

Comprehensive Annual Financial Report

of the

Township of Jackson School District

County of Ocean

Jackson, New Jersey

For the Fiscal Year Ended June 30, 2014

Prepared by

**Jackson Township, Board of Education
Finance Department**

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INTRODUCTORY SECTION

JACKSON TOWNSHIP SCHOOL DISTRICT

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Dr. Stephen Genco
Superintendent

Ms. Michelle Richardson
Business Administrator/Board Secretary

November 14, 2014

Honorable President and Members
of the Board of Education
Jackson School District
County of Ocean, New Jersey 08527

Dear Board Members:

The comprehensive annual financial report of the Jackson 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 management of the Jackson Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections; introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the management's discussion and analysis, general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations," and the state Treasury Circular Letter 04-04, Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS' SERVICES: Jackson School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Jackson 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 children. The District completed the 2013-2014 fiscal-year with an average daily enrollment of 8,941 students, which is 208 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2013/14	8,941	-2.3%
2012/13	9,149	-2.7%
2011/12	9,398	-2.0%
2010/11	9,588	0.0%
2009/10	9,595	-2.0%
2008/09	9,748	0.0%
2007/08	9,753	1.1%
2006/07	9,651	.4%
2005/06	9,609	1.3%
2004/05	9,490	1.5%

2. ECONOMIC CONDITION AND OUTLOOK: The Jackson Township School District continues to experience a modest decline in enrollment. Student population is expected to level off at approximately the current level. A number of new housing developments have broken ground in the town, this new housing will bring additional students into the district schools, thus increasing enrollment. The Jackson Township School District is committed to continued fiscal responsibility, full compliance to regulations and the understanding of the difficult economic conditions of our taxpayers while continuing to provide the highest quality instruction to all our students.

3. EDUCATION PROGRAM

Mission Statement: the Jackson School District is committed to developing and sustaining a learning environment that fosters growth in scholarship, character and initiative. We are resolved to ensure all students achieve the New Jersey Core Curriculum Content Standards at all grade levels and our comprehensive education program provides opportunities for students to become life-long learners and contributing citizens in a worldwide community.

The Jackson School District educational program spans Pre-Kindergarten to 12th grade in six elementary schools, two middle schools and two high schools. Over 9,000 students have an opportunity to participate in a variety of programs which include, but are not limited to, the following:

Basic Skills Literacy
Basic Skills Math
Enrichment
English as a Second Language
Special Education

The elementary curriculum features a developmentally appropriate approach to learning and an emphasis on activities that promote early literacy. The secondary program offers required and elective courses, which are aligned to the Core Curriculum Content Standards.

The District continues to adapt the educational program to the standards set forth in the No Child Left Behind Legislation. Thus, a five-year curriculum plan was created in math, literacy and science. Staff development activities are geared toward fulfilling the “Highly Qualified” standards for certified and non-certified personnel.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal audit 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 objects are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

The encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2014.

6. ACCOUNTING SYSTEM 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 various funds. These funds are explained in "Notes to the Financial Statements," Note 1.

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

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


9. OTHER INFORMATION:

A. Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Suplee, Clooney, & Company. 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. 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.

10. FUTURE GROWTH: The District continues to monitor its population through demographic studies in preparation of any needed facility changes.

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

Respectfully submitted,



Dr. Stephen Genco
Superintendent of Schools



Michelle D. Richardson
Business Administrator/
Board Secretary

**JACKSON TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
JACKSON, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30TH, 2014**

<u>Members of the Board of Education</u>	<u>Term Expires November</u>
Barbara Fiero, Board President	2014
Theresa Schiazza, Board Vice President	2015
Thomas Colucci	2016
Sharon E. Dey	2013
Michael R. Hanlon	2014
Marvin H. Krakower	2015
Adam Silvan	2015

Other Officials

Dr. Cheryl Simone, Interim Superintendent of Schools

Michelle D. Richardson, Board Secretary/School Business Administrator

Brian Falkowski, Treasurer

Nicholas Montenegro, Board Attorney

**JACKSON TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
JACKSON, NEW JERSEY**

**CONSULTANTS AND ADVISORS
JUNE 30TH, 2014**

Architects

**Fraytak Veisz Hopkins & Duthie
1515 Lower Ferry Road
Trenton, New Jersey 08628**

DiCara/Rubino

**30 Galesi Drive, West Wing
Wayne, New Jersey 07470**

Settembrino Architects

**25 Bridge Avenue
Red Bank, New Jersey 07701**

Audit Firm

**Suplee Clooney & Company
308 East Broad Street
Westfield, New Jersey 07090**

Attorneys

Board Attorney

**Nicholas Montenegro
Montenegro Thompson Montenegro Genz
531 Burnt Tavern Road
Brick, New Jersey 08724**

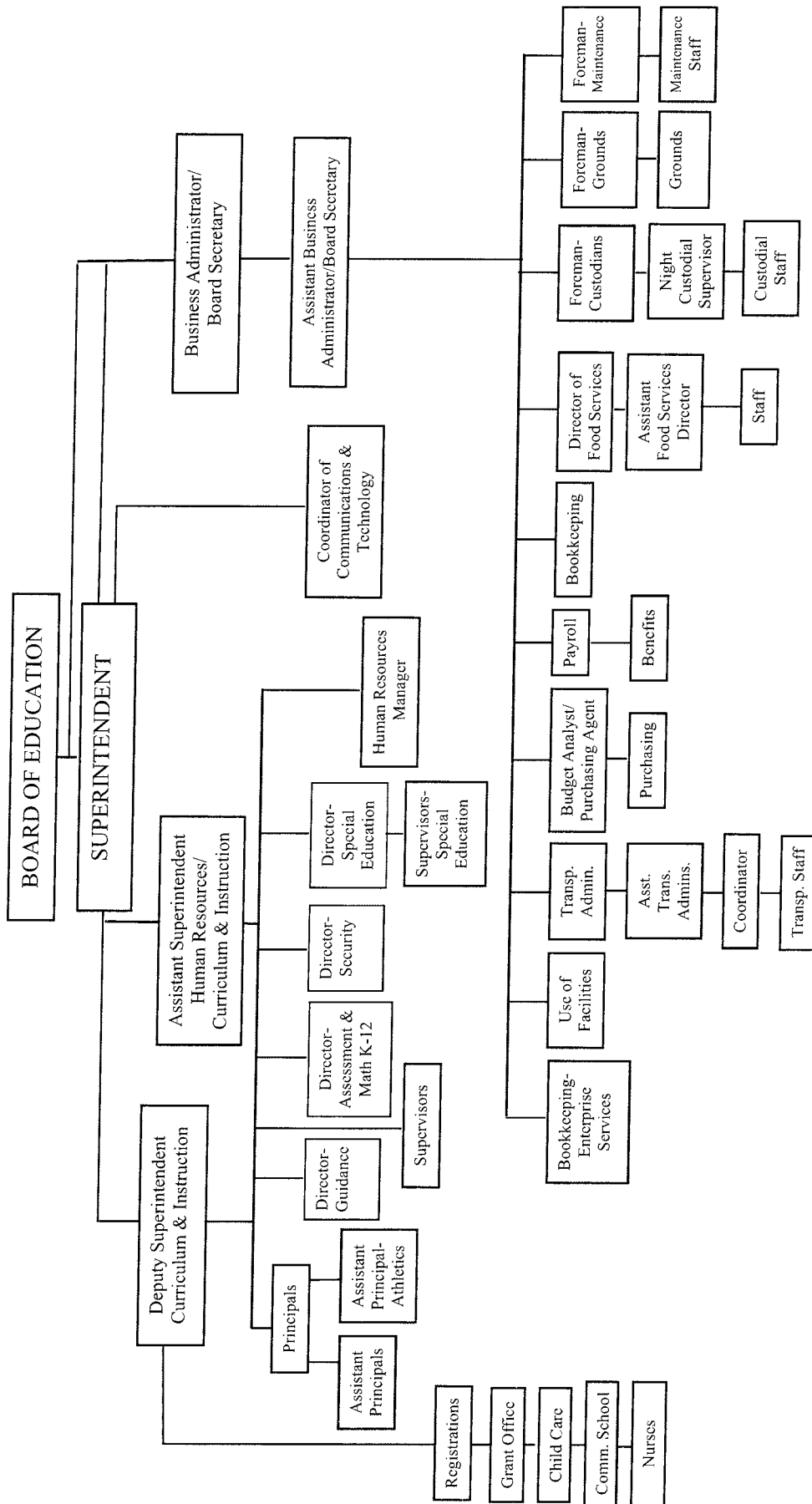
Labor Attorney

**Marc H. Zitomer
Schenck Price Smith & King, LLP
220 Park Avenue
Florham Park, New Jersey 07932**

Official Depository

**Ocean First Bank
260 North County Line Road
Jackson, New Jersey 08527**

1110 - ORGANIZATIONAL CHART



ADMINISTRATION
1110/page 1 of 1
Organizational Chart

Adopted: 21 December 2004
 Revised: 4 June 2007
 Revised: 18 August 2009
 Revised: 18 January 2011
 Revised-1st Reading: 21 August 2012
 Revised-Adoption: 18 September 2012

FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Jackson School District
County of Ocean
Jackson, New Jersey 08527

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jackson School District, County of Ocean, New Jersey as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the provisions of U.S. Office of Management and Budget (OMB) *Circular A-133* "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey *OMB Circular 04-04* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

SUPLEE, CLOONEY & COMPANY

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jackson School District, County of Ocean, New Jersey 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's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jackson School District's basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

SUPLEE, CLOONEY & COMPANY


The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance 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 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information, such as the introductory and statistical sections, 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 November 14, 2014 on our consideration of the Jackson School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope 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 Jackson School District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

November 14, 2014

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

**JACKSON TOWNSHIP BOARD OF EDUCATION
JACKSON, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

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

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2013-2014) and the prior year (2012-2013) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2014 are as follows:

In the District Wide Statements:

- ◆ In total, net assets increased \$872,124 which represents a 1.51 percent increase from 2013.
- ◆ General revenues accounted for \$131,822,422 in revenue or 88 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$18,980,867 or 12 percent of total revenues of \$150,803,289.
- ◆ Total assets of governmental activities decreased by \$4,555,407 cash and cash equivalents decreased by \$696,854. Receivables decreased by \$372,655 and capital assets decreased by \$3,485,897.
- ◆ The School District had \$149,931,165 in expenses; \$18,980,867 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$131,822,422 were adequate to provide for these programs.

In the Fund Financial Statements:

- ◆ The General Fund had \$136,756,006 in revenues and other financing sources and \$135,566,308 in expenditures.
- ◆ The General Fund's fund balance increased \$1,189,698 over 2013.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

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

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

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

- ◆ Governmental activities – All of the School District’s programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-Type Activity – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service, Child Care Program, Community School Program, Preschool Program, Digital Mass Media Program and Extended Enrichment Kindergarten Program enterprise funds are reported as a business activities.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District’s funds. The School District uses many funds to account for a multitude of financial transactions. The School District’s governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

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

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government’s financial position. The District’s financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District’s net assets for 2014. In accordance with GASB Statement 34, net asset comparisons to fiscal year 2013 are presented.

**TABLE 1
NET POSITION**

	2014			2013		
	Governmental <u>Activities</u>	Business <u>Activities</u>	<u>Total</u>	Governmental <u>Activities</u>	Business <u>Activities</u>	<u>Total</u>
ASSETS						
Current & Other Assets	\$17,239,186	\$2,624,021	\$19,863,207	\$18,308,695	\$2,356,870	\$20,665,566
Capital Assets	131,358,611	1,372,697	132,731,309	134,844,509	1,463,854	136,308,363
TOTAL ASSETS	148,597,797	3,996,718	152,594,515	153,153,204	3,820,725	156,973,929
DEFERRED OUTFLOWS OF RESOURCES:						
Loss on Refunding of Long Term Debt	2,615,476		2,615,476			
LIABILITIES						
Long-Term Liabilities	87,649,329	190,341	87,839,670	91,394,396	288,340	91,682,737
Other Liabilities	7,070,336	506,518	7,576,853	5,882,139	487,709	6,369,848
TOTAL LIABILITIES	94,719,665	696,859	95,416,523	97,276,535	776,049	98,052,584
NET POSITION						
Net investment in capital assets	47,814,504	1,372,697	49,187,202	48,082,597	1,463,854	49,546,452
Restricted	12,339,597		12,339,597	12,838,192		12,838,192
Unrestricted (Deficit)	(3,660,493)	1,927,162	(1,733,331)	(5,044,120)	1,580,821	(3,463,299)
TOTAL NET POSITION	\$56,493,609	\$3,299,859	\$59,793,468	\$55,876,669	\$3,044,676	\$58,921,345

The District’s combined net assets were \$59,793,468 on June 30, 2014. This was a increase of 1.51 percent from the prior year.

Table 2 shows changes in net assets for fiscal year 2014. In accordance with GASB Statement 34, revenue and expense comparisons to fiscal year 2013 is presented to comparatively analyze district-wide data.

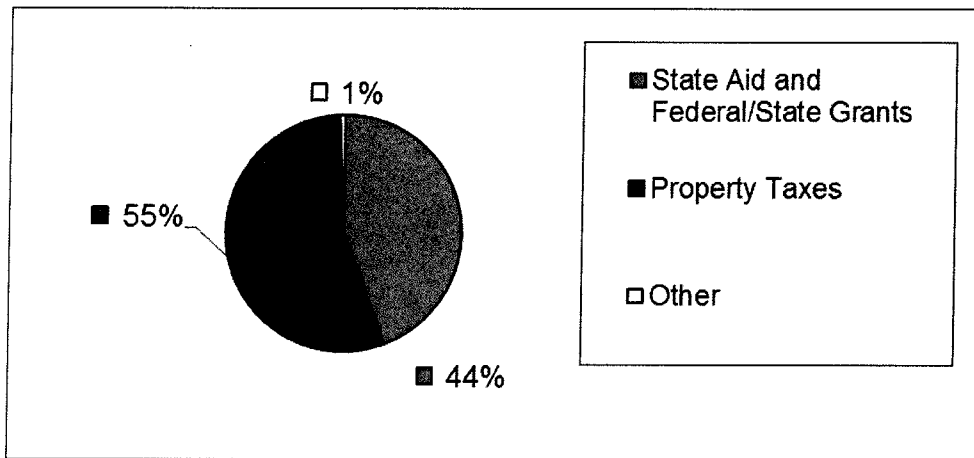
TABLE 2
CHANGES IN NET POSITION

	2014			2013		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
Revenues:						
Program Revenues:						
Charges for Services		3,581,977	3,581,977		3,677,870	3,677,870
Operating Grants & Contributions	14,404,622	994,268	15,398,891	16,501,490	926,684	17,428,174
General Revenues						
Property Taxes	80,493,898		80,493,898	78,410,008		78,410,008
Grants (includes State Aid) and Entitlements	50,280,652		50,280,652	49,652,246		49,652,246
Other Revenues	1,218,783	33,420	1,252,203	1,261,859	31,220	1,293,080
Transfers	62,200	(62,200)				
Disposal of Capital Assets	(204,331)		(204,331)			
	<u>146,255,824</u>	<u>4,547,465</u>	<u>150,803,289</u>	<u>145,825,603</u>	<u>4,635,775</u>	<u>150,461,378</u>
Expenses:						
Instruction	80,150,164		80,150,164	81,144,048		81,144,048
Pupils and Instructional Staff	20,425,794		20,425,794	19,876,719		19,876,719
General & School Adm, Central Serv & Adm Technology	12,485,295		12,485,295	12,643,012		12,643,012
Maintenance	12,077,243		12,077,243	11,536,373		11,536,373
Transportation	11,094,694		11,094,694	10,481,457		10,481,457
Interest on Long-Term Debt	4,857,337		4,857,337	4,639,250		4,639,250
Other	4,548,357		4,548,357	4,476,457	50,000	4,526,457
Business-Type		4,292,281	4,292,281		4,210,666	4,210,666
Total Expenses	<u>145,638,884</u>	<u>4,292,281</u>	<u>149,931,165</u>	<u>144,797,316</u>	<u>4,260,666</u>	<u>149,057,982</u>
Change in Net Position	616,940	255,184	872,124	1,028,287	375,109	1,403,396
Net Position July 1,	<u>55,876,669</u>	<u>3,044,676</u>	<u>58,921,345</u>	<u>54,848,382</u>	<u>2,669,567</u>	<u>57,517,949</u>
Net Position June 30,	<u>56,493,609</u>	<u>3,299,859</u>	<u>59,793,468</u>	<u>55,876,669</u>	<u>3,044,676</u>	<u>58,921,345</u>

