.00%	
2013	87,890,380	87,890,380	100.00%	
2014	88,061,995	88,061,995	100.00%	

Source: Township records including the Certificate and Report of School Taxes (A4F Form)

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

## DEBT CAPACITY

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
*Unaudited***

**J-10**

Fiscal Year Ended June 30,	Governmental Activities			Business- Type Capital Leases	Total District	Percentage of Personal Income (a)	Per Capita (a)
	Serial Bonds	Capital Leases	Bond Anticipation Notes (BANS)				
2005	\$46,378,000	\$2,834,345	\$8,900,000	N/A	\$58,112,345	2.20%	\$ 909.92
2006	45,598,000	1,925,872	3,817,000	N/A	51,340,872	1.77%	793.90
2007	46,210,000	1,205,057	2,373,000	N/A	49,788,057	1.61%	763.42
2008	45,350,000	702,900	1,771,947	N/A	47,824,847	1.49%	730.40
2009	44,445,000	361,614	N/A	N/A	44,806,614	1.43%	679.49
2010	43,435,000	1,191,041	N/A	N/A	44,626,041	1.41%	681.82
2011	42,370,000	2,632,209	N/A	N/A	45,002,209	1.39%	684.62
2012	41,255,000	1,789,424	N/A	N/A	43,044,424	1.25%	826.06
2013	40,085,000	300,803	N/A	N/A	40,385,803	*	*
2014	38,855,000	N/A	N/A	N/A	38,855,000	*	*

\*Data was not provided by School District.

Source: School District Financial Records

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

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

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
*Unaudited***

**J-11**

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Estimated Actual County Equalized Value</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Population</u>	<u>Per Capita</u>
2005	\$ 46,378,000	\$	\$ 46,378,000	\$6,323,326,867	0.73%	63,865	R \$ 726 R
2006	45,598,000		45,598,000	7,267,305,916	0.63%	64,669	R 705 R
2007	46,210,000		46,210,000	7,832,951,151	0.59%	65,217	R 709 R
2008	45,350,000		45,350,000	7,917,186,942	0.57%	65,478	R 693 R
2009	44,445,000		44,445,000	8,001,438,489	0.56%	65,942	R 674 R
2010	43,435,000		43,435,000	7,832,492,723	0.55%	65,447	664
2011	42,370,000		42,370,000	7,562,460,359	0.56%	65,733	645
2012	41,255,000		41,255,000	7,334,724,052	0.56%	66,179	623
2013	40,085,000		40,085,000	6,898,557,578	0.58%	66,570	602
2014	38,855,000		38,855,000	6,807,582,255	0.57%	*	*

\*Data was not provided by School District.

Source: School District Financial Reports

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

R - Revised

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2013**

*Unaudited*

**J-12**

<b><u>Governmental Unit</u></b>	<b><u>Debt Outstanding</u></b>	<b><u>Estimated Percentage Applicable (a)</u></b>	<b><u>Estimated Share of Overlapping Debt</u></b>
Debt Repaid with Property Taxes:			
Township of Old Bridge	\$ 45,747,843	100.00%	\$ 45,747,843
Middlesex County General Obligation Debt	700,823,005	7.14%	50,006,238
			<hr/>
Sub-Total Overlapping Debt			95,754,081
Old Bridge School District Direct Debt			<hr/>
			38,855,000
			<hr/>
Total Direct and Overlapping Debt			<u><u>\$ 134,609,081</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Middlesex 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 Old Bridge. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 equalized property values. Applicable percentages were estimated by determining the portion of another governmental unit's equalized property value that is within the District's boundaries and dividing it by each unit's total equalized property value.

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(DOLLARS IN THOUSANDS)  
*Unaudited*

J-13

Legal Debt Margin Calculation										Equalized Valuation Basis	

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

(a) Limit set by N.J.S. 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts.

## DEMOGRAPHIC AND ECONOMIC INFORMATION

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED**

**J-14**

<u>Year</u>	<u>Population</u>		<u>Personal Income</u>		<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2004	63,225	R	\$ 2,560,991,850	R	\$ 40,506 R	4.00%
2005	63,865	R	2,666,555,345	R	41,753 R	3.10%
2006	64,669	R	2,899,693,291	R	44,839 R	3.20%
2007	65,217	R	3,092,459,706	R	47,418 R	2.80%
2008	65,478	R	3,210,779,208	R	49,036 R	3.50%
2009	65,942	R	3,130,134,856	R	47,468 R	8.40%
2010	65,447		3,121,101,983		47,689 R	8.70%
2011	65,733		3,308,736,288		50,336 R	8.40%
2012	66,179		3,448,455,332		52,108	8.60%
2013	66,570		*		*	7.20%

\*Data not available

Source:

a = Population information provided by the N.J. Department of Labor and Workforce Development.

b = Personal income has been estimated based upon the municipal population and per capita personal income presented.

c = Per capita personal income by municipality estimated based upon the 2000 Census published by the U.S. Bureau of Economic Analysis.

d = Unemployment Data provided by the N.J. Department of Labor and Workforce Development.