Governmental Activities

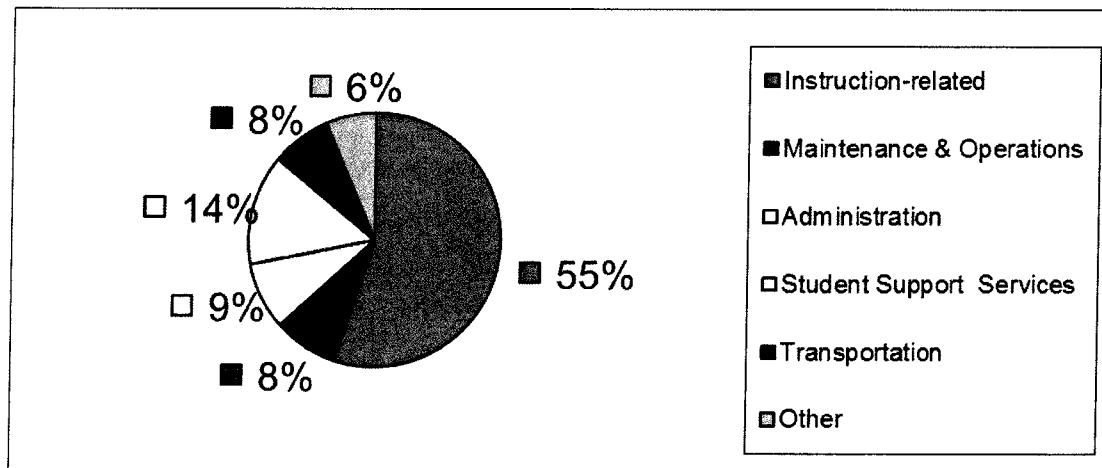
As shown in Table 2 the District's total revenue from Governmental Activities was \$146,255,824. Property taxes made up 55 percent of these revenues. Federal, state, and local grants and state aid accounted for another 44 percent of revenue.

Sources of Revenue for Fiscal Year 2014 (District-Wide Basis)



Also on Table 2, the total cost of Governmental programs and services was \$145,638,884. Direct instruction comprises 54 percent of District expenses.

Expenses for Fiscal Year 2014 (District-Wide Basis)



Business-Type Activities

Revenues for the District’s business-type activities (food service, child care, extended enrichment kindergarten, community school, pre-school programs, digital media and summer elective) were comprised of charges for services and federal and state reimbursements.

- ◆ Business Type revenues exceeded expenses by \$255,184.
- ◆ Charges for services represent \$3,581,977 of revenue. This represents amounts paid by patrons for the various program services.
- ◆ Federal and state reimbursement for meals, including payments for free and reduced lunches, and donated commodities was \$994,268.

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 total costs include compensating absences, unallocated benefits, and depreciation and is reduced by grants and specific state aid. The net cost shows the financial burden that was placed on the District’s taxpayers by each of these functions. In accordance with GASB Statement 34, a comparison to fiscal year 2013 is presented.

TABLE 3
NET COST OF SERVICES

	Total Cost of Services <u>2014</u>	Total Cost of Services <u>2013</u>	Net Cost of Services <u>2014</u>	Net Cost of Services <u>2013</u>
Instruction	80,150,164	\$81,144,048	\$70,400,070	\$69,836,438
Pupils and Instructional Staff	20,425,794	19,876,719	19,717,805	18,995,123
Gen. & School Adm, Central Serv & Adm Technology	12,485,295	12,643,012	10,274,189	10,144,056
Maintenance	12,077,243	11,536,373	12,077,243	11,536,373
Transportation	11,094,694	10,481,457	10,030,201	9,416,964
Interest on Long-Term Debt	4,857,337	4,639,250	4,186,397	3,890,415
Business-Type	4,292,281	4,210,666	(283,964)	(393,888)
Other	4,548,357	4,476,457	4,548,357	4,476,457
Total Expenses	<u>\$149,931,165</u>	<u>\$149,007,982</u>	<u>\$130,950,298</u>	<u>\$127,901,938</u>

Instruction expenses include the activities involving the interaction between teachers and students in a school classroom, another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities.

Support Services includes expenses for pupils and instructional staff providing administrative, technical, and logistical support to facilitate and enhance instruction. This area includes Attendance and Social Work Services, Health Services, Child Study Team Services, Curriculum Development, Staff Training, and School Library Services.

School Administration, General Administration, Central Service & Administrative Technology includes expenses associated with administrative responsibility for the schools: Supervision of the schools, evaluation of school staff members, fiscal services, human resources, strategic planning, purchasing, payroll, and management of the district’s information technology system.

Operation and Maintenance of Facilities involve keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition.

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

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

Business Type Activities involves the transactions associated with the operation of the Food Service, Child Care, Community School and Preschool Programs.

Other includes special schools and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$146,397,567 and expenditures were \$146,908,327. The net positive change in fund balance for the year was \$546,269.

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 general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2014, and the amount and percentage of increases and decreases in relation to prior year revenues.

REVENUES (FUND-BASED FINANCIAL STATEMENTS):

	<u>Amount</u>	<u>Percentage</u>	<u>Increase/Decrease from 2013</u>	<u>Percentage Change</u>
Local Sources	\$81,721,185	55.82%	\$2,073,429	2.60%
State Sources	61,788,958	42.21%	(1,067,352)	-1.70%
Federal Sources	<u>2,881,203</u>	<u>1.97%</u>	<u>(377,683)</u>	<u>-11.59%</u>
	<u>\$146,391,346</u>	<u>100.00%</u>	<u>\$628,395</u>	<u>0.43%</u>

Federal revenues decreased due to sequestration in Federal spending.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2014, and the percentage of increases and decreases in relation to prior year amounts.

EXPENDITURES (FUND BASED FINANCIAL STATEMENTS)

	<u>Amount</u>	<u>Percentage</u>	<u>Increase/Decrease from 2013</u>	<u>Percentage Change</u>
Current Expense:				
Instruction	\$51,307,494	34.93%	\$1,041,451	2.07%
Undistributed	81,352,949	55.39%	(6,146)	-0.01%
Capital Outlay	2,520,604	1.72%	(755,783)	-23.07%
Special Schools	385,262	0.26%	197,963	105.69%
Special Revenue	2,951,762	2.01%	(413,727)	-12.29%
Debt Service:				
Principal	4,155,000	2.83%	715,000	20.78%
Interest	<u>4,203,065</u>	<u>2.86%</u>	<u>(147,030)</u>	<u>-3.38%</u>
Total	<u>\$146,876,135</u>	<u>100.00%</u>	<u>\$631,729</u>	<u>0.43%</u>

Changes in expenditures were the results of varying factors. The increase in Special Schools is the result of increased funding for the Read for Success Program.

General Fund Budgeting Highlights

The School 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.

Over the course of the year, the District revised the annual operating budget as needed. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- ◆ The District received \$1,111,513 in extraordinary aid, which is state aid for special education students whose individual program cost exceeds program guidelines; this was \$211,000. more than anticipated. There was no guarantee from the Department of Education that these funds would be available.
- ◆ TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the District but is required to be reflected in the financial statements. This number is reflective of the amount of money the New Jersey Department of Education pays on-behalf of certified staff for pension and FICA purposes. Salaries of regular instruction continue to increase in proportion with negotiated contracts.
- ◆ The District's philosophy is to include special education students in regular academic classes whenever possible but with additional services. Students who may have been originally scheduled for Resource Room classes were scheduled for Inclusion classes. This necessitates the cost for additional instructional aides and teachers to accommodate resource students.
- ◆ Due to curriculum needs, additional monies were appropriated for general instructional supplies & textbooks throughout the year.
- ◆ Tuition for special education students has increased from 2013 due to rising tuition costs and an increase in the number of students requiring out of district placement as prescribed by their IEP.

Capital Assets

At the end of the fiscal year 2014, the School District had \$131,358,611 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2014 balances compared to 2013.

Table 4
Capital Assets (Net of Depreciation) at June 30

	2014	2013
Land	\$15,707,450	\$15,707,450
Construction in Progress	273,809	589,306
Site Improvements	1,325,348	1,557,580
Building and Building Improvements	107,837,830	110,438,297
Machinery and Equipment	6,214,174	6,551,875
Total	\$131,358,611	\$134,844,508

Overall capital assets decreased \$3,485,897 from fiscal year 2013 to fiscal year 2014. The decrease in capital assets is due primarily to depreciation of assets. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2014, the School District had \$95,093,774 of outstanding debt. Of this amount, \$4,832,235 is for compensated absences; \$3,025,539 for various capital leases; and \$87,236,000 of serial bonds for school construction.

Table 5 illustrates the balances of the District's various bonds issues outstanding at June 30, 2014 and June 30, 2013.

Table 5
Outstanding Debt at June 30,

	2014	2013
2003 ERIP Refunding Bonds	\$1,275,000	\$1,865,000
2006 Refunding Bonds	76,165,000	79,130,000
2007 General Obligation Bonds	9,796,000	10,396,000
Total	\$87,236,000	\$91,391,000

At June 30, 2014, the School District's overall legal debt margin was \$174,746,519.

For the Future

The Jackson School District is in good financial condition presently. The School District is proud of its community support of the public schools. During the 2013-2014 school year, the state aid to the District was flat. There is uncertainty regarding the method and amount of funding the states portion of educational aid in the future. The Board and Administration continue to find creative means to fill the gap between funding, and the cost to provide education to Jackson's students.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Ms. Michelle D. Richardson, Business Administrator/Board Secretary at Jackson Township Board of Education, Administration Building, 151 Don Connor Blvd., Jackson, NJ 08527. Please visit our website at www.jacksonsd.org.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2014

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

JACKSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$6,893,076.08	\$2,526,399.48	\$9,419,475.56
Receivables, net	2,612,160.36	73,550.06	2,685,710.42
Inventory		24,071.15	24,071.15
Restricted assets:			
Restricted cash and cash equivalents	7,733,949.54		7,733,949.54
Capital assets:			
Land and Construction in progress	15,981,259.00		15,981,259.00
Other Capital Assets net of depreciation	<u>115,377,352.40</u>	<u>1,372,697.36</u>	<u>116,750,049.76</u>
Total Assets	148,597,797.38	3,996,718.05	152,594,515.43
 DEFERRED OUTFLOWS OF RESOURCES:			
Discount on Refunding of Long Term Debt	2,615,476.19		2,615,476.19
 LIABILITIES:			
Accounts payable	670,549.62	34,787.55	705,337.17
Payable to state government	34,946.41		34,946.41
Interfunds payable	688.25	101,381.98	102,070.23
Deposits payable	46,864.66		46,864.66
Unearned revenue		278,463.71	278,463.71
Accrued Interest Payable	330,656.77		330,656.77
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	5,986,630.17	91,884.27	6,078,514.44
Due beyond one year:			
Compensated absences payable	4,832,235.32	96,566.26	4,928,801.58
Bonds and capital leases payable	<u>82,817,093.31</u>	<u>93,774.85</u>	<u>82,910,868.16</u>
Total liabilities	94,719,664.51	696,858.62	95,416,523.13
 NET POSITION:			
Net investment in capital assets	47,814,504.24	1,372,697.36	49,187,201.60
Restricted for:			
Debt service fund (deficit)	(324,047.61)		(324,047.61)
Other purposes	12,663,645.02		12,663,645.02
Unrestricted (deficit)	<u>(3,660,492.59)</u>	<u>1,927,162.07</u>	<u>(1,733,330.52)</u>
Total net position	<u>\$56,493,609.06</u>	<u>\$3,299,859.43</u>	<u>\$59,793,468.49</u>

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

JACKSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2014

Functions/Programs	Expenses	Indirect Cost Allocation	Charges for Services	Programs Revenues and Contributions	Net (Expense) Revenue and Changes in Net Position		
					Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 35,211,923.65	\$ 16,016,419.70	\$	\$ 4,857,222.57	\$ (46,371,120.78)	\$	\$ (46,371,120.78)
Special	15,617,593.21	9,559,382.56		4,574,189.13	(20,602,786.64)		(20,602,786.64)
Other Instruction	2,725,986.89	1,017,857.56		318,682.14	(3,426,162.31)		(3,426,162.31)
Support services:							
Tuition	3,712,590.54	(3,712,590.54)					
Student and instruction related services	14,333,987.14	6,091,807.30		2,147,241.98	(18,278,552.46)		(18,278,552.46)
General administrative services	1,385,754.42	53,497.62			(1,439,252.04)		(1,439,252.04)
School administrative services	5,105,242.22	2,471,576.82		771,853.99	(6,806,065.05)		(6,806,065.05)
Central services/Admin information technology	2,511,879.44	956,244.90			(3,468,124.34)		(3,468,124.34)
Plant operations and maintenance	10,137,740.23	1,939,502.49			(12,077,242.72)		(12,077,242.72)
Pupil transportation	8,707,904.20	2,388,790.05		1,064,493.00	(10,030,201.25)		(10,030,201.25)
Unallocated benefits	35,368,532.30	(35,368,532.30)					
Special Schools	385,261.75	130,215.69			(515,477.44)		(515,477.44)
Interest on Long-Term Debt	4,857,336.82			670,939.50	(4,186,397.32)		(4,186,397.32)
Unallocated depreciation	5,575,151.01	(1,542,271.85)		14,404,922.31	(4,032,879.16)		(4,032,879.16)
Total governmental activities	<u>145,638,883.82</u>	<u>(1,542,271.85)</u>		<u>14,404,922.31</u>	<u>(131,234,261.51)</u>		<u>(131,234,261.51)</u>
Business-type activities							
Food Service	2,812,087.52		1,720,956.37	994,268.20	(96,862.95)		(96,862.95)
Child Care	954,810.40		1,093,488.62		138,678.22		138,678.22
Extended Enrichment kindergarten	310,207.42		480,132.99		169,925.57		169,925.57
Non-Major Programs	215,175.94		287,398.75		72,222.81		72,222.81
Total business-type activities	<u>4,292,281.28</u>		<u>3,581,976.73</u>	<u>994,268.20</u>	<u>283,963.65</u>		<u>283,963.65</u>
Total primary government	\$ <u>149,931,165.10</u>	\$ <u>(1,542,271.85)</u>	\$ <u>3,581,976.73</u>	\$ <u>15,398,890.51</u>	\$ <u>(131,234,261.51)</u>	\$ <u>283,963.65</u>	\$ <u>(130,950,297.86)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 74,095,557.00	\$	\$ 74,095,557.00
Taxes levied for debt service					6,398,341.00		6,398,341.00
Federal and state aid not restricted					49,581,508.91		49,581,508.91
Federal and state aid restricted					699,142.62		699,142.62
Miscellaneous income					1,218,182.69	33,420.28	1,252,202.97
Disposal of capital asset (net)					(204,330.97)		(204,330.97)
Transfers					62,200.00	(62,200.00)	
Total general revenues and special items					<u>131,851,201.25</u>	<u>(28,779.72)</u>	<u>131,822,421.53</u>
Change in Net Position					616,939.74	285,183.93	872,123.67
Net Position - beginning					55,676,669.32	3,044,675.50	58,921,344.82
Net Position ending					<u>\$ 56,493,609.06</u>	<u>\$ 3,299,859.43</u>	<u>\$ 59,793,468.49</u>

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

MAJOR FUND FINANCIAL STATEMENTS

The Individual Fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

JACKSON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 5,479,285.73	\$	\$ 1,394,528.19	\$ 19,262.16	\$ 6,893,076.08
Cash, Capital Reserve	7,733,949.54				7,733,949.54
Other receivables	88,014.51				88,014.51
Due from other funds	1,045,055.22				1,045,055.22
Receivables from other governments	1,395,062.51	959,105.00			2,354,167.51
Total assets	\$ 15,741,367.51	\$ 959,105.00	\$ 1,394,528.19	\$ 19,262.16	\$ 18,114,262.86
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 669,020.82	\$ 1,528.80	\$	\$	\$ 670,549.62
Interfund payables		875,076.88			875,076.88
Payable to state government		34,946.41			34,946.41
Deposits payable		688.25			688.25
Unearned revenue		46,864.66			46,864.66
Total liabilities	669,020.82	959,105.00			1,628,125.82
Fund balances:					
Restricted:					
Capital reserve account	7,733,949.54				7,733,949.54
Reserved Excess Surplus designated for subsequent years expenditures	2,763,777.33				2,763,777.33
Reserve for Excess surplus	2,165,918.15				2,165,918.15
Capital projects fund			1,369,140.13		1,369,140.13
Debt service fund				6,609.16	6,609.16
Assigned:					
Encumbrances			25,388.06		25,388.06
Committed:					
Designated for subsequent years expenditures	2,408,701.67			12,653.00	2,421,354.67
Total fund balances	15,072,346.69		1,394,528.19	19,262.16	16,486,137.04
Total liabilities and fund balances	\$ 15,741,367.51	\$ 959,105.00	\$ 1,394,528.19	\$ 19,262.16	\$ 18,114,262.86

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

Total Fund Balances (Brought Forward)		\$16,486,137.04
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	\$203,592,629.66	
Accumulated Depreciation	<u>(72,234,018.26)</u>	
		131,358,611.40
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Compensated Absences	(4,832,235.32)	
Bonds Payable		
Outstanding at June 30, 2014	\$ (87,236,000.00)	
Less: Unamortized Balance of Refunding Bonds	<u>2,615,476.19</u>	
	(84,620,523.81)	
Capital Leases:		
Outstanding at June 30, 2014	\$ <u>(1,567,723.48)</u>	
	<u>(1,567,723.48)</u>	
		(91,020,482.61)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accrued Interest Payable	<u>(330,656.77)</u>	
		<u>(330,656.77)</u>
Net Position of Governmental Activities		<u><u>\$56,493,609.06</u></u>

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

JACKSON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$ 74,095,557.00			\$ 6,398,341.00	\$ 80,493,898.00
Interest on capital reserve	7,946.52				7,946.52
Miscellaneous	1,204,227.51	15,113.20	6,221.29		1,225,562.00
Total - local sources	75,307,731.03	15,113.20	6,221.29	6,398,341.00	81,727,406.52
State sources	60,295,664.17	151,414.59		1,341,879.00	61,788,957.76
Federal sources	95,968.91	2,785,233.97			2,881,202.88
Total revenues	135,699,364.11	2,951,761.76	6,221.29	7,740,220.00	146,397,567.16
EXPENDITURES:					
Current expense:					
Regular instruction	35,606,212.83				35,606,212.83
Special instruction	12,965,242.55	2,652,350.66			15,617,593.21
Other Instruction	2,736,039.08				2,736,039.08
Support services:					
Tuition	3,712,590.54				3,712,590.54
Student & instruction related services	14,062,779.16	271,207.98			14,333,987.14
General administrative services	1,385,754.42				1,385,754.42
School administrative services	5,106,242.22				5,106,242.22
Central service/Admin information technology	2,511,879.44				2,511,879.44
Plant operations and maintenance	10,587,678.49				10,587,678.49
Pupil transportation	8,707,904.20				8,707,904.20
Unallocated benefits	35,278,120.26				35,278,120.26
Special schools	385,261.75				385,261.75
Debt Service:					
Principal				4,155,000.00	4,155,000.00
Interest				4,203,064.50	4,203,064.50
Capital outlay	2,520,603.50	28,203.12	32,192.59		2,580,999.21
Total expenditures	135,566,308.44	2,951,761.76	32,192.59	8,358,064.50	146,908,327.29
Excess (deficiency) of revenues over (under) expenditures	133,055.67		(25,971.30)	(617,844.50)	(510,760.13)
Other financing sources (uses):					
Transfers In/out	62,200.00		(6,221.29)	6,221.29	62,200.00
Interest earned on Arbitrage reserve				387.37	387.37
Capital leases (non-budgeted)	994,442.00				994,442.00
Total other financing sources (uses)	1,056,642.00		(6,221.29)	6,608.66	1,057,029.37
Net change in fund balances	1,189,697.67		(32,192.59)	(611,235.84)	546,269.24
Fund balances, July 1, 2013	\$ 13,882,649.02	\$ -0-	\$ 1,426,720.78	\$ 630,498.00	\$ 15,939,867.80
Fund balances, June 30, 2014	\$ 15,072,346.69	\$ -0-	\$ 1,394,528.19	\$ 19,262.16	\$ 16,486,137.04

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

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

Total net change in fund balances - governmental funds (from B-2)		\$546,269.24
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense		(5,575,151.01)
Capital outlays	\$2,580,999.21	
Less: Capital Outlays not capitalized	<u>(287,414.81)</u>	2,293,584.40
<p>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.</p>		
		4,155,000.00
<p>Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.</p>		
Capital lease proceeds - Current Year		(994,442.00)
<p>Repayment of long-term debt 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.</p>		
Payment of capital lease payable		844,227.44
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		(156,614.84)
<p>Bond Issue costs are reported in the Governmental Funds as expenditures in the year the bonds are issued. However, on the Statement of Activities the costs are amortized over the life of the Bonds.</p>		
		(201,190.48)
<p>In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed(-).</p>		
		(204,330.97)
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>(90,412.04)</u>
Change in net position of governmental activities (A-2)		<u>\$616,939.74</u>

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

OTHER FUNDS

JACKSON TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS - ENTERPRISE FUNDS
 JUNE 30, 2014

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			NON-MAJOR TOTAL	TOTAL
	MAJOR FUNDS				
	FOOD SERVICE FUND	CHILD CARE FUND	EXTENDED ENRICHMENT KINDERGARTEN FUND		
ASSETS:					
Current assets:					
Cash and cash equivalents	\$349,039.47	\$1,192,782.97	\$610,523.69	\$374,053.35	\$2,526,399.48
Accounts receivable:					
State	2,224.19				2,224.19
Federal	69,882.87				69,882.87
Other	1,443.00				1,443.00
Inventories	24,071.15				24,071.15
Total current assets	446,660.68	1,192,782.97	610,523.69	374,053.35	2,624,020.69
Noncurrent assets:					
Furniture, machinery and equipment	2,076,348.99				2,076,348.99
Less accumulated depreciation	(703,651.63)				(703,651.63)
Total noncurrent assets	1,372,697.36				1,372,697.36
Total assets	1,819,358.04	1,192,782.97	610,523.69	374,053.35	3,996,718.05
LIABILITIES:					
Current liabilities:					
Interfund payable	101,381.98				101,381.98
Unearned revenue	38,013.78	127,148.93	41,368.00	71,933.00	278,463.71
Accounts payable		26,838.57	2,673.00	5,275.98	34,787.55
Noncurrent liabilities:					
Due within one year:					
Capital leases payable	91,884.27				91,884.27
Due beyond one year:					
Compensated absences	96,566.26				96,566.26
Capital leases payable	93,774.85				93,774.85
Total current liabilities	421,621.14	153,987.50	44,041.00	77,208.98	696,858.62
Total liabilities	421,621.14	153,987.50	44,041.00	77,208.98	696,858.62
NET POSITION:					
Net investment in capital assets	1,372,697.36				1,372,697.36
Unrestricted	25,039.54	1,038,795.47	566,482.69	296,844.37	1,927,162.07
Total net position	\$1,397,736.90	\$1,038,795.47	\$566,482.69	\$296,844.37	\$3,299,859.43

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

JACKSON TOWNSHIP SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				NON-MAJOR TOTAL
	MAJOR FUNDS			TOTAL	
	FOOD SERVICE FUND	CHILD CARE FUND	EXTENDED ENRICHMENT KINDERGARTEN FUND		
OPERATING REVENUES:					
Charges for services:					
Daily sales - reimbursable programs	\$1,049,771.70				\$1,049,771.70
Daily sales - non-reimbursable programs	637,475.66				637,475.66
Special Functions	33,709.01				33,709.01
Tuition - individuals		\$1,093,488.62	\$480,132.99		1,861,020.36
Total operating revenues	1,720,956.37	1,093,488.62	480,132.99	287,398.75	3,581,976.73
OPERATING EXPENSES:					
Cost of sales					
Salaries	1,042,738.91				1,042,738.91
Employee benefits	866,193.09	800,407.49	279,399.65	154,567.16	2,100,567.39
Other purchase service	701,521.51	97,106.88	21,196.10	34,748.58	854,573.07
Rentals		9,906.13	414.75	11,661.64	21,982.52
Supplies and materials	73,253.03	943.59			943.59
Repairs	17,033.63	23,516.64	6,161.92	9,815.08	112,746.67
Non-Instruction equipment	5,845.19				17,033.63
Miscellaneous	8,672.53	22,929.67	3,035.00	4,383.48	5,845.19
Interest on Long-Term Debt	5,672.50				39,020.68
Depreciation	91,157.13				5,672.50
Total operating expenses	2,812,087.52	954,810.40	310,207.42	215,175.94	4,292,281.28
Operating income (loss)	(1,091,131.15)	138,678.22	169,925.57	72,222.81	(710,304.55)
NONOPERATING REVENUES (EXPENSES):					
State Sources					
Federal Sources:					
National School Lunch Program	25,118.58				25,118.58
National School Lunch Program	681,639.82				681,639.82
Supplemental Nutrition Assistance Program	33,035.10				33,035.10
National School Breakfast Program	63,206.82				63,206.82
Commissions / Rebates	33,420.28				33,420.28
National food distribution commodities	191,267.88				191,267.88
Total nonoperating revenues (expenses)	1,027,688.48				1,027,688.48
Excess (deficiency) of revenues over (under) expenditures	(63,442.67)	138,678.22	169,925.57	72,222.81	317,383.93
Other financing uses:					
Transfer of funds		(62,200.00)			(62,200.00)
Total other financing sources (uses)		(62,200.00)			(62,200.00)
Net change in fund balances	(63,442.67)	76,478.22	169,925.57	72,222.81	255,183.93
Total net position - beginning	1,461,179.57	962,317.25	396,557.12	224,621.56	3,044,675.50
Total net position - ending	\$1,397,736.90	\$1,038,795.47	\$566,482.69	\$296,844.37	\$3,299,859.43

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

JACKSON TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS - ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			NON-MAJOR TOTAL
	MAJOR FUNDS	EXTENDED ENRICHMENT KINDERGARTEN FUND	TOTAL	
	FOOD SERVICE FUND	CHILD CARE FUND		
Cash flows from operating activities:				
Receipts from customers	\$1,720,196.06	\$1,114,495.55	\$472,399.99	\$3,599,237.47
Payments to employees	(866,193.09)	(774,028.81)	(276,726.65)	(2,099,205.71)
Payments to employee benefits	(707,636.54)	(97,106.88)	(21,196.10)	(860,688.10)
Payments to suppliers	(974,875.25)	(64,285.36)	(10,494.42)	(1,074,158.25)
Net cash provided by (used for) operating activities	(828,508.82)	179,074.50	163,982.82	(404,814.59)
Cash flows from noncapital financing activities:				
State sources				
Federal sources	24,413.14			24,413.14
Operating subsidies and transfers to other funds	754,590.77			754,590.77
	33,420.28	(62,200.00)		(28,779.72)
Net cash provided by noncapital financing activities	812,424.19	(62,200.00)		750,224.19
Cash flows from capital and related financing activities:				
Capital Lease payment	(90,031.82)			(90,031.82)
Net cash provided by (used for) capital and related financing activities	(90,031.82)			(90,031.82)
Net increase (decrease) in cash and cash equivalents	(106,116.45)	116,874.50	163,982.82	255,377.78
Cash and cash equivalents, July 1, 2013	455,155.92	1,075,908.47	446,540.87	2,271,021.70
Cash and cash equivalents, June 30, 2014	\$349,039.47	\$1,192,782.97	\$610,523.69	\$2,526,399.48
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)				
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	(\$1,091,131.15)	\$138,678.22	\$169,925.57	(\$710,304.55)
Depreciation				
Federal commodities	91,157.13			91,157.13
Change in assets and liabilities:	191,267.88			191,267.88
(Increase) decrease in other accounts receivable	(767.00)			(767.00)
Increase (decrease) in unearned revenue	(8,015.98)			(8,015.98)
Increase (decrease) in accounts payable	(17,895.55)	21,006.93	(7,733.00)	10,005.07
Increase (decrease) in compensated absences	(6,115.03)	19,389.35	1,790.25	6,951.03
(Increase) decrease in inventories	12,990.88			12,990.88
	262,622.33	40,396.28	(5,942.75)	305,489.96
Net cash provided by (used for) operating activities	(\$828,508.82)	\$179,074.50	\$163,982.82	(\$404,814.59)

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

JACKSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>State Unemployment Compensation Trust Fund</u>	<u>Private Purpose Award Fund</u>	<u>Agency Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 274,105.39	\$ 3,700.84	\$ 4,467,197.28
Intrafund Receivable	<u>146,145.66</u>	<u> </u>	<u> </u>
Total assets	\$ <u>420,251.05</u>	\$ <u>3,700.84</u>	\$ <u>4,467,197.28</u>
LIABILITIES:			
Interfund payable	\$	\$	\$ 68,596.36
Intrafund Receivable			146,145.66
Payroll deductions and withholdings			779,367.51
Wages payable - summer payroll			2,940,231.57
Due to student groups			<u>532,856.18</u>
Total liabilities	\$ <u> </u>	\$ <u> </u>	\$ <u>4,467,197.28</u>
NET POSITION:			
Held in trust for unemployment claims and other purposes	\$ 420,251.05	\$	
Held in trust for awards and other purposes		<u>3,700.84</u>	
Total net position	\$ <u>420,251.05</u>	\$ <u>3,700.84</u>	\$ <u>-0-</u>

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

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

	<u>Private Purpose</u> <u>Award Funds</u>	<u>State Unemployment</u> <u>Compensation</u> <u>Trust Fund</u>
ADDITIONS:		
Contributions:		
Other	\$ _____	\$ <u>132,314.94</u>
Total contributions	_____	<u>132,314.94</u>
Investment earnings:		
Interest	<u>7.49</u>	<u>467.55</u>
Net investment earnings	<u>7.49</u>	<u>467.55</u>
Total additions	<u>7.49</u>	<u>132,782.49</u>
DEDUCTIONS:		
Awards granted	9,053.47	
Unemployment claims		<u>132,048.84</u>
Total deductions	<u>9,053.47</u>	<u>132,048.84</u>
Change in net position	(9,045.98)	733.65
Net position beginning of year	<u>12,746.82</u>	<u>\$ 419,517.40</u>
Net position end of year	<u>\$ 3,700.84</u>	<u>\$ 420,251.05</u>

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

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Township of Jackson School District is a Type II District located in Ocean County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the Jackson School District, comprised of seven elected individuals, is the primary governing authority of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39), as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government
2. The primary government, or its component unit, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, middle schools and high schools, located in the Township of Jackson. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

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

District-wide 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 overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements: During the fiscal 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. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements are presented for each fund category-governmental, proprietary, and fiduciary. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE as the oversight entity believes that the presentation of all funds as major is important for the public interest and to promote consistency among District financial reporting models.

Governmental Funds

General Fund The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non instructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey Statement Department of Education, the District includes budgeted capital outlay in this fund. U.S. Generally Accepted Accounting Principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital 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 the current expense by Board resolution; in certain instances approval by the County Superintendent of Schools may also be required.

Special Revenue Fund The special revenue fund is used to account for the proceeds of specific revenue sources from State and Federal Government (other than those for major capital projects, debt service or proprietary funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects Funds 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 debt issued to finance major property acquisition, construction and improvement programs.