R - Revised



**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO  
UNAUDITED**

**J-15**

<u>Employer</u>	<u>2014</u>		<u>2005</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
Blonder - Tongue Labs	*	*	*	*
Madison Industries	*	*	*	*
Madison Chemicals	*	*	*	*
Old Bridge Chemicals	*	*	*	*
CPS Chemical	*	*	*	*
Old Bridge Board of Education	<u>1,199.0</u>	<u>*</u>	<u>1,128.0</u>	<u>*</u>
	<u>1,199.0</u>	<u>*</u>	<u>1,128.0</u>	<u>*</u>

\* Data was not provided by School District.

Districts may obtain principal employer information from various sources such as their local Chamber of Commerce, Local Economic Development Agency, or other creditable source for their municipality.

Old Bridge Employees include Full-Time and Part-Time (Noon Hour Supervisors).

## **OPERATING INFORMATION**

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
UNAUDITED

J-16

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction:										
Regular	554.5	554.4	553.4	557.8	568.6	562.0	535.9	529.8	538.1	542.4
Special Education	146.6	147.4	150.0	157.6	164.1	164.2	172.5	169.6	171.0	166.5
Other Special Education	89.5	95.0	100.5	121.5	131.5	144.5	147.0	155.0	170.0	166.0
Support Services:										
Student and Instruction Related Services	133.3	135.0	134.0	135.0	136.0	140.0	136.2	133.2	144.4	144.7
School Administrative Services	62.0	62.0	63.0	63.0	64.0	64.0	60.0	60.2	61.7	57.2
General and Business Administration	24.0	24.5	24.5	24.5	25.5	26.5	26.5	26.9	25.8	29.8
Plant Operations and Maintenance	50.2	51.6	51.2	49.2	48.7	49.2	33.2	30.8	31.4	31.4
Pupil Transportation	64.0	63.0	64.0	65.0	59.0	62.0	58.0	53.0	56.0	61.0
Special Schools	4.0	4.0	3.0	3.0	3.0	3.0				
Total	1,128.1	1,136.9	1,143.6	1,176.6	1,200.4	1,215.4	1,169.3	1,158.5	1,198.4	1,199.0

Source: District Personnel Office

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED**

**J-17**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio (b)</u>	<u>Average Daily Enrollment (ADE) (c)</u>	<u>Average Daily Attendance (ADA) (c)</u>	<u>Percentage Change in (ADE)</u>	<u>Student Attendance Percentage</u>
2005	10,007.5	\$120,603,809	\$12,051	*	701.1	14.3	9,982.7	9,473.1	0.37%	94.90%
2006	9,841.0	124,382,571	12,639	4.88%	701.8	14.0	9,849.6	9,379.6	-0.99%	95.20%
2007	9,758.0	131,708,738	13,498	6.79%	703.4	13.9	9,758.0	9,293.2	-0.92%	95.20%
2008	9,661.0	135,078,845	13,982	3.59%	715.4	13.5	9,648.3	9,195.4	-1.05%	95.30%
2009	9,633.0	136,399,862	14,160	1.27%	732.7	13.1	9,610.4	9,151.0	-0.96%	95.20%
2010	9,521.0	139,433,977	14,645	3.43%	726.2	13.1	9,484.7	9,019.7	-0.94%	95.10%
2011	9,403.0	136,385,841	14,505	2.44%	707.4	13.3	9,415.4	8,921.9	-0.94%	94.80%
2012	9,291.0	140,016,329	15,070	2.90%	699.4	13.3	9,203.3	8,746.2	-2.25%	95.00%
2013	9,195.5	146,190,431	15,898	9.61%	709.0	13.0	9,101.6	8,636.2	-1.11%	94.89%
2014	8,989.5	146,247,776	16,269	2.33%	711.0	12.6	8,880.9	8,443.5	2.42%	95.08%

\*Data not provided by the School District.

Source: School District Financial Records

Note: Enrollment based on annual October District count.