Proprietary Funds

Enterprise Fund The enterprise fund accounts for all revenues and expenses pertaining to the District's Food Service Child Care, Community School, Preschool, Digital Media and Extended Enrichment Kindergarten programs operations. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (*i.e.* expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Funds

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

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

Private Purpose Trust Funds These trust funds are used to account for assets donated by individuals that will provide for the payment of awards and other purposes.

Unemployment Insurance Trust Funds An expendable trust fund used to account for unemployment compensation claims as they arise.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting-Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements.

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation for expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April 2013 school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2014 totaled \$405,760.00 which came from the District's Capital Reserve Account..

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of one or more deferred State Aid payments for budgetary purposes only due to the State deferral of such payments into the subsequent budget year and the accounting treatment of encumbrances in the special revenue fund as described 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.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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 recognized 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 records.

Encumbrance Accounting

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditures 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 assigned 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 and capital project funds for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end.

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

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures in the year of purchase.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

	<u>Estimated Life</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	10
Instructional Equipment	10
Grounds Equipment	15

Compensated Absences

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave and vacation days that are expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unearned Revenue

Unearned revenue in the special revenue and proprietary funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is an allowable practice under generally accepted accounting principles.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the district-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long term debt is recognized as a liability on the fund financial statements when due.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

In compliance with GASB 63, the Statement of Net Assets has been renamed the Statement of Net Position. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance Restrictions

GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions" modifies fund balance reporting and clarifies fund type definitions. This Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

Under the new standard, in the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve and Excess Surplus as Restricted Fund Balance.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education. The District report amounts Designated for Subsequent Year's Expenditures as Committed Fund balance

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions (Continued)

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances as Assigned Fund Balance.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

The general fund is the only fund that will report a negative unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned.

Revenues Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-exchange Transactions (Continued)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items

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

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

On July 1 2013, the District implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities (“GASB No. 65”). 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. The provisions of this Statement improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.

In June 2012, the GASB issued Statement 68, Accounting and Financial Reporting for Pensions – an amendment to GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, Accounting for Pension by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

In January 2013, GASB issued Statement No. 69, “Government Combinations and Disposals of Government Obligations”. This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any impact on the District’s financial reporting.

In April 2013, GASB issued Statement No. 70, “Accounting and Financial Reporting for Nonexchange Financial Guarantees”. This statement, which is effective for fiscal years beginning after June 15, 2013, will not have any impact on the District’s financial statements.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

In November 2013, GASB issued Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. This statement is effective for fiscal years beginning after June 15, 2014.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), 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 the deposits to the governmental unit

The Township of Jackson School District had the following cash and cash equivalents at June 30, 2014:

<u>Fund Type</u>	<u>Amount</u>
Cash in Bank:	
Governmental Funds	\$ 17,205,939.16
Proprietary Funds	2,638,599.48
Fiduciary Funds	4,816,301.13
Total Cash in Bank	\$ 24,660,839.77
Add: Deposits in Transit	36,309.31
Less: Outstanding Checks	<u>(2,798,720.47)</u>
	<u>\$ 21,898,428.61</u>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2014, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$24,660,839.77, \$250,000.00 was covered by Federal Depository Insurance and \$24,410,839.77 was covered under the provisions of NJGUDPA.

Investments

The types of investments which may be purchased by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2014 the District had no investments.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 3: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions &</u> <u>Transfers</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities: Capital assets not being depreciated:				
Land	\$15,707,450.00			\$15,707,450.00
Construction in Progress	<u>589,305.76</u>	<u>\$299,259.80</u>	<u>(\$614,756.56)</u>	<u>273,809.00</u>
Total Capital Assets not being depreciated	<u>16,296,755.76</u>	<u>299,259.80</u>	<u>(614,756.56)</u>	<u>15,981,259.00</u>
Site improvements	6,229,555.60	22,890.00		6,252,445.60
Buildings & Building Improvements	156,408,387.00	608,225.60	422,579.14	157,439,191.74
Machinery & Equipment	<u>23,116,729.85</u>	<u>1,363,209.00</u>	<u>(560,205.53)</u>	<u>23,919,733.32</u>
Totals at historical cost	<u>185,754,672.45</u>	<u>1,994,324.60</u>	<u>(137,626.39)</u>	<u>187,611,370.66</u>
Gross Assets (Memo only)	<u>202,051,428.21</u>	<u>2,293,584.40</u>	<u>(752,382.95)</u>	<u>203,592,629.66</u>
Less: Accumulated Depreciation				
Site improvements	(4,671,975.24)	(255,122.20)		(4,927,097.44)
Buildings & Building Improvements	(45,970,089.62)	(3,631,272.09)		(49,601,361.71)
Machinery & Equipment	<u>(16,564,854.37)</u>	<u>(1,688,756.72)</u>	<u>548,051.98</u>	<u>(17,705,559.11)</u>
Total Depreciation	<u>(67,206,919.23)</u>	<u>(5,575,151.01)</u>	<u>548,051.98</u>	<u>(72,234,018.26)</u>
Total capital assets being depreciated, net of depreciation	<u>118,547,753.22</u>	<u>(3,580,826.41)</u>	<u>410,425.59</u>	<u>115,377,352.40</u>
Total Governmental Fund Activities	<u>\$134,844,508.98</u>	<u>(\$3,281,566.61)</u>	<u>(\$204,330.97)</u>	<u>\$131,358,611.40</u>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 3: CAPITAL ASSETS (CONTINUED)

	Beginning <u>Balance</u>	<u>Additions</u>	Ending <u>Balance</u>
Proprietary Activities:			
Buildings & Building Improvements	\$1,009,964.99		\$1,009,964.99
Machinery & Equipment	<u>1,066,384.00</u>	<u> </u>	<u>1,066,384.00</u>
Totals at historical cost	<u>2,076,348.99</u>	<u> </u>	<u>2,076,348.99</u>
Less: Accumulated Depreciation			
Buildings & Building Improvements	(12,625.00)	(\$25,249.13)	(37,874.13)
Machinery & Equipment	<u>(599,869.50)</u>	<u>(65,908.00)</u>	<u>(665,777.50)</u>
Total Depreciation	<u>(612,494.50)</u>	<u>(91,157.13)</u>	<u>(703,651.63)</u>
Total Proprietary Fund Activities	<u><u>\$1,476,479.49</u></u>	<u><u>(\$65,908.00)</u></u>	<u><u>\$1,372,697.36</u></u>

Depreciation expense was charged to functional expenses areas of the District for Governmental Funds as follows:

Instruction:	
Regular	(\$17,201.57)
Special Education Instruction	(1,112.22)
Instruction other	(5,360.27)
Support services:	
Student & Instruction Related Services	(68,597.44)
General Administrative Services	(442.87)
Central Service/Adm Tech	(480,926.99)
Plant Operations & Maintenance	(280,964.98)
Pupil transportation	(687,665.51)
Direct Expense of various functions	<u>(4,032,879.16)</u>
	<u><u>(\$5,575,151.01)</u></u>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 4: LONG-TERM LIABILITIES

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2014:

Governmental Funds:

	Compensated Absences <u>Payable</u>	Bonds <u>Payable</u>	Capital Leases <u>Payable</u>	<u>Total</u>
Balance June 30, 2013	\$4,741,823.28	\$91,391,000.00	\$3,242,508.92	\$99,375,332.20
Additions	90,412.04		994,442.00	1,084,854.04
Reductions	<u> </u>	<u>4,155,000.00</u>	<u>1,211,411.67</u>	<u>5,366,411.67</u>
Balance June 30, 2014	<u>\$4,832,235.32</u>	<u>\$87,236,000.00</u>	<u>\$3,025,539.25</u>	<u>\$95,093,774.57</u>
Amounts due within one Year	<u>\$-0-</u>	<u>\$5,205,000.00</u>	<u>\$1,138,786.39</u>	<u>\$6,343,786.39</u>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Business-Type Funds:

	Compensated Absences <u>Payable</u>	Capital Leases <u>Payable</u>	<u>Total</u>
Balance June 30, 2013	\$102,681.29	\$275,690.94	\$378,372.23
Reductions	<u>6,114.94</u>	<u>90,031.82</u>	<u>96,146.76</u>
Balance June 30, 2014	<u>\$96,566.35</u>	<u>\$185,659.12</u>	<u>\$282,225.47</u>
Amounts due within one Year	<u>\$-0-</u>	<u>\$91,884.27</u>	<u>\$91,884.27</u>

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2014, including interest payments on issued debt, are as follows:

Fiscal Year <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY2015	\$5,205,000.00	\$3,996,426.50	\$9,201,426.50
FY2016	5,805,000.00	3,736,475.25	9,541,475.25
FY2017	5,410,000.00	3,453,660.00	8,863,660.00
FY2018	5,675,000.00	3,174,810.00	8,849,810.00
FY2019	6,395,000.00	2,882,272.50	9,277,272.50
FY2020	6,265,000.00	2,552,197.50	8,817,197.50
FY2021	6,545,000.00	2,229,210.00	8,774,210.00
FY2022	6,885,000.00	1,891,785.00	8,776,785.00
FY2023	7,235,000.00	1,536,810.00	8,771,810.00
FY2024	7,610,000.00	1,163,722.50	8,773,722.50
FY2025	7,980,000.00	787,947.50	8,767,947.50
FY2026	8,341,000.00	428,847.50	8,769,847.50
FY2027	<u>7,885,000.00</u>	<u>197,125.00</u>	<u>8,082,125.00</u>
	<u>\$87,236,000.00</u>	<u>\$28,031,289.25</u>	<u>\$115,267,289.25</u>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

<u>Issue</u>	<u>Amount Outstanding June 30, 2014</u>
\$6,550,000.00 in Refunding School Bonds (Pension Series) dated January 15, 2003, due in remaining annual installments ranging between \$620,000.00 and \$655,000.00 beginning June 30, 2015 and ending June 30, 2016 with interest of 5.31%	\$1,275,000.00
\$87,650,000.00 in Refunding School Bonds dated April 13, 2007, due in remaining annual installments ranging between \$3,955,000.00 and \$7,885,000.00 beginning June 15, 2015 and ending June 15, 2027 with interest from 2.50% to 5.25%	76,165,000.00
\$11,721,000.00 in School Bonds dated August 1, 2006 due in remaining annual installments ranging between \$630,000.00 to \$1,031,000.00 beginning February 1, 2015 and ending February 1, 2026 with interest from 4.50% to 4.75%	<u>9,796,000.00</u>
	<u><u>\$87,236,000.00</u></u>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Refunding School Bonds

The district issued \$87,650,000.00 in Refunding School bonds to advance refund \$83,425,000.00 of the districts previously issued and outstanding school bonds. The reacquisition price exceeded the net carrying amount by \$4,225,000.00. This amount is being amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The current year portion charged to the Statement of Activities was \$201,190.48 leaving a balance of \$2,615,476.19 which is reflected on the Statement of Net Assets as a Deferred Outflow. Under the escrow agreement, the escrow is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the \$83,425,000.00 of the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the financial statements.

Bonds Authorized But Not Issued

As of June 30, 2014, the District had \$973.00 in Bonds Authorized but not issued.

Capital Leases Payable

The District is leasing technology improvements, school buses and kitchen renovations and improvements totaling \$6,345,522.00 under capital leases. This capital leases are for terms of either three or five years. The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2014:

Fiscal Year Ended <u>June 30,</u>	Governmental <u>Funds</u>	Business-Type <u>Funds</u>
2015	\$1,181,992.33	\$95,704.32
2016	772,175.94	95,704.32
2017	581,325.45	
2018	581,325.45	
Total Minimum Lease Payments	3,116,819.17	191,408.64
Less: Amount Representing Interest	91,279.92	5,749.52
Present Value of Lease Payments	<u>\$3,025,539.25</u>	<u>\$185,659.12</u>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 5: PENSION PLANS

Description of Plans All required employees of the District are covered by the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program 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 each system will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the above systems. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on line at www.state.nj.us/treasury/pensions.

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

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

Defined Contribution Retirement Program (DCRP) The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 5: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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.

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e. the State of new Jersey makes the employer contribution on behalf of public school districts.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements (Continued)

Three Year Trend Information for PERS

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2014	\$1,900,230.00	100%	-0-
2013	\$1,937,828.00	100%	-0-
2012	\$2,235,140.00	100%	-0-

Three Year Trend Information for TPAF (On-behalf Contribution)

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2014	\$2,240,136.00	100%	-0-
2013	\$3,489,494.00	100%	-0-
2012	\$1,666,132.00	100%	-0-

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the years ended June 30, 2014, 2013 and 2012 \$3,895,688.31, \$3,832,515.17 and \$3,798,808.97 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 6: GASB 45 – OTHER 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 pre-funding 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.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School Commission for the years ended June 30, 2014, 2013 and 2012 were \$3,672,980.00, \$3,945,737.00 and \$3,349,358.00 respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School Commission was not determined or made available by the State of New Jersey.

NOTE 7: LITIGATION

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District and which might materially affect the District's financial position.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 8: CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2013-2014 fiscal year were subject to the U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$500,000.00 Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

NOTE 9: RISK MANAGEMENT

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

Property and Liability Insurance The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

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 fiduciary trust fund for the current and previous two years:

Year Ended	<u>Interest</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$467.55	\$132,314.94	\$132,048.84	\$420,251.05
2013	998.50	130,175.53	131,523.06	419,517.40
2012	1,777.53	188,406.38	306,728.36	419,866.43

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 10: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net assets. As of June 30, 2014, a liability existed for compensated absences for governmental fund-types in the district- wide Statement of Net Assets of \$4,832,235.32

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 a liability existed for compensated absences in the proprietary funds of \$96,566.26.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 11: FUND BALANCE APPROPRIATED

General Fund The table below reflects the District's Fund Balance at June 30, 2014 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

	<u>Budgetary</u> <u>Basis</u>	<u>Adjustment</u>	<u>GAAP</u> <u>Basis</u>
Restricted:			
Excess Surplus:			
Designated for Subsequent			
Year's Expenditures	\$ 2,763,777.33	\$	\$ 2,763,777.33
Current Year	3,946,312.70	(1,780,394.55)	2,165,918.15
Capital Reserve	7,733,949.54		7,733,949.54
Committed:			
Designated for Subsequent			
Year's Expenditures	2,408,701.67		2,408,701.67
Assigned:			
Encumbrances	342,241.74	(342,241.74)	
Unassigned	<u>2,759,694.71</u>	<u>(2,759,694.71)</u>	
	<u>\$ 19,954,677.69</u>	<u>\$ (4,882,331.00)</u>	<u>\$ 15,072,346.69</u>

Debt Service Fund Of the \$630,498.00 in Debt Service Fund Balance at June 30, 2014, \$12,653.00 is restricted in accordance with N.J.S.A. 18A:7F-41c(2) and \$617,845.00 is assigned and has been appropriated and included as anticipated revenue for the year ended June 30, 2014.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 12: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

Calculation of Excess Surplus In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2007, c73 (S1701), the Restricted 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 the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent year's budget.