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

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
Unaudited

J-18  
Sheet #1

District Building	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Old Bridge High School - Main Building:										
Square Feet	209,715	209,715	209,715	209,715	209,715	209,715	209,715	209,715	209,715	209,715
Capacity (Students)	2,183	2,183	2,183	2,183	2,183	2,183	2,183	2,183	2,183	2,183
Enrollment	2,293	2,291	2,291	2,291	2,291	2,291	2,341	2,291	2,367	2,223
Old Bridge High School - Grade Nine Center:										
Square Feet	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500
Capacity (Students)	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122
Enrollment	808	748	748	748	748	748	711	742	637	692
Jonas Salk Middle School:										
Square Feet	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500
Capacity (Students)	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181
Enrollment	1,249	1,272	1,272	1,272	1,272	1,272	985	1,036	1,024	1,007
Carl Sandburg Middle School:										
Square Feet	181,400	181,400	181,400	181,400	181,400	181,400	181,400	181,400	181,400	181,400
Capacity (Students)	1,284	1,284	1,284	1,284	1,284	1,284	1,284	1,284	1,284	1,284
Enrollment	1,228	1,201	1,201	1,201	1,201	1,201	1,249	1,188	1,163	1,160
M. Scott Carpenter Elementary School:										
Square Feet	32,950	32,950	32,950	32,950	32,950	32,950	32,950	32,950	32,950	32,950
Capacity (Students)	303	303	303	303	303	303	303	303	303	303
Enrollment	299	302	302	302	302	302	285	279	290	295
Cheesequake Elementary School:										
Square Feet	30,100	30,100	30,100	30,100	30,100	30,100	30,100	30,100	30,100	30,100
Capacity (Students)	329	329	329	329	329	329	329	329	329	329
Enrollment	340	324	324	324	324	324	316	302	290	298
Leroy Gordon Cooper Elementary School:										
Square Feet	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050
Capacity (Students)	245	245	245	245	245	245	245	245	245	245
Enrollment	232	186	186	186	186	186	272	261	263	250
Virgil I. Grissom Elementary School:										
Square Feet	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700
Capacity (Students)	269	269	269	269	269	269	269	269	269	269
Enrollment	252	229	229	229	229	229	234	235	222	210
Madison Park Elementary School:										
Square Feet	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750
Capacity (Students)	383	383	383	383	383	383	383	383	383	383
Enrollment	388	338	338	338	338	338	316	298	282	271
James A. McDivitt Elementary School:										
Square Feet	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capacity (Students)	564	564	564	564	564	564	564	564	564	564
Enrollment	543	555	555	555	555	555	532	550	520	553

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
*Unaudited*

J-18  
Sheet #2

<u>District Building</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Memorial Elementary School:									
Square Feet	32,200	32,200	32,200	32,200	32,200	32,200	32,200	32,200	32,200
Capacity (Students)	377	377	377	377	377	377	377	377	377
Enrollment	370	436	436	436	436	432	420	398	393
William A. Miller Elementary School:									
Square Feet	28,900	28,900	28,900	28,900	28,900	28,900	28,900	28,900	28,900
Capacity (Students)	269	269	269	269	269	269	269	269	269
Enrollment	244	353	353	353	353	337	313	352	344
Walter M. Schirra Elementary School:									
Square Feet	36,570	36,570	36,570	36,570	36,570	36,570	36,570	36,570	36,570
Capacity (Students)	499	499	499	499	499	499	499	499	499
Enrollment	524	420	420	420	420	374	334	366	355
Alan B. Shepard Elementary School:									
Square Feet	27,302	27,302	27,302	27,302	27,302	27,302	27,302	27,302	27,302
Capacity (Students)	353	353	353	353	353	353	353	353	353
Enrollment	313	343	343	343	343	290	292	269	255
Southwood Elementary School:									
Square Feet	408,000	408,000	408,000	408,000	408,000	408,000	408,000	408,000	408,000
Capacity (Students)	383	383	383	383	383	383	383	383	383
Enrollment	376	380	380	380	380	316	390	304	290
Raymond E. Voorhees Elementary School:									
Square Feet	39,410	39,410	39,410	39,410	39,410	39,410	39,410	39,410	39,410
Capacity (Students)	557	557	557	557	557	557	557	557	557
Enrollment	549	464	464	464	464	413	390	364	325