General Fund Expenditures:		
Fiscal Year Ended, June 30 2014		\$137,392,039.07
Less:		
Reimb. TPAF Social Security Contributions	\$3,832,515.17	
Reimb. TPAF Pension Contributions	5,913,116.00	
Capital Leases	<u>2,820,172.63</u>	
		12,565,803.80
Adjusted General Fund Expenditures		<u>\$124,826,235.27</u>
Excess Surplus Percentage		2.00%
		<u>\$2,496,524.71</u>
Increased by:		
Extraordinary Aid (unbudgeted)	\$211,513.00	
Non-Public Transportation Aid (unbudgeted)	<u>51,657.00</u>	
		263,170.00
Maximum Unreserved/Undesignated General Fund Balance		<u>\$2,759,694.71</u>
Actual Unassigned General Fund Balance		<u>6,706,007.41</u>
Excess Surplus		<u><u>\$3,946,312.70</u></u>
Recapitulation of Excess Surplus, June 30, 2014:		
Reserved for Excess Surplus - Designated for Subsequent Year's Expenditure		\$2,763,777.33
Reserved for Excess Surplus		<u>3,946,312.70</u>
		<u><u>\$6,710,090.03</u></u>

Based on the above calculation, as of June 30, 2014, \$3,946,312.70 is reported as Restricted Fund Balance Excess Surplus and is required to be appropriated for property tax relief in the 2015-16 budget. \$2,763,777.33 is reported as Restricted Fund Balance Excess Surplus Designated for Subsequent Year's Expenditure and is required to be appropriated for property tax relief in the 2014-15 budget.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2014:

<u>Fund</u>	Interfund Balance	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 1,045,055.22	\$
Special Revenue Fund		875,076.88
Enterprise Fund		101,381.98
Fiduciary Fund		68,596.36
	\$ 1,045,055.22	\$ 1,045,055.22

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Jackson Board of Education in the amount of \$1.00 in the 2000-2001 school year 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 of Education, 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 (June 1 to June 30) of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special election dates authorized by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 14: CAPITAL RESERVE ACCOUNT (CONTINUED)

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Balance, July 1, 2013	\$	6,011,230.52
Interest Earnings		7,946.52
Deposits:		
Board Resolution dated 06/25/13	\$	2,000,000.00
Unexpended Appropriations		<u>120,532.50</u>
		<u>2,120,532.50</u>
		8,139,709.54
Withdrawals:		
Board Resolution dated 08/20/13	\$	388,400.00
Board Resolution dated 04/29/14		<u>17,360.00</u>
		<u>405,760.00</u>
Balance, June 30, 2014	\$	<u><u>7,733,949.54</u></u>

NOTE 15: INVENTORY

Inventory in the Food Service Fund at June 30, 2014 consisted of the following:

Food and Supplies	<u>\$24,071.15</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act Amendment of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 16: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through November 14, 2014 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events that need to be disclosed, except as follows:

On September 11, 2014, the District issued \$7,890,000.00 in Refunding School Bonds to advance refund all of the outstanding callable principal amount of the originally issued \$11,721,000.00 School Bonds dated August 1, 2006.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES					
Local sources:					
Local tax levy	\$ 74,095,557.00	\$	\$ 74,095,557.00	\$ 74,095,557.00	\$
Interest on Capital reserve				7,946.52	7,946.52
Miscellaneous	662,200.00		662,200.00	1,204,227.51	542,027.51
Total-local sources	74,757,757.00		74,757,757.00	75,307,731.03	549,974.03
State sources:					
Equalization Aid	42,102,240.00		42,102,240.00	42,102,240.00	
Categorical Transportation Aid	1,013,961.00		1,013,961.00	1,013,961.00	
Categorical Special Education Aid	5,211,500.00		5,211,500.00	5,211,500.00	
Security Aid	854,977.00		854,977.00	854,977.00	
Adjustment Aid	195,598.00		195,598.00	195,598.00	
Other State Aids Out of Cap				51,657.00	51,657.00
Extraordinary Aid	900,000.00		900,000.00	1,111,513.00	211,513.00
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				181,692.00	181,692.00
On-behalf TPAF Pension (non-budgeted)				2,058,444.00	2,058,444.00
On-behalf TPAF Post Retirement Contributions (non-budgeted)				3,672,980.00	3,672,980.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,832,515.17	3,832,515.17
Total - state sources	50,278,276.00		50,278,276.00	60,287,077.17	10,008,801.17
Federal sources:					
Medicaid reimbursement	80,505.00		80,505.00	95,968.91	15,463.91
	80,505.00		80,505.00	95,968.91	15,463.91
Total revenues	125,116,538.00		125,116,538.00	135,690,777.11	10,574,239.11

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

EXPENDITURES	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	\$ 1,008,058.00	\$ (40,281.24)	\$ 967,776.76	\$ 960,933.00	\$ 6,843.76
Grades 1-5	12,177,567.00	(83,136.17)	12,094,430.83	11,789,625.25	304,805.58
Grades 6-8	7,663,804.00	(35,355.34)	7,628,448.66	7,552,787.29	75,661.37
Grades 9-12	10,947,419.00	(10,646.80)	10,936,772.20	10,863,367.84	73,404.36
Total Salaries of teachers:	31,796,848.00	(169,419.55)	31,627,428.45	31,166,713.38	460,715.07
Regular Programs - Home Instruction:					
Salaries of teachers	160,000.00	49,312.53	209,312.53	206,923.19	2,389.34
Purchased professional educational services	123,000.00	(21,689.23)	101,310.77	101,310.77	
Total Regular Programs - Home Instruction:	283,000.00	27,623.30	310,623.30	308,233.96	2,389.34
Regular programs - undistributed instruction:					
Purchased professional educational services	1,040,026.40	619,869.91	1,659,896.31	1,419,513.62	240,382.69
Other purchased services(400-500 series)	1,028,965.02	6,154.00	1,035,119.02	964,790.38	70,328.64
General supplies	1,433,805.36	(102,465.97)	1,331,339.39	1,090,380.58	240,958.81
Textbooks	647,509.78	(79,599.14)	567,910.64	566,979.18	931.46
Other Objects	125,176.80	(22,901.48)	102,275.32	89,601.73	12,673.59
Total Regular programs - undistributed instruction	4,275,483.36	421,057.32	4,696,540.68	4,131,265.49	565,275.19
Total Regular Programs - Instruction	36,355,331.36	279,261.07	36,634,592.43	35,606,212.83	1,028,379.60

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Special education:					
Learning and / or Language Disabilities:					
Salaries of teachers	\$ 188,188.00	\$ (14,588.00)	\$ 173,600.00	\$ 173,600.00	
Other salaries for instruction	115,500.00	129,018.73	244,518.73	230,786.81	13,731.92
Purchased professional educational services	4,000.00		4,000.00	3,113.15	886.85
General supplies	44,797.00	(5,968.00)	38,829.00	38,494.89	334.11
Textbooks	799.00	(500.00)	299.00		299.00
Total Learning and / or Language Disabilities	<u>353,284.00</u>	<u>107,962.73</u>	<u>461,246.73</u>	<u>445,994.85</u>	<u>15,251.88</u>
Behavioral Disabilities:					
Salaries of teachers	376,438.00	(30,910.71)	345,527.29	336,134.09	9,393.20
Other salaries for instruction	202,500.00	(2,043.04)	200,456.96	197,061.64	3,395.32
Purchased professional educational services	3,000.00	10,664.29	13,664.29	13,664.29	
Total Behavioral Disabilities:	<u>581,938.00</u>	<u>(22,289.46)</u>	<u>559,648.54</u>	<u>546,860.02</u>	<u>12,788.52</u>
Multiple Disabilities:					
Salaries of teachers	544,722.00	(6,008.89)	538,713.11	535,233.12	3,479.99
Other salaries for instruction	401,112.00	3,832.86	404,944.86	400,121.76	4,823.10
Purchased professional educational services	4,000.00	938.10	4,938.10	4,938.10	
General supplies	25,920.00	(1,740.00)	24,180.00	23,066.35	1,113.65
Textbooks		2,240.00	2,240.00	2,238.62	1.38
Total Multiple Disabilities:	<u>975,754.00</u>	<u>(737.93)</u>	<u>975,016.07</u>	<u>965,597.95</u>	<u>9,418.12</u>
Resource room/resource center:					
Salaries of teachers	8,139,413.00	(627,972.32)	7,511,440.68	7,493,237.43	18,203.25
Other salaries for instruction	2,002,103.00	(192,756.82)	1,809,346.18	1,803,782.21	5,563.97
Purchased professional educational services	215,000.00	65,078.88	280,078.88	280,078.88	
Travel		1,344.00	1,344.00	169.00	1,175.00
General supplies	144,296.90	(5,475.51)	138,821.39	136,484.82	2,336.57
Textbooks	1,000.00	1,967.00	2,967.00	2,929.11	37.89
Total Resource room/resource center	<u>10,501,812.90</u>	<u>(757,814.77)</u>	<u>9,743,998.13</u>	<u>9,716,681.45</u>	<u>27,316.68</u>

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Preschool disabilities-part -time:					
Salaries of teachers	\$ 247,946.00	\$	247,946.00	247,946.00	\$
Other salaries for instruction	207,593.00	(144,158.01)	63,434.99	47,285.90	16,149.09
Purchased professional - educational services					
General supplies	21,226.13	(3,585.56)	17,640.57	17,640.57	
Total Preschool disabilities-part -time	476,765.13	(147,743.57)	329,021.56	312,872.47	16,149.09
Preschool disabilities-full -time:					
Salaries of teachers	240,842.00	36,668.71	277,510.71	254,657.00	22,853.71
Other salaries for instruction	518,333.00	173,107.96	691,440.96	691,215.53	225.43
Purchased professional - educational services	15,000.00	4,844.67	19,844.67	19,844.67	
General supplies	8,780.72	3,232.86	12,013.58	11,518.61	494.97
Total Preschool disabilities-full -time	782,955.72	217,854.20	1,000,809.92	977,235.81	23,574.11
Total special education	13,672,509.75	(602,768.80)	13,069,740.95	12,965,242.55	104,498.40
Basic skills/remedial:					
Salaries of teachers	398,699.00	2,068.96	400,767.96	390,074.64	10,693.32
Other Purchased Services (400-500 series)	2,184.00	110.00	2,294.00	2,293.42	0.58
Total basic skills/remedial	400,883.00	2,178.96	403,061.96	392,368.06	10,693.90
Bilingual education:					
Salaries of teachers	225,645.00		225,645.00	219,645.00	6,000.00
Other salaries for instruction	57,500.00		57,500.00	55,739.67	1,760.33
Total bilingual education	283,145.00		283,145.00	275,384.67	7,760.33
School sponsored cocurricular activities:					
Salaries	402,713.00	5,189.17	407,902.17	407,299.85	602.32
Total school sponsored cocurricular activities	402,713.00	5,189.17	407,902.17	407,299.85	602.32

JACKSON TOWNSHIP SCHOOL DISTRICT
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COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
School sponsored athletics:					
Salaries	\$ 924,724.00	\$ 11,924.29	\$ 936,648.29	\$ 936,648.29	\$
Purchased Services	340,022.67	(40,519.43)	299,503.24	269,159.10	30,344.14
Supplies and Materials	191,092.41	2,068.83	193,161.24	148,464.32	44,696.92
Other Objects	14,780.00	(1,125.50)	13,654.50	12,803.01	851.49
Transfers to Cover Deficit (Agency Funds)	190,040.00		190,040.00	188,062.00	1,978.00
Total school sponsored athletics	1,660,659.08	(27,651.81)	1,633,007.27	1,555,136.72	77,870.55
Other instructional programs					
Salaries	115,088.00		115,088.00	105,849.78	9,238.22
Total other instructional programs	115,088.00		115,088.00	105,849.78	9,238.22
Total other instructional programs	2,178,460.08	(22,462.64)	2,155,997.44	2,068,286.35	87,711.09
Total - instruction	52,890,329.19	(343,791.41)	52,546,537.78	51,307,494.46	1,239,043.32
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	121,528.20		166,296.20	145,707.58	20,588.62
Tuition to other LEA's within the state-special	499,098.00	44,768.00	499,098.00	473,844.15	25,253.85
Tuition to county vocational school district-regular	68,730.00		68,730.00	65,200.00	3,530.00
Tuition to CSSD and regional day schools	711,000.00		711,000.00	653,585.89	57,414.11
Tuition to private schools for the handicapped wi state	3,653,187.31	(215,136.00)	3,438,051.31	2,237,284.92	1,200,766.39
Tuition-state facilities	120,241.00		120,241.00	120,241.00	
Transfer of Funds to Charter Schools	13,403.00	3,324.00	16,727.00	16,727.00	
Total undistributed expenditures - instruction	5,187,187.51	(167,044.00)	5,020,143.51	3,712,590.54	1,307,552.97

JACKSON TOWNSHIP SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Attendance and social work services:					
Salaries	\$ 160,270.00	\$ 2,422.80	\$ 162,692.80	\$ 159,919.60	\$ 2,773.20
Other purchased services (400-500) series	902.00	147.68	1,049.68	139.28	910.40
Supplies and Materials	552.00		552.00	382.66	169.34
Other Objects	150.00		150.00	126.61	23.39
Total attendance and social work services	<u>161,874.00</u>	<u>2,570.48</u>	<u>164,444.48</u>	<u>160,568.15</u>	<u>3,876.33</u>
Health services:					
Salaries	1,114,429.00	(34,876.77)	1,079,552.23	1,060,335.92	19,216.31
Purchased professional and technical services	238,116.00	2,669.00	240,785.00	227,963.00	12,822.00
Other Purchased Services (400-500 series)	1,806.00	(710.75)	1,095.25	829.35	265.90
Supplies and materials	36,758.44	(11,944.03)	24,814.41	23,629.61	1,184.80
Other Objects	1,000.00	(1,000.00)			
Total health services	<u>1,392,109.44</u>	<u>(45,862.55)</u>	<u>1,346,246.89</u>	<u>1,312,757.88</u>	<u>33,489.01</u>
Other support services - student related services:					
Salaries	1,275,763.00	2,847.94	1,278,610.94	1,276,501.90	2,109.04
Supplies and materials	8,685.00	(668.93)	8,016.07	6,621.68	1,394.39
Total other support services - students related services	<u>1,284,448.00</u>	<u>2,179.01</u>	<u>1,286,627.01</u>	<u>1,283,123.58</u>	<u>3,503.43</u>
Other support services- Students- Extra Services					
Salaries	2,118,164.00	181,756.06	2,299,920.06	2,299,920.06	
Purchased Professional - Educational Services	953,063.00	26,452.81	979,515.81	970,776.64	8,739.17
Total other support services- Students- Extra Services	<u>3,071,227.00</u>	<u>208,208.87</u>	<u>3,279,435.87</u>	<u>3,270,696.70</u>	<u>8,739.17</u>

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Other support services - students - regular:					
Salaries of other professional staff	\$ 2,247,884.00	\$ (24,305.82)	\$ 2,223,578.18	\$ 2,194,698.06	28,880.12
Salaries of secretarial and clerical assistants	288,588.00	35,177.23	323,765.23	316,813.79	6,951.44
Other Salaries	3,000.00	983.28	3,983.28	2,800.00	1,183.28
Purchased Professional - Educational Services	8,235.00	(2,467.60)	5,767.40	3,935.00	1,832.40
Other Purchased Services (400-500 series)	22,901.37	4,299.00	27,200.37	26,868.11	332.26
Supplies and Materials	18,948.94	(1,425.26)	17,523.68	16,911.79	611.89
Other objects	5,140.00	(2,540.00)	2,600.00	2,600.00	
Total other support services - students - regular	2,594,697.31	9,720.83	2,604,418.14	2,564,626.75	39,791.39
Other support services - students - special services:					
Salaries of other professional staff	2,340,496.00	(27,559.42)	2,312,936.58	2,283,029.41	29,907.17
Salaries of secretarial and clerical assistants	414,347.00	(40,472.33)	373,874.67	373,874.67	
Other Salaries	10,000.00	(9,000.00)	1,000.00		1,000.00
Purchased Professional - Educational Services	268,455.00	116,503.22	384,958.22	364,958.22	20,000.00
Misc. Pur Serv (400-500 series o/ than resid. Costs)	25,462.76	(871.62)	24,591.14	23,596.81	994.33
Supplies and Materials	34,850.20	4,546.78	39,396.98	38,269.31	1,127.67
Other objects	3,350.00	(1,619.65)	1,730.35	1,711.77	18.58
Total other support services - students - special services	3,096,960.96	41,526.98	3,138,487.94	3,085,440.19	53,047.75
Improvement of instruction services:					
Salaries of Supervisors of Instruction	812,126.00	169,801.67	981,927.67	958,809.82	23,117.85
Salaries of other professional staff	160,226.00	(160,226.00)			
Salaries of secretarial and clerical assistants	130,090.00	5,563.16	135,653.16	133,347.45	2,305.71
Other Salaries	62,310.00	27,648.39	89,958.39	89,463.39	495.00
Other Purch Prof. and Tech. Services	30,000.00	7,597.00	37,597.00	37,382.00	215.00
Other Purchased Services (400-500)	20,608.00	(2,825.00)	17,783.00	16,397.43	1,385.57
Supplies and Materials	33,386.00	56,501.63	89,887.63	78,000.17	11,887.46
Other objects	3,000.00	(1,500.00)	1,500.00	1,489.25	10.75
Total Improvement of instruction services:	1,251,746.00	102,560.85	1,354,306.85	1,314,889.51	39,417.34