Source: School District Facilities Office

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITY  
LAST TEN FISCAL YEARS

NONDISTRIBUTED EXPENDITURES - 11-000-261-XXX  
REQUIRED MAINTENANCE FOR SCHOOL FACILITIES

School Number	School Facilities*	Fiscal Years Ending June 30,									
		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
40	Old Bridge High School Main Building (Effective July 1, 2005)	\$940,088.00	\$1,011,087.00	\$1,215,370.00	\$1,013,462.00	\$1,063,375.00	\$1,376,635.00	\$1,044,803.00	\$1,202,364.66	\$ 924,285.00	\$ 838,462.02
82	Alan B. Shepard Elementary School	170,543.00	124,612.00	114,786.00	152,701.00	140,682.00	123,724.00	130,032.00	127,250.34	119,262.00	120,358.21
103	OBHS-GNC (Formerly Can Sandburg Middle School)	482,190.00	399,733.00	512,008.00	367,862.00	356,828.00	323,346.00	298,436.00	386,209.31	1,074,441.00	293,755.08
105	Creesequaque Elementary School	156,158.00	142,973.00	266,897.00	155,901.00	169,559.00	197,106.00	162,152.00	166,248.83	166,536.00	155,794.08
108	James A. McDwitt Elementary School	234,569.00	221,470.00	171,991.00	176,477.00	191,842.00	261,668.00	209,976.00	162,533.70	175,885.00	140,356.94
110	Jonas Salk Middle School	493,803.00	438,731.00	469,101.00	364,823.00	427,131.00	423,349.00	349,164.00	285,758.52	336,887.00	314,881.86
113	Leroy Gordon Cooper Elementary School	106,594.00	78,717.00	126,285.00	109,553.00	110,892.00	121,385.00	176,160.00	163,673.90	169,610.00	177,478.68
120	Madison Park Elementary School	160,487.00	134,623.00	156,983.00	184,674.00	210,961.00	212,747.00	155,079.00	202,975.94	219,900.00	242,783.56
130	Memorial Elementary School	208,237.00	150,218.00	146,528.00	127,926.00	157,793.00	254,270.00	158,186.00	115,898.92	128,145.00	95,080.77
133	M. Scott Carpenter Elementary School/ Raymond E. Voorhees Elementary School	184,115.00	127,075.00	314,834.00	147,114.00	152,129.00	174,918.00	181,320.00	180,254.56	173,019.00	164,627.42
140	Southwood Elementary School	174,011.00	166,118.00	176,283.00	179,379.00	200,300.00	207,857.00	241,934.00	213,452.09	172,866.00	168,639.71
150	Virgil I. Grissom Elementary School	145,603.00	136,245.00	145,513.00	137,319.00	164,951.00	166,549.00	181,976.00	202,060.25	145,680.00	164,143.29
163	Waller M. Schirra Elementary School	149,201.00	144,673.00	133,642.00	134,806.00	143,743.00	165,344.00	136,004.00	121,267.90	111,639.00	103,291.47
165	William A. Miller Elementary School	161,623.00	221,270.00	145,672.00	187,487.00	161,048.00	193,269.00	202,176.00	164,835.04	193,563.00	159,497.76
170	Other Facilities	129,423.00	77,013.00	78,960.00	98,154.00	110,993.00	123,874.00	114,616.00	133,303.50	138,749.00	132,605.42
999		1,069,989.00	748,193.30	1,057,373.00	1,053,248.00	977,150.00	1,177,134.00	1,084,881.00	952,111.78	1,133,651.00	1,064,034.24
	Total School Facilities	\$4,968,634.00	\$4,322,751.30	\$5,232,406.00	\$4,610,868.00	\$4,739,397.00	\$5,503,175.00	\$4,836,895.00	\$4,782,199.24	\$5,404,238.00	\$4,335,830.51

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

Source: School District records.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2014**  
*Unaudited*

**J-20**

<u>Type of Coverage</u>	<u>Limits</u>	<u>Company</u>	<u>Policy Number</u>
General Liability Aggr. Products/Comp Op Aggr. Each Occurrence Pers. and Advert. Injury Fire Damage Legal Medical Expenses	\$ 2,000,000 2,000,000 1,000,000 1,000,000 1,000,000 10,000	Zurich Insurance Co.	CP03701850-08
Property Blanket Building/Contents Deductible - \$5,000	301,482,004	Zurich Insurance Co.	CP03701850-08
Earthquake Aggr.	5,000,000		CP03701850-08
Boiler and Machinery	75,000,000		CP03701850-08
Crime Employee Dishonesty Forgery and Alteration M & S on Premises M & S Messenger Deductible \$5,000/\$1,000	500,000 100,000 50,000 50,000	Zurich Insurance Co.	CP03701850-08
Auto CSL Uninsured/Underinsured Comp. and Coll. Deductible	1,000,000 1,000,000 1,000	Zurich Insurance Co.	BAP3701849-08
School Board Legal Aggr. Deductible \$25,000 Each Claim	1,000,000	Zurich Insurance Co.	ELL9063137
Umbrella Aggr. Retention \$10,000	10,000,000	Zurich Insurance Co.	UMB3701851-08
Excess Workers' Comp. Part I Statutory Policy Limit SIR \$400,000/Cash Flow Endorsement \$175,000	1,000,000	State National Insurance Co.	NDE0812448-13
Security/Privacy Liability Aggregate Limit Retention \$25,000	1,000,000	National Union Fire Insurance Co.	37788257
Surety Bonds: Himanshu Shah Joseph Marra	500,000 100,000	Zurich Insurance Co. Zurich Insurance Co.	POB8357882 POB7583402
Volunteer Accident: Medical Expense Death Benefit Dismemberment Benefit	\$25,000 \$5,000 \$5,000	Hartford Insurance Co.	13-SR-603654