JACKSON TOWNSHIP SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Educational media services/school library:					
Salaries	\$ 1,024,021.00	\$ (52,539.66)	\$ 971,481.34	\$ 954,484.63	\$ 16,996.71
Other Purchased Services (400-500)	18,958.00	(4,588.00)	14,370.00	13,156.00	1,214.00
Supplies and Materials	77,215.18	(14,473.51)	62,741.67	61,436.84	1,304.83
Total educational media services/school library	1,120,194.18	(71,601.17)	1,048,593.01	1,029,077.47	19,515.54
Instructional Staff Training Services:					
Other Salaries	10,346.00	7,500.00	17,846.00	11,965.93	5,880.07
Purchased Professional - Educational Services	7,000.00	1,500.00	8,500.00	3,300.00	5,200.00
Other Purchased Services (400-500)	57,300.00	6,339.00	63,639.00	26,333.00	37,306.00
Supplies and Materials	500.00	500.00	500.00	500.00	500.00
Other objects	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Total instructional staff training services:	78,146.00	15,339.00	93,485.00	41,598.93	51,886.07
Support services general administration:					
Salaries	347,315.00	19,796.00	367,111.00	367,111.00	44,090.03
Legal services	288,850.13	(24,833.74)	264,016.39	219,926.36	32,000.00
Audit Fees	64,000.00		64,000.00	32,000.00	51,961.13
Architectural/Engineering Services	125,724.43	11,844.74	137,569.17	85,608.04	4.93
Other purchased professional services	33,400.00	(8,214.19)	25,185.81	25,180.88	5,245.33
Purchased technical services	24,500.00	(24,500.00)	(14.00)	255,411.70	957.34
Communications/telephone	260,671.03	(14.00)	260,657.03	1,753.68	0.97
BOE Other purchased services(580-585)	7,600.00	(5,846.32)	1,753.68	1,753.68	520.54
Other purchased services	296,613.00	(35,900.46)	260,712.54	259,755.20	
General supplies	2,142.00	1,015.10	3,157.10	3,157.10	
BOE in-house training/meeting supplies	250.00	52.00	302.00	301.03	
Judgements	48,985.00	53,005.56	101,990.56	101,470.02	
Miscellaneous expenditures	6,230.00	(1,749.29)	4,480.71	4,480.71	
BOE membership dues and fees	31,000.00	(1,401.30)	29,598.70	29,598.70	
Total support services general administration	1,537,280.59	(16,745.90)	1,520,534.69	1,385,754.42	134,780.27

JACKSON TOWNSHIP SCHOOL DISTRICT
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COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Support services school administration:					
Salaries of principals/asst. principals	\$ 3,247,299.00	\$ (23,944.56)	\$ 3,223,354.44	\$ 3,164,334.65	\$ 59,019.79
Salaries of school administration	267,542.00	17,625.01	285,167.01	285,112.50	54.51
Salaries of secretarial and clerical assistants	1,582,404.00	0.01	1,582,404.01	1,529,641.51	52,762.50
Other Salaries	14,750.00		14,750.00	7,390.81	7,359.19
Other Purchased Services (400-500 series)	20,559.00	810.70	21,369.70	13,489.59	7,880.11
Supplies and Materials	52,193.55	4,728.88	56,922.43	56,371.20	551.23
Other objects	57,694.00	(3,228.21)	54,465.79	49,901.96	4,563.83
Total support services school administration	5,242,441.55	(4,008.17)	5,238,433.38	5,106,242.22	132,191.16
Central Services:					
Salaries	1,112,534.00	16,570.40	1,129,104.40	1,127,752.94	1,351.46
Purchased professional services	2,000.00	650.00	2,650.00	963.00	1,687.00
Misc. purchased services (400-500 series)	59,959.00	1,420.00	61,379.00	32,815.67	28,563.33
Supplies and materials	56,564.05	(14,509.37)	42,054.68	30,226.25	11,828.43
Interest on current loans	87,141.97	(32,604.00)	54,537.97	52,776.78	1,761.19
Miscellaneous expenditures	20,101.89	3,194.00	23,295.89	9,785.18	13,510.71
Total central services	1,338,300.91	(25,278.97)	1,313,021.94	1,254,319.82	58,702.12
Administrative Information. Technology					
Salaries	221,847.00	(7,476.50)	214,370.50	191,507.26	22,863.24
Purchased professional services	404,028.00	330,463.57	734,491.57	713,933.95	20,557.62
Other Purchased Services (400- 500 series)	137,959.00	(70,956.27)	67,002.73	67,001.83	0.90
Supplies and Materials	380,954.71	(94,677.71)	286,277.00	285,116.58	1,160.42
Other Objects	5,580.00	(5,580.00)			
Total Administrative Information. Technology	1,150,368.71	151,773.09	1,302,141.80	1,257,559.62	44,582.18

JACKSON TOWNSHIP SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Required Maintenance for School Facilities:					
Salaries	\$ 716,162.00	(9,624.02)	\$ 706,537.98	\$ 668,004.56	38,533.42
Cleaning, Repair and Maintenance Services	820,209.00	32,391.00	852,600.00	742,035.88	110,564.12
General supplies	182,629.94	25,857.33	208,487.27	197,458.68	11,028.59
Other objects	2,550.00	(2,116.59)	433.41	293.00	140.41
Total Required Maintenance for School Facilities	1,721,550.94	46,507.72	1,768,058.66	1,607,792.12	160,266.54
Other operation and maint. of plant :					
Salaries	3,158,600.00	(38,899.88)	3,119,700.12	3,049,871.86	69,828.26
Salaries of Non-Instructional Aides	310,810.00	24,924.45	335,734.45	311,345.08	24,389.37
Purchased professional and technical services	40,303.00	40,303.00	80,606.00	16,417.00	23,886.00
Cleaning, repair and maint. services	95,661.74	(8,482.57)	87,179.17	56,304.26	30,874.91
Other purchased property services	474,490.11		474,490.11	268,475.05	206,015.06
Insurance	839,352.00		839,352.00	801,625.00	37,727.00
Travel	2,626.97	(1,426.97)	1,200.00	984.75	215.25
Miscellaneous Purchased Services(580-590)	48,446.81	(25,400.58)	23,046.23	9,721.34	13,324.89
General supplies	344,693.65	(49,053.84)	295,639.81	263,558.79	32,081.02
Energy (Natural Gas)	445,436.00	1,199.45	446,635.45	383,427.13	63,208.32
Energy (Electricity)	2,642,700.00	6,654.65	2,649,354.65	2,282,877.21	366,477.44
Energy (Oil)	183,660.00	76,566.00	260,226.00	260,225.91	0.09
Other objects	5,100.00	(395.00)	4,705.00	776.11	3,928.89
Total other operation and maint. of plant	8,591,880.28	(14,314.29)	8,577,565.99	7,705,609.49	871,956.50
Care & Upkeep of Grounds					
Salaries	644,082.00	(33,734.58)	610,347.42	566,381.57	43,965.85
Cleaning, Repair and Maintenance Services	75,000.00	5,300.00	80,300.00	80,201.61	98.39
General supplies	228,798.00	(30,515.00)	198,283.00	193,810.85	4,472.15
Total Care and Upkeep of Grounds	947,880.00	(58,949.58)	888,930.42	840,394.03	48,536.39

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Security					
Salaries	\$ 337,729.00	\$ 28,593.50	\$ 366,322.50	\$ 319,682.24	\$ 46,640.26
Purchased Professional & Technical Services (300-500)	138,000.00	35,417.00	173,417.00	110,230.00	63,187.00
Cleaning, Repair and Maintenance Services	1,362.86		1,362.86	1,162.86	200.00
General Supplies	4,069.98	(147.68)	3,922.30	2,807.75	1,114.55
Total Security	481,161.84	63,862.82	545,024.66	433,882.85	111,141.81
Total operation and maintenance of plant services	11,742,473.06	37,106.67	11,779,579.73	10,587,678.49	1,191,901.24
Student transportation services:					
Salaries of Non-Instructional Aides	568,603.00	16,734.82	585,337.82	574,493.45	10,844.37
Salaries for pupil transportation (between home and school)-regular	3,258,005.00	60,068.95	3,318,073.95	3,298,525.28	19,548.67
Salaries for pupil transportation (between home and school)-Special Ed	921,422.00	(44,602.35)	876,819.65	873,372.39	3,447.26
Salaries for pupil transportation (other than between home & school)	218,764.00	(38,485.07)	180,278.93	157,161.96	23,116.97
Salaries for pupil transportation (between home and school)-Non-public school	97,876.00	11,424.73	109,300.73	84,649.34	24,651.39
Management Fee - ESC & CTSA	45,265.00		45,265.00	24,549.26	20,715.74
Purchased professional and technical services	35,750.00	(3,926.00)	31,824.00	28,357.73	3,466.27
Cleaning, Repair and Maintenance Services	133,974.36	104,981.00	238,955.36	167,238.65	71,716.71
Lease Purchase Payments - School Buses	679,342.00	(69,700.24)	609,641.76	451,482.32	158,159.44
Contracted services - between home and school vendors	131,749.00	(8,400.00)	123,349.00	120,256.25	3,092.75
Contracted services (other than btw home & school)-vendors	5,000.00	(1,000.00)	4,000.00		4,000.00
Contract Serv. (btw home and Sch) Joint Agreements	7,208.00	25,536.80	32,744.80	25,636.00	7,108.80
Contract Serv. (spec ed students)-vendors		11,900.00	11,900.00	11,900.00	
Contracted services (regular students) - ESCs & CTSA	18,517.00	16,211.63	34,728.63	34,728.63	
Contracted services (spec ed students) - ESCs & CTSA	891,877.00	(53,201.43)	838,675.57	752,533.51	86,142.06
Contract Serv - Aid in Lieu Pymts-Non-Public Schools	73,363.73	4,390.24	77,753.97	73,784.24	3,969.73
Miscellaneous purchased services - Transportation(580-590)	125,585.00	7,144.00	132,729.00	115,790.50	16,938.50
Supplies and materials	9,000.00	(1,299.95)	7,700.05	7,577.86	122.19
Transportation Supplies	2,121,135.77	(40,001.00)	2,081,134.77	1,905,227.93	175,906.84
Miscellaneous Expenditures	2,250.00	(635.05)	1,614.95	638.90	976.05
Total student transportation services	9,344,686.86	(2,858.92)	9,341,827.94	8,707,904.20	633,923.74

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	2,077,555.26	\$	2,077,555.26	1,880,230.11	\$ 197,325.15
Other retirement contributions - regular	2,295,801.00		2,295,801.00	1,974,765.84	321,035.16
Workers Compensation	1,038,412.00	(99,006.00)	939,406.00	912,896.00	26,510.00
Health Benefits	21,291,684.03	(10,000.00)	21,281,684.03	19,655,448.77	1,626,235.26
Tuition Reimbursements	123,454.00		123,454.00	119,204.00	4,250.00
Other Employee Benefits	881,141.97	175,665.00	1,056,806.97	989,944.37	66,862.60
Total Unallocated Benefits - Employee Benefits:	27,708,048.26	66,659.00	27,774,707.26	25,532,489.09	2,242,218.17
Total personal services	27,708,048.26	66,659.00	27,774,707.26	25,532,489.09	2,242,218.17
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				181,692.00	(181,692.00)
On-behalf TPAF Pension (non-budgeted)				2,058,444.00	(2,058,444.00)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				3,672,980.00	(3,672,980.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,832,515.17	(3,832,515.17)
Total Undistributed Expenditures	77,302,190.34	304,245.10	77,606,435.44	81,352,948.73	(3,746,513.29)
TOTAL EXPENDITURES - CURRENT EXPENSE FUND 11	130,192,519.53	(39,546.31)	130,152,973.22	132,660,443.19	(2,507,469.97)
CAPITAL OUTLAY:					
Equipment:					
Grades 5-8		9,055.00	9,055.00	9,053.33	1.67
Grades 9-12	261,300.00	2,449.00	263,749.00	10,183.98	253,565.02
Resource Room/Resource Center	2,500.00	2,509.55	5,009.55	5,009.55	
School Administration		16,343.76	16,343.76	16,343.76	
Other Support Services					
Support services - instructional staff	10,400.00	(408.00)	9,992.00	9,894.00	98.00
Admin info tech	35,000.00	(855.00)	34,145.00	34,144.66	0.34
Required Maintenance for School Facility	19,480.00	5,520.00	25,000.00	25,000.00	
Custodial Services	119,445.13	26,285.00	145,730.13	145,545.56	184.57
Security	46,874.00	(18,874.00)	28,000.00	28,000.00	
Student Transp - Non-Inst Equip	52,500.00	16,874.00	69,374.00	24,853.00	44,521.00
Total Equipment	547,499.13	58,899.31	606,398.44	308,027.84	298,370.60

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Facilities acquisition and construction services:					
Other Purchased Professional and Technical Services	\$ 782,633.60	\$ 405,760.00	\$ 405,760.00	\$ 273,808.00	\$ 131,952.00
Construction services	457,134.00	(160,667.00)	782,633.60	647,858.66	134,774.94
Assessment for Debt Service on SDA Funding			296,467.00	296,467.00	
Total facilities acquis. and const. services	1,239,767.60	245,093.00	1,484,860.60	1,218,133.66	266,726.94
Assets acquired under capital leases (non-budgeted)					
Undistributed expenditures:					
Transportation				994,442.00	(994,442.00)
Total assets acquired under capital leases (non-budgeted)				994,442.00	(994,442.00)
TOTAL CAPITAL OUTLAY	1,787,266.73	303,992.31	2,091,259.04	2,520,603.50	(429,344.46)
SPECIAL SCHOOLS					
Other Special Schools - Instruction	270,495.00	141,314.00	411,809.00	385,261.75	26,547.25
Salaries of Teachers	270,495.00	141,314.00	411,809.00	385,261.75	26,547.25
Total Other Special Schools Instruction	270,495.00	141,314.00	411,809.00	385,261.75	26,547.25
TOTAL OTHER SPECIAL SCHOOLS	132,250,281.26	405,760.00	132,656,041.26	135,566,308.44	(2,910,267.18)
TOTAL EXPENDITURES	(7,133,743.26)	(405,760.00)	(7,539,503.26)	124,468.67	7,663,971.93
Excess (deficiency) of revenues over (under) expenditures					

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Other financing sources					
Transfer of funds					
Capital leases (non-budgeted)				62,200.00	\$ 62,200.00
Total other financing sources				994,442.00	994,442.00
				1,056,642.00	1,056,642.00
Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(7,133,743.26)	(405,760.00)	(7,539,503.26)	1,181,110.67	8,720,613.93
Fund balances, July 1	18,773,567.02		18,773,567.02	18,773,567.02	
Fund balances, June 30	11,639,823.76	(405,760.00)	11,234,063.76	19,954,677.69	8,720,613.93

Recapitulation:
Restricted:
Excess Surplus - Designated for Subsequent Year's Expenditures \$
Excess Surplus - Current Year
Capital Reserve
Committed:
Designated for Subsequent Year's Expenditures
Assigned:
Encumbrances
Unassigned

Reconciliation to Governmental Funds Statements (GAAP):
Less: Last State Aid Payment not recognized on GAAP basis
Fund Balance per Governmental Funds (GAAP) \$