**SINGLE AUDIT SECTION**

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**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**

**Independent Auditors' Report**

The Honorable President and Members  
of the Board of Education  
Old Bridge Township Board of Education  
County of Middlesex  
Matawan, New Jersey 07747

We have audited, in accordance with the 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 audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Old Bridge Board of Education, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Township of Old Bridge Board of Education's basic financial statements, and have issued our report thereon dated September 29, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Old Bridge Township School District'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 Old Bridge Township School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 Board of Education of the Township of Old Bridge School District'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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **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.

2

  
JOSEPH J. FACCONI  
Licensed Public School Accountant #194

  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
September 29, 2014

# **SAMUEL KLEIN AND COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

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## **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY CIRCULAR 04-04**

The Honorable President and Members  
of the Board of Education  
Old Bridge Township Board of Education  
County of Middlesex  
Matawan, New Jersey 07747

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

We have audited the Township of Old Bridge Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2014. The Township of Old Bridge School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

### **Auditor's Responsibility (Continued)**

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Township of Old Bridge Board of Education's compliance.

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

In our opinion, the Township of Old Bridge 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 federal and state programs for the year ended June 30, 2014.

### **Report on Internal Control over Compliance**

Management of the Township of Old Bridge 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 Township of Old Bridge Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Old Bridge 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 federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

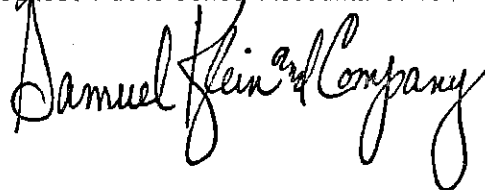
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and New Jersey OMB's Circular 04-04**

We have audited the financial statements of the Old Bridge Township School District as of and for the year ended June 30, 2014, and have issued our report thereon dated September 29, 2014, 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 federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and New Jersey OMB's 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 expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

  
JOSEPH J. FACCONI  
Licensed Public School Accountant #194

  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
September 29, 2014

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	June 30, 2013		Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balance	June 30, 2014	
				(Accounts Receivable)	Deferred Revenue						(Accounts Receivable)	Deferred Revenue
<b>U.S. Department of Education:</b>												
General Fund:												
Medical Assistance Program	93.778	8/1/13 - 8/31/14	\$ 167,764.33	\$ (3,973.00)	\$	\$	\$ 147,251.94	\$ (147,251.94)	\$	\$	\$	\$
Education Jobs Fund	84.40A	8/1/12 - 8/31/13	3,973.00	(3,973.00)			3,973.00					
<b>Total General Fund</b>				<b>(3,973.00)</b>			<b>151,224.94</b>	<b>(147,251.94)</b>				
<b>Passed Through State Department of Education:</b>												
Special Education Fund:												
Title I, Part A	84.010A	8/1/13 - 8/31/14	627,953.00				513,812.00	(622,527.30)			(108,715.30)	
Title I, Part A	84.010A	8/1/12 - 8/31/13	578,952.02				102,486.09	(102,486.10)	0.01			
Title I, Part A Carryover	84.010A	8/1/12 - 8/31/13	578,952.02	(200,017.02)			57,337.00	(57,336.88)	(0.12)			
Title I, Part A	84.010A	8/1/12 - 8/31/12	578,952.02	(83,905.96)			200,016.95	(17,615.09)	0.07			
Title I, Part A Carryover	84.010A	8/1/11 - 8/31/12	667,371.11				63,905.96	(201,521.39)			(102,392.39)	
Title I, Part A	84.251A	8/1/13 - 8/31/13	217,117.00				98,129.00	(17,615.18)	0.09			
Title I, Part A	84.251A	8/1/12 - 8/31/13	158,411.82	(88,253.82)			17,615.09					
Title I, Part A	84.251A	8/1/11 - 8/31/12	230,217.91	(17,995.09)			17,995.09					
Title I, Part A - Carryover	84.251A	8/1/11 - 8/31/11	230,217.91	(17,995.09)								
Title I, Part A - Carryover	84.251A	8/1/10 - 8/31/11	283,241.00				48,733.00	(56,204.84)			(9,471.84)	
Title II	84.29A	8/1/13 - 8/31/14	59,744.00				1,306.00	(1,306.35)	0.35			
Title II	84.29A	8/1/12 - 8/31/13	59,922.65	(18,492.65)			18,493.00	(0.35)	(0.35)			
Title II	84.29A	8/1/12 - 8/31/12	59,922.65	(501.62)			602.00	(0.46)	(0.46)			
Title II Carryover	84.29A	8/1/11 - 8/31/12	65,546.48				18,834.00	(36,612.72)			(17,878.72)	
Title II Immigrant	84.29A	8/1/13 - 8/31/14	42,145.00				1,543,821.00	(2,027,986.71)	(0.45)		(464,146.71)	
IDEA Part B, Basic Regular	84.027	8/1/12 - 8/31/13	2,032,530.00				13,931.00	(13,930.65)	0.45			
IDEA Part B, Basic Regular	84.027	8/1/12 - 8/31/12	2,147,486.45	(280,289.45)			280,289.00		0.45			
IDEA Part B, Basic Regular	84.027	8/1/11 - 8/31/12	2,098,947.81	(50,543.14)			59,543.00	(62,878.00)	0.14		(18,717.00)	
IDEA Part B, Basic Regular	84.027	8/1/11 - 8/31/11	62,777.00				45,959.00					
IDEA Part B, Preschool Handicapped	84.027	8/1/11 - 8/31/12	86,942.00	(11,640.00)			11,640.00					
IDEA Part B, Preschool Handicapped	84.027	8/1/11 - 8/31/11	82,676.00	(1,374.00)			1,374.00	(52,946.00)			(28,080.00)	
IDEA Part B, Preschool Handicapped	84.173	8/1/12 - 8/31/13	52,946.00	(53,041.00)			28,966.00					
Perkins Grant	84.173	8/1/11 - 8/31/12	57,985.76				53,041.00					
Perkins Grant	84.173	8/1/11 - 8/31/11	57,985.76									
ELAM	84.027	8/1/13 - 8/31/14	78,105.34					(78,105.34)	287.00	(287.00)		
<b>Total Special Revenue Fund</b>				<b>(785,153.65)</b>			<b>3,276,043.00</b>	<b>(3,333,495.35)</b>	<b>286.71</b>	<b>(287.00)</b>	<b>(643,806.30)</b>	
<b>U.S. Department of Agriculture:</b>												
Enterprise Fund:												
Food Distribution Program	10.550	8/1/13 - 8/30/14	175,157.59				175,157.59	(173,951.53)				1,206.06 A
Food Distribution Program	10.550	8/1/13 - 8/30/14	186,443.82					(18,642.58)				
Food Distribution Program	10.550	8/1/13 - 8/30/13	186,443.82	(18,642.58)								
National School Lunch Program	10.553	8/1/13 - 8/30/14	863,316.18	15,642.58			796,683.34	(863,316.18)			(69,634.84)	
National School Lunch Program	10.553	8/1/12 - 8/30/13	816,575.47	(65,603.56)			65,603.56					
National School Breakfast Program	10.553	8/1/13 - 8/30/14	68,806.42				62,197.81	(68,800.42)			(6,702.61)	
National School Breakfast Program	10.553	8/1/12 - 8/30/13	63,013.14	(6,316.36)			6,316.36					
<b>Total Enterprise Fund</b>				<b>(72,121.96)</b>			<b>1,106,150.70</b>	<b>(1,124,902.71)</b>			<b>(73,337.45)</b>	
<b>Total Federal Awards</b>				<b>\$ (852,246.61)</b>			<b>\$ 4,533,418.64</b>	<b>\$ (4,805,550.01)</b>	<b>\$ 286.71</b>	<b>\$ (287.00)</b>	<b>\$ (916,943.75)</b>	<b>\$ 1,206.06</b>
												<b>\$ 1,206.06</b>
												<b>\$</b>

A = Inventory Value at June 30, 2014

See accompanying Notes to the Schedules of Awards and Financial Assistance.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