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

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State sources	\$ 164,318.00	\$ 22,043.00	\$ 186,361.00	\$ 151,414.59	\$ (34,946.41)
Federal sources	2,304,195.00	494,292.12	2,798,487.12	2,785,233.97	(13,253.15)
Other sources		15,113.20	15,113.20	15,113.20	
Total revenues	2,468,513.00	531,448.32	2,999,961.32	2,951,761.76	(48,199.56)
EXPENDITURES:					
Instruction:					
Salaries of teachers	411,721.00	(70,817.96)	340,903.04	340,903.04	
Other Salaries	174,134.00	(138,426.00)	35,708.00	35,708.00	
Purchased professional - technical services		5,165.60	5,165.60	5,165.60	
Other purchased professional services	144,767.00	12,373.00	157,140.00	122,344.09	34,795.91
Contract Services		10,243.00	10,243.00	10,243.00	
Tuition	1,566,110.00	341,705.00	1,907,815.00	1,907,815.00	
Supplies and materials	57,455.00	150,044.98	207,499.98	207,499.43	0.55
Textbooks	19,551.00	(573.00)	18,978.00	18,827.50	150.50
Miscellaneous Expenditures	4,506.00	(661.00)	3,845.00	3,845.00	
Total instruction	2,378,244.00	309,053.62	2,687,297.62	2,652,350.66	34,946.96
Support services:					
Salaries of program directors	8,765.00	38,735.00	47,500.00	47,500.00	
Salaries of other professional staff	2,812.00	(2,812.00)			
Other Salaries	5,041.00	1,840.80	6,881.80	6,881.80	
Personal services - employee benefits	62,808.00	26,970.56	89,778.56	89,778.56	
Purchased professional - educational services	4,384.00	128,918.72	133,302.72	120,867.12	12,435.60
Other purchased professional services	1,400.00	(630.00)	770.00	770.00	
Travel	81.00	49.65	130.65	130.65	
Supplies and materials	600.00	2,814.37	3,414.37	3,414.37	
Miscellaneous expenditures		2,682.48	2,682.48	1,865.48	817.00
Total support services	85,891.00	198,569.58	284,460.58	271,207.98	13,252.60
Facilities acquisition and construction services:					
Instructional equipment	4,378.00	10,905.12	15,283.12	15,283.12	
Non-Instructional equipment		12,920.00	12,920.00	12,920.00	
Total facilities acquisition and construction serv.	4,378.00	23,825.12	28,203.12	28,203.12	
Total expenditures	2,468,513.00	531,448.32	2,999,961.32	2,951,761.76	48,199.56
Excess (deficiency) of revenues over (under) expenditures					

JACKSON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Note A - Explanation of difference 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	\$135,690,777.11	\$2,951,761.76
Difference - budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(4,882,331.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	4,890,918.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$135,699,364.11</u>	<u>\$2,951,761.76</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$135,566,308.44	\$2,951,761.76
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$135,566,308.44</u>	<u>\$2,951,761.76</u>

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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

TITLE I	TITLE IIA	TITLE III, III E	IDEA PART B	IDEA PART B - C/O	IDEA PRESCHOOL	OCEAN COUNTY PRIVATE INDUSTRY COUNCIL
REVENUES:						
State sources	\$ 521,244.45	\$ 163,407.00	\$ 18,796.00	\$ 1,946,290.22	\$ 3,980.90	\$ 22,727.60
Federal sources						
Other sources						
Total revenues	\$ 521,244.45	\$ 163,407.00	\$ 18,796.00	\$ 1,946,290.22	\$ 3,980.90	\$ 22,727.60
EXPENDITURES:						
Instruction:						
Salaries of teachers	\$ 132,445.00	\$ 131,945.00	\$ 6,000.00	\$	\$	\$ 18,321.04
Other salaries	35,120.00		588.00			
Purchased professional - technical services						
Purchased services						
Other purchased professional services						
Contracted Services				1,907,815.00		
Tuition						
Supplies and materials	179,563.60		9,956.00			
Textbooks						
Other Objects						
Total instruction	347,128.60	131,945.00	16,544.00	1,907,815.00	52,192.00	3,005.00
Support services:						
Salaries of Supervisors of Instruction	47,500.00					
Salaries of program directors	1,293.00					
Other Salaries	44,173.00	30,348.00	189.00			
Personal services - employee benefits	76,494.00	1,114.00	1,439.00			
Purchased professional - educational services					12,004.00	1,401.56
Other purchased professional services				38,475.22		
Travel						
Other purchased services						
Supplies and materials	2,790.37		624.00			
Miscellaneous expenditures	1,865.48					
Total support services	174,115.85	31,462.00	2,252.00	38,475.22	3,980.90	1,401.56
Facilities acquisition and construction serv:						
Instructional equipment						
Non - instructional equipment						
Total facilities acquisition and construction serv.						
Total expenditures	\$ 521,244.45	\$ 163,407.00	\$ 18,796.00	\$ 1,946,290.22	\$ 3,980.90	\$ 22,727.60

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

	<u>RACE TO THE TOP</u>	<u>CARL D PERKINS</u>	<u>NON-PUBLIC TEXTBOOKS</u>	<u>NON-PUBLIC TRANSPORTATION</u>	<u>NON-PUBLIC COMP. EDUCATION</u>	<u>SUPPLEMENTAL INSTRUCTION</u>	<u>ANNUAL & INITIAL EXAM</u>
REVENUES:							
State sources	\$ 803.00	\$	18,827.50	10,243.00	34,239.00	13,183.00	21,980.00
Federal sources		43,788.80					
Other sources							
Total revenues	\$ 803.00	\$ 43,788.80	\$ 18,827.50	\$ 10,243.00	\$ 34,239.00	\$ 13,183.00	\$ 21,980.00
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$	\$	\$	\$	\$	\$	\$
Other salaries							
Purchased professional - technical services		5,165.60					
Other purchased professional services							
Contracted Services				10,243.00	34,239.00	13,183.00	21,980.00
Tuition							
Supplies and materials		15,786.63	18,827.50				
Textbooks		840.00					
Other Objects							
Total instruction		21,792.23	18,827.50	10,243.00	34,239.00	13,183.00	21,980.00
Support services:							
Salaries of Supervisors of Instruction							
Salaries of program directors							
Other Salaries		5,399.80					
Personal services - employee benefits		413.00					
Purchased professional - educational services	803.00						
Other purchased professional services		770.00					
Travel		130.65					
Other purchased services							
Supplies and materials							
Miscellaneous expenditures							
Total support services	803.00	6,713.45					
Facilities acquisition and construction serv:							
Instructional equipment		15,283.12					
Non - instructional equipment							
Total facilities acquisition and construction serv.		15,283.12					
Total expenditures	\$ 803.00	\$ 43,788.80	\$ 18,827.50	\$ 10,243.00	\$ 34,239.00	\$ 13,183.00	\$ 21,980.00

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

	NON - PUBLIC SPEECH	NON - PUBLIC NURSING	NON - PUBLIC TECH INITIATIVE	DONATION - MEMORIAL GIRLS LACROSSE	GOETZ SIGN DONATION	COMPARATIVE TOTALS	
						2014	2013
REVENUES:							
State sources	\$ 19,530.00	\$ 26,597.01	\$ 6,815.08	\$	\$	\$ 151,414.59	\$ 156,827.00
Federal sources						2,785,233.97	3,170,120.70
Other sources				2,193.20	12,920.00	15,113.20	38,540.64
Total revenues	\$ 19,530.00	\$ 26,597.01	\$ 6,815.08	\$ 2,193.20	\$ 12,920.00	\$ 2,951,761.76	\$ 3,365,488.34
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$	\$	\$	\$	\$	340,903.04	402,079.83
Other salaries						35,708.00	200,892.46
Purchased professional - technical services						5,165.60	1,845.00
Purchased services							784.00
Other purchased professional services	19,530.00	26,597.01	6,815.08			122,344.09	137,276.00
Contract Services						10,243.00	
Tuition							
General supplies						1,907,815.00	2,047,599.00
Textbooks				2,193.20		207,489.43	187,623.82
Other Objects						18,827.50	19,551.00
Total instruction	\$ 19,530.00	\$ 26,597.01	\$ 6,815.08	\$ 2,193.20		\$ 3,845.00	\$ 4,395.18
Support services:						2,652,350.66	3,002,046.29
Salaries of Supervisors of Instruction							
Salaries of program directors							
Other Salaries						47,500.00	25,502.00
Personal services - employee benefits						14,000.00	14,000.00
Purchased professional - educational services						6,881.80	25,749.90
Other purchased professional services						89,778.56	110,258.89
Travel						120,867.12	162,993.18
Other purchased services						770.00	
Supplies and materials						130.65	647.00
Miscellaneous expenditures						3,414.37	10,942.52
Total support services						1,865.48	5,102.16
Facilities acquisition and construction serv:						271,207.98	355,195.65
Instructional equipment							
Non - instructional equipment					12,920.00	15,283.12	8,246.40
Total facilities acquisition and construction serv.					12,920.00	12,920.00	
Total expenditures	\$ 19,530.00	\$ 26,597.01	\$ 6,815.08	\$ 2,193.20	\$ 12,920.00	\$ 2,951,761.76	\$ 3,365,488.34

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2014

Revenues and Other Financing Sources:	
Miscellaneous	\$6,221.29
Total revenues	<u>6,221.29</u>
Expenditures and Other Financing Uses:	
Purchased professional and technical services	262.42
Construction services	<u>(4,472.01)</u>
Total expenditures	<u>(4,209.59)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,430.88</u>
Other financing sources (uses):	
Transfers out	<u>(6,221.29)</u>
Total other financing sources (uses)	<u>(6,221.29)</u>
Net change in fund balance	4,209.59
Fund balance - beginning	<u>1,365,903.54</u>
Fund balance - ending	<u><u>\$1,370,113.13</u></u>
Fund Balance - budgetary basis	\$1,370,113.13
Authorized but not issued	<u>(973.00)</u>
Fund Balance - GAAP basis (B-1)	<u><u>\$1,369,140.13</u></u>
Expenditures - budgetary basis	(\$4,209.59)
Add: prior year encumbrances	<u>61,790.24</u>
	57,580.65
Less: current year encumbrances	<u>25,388.06</u>
Expenditures - GAAP basis (B-2)	<u><u>\$32,192.59</u></u>

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION OF A NEW ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$9,091,292.00		\$9,091,292.00	\$9,091,292.00
Bond proceeds and transfers	10,870,255.12		10,870,255.12	10,870,255.12
Total revenues	<u>19,961,547.12</u>		<u>19,961,547.12</u>	<u>19,961,547.12</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	1,575,696.30		1,575,696.30	1,575,696.63
Construction services	17,056,890.40		17,056,890.40	17,056,890.87
Equipment purchases	1,328,959.62		1,328,959.62	1,328,959.62
Total expenditures	<u>19,961,546.32</u>		<u>19,961,546.32</u>	<u>19,961,547.12</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$0.80</u>		<u>\$0.80</u>	

Additional project information:

Project Number	202144
Grant Date	06/07/02
Bond Authorization Date	04/15/02
Bonds Authorized	\$15,758,708.00
Bonds Issued	\$15,758,708.00
Original Authorized Cost	\$24,850,000.00
Additional Authorized Cost	(4,888,452.88)
Revised Authorized Cost	\$19,961,547.12

Percentage Increase over Original Authorized Cost	-19.67%
Percentage completion	100.00%
Original target completion date	FY2005
Revised target completion date	FY2007

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ACQUISITION OF LAND AND EQUIPMENT TO BUILD A NEW HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$54,545,190.44			
Bond proceeds and transfers	\$21,762,967.00		\$21,762,967.00	\$21,762,967.00
Total revenues	54,545,190.44		54,545,190.44	54,545,190.44
	76,308,157.44		76,308,157.44	76,308,157.44
Expenditures and Other Financing Uses:				
Purchased professional and technical services	5,133,783.40	(\$240.06)	5,133,543.34	5,275,848.99
Land and improvements	11,967,668.51		11,967,668.51	11,967,668.51
Construction services	57,062,007.29	(255.01)	57,061,752.28	57,215,341.57
Equipment purchases	1,849,298.37		1,849,298.37	1,849,298.37
Total expenditures	76,012,757.57	(495.07)	76,012,262.50	76,308,157.44
Excess (deficiency) of revenues over (under) expenditures	\$295,399.87	\$495.07	\$295,894.94	

Additional project information:

Project Number	202274
Grant Date	04/02/03
Bond Authorization Date	04/15/02
Bonds Authorized	\$48,758,033.00
Bonds Issued	\$48,758,033.00
Original Authorized Cost	\$70,521,000.00
Additional Authorized Cost	\$5,787,157.44
Revised Authorized Cost	\$76,308,157.44

Percentage Increase over Original Authorized Cost	8.21%
Percentage completion	85.00%
Original target completion date	FY2006
Revised target completion date	FY2013

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ACQUISITION OF LAND FOR FUTURE CONSTRUCTION OF A NEW MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond proceeds and transfers	\$418,428.69		\$418,428.69	\$418,428.69
Total revenues	<u>418,428.69</u>		<u>418,428.69</u>	<u>418,428.69</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	39,924.19		39,924.19	44,999.69
Land and improvements				260,000.00
Construction services				113,429.00
Total expenditures	<u>39,924.19</u>		<u>39,924.19</u>	<u>418,428.69</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$378,504.50</u>		<u>\$378,504.50</u>	

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	04/15/02
Bonds Authorized	N/A
Bonds Issued	\$500,000.00
Original Authorized Cost	\$500,000.00
Additional Authorized Cost	(81,571.31)
Revised Authorized Cost	\$418,428.69
Percentage Increase over Original Authorized Cost	-16.31%
Percentage completion	5.00%
Original target completion date	FY2005
Revised target completion date	FY2013

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AND IMPROVEMENTS TO JACKSON MEMORIAL HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond proceeds and transfers	\$5,776,847.00		\$5,776,847.00	\$5,776,847.00
Total revenues	<u>5,776,847.00</u>	<u>0.00</u>	<u>5,776,847.00</u>	<u>5,776,847.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	667,201.71	502.48	667,704.19	710,251.00
Construction services	4,824,648.72	(4,217.00)	4,820,431.72	4,863,825.00
Equipment purchases	194,832.74		194,832.74	202,771.00
Total expenditures	<u>5,686,683.17</u>	<u>(3,714.52)</u>	<u>5,682,968.65</u>	<u>5,776,847.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$90,163.83</u>	<u>\$3,714.52</u>	<u>\$93,878.35</u>	<u>\$0.00</u>

Additional project information:

Project Number	
Grant Date	29-2360-020-05-1000
Bond Authorization Date	09/27/05
Bonds Authorized	\$5,279,070.00
Bonds Issued	-0-
Original Authorized Cost	\$5,279,070.00
Additional Authorized Cost	\$497,777.00
Revised Authorized Cost	\$5,776,847.00

Percentage Increase over Original Authorized Cost	N/A
Percentage completion	80.00%
Original target completion date	FY2007
Revised target completion date	FY2013

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AND IMPROVEMENTS TO MCAULIFFE MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond proceeds and transfers	\$5,944,153.00	(\$600,000.00)	\$5,344,153.00	\$5,344,153.00
Total revenues	<u>5,944,153.00</u>	<u>(600,000.00)</u>	<u>5,344,153.00</u>	<u>5,344,153.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	323,661.34		323,661.34	465,000.00
Construction services	4,418,657.13		4,418,657.13	4,879,153.00
Total expenditures	<u>4,742,318.47</u>		<u>4,742,318.47</u>	<u>5,344,153.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$1,201,834.53</u>	<u>(\$600,000.00)</u>	<u>\$601,834.53</u>	<u>\$0.00</u>

Additional project information:

Project Number	29-2360-048-05-1000
Grant Date	N/A
Bond Authorization Date	09/27/05
Bonds Authorized	\$6,441,930.00
Bonds Issued	-0-
Original Authorized Cost	\$6,441,930.00
Additional Authorized Cost	(1,097,777.00)
Revised Authorized Cost	\$5,344,153.00
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	85.00%
Original target completion date	FY2007
Revised target completion date	FY2013

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2014

<u>ISSUE/PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>	<u>UNEXPENDED PROJECT BALANCE</u>
		<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
Acquisition of Land & Equipment to Build a New High School, Construction of a New Elementary School, Renovation and Construction of Gymnasium additions at two Schools, and the Acquisition of land for the future Construction of a New Middle School	01/22/02	\$103,129,000.00	\$102,455,094.82	\$674,400.25
Renovations and Improvements to Jackson Memorial High School and Christa McAuliffe Middle School	9/17/2005	11,121,000.00	10,429,001.64	695,712.88
Totals		<u>\$114,250,000.00</u>	<u>\$112,884,096.46</u>	<u>\$1,370,113.13</u>

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

FOOD SERVICES FUND: This fund provides for the operation of Food services within the school district.