State Grant/ Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2013		Carryover (Waiver) Amount	Cash Received	Budgetary Expenditures	Reassignment of Prior Year's Balance	June 30, 2014		Memo
				(Accounts Receivable)	Deferred Revenue					(Accounts Receivable)	Deferred Revenue	
State Department of Education:												
General Fund:												
Equalization Aid	14-100-034-5120-078	7/1/13 - 6/30/14	\$ 36,887,100.00	\$	\$	\$	\$ 36,887,100.00	\$ (36,887,100.00)	\$	\$	\$	\$ (3,640,868.50)
Special Education Aid	14-100-034-5120-083	7/1/13 - 6/30/14	5,499,282.00				5,499,282.00	(5,499,282.00)				(5,499,282.00)
Transportation Aid	14-100-034-5120-014	7/1/13 - 6/30/14	841,635.00				841,635.00	(841,635.00)				(84,163.50)
Additional Adjustment Aid	14-100-034-5120-085	7/1/13 - 6/30/14	437,066.00				437,066.00	(437,066.00)				(43,712.00)
On-Behalf TPAF Post-Retirement	14-100-034-5120-001	7/1/13 - 6/30/14	6,849,013.00				6,849,013.00	(6,849,013.00)				6,849,013.00
Medical Benefit Contributions	14-100-034-5120-002	7/1/13 - 6/30/14	4,592,497.43				4,592,497.43	(4,592,497.43)				(230,330.30)
Reimbursed TPAF Social Security	13-100-034-5120-044	7/1/12 - 6/30/13	4,522,603.71	(229,662.57)			229,662.57					
Contribution	13-100-034-5120-044	7/1/12 - 6/30/13	2,105,721.00	(2,105,721.00)								
Extracurricular Aid	14-100-034-5120-064	7/1/13 - 6/30/14	1,913,317.00				1,913,317.00	(1,913,317.00)				(1,913,317.00)
Security Aid	14-100-034-5120-064	7/1/13 - 6/30/14	817,484.00				817,484.00	(817,484.00)				(81,748.40)
Nonpublic Transportation Aid	Unknown	7/1/12 - 6/30/13	116,811.72	(116,811.72)				(116,811.72)				(162,147.00)
Nonpublic Transportation Aid	Unknown	7/1/12 - 6/30/13	116,811.72				116,811.72					
<b>Total General Fund</b>			<b>58,124,352.42</b>	<b>(2,451,596.28)</b>			<b>(57,672,756.14)</b>			<b>(2,305,794.30)</b>		<b>57,978,551.43</b>
Special Revenue Fund:												
N.J. Nonpublic Aid:												
Textbook Aid	14-100-034-5120-064	7/1/13 - 6/30/14	63,791.00				63,791.00	(60,041.18)				3,749.82
Textbook Aid	13-100-034-5120-064	7/1/12 - 6/30/13	82,246.00						(10,655.00)			
Textbook Aid	12-100-034-5120-064	7/1/11 - 6/30/12	91,932.00						(2,301.00)			
Nursing Services	14-100-034-5120-070	7/1/13 - 6/30/14	90,015.00				90,015.00	(86,366.02)				3,648.98
Nursing Services	13-100-034-5120-070	7/1/12 - 6/30/13	86,357.00						(1,718.00)			
Nursing Services	12-100-034-5120-070	7/1/11 - 6/30/12	88,461.00						(663.00)			
Technology	14-100-034-5120-073	7/1/13 - 6/30/14	23,260.00				23,260.00	(19,027.21)				4,232.79
Technology	13-100-034-5120-073	7/1/12 - 6/30/13	22,974.00						(554.00)			
Auxiliary Services:												
Public Transportation	14-100-034-5120-068	7/1/13 - 6/30/14	27,098.00				27,098.00	(27,098.00)				
Compensatory Education	14-100-034-5120-067	7/1/12 - 6/30/13	154,076.00				154,076.00	(117,270.00)				36,806.00
Compensatory Education	13-100-034-5120-067	7/1/12 - 6/30/13	228,578.00						(134,603.00)			
English as a Second Language	14-100-034-5120-067	7/1/13 - 6/30/14	28,806.00				28,806.00	(28,197.00)				2,619.00
English as a Second Language	12-100-034-5120-067	7/1/11 - 6/30/12	28,968.00						(6,820.00)			
Headstart Services:												
Supplemental Instruction	14-100-034-5120-066	7/1/13 - 6/30/14	33,304.00				33,304.00	(28,447.00)				4,857.00
Supplemental Instruction	13-100-034-5120-066	7/1/12 - 6/30/13	45,100.00						(20,122.00)			
Supplemental Instruction	14-100-034-5120-066	7/1/13 - 6/30/14	46,787.00				46,787.00	(37,876.00)				8,911.00
Examination and Classification	13-100-034-5120-066	7/1/12 - 6/30/13	36,781.00						(10,024.00)			
Examination and Classification	13-100-034-5120-066	7/1/12 - 6/30/13	15,980.00						(5,108.00)			
Annual Review	13-100-034-5120-066	7/1/12 - 6/30/13	11,810.00				11,810.00	(9,256.00)				2,554.00
Annual Review	13-100-034-5120-066	7/1/12 - 6/30/13	67,984.00						(10,155.00)			
Corrective Speech	14-100-034-5120-068	7/1/13 - 6/30/14	50,778.00				50,778.00	(49,216.00)				1,562.00
Corrective Speech	13-100-034-5120-068	7/1/12 - 6/30/13	3,545.30							(3,545.00)		
Home Instruction	14-100-034-5120-068	7/1/13 - 6/30/14										
<b>Total Special Revenue Fund</b>			<b>528,725.00</b>	<b>(464,929.41)</b>			<b>(6,204.41)</b>		<b>(202,848.00)</b>	<b>(3,545.00)</b>		<b>68,340.59</b>



OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Granted Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2013		Carryover/ (Makeover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balance	Adjustments	June 30, 2014		Due to Grantor	Memo	
				(Accounts Receivable)	Deferred Revenue						(Accounts Receivable)	Deferred Revenue		Budgetary Receivable	Cumulative Total Expenditures
State Department of Education: Enterprise Fund: National School Lunch Program	13-100-010-3360-087	7/1/12 - 6/30/13	27,375.04	\$ (2,224.07)	\$	\$	\$ 2,224.07	\$ (28,124.23)	\$	\$	\$	\$	\$	\$ (2,740.09)	\$ 28,124.23
National School Lunch Program	14-100-010-3360-087	7/1/13 - 6/30/14	26,124.23				25,984.15				(2,740.09)				
Total Enterprise Fund				(2,224.07)			27,608.22	(28,124.23)						(2,740.09)	28,124.23
Total State Financial Assistance				\$ (2,453,816.36)	\$ -	\$ -	\$ 59,482,666.64	\$ (58,472,605.07)	\$ (202,848.00)	\$	\$ (2,312,079.39)	\$ -	\$ 68,340.59	\$ (6,709,087.36)	\$ 58,472,605.07

See accompanying Notes to the Schedules of Awards and Financial Assistance.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2014**

**1. GENERAL**

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

**2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State 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 Note 1 to the Board's basic financial statements. The information in these schedules are 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 these schedules may differ from amounts presented in or used in the preparation of the basic financial statements.

**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 state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c. 97 (A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund and capital projects fund are 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.

### 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(2,143.00) for the general fund and \$ - 0 - for the special revenue fund. See Note 2 (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 presented on the following page:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 147,251.94	\$ 57,977,408.43	\$ 58,124,660.37
Special Revenue Fund	3,333,495.36	464,929.41	3,798,424.77
Food Service	<u>1,124,802.71</u>	<u>28,124.23</u>	<u>1,152,926.94</u>
Totals	<u>\$ 4,605,550.01</u>	<u>\$ 58,470,462.07</u>	<u>\$ 63,076,012.08</u>

### 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.

### 5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loans payable outstanding to federal or state entities at June 30, 2014.

### 6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively.

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, 2014.

On-Behalf TPAF Post-Retirement Medical Benefit Contributions represents the amount paid directly by the State of New Jersey for post-retirement medical benefits for TPAF members retired from the District for the year ended June 30, 2014.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

***Section I - Summary of Auditor's Results***

**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   √   No

2) Significant deficiencies identified that are not considered to be material weaknesses?

\_\_\_\_\_ Yes   √   None Reported

Noncompliance material to general-purpose financial statements noted?

\_\_\_\_\_ Yes   √   No

**Federal Awards**

Internal control over major programs:

1) Material weakness(es) identified?

\_\_\_\_\_ Yes   √   No

2) Significant deficiencies identified that are not considered to be material weaknesses?

\_\_\_\_\_ Yes   √   None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?

\_\_\_\_\_ Yes   √   No

Identification of major programs:

CFDA Number(s)

Name of Federal Program

84.010

Title I, Part A

84.027

IDEA, Part B - Basic

10.555

National School Lunch

Dollar threshold used to distinguish between Type A and Type B Programs:

\$300,000.00

Auditee qualified as low-risk auditee?

  √   Yes \_\_\_\_\_ No

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

***Section I - Summary of Auditor's Results (Continued)***

**State Financial Assistance**

Internal control over major programs:

- |   |       |     |   |               |
|---|-------|-----|---|---------------|
| 1) Material weakness(es) identified   | _____ | Yes | _____ <input checked="" type="checkbox"/> | No            |
| 2) Significant deficiencies identified that are not considered to be material weaknesses? | _____ | Yes | _____ <input checked="" type="checkbox"/> | None Reported |

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04?

\_\_\_\_\_ Yes    ☒    No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
14-495-034-5120-078	Equalization Aid
14-495-034-5095-002	Reimbursed TPAF Social Security Contributions
14-495-034-5120-083	Special Education Aid
14-495-034-5120-044	Extraordinary Aid

Dollar threshold used to distinguish between Type A and Type B programs:

\$1,548,707.76

Auditee qualified as low-risk auditee?

\_\_\_\_\_ ☒    Yes    \_\_\_\_\_    No

**Section II - Financial Statement Findings:**

No financial statement findings that are required to be reported under *Government Auditing Standards*.

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

**a) Federal Award Findings and Questioned Costs:**

There were no findings or questioned costs for federal awards.

**b) State Award Findings and Questioned Costs:**

There were no findings or questioned costs for state financial assistance.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FISCAL YEAR ENDED JUNE 30, 2014**

There were no prior years' findings.