CHILD CARE FUND: This fund provides for the operation of a Child Care program within the school district.

COMMUNITY SCHOOL FUND: This fund provides for the operation of a Community School within the school district.

PRE-SCHOOL FUND: This fund provides for the operation of a Pre-School program within the school district.

DIGITAL MEDIA PROGRAM FUND: This Fund provides for the operation of the District's Digital Media Program

EXTENDED ENRICHMENT KINDERGARTEN PROGRAM FUND: This Fund provides for the operation of the District's Extended Enrichment Kindergarten Program

SUMMER ELECTIVE FUND This Fund provides for the operation of the District's Summer Elective Program

JACKSON TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS - ENTERPRISE FUNDS
 JUNE 30, 2014

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND										COMPARATIVE TOTALS	
	MAJOR FUNDS					NON-MAJOR FUNDS					2014	2013
	FOOD SERVICE FUND	CHILD CARE FUND	EXTENDED ENRICHMENT KINDERGARTEN FUND	COMMUNITY SCHOOL FUND	PRE-SCHOOL FUND	DIGITAL MEDIA FUND	SUMMER ELECTIVES	NON-MAJOR FUNDS	2014	2013		
ASSETS												
Cash and cash equivalents	\$349,039.47	\$1,192,782.97	\$610,523.69	\$140,514.69	\$183,703.32	\$34,308.87	\$374,053.35	\$2,526,399.48	\$2,271,021.70			
Accounts receivable:												
State	2,224.19							2,224.19	1,518.75			
Federal	69,882.87							69,882.87	46,591.90			
Other	1,443.00							1,443.00	876.00			
Inventories	24,071.15							24,071.15	37,052.03			
Total current assets	446,660.68	1,192,782.97	610,523.69	140,514.69	183,703.32	34,308.87	374,053.35	2,624,020.69	2,356,870.38			
Noncurrent assets:												
Furniture, machinery & equipment	2,076,348.99							2,076,348.99	2,076,348.99			
Less accumulated depreciation	(703,651.63)							(703,651.63)	(612,494.50)			
Total noncurrent assets	1,372,697.36							1,372,697.36	1,463,854.49			
Total assets	1,819,358.04	1,192,782.97	610,523.69	140,514.69	183,703.32	34,308.87	374,053.35	3,996,718.05	3,820,724.87			
LIABILITIES												
Current liabilities:												
Interfund payable	101,381.98							101,381.98	101,381.98			
Unearned revenue	38,013.78	127,148.93	41,368.00	22,675.00	13,633.00	20,100.00	71,933.00	278,463.71	268,456.64			
Accounts payable		26,838.57	2,673.00	1,196.98	2,310.00	1,779.00	5,275.98	34,787.65	27,836.52			
Noncurrent liabilities:												
Due within one year:												
Capital leases payable	91,884.27							91,884.27	90,031.82			
Due beyond one year:												
Compensated absences	96,566.26							96,566.26	102,681.29			
Capital leases payable	93,774.85							93,774.85	185,659.12			
Total current liabilities	421,621.14	153,987.50	44,041.00	23,861.98	15,943.00	21,879.00	77,208.98	696,858.62	776,046.37			
Total liabilities	421,621.14	153,987.50	44,041.00	23,861.98	15,943.00	21,879.00	77,208.98	696,858.62	776,046.37			
NET POSITION:												
Net investment in capital assets	1,372,697.36	1,038,795.47	566,482.69	116,652.71	167,760.32	12,429.87	286,844.37	1,372,697.36	1,463,854.49			
Unrestricted	25,039.54							1,927,162.07	1,580,821.01			
Total net position	\$1,397,736.90	\$1,038,795.47	\$566,482.69	\$116,652.71	\$167,760.32	\$12,429.87	\$286,844.37	\$3,299,859.43	\$3,044,675.50			

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND										COMPARATIVE TOTALS	
	MAJOR FUNDS		EXTENDED ENRICHMENT KINDERGARTEN FUND		COMMUNITY SCHOOL FUND		PRE-SCHOOL FUND		NON-MAJOR FUNDS			
	FOOD SERVICE FUND	CHILD CARE FUND	CHILD CARE FUND	CHILD CARE FUND	CHILD CARE FUND	CHILD CARE FUND	CHILD CARE FUND	CHILD CARE FUND	DIGITAL MEDIA FUND	NON-MAJOR TOTAL	2014	2013
OPERATING REVENUES												
Charges for services												
Daily sales - reimbursable programs	\$1,049,771.70										\$1,049,771.70	\$1,089,972.12
Daily sales - non-reimbursable programs	637,475.66										637,475.66	636,552.56
Special functions	33,709.01										33,709.01	34,041.36
Fees - individuals		\$1,083,488.62	\$480,132.89		\$105,609.93		\$133,275.82		\$39,513.00		1,881,020.36	1,907,304.33
Total operating revenues	1,720,956.37	1,083,488.62	480,132.89	105,609.93	133,275.82		133,275.82		39,513.00		3,581,976.73	3,677,870.37
OPERATING EXPENSES												
Cost of sales	1,042,736.91										1,042,736.91	1,101,123.29
Salaries	866,183.09										2,100,567.39	2,086,082.08
Employee benefits	701,521.51										854,573.07	744,676.93
Other purchase services		800,407.49	279,389.65	64,029.49	59,137.92		23,453.13		22,112.00		21,982.52	14,013.41
Rentals		9,806.13	414.75	10,680.00					981.64		943.59	903.95
Supplies and materials	73,253.03										112,746.67	105,478.08
Repairs	17,033.63										17,033.63	16,821.95
Non-instruction equipment	5,845.19										5,845.19	2,422.06
Miscellaneous	8,672.53										39,020.68	69,621.14
Interest on Long-Term Debt	5,672.50										5,672.50	7,487.62
Depreciation	91,157.13										91,157.13	60,035.75
Total operating expenses	2,812,087.52	954,810.40	310,207.42	28,045.95	86,497.97		215,175.94		39,643.49		4,292,281.28	4,210,662.26
Operating income (loss)	(1,091,131.15)	138,678.22	169,925.57	17,563.99	46,787.85		72,222.81		7,869.51		(710,304.55)	(532,795.89)
NONOPERATING REVENUES (EXPENSES)												
State sources												
State school lunch program	25,118.58										\$25,118.58	25,725.13
Federal sources:												
National school lunch program	681,639.82										681,639.82	680,265.60
Supplemental Nutrition Assistance Program	33,035.10										33,035.10	19,189.52
National school breakfast program	63,206.82										63,206.82	44,947.20
Commissions/ rebates	33,420.28										33,420.28	31,220.35
National food distribution commodities	191,267.89										191,267.89	176,555.89
Total nonoperating revenues (expenses)	1,027,688.48										1,027,688.48	957,904.69
Income (loss) before contributions & transfers	(63,442.67)	138,678.22	169,925.57	17,563.98	46,787.85		72,222.81		7,869.51		317,393.93	425,108.80
Other financing uses:												
Transfer of funds	(62,200.00)										(62,200.00)	(60,000.00)
Total other financing uses	(62,200.00)										(62,200.00)	(60,000.00)
Change in net position	(63,442.67)	76,478.22	189,925.57	17,563.98	46,787.85		72,222.81		7,869.51		255,193.93	375,108.80
Total net position - beginning	1,461,179.57	982,317.25	396,557.12	99,089.73	120,972.47		224,821.56		4,560.36		3,044,675.50	2,689,565.70
Total net position - ending	\$1,397,736.90	\$1,058,795.47	\$586,482.69	\$116,652.71	\$167,760.32		\$296,844.37		\$12,429.87		\$3,299,659.43	\$3,044,675.50

JACKSON TOWNSHIP SCHOOL DISTRICT
 CONSOLIDATED STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS - ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND										COMPARATIVE TOTALS	
	MAJOR FUNDS					NON-MAJOR FUNDS					2014	2013
	FOOD SERVICE FUND	CHILD CARE FUND	EXTENDED ENRICHMENT KINDERGARTEN FUND	COMMUNITY SCHOOL FUND	PRE-SCHOOL FUND	DIGITAL MEDIA FUND	SUMMER ELECTIVES	NON-MAJOR TOTAL	2014	2013		
Cash flows from operating activities:												
Receipts from customers	\$1,720,186.06	\$1,114,065.55	\$472,399.99	\$103,350.83	\$129,836.94	\$41,033.00	\$17,925.00	\$292,145.87	\$3,599,237.47	\$3,657,387.94		
Payments to employees	(666,193.09)	(774,093.81)	(270,226.65)	(64,029.49)	(56,887.92)	(22,112.00)	(9,227.75)	(152,257.16)	(2,069,205.71)	(2,084,481.93)		
Payments to employee benefits	(707,636.94)	(97,105.88)	(21,184.10)	(11,295.48)	(23,453.13)			(34,748.58)	(860,886.10)	(711,125.35)		
Payments to suppliers	(974,875.25)	(64,285.39)	(10,494.42)	(1,534.03)	(4,595.92)	(7,602.49)	(770.78)	(24,503.22)	(1,074,158.25)	(1,157,470.69)		
Net cash provided by (used for) operating activities	(628,508.82)	179,074.50	163,982.82	16,491.96	44,895.97	11,318.51	7,926.47	60,636.91	(404,814.59)	(295,720.03)		
Cash flows from noncapital financing activities:												
State grants	24,413.14								24,413.14	25,579.59		
Federal grants	754,590.77								754,590.77	711,509.84		
Operating subsidies and transfers to other funds	33,420.28	(62,200.00)							(28,779.72)	(237,539.17)		
Net cash provided by noncapital financing activities	812,424.19	(62,200.00)							750,224.19	499,549.23		
Cash flows from capital and related financing activities:												
Capital Lease payment	(90,031.82)								(90,031.82)	(88,216.70)		
Net cash provided by (used for) capital and related financing activities	(90,031.82)								(90,031.82)	(88,216.70)		
Net increase (decrease) in cash and cash equivalents	(106,116.45)	116,874.50	163,982.82	16,491.96	44,895.97	11,318.51	7,926.47	80,636.91	255,377.78	(688,641.68)		
Cash and cash equivalents, July 1, 2013	455,155.92	1,075,908.47	446,540.87	124,022.73	138,803.35	22,990.36	7,600.00	293,416.44	2,271,021.70	2,954,663.38		
Cash and cash equivalents, June 30, 2014	\$349,039.47	\$1,192,782.97	\$610,523.69	\$140,514.69	\$183,703.32	\$34,308.87	\$15,526.47	\$374,053.35	\$2,526,399.48	\$2,271,021.70		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities												
Operating income (loss)	(\$1,091,131.15)	\$138,678.22	\$169,925.57	\$17,563.98	\$46,787.85	\$7,969.51	\$1.47	\$72,222.81	(\$710,304.55)	(\$632,795.89)		
Adjustments to reconciling operating income (loss) to net cash provided (used for) operating activities:												
Depreciation	91,157.13								91,157.13	60,035.75		
Federal commodities	191,267.88								191,267.88	176,555.69		
Change in assets and liabilities:												
(Increase) decrease in other accounts receivable	(767.00)								(767.00)	(398.00)		
Increase (decrease) in unearned revenue	(8,015.98)	21,006.93	(7,733.00)	(2,259.00)	(3,438.89)	2,520.00	7,925.00	4,747.12	10,095.07	(6,514.95)		
Increase (decrease) in accounts payable	(17,895.55)	19,389.35	1,790.25	1,186.98	1,551.00	929.00		3,966.98	6,951.03	11,023.41		
Increase (decrease) in compensated absences	(6,115.03)								(6,115.03)	15,656.03		
(Increase) decrease in inventories	12,996.88	40,396.28	(5,942.75)	(1,072.02)	(1,887.89)	3,449.00	7,925.00	8,414.10	12,996.88	(19,342.27)		
	252,622.33								305,489.96	237,075.86		
Net cash provided by (used for) operating activities	(\$528,508.82)	\$179,074.50	\$163,982.82	\$16,491.96	\$44,895.97	\$11,318.51	\$7,926.47	\$80,636.91	(\$404,814.59)	(\$295,720.03)		

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the district for a specific purpose:

Celebration of Excellence	This private purpose trust is used to account for donations received that are used for Teacher Awards
Jackson Championship Fund	This private purpose trust is used to account for donations received that are for the purchase of awards for the Jackson High School Football team.
Lite Up the Jags Fund	This private purpose trust is used to account for donations received that are used for the purchase and maintenance of lighting for the Jackson Township High School Football field
Unemployment Compensation Insurance Trust Fund:	This expendable trust fund is used to pay unemployment compensation claims as they arise.

Agency Funds are used to account for assets held by the district as an agent for another party:

Student Activity Fund :	This agency fund is used to account for student funds held at the schools.
Payroll Fund:	This agency fund is used to account for the payroll transactions of the school district.

JACKSON TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2014

	AGENCY FUNDS		TOTAL AGENCY FUNDS	PRIVATE PURPOSE AWARD FUNDS		UNEMPLOYMENT COMPENSATION TRUST FUND	TOTAL TRUST FUNDS	JUNE 30 2014
	STUDENT ACTIVITY	PAYROLL AGENCY		CELEBRATION OF EXCELLENCE	JACKSON CHAMPIONSHIP FUND			
ASSETS:								
Cash and cash equivalents	\$532,856.18	\$3,934,341.10	\$4,467,197.28	\$3,625.84	\$75.00	\$274,105.39	\$277,806.23	\$4,745,003.51
Intrafunds Receivable						146,145.66	146,145.66	146,145.66
Total assets	\$532,856.18	\$3,934,341.10	\$4,467,197.28	\$3,625.84	\$75.00	\$420,251.05	\$423,951.89	\$4,891,149.17
LIABILITIES:								
Interfunds Payable		\$68,596.36	\$68,596.36					\$68,596.36
Intrafund Payable		146,145.66	146,145.66					146,145.66
Payroll deductions and withholdings		779,367.51	779,367.51					779,367.51
Wages payable - Summer Payroll		2,940,231.57	2,940,231.57					2,940,231.57
Due to student groups	\$532,856.18		532,856.18					532,856.18
Total liabilities	\$532,856.18	\$3,934,341.10	\$4,467,197.28					4,467,197.28
NET POSITION:								
Held in trust for unemployment claims and other purposes				\$3,625.84	\$75.00	\$420,251.05	\$420,251.05	420,251.05
Held in trust for awards and other purposes		-0-	-0-				3,700.84	3,700.84
Total net position	-0-	-0-	-0-	\$3,625.84	\$75.00	\$420,251.05	\$423,951.89	\$423,951.89

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

	PRIVATE PURPOSE AWARD FUNDS			STATE UNEMPLOYMENT COMPENSATION TRUST FUND	TOTAL
	CELEBRATION OF EXCELLENCE	LITE UP THE JAGS	JACKSON CHAMPIONSHIP FUND		
ADDITIONS:					
Contributions:					
Other					
Total contributions				\$132,314.94	\$132,314.94
Investment earnings:					
Interest	\$5.26	\$2.23		467.55	475.04
Net investment earnings	5.26	2.23		467.55	475.04
Total additions	5.26	2.23		132,782.49	132,789.98
DEDUCTIONS:					
Awards granted			9,053.47		9,053.47
Unemployment claims				132,048.84	132,048.84
Total deductions			9,053.47	132,048.84	141,102.31
Change in net position	5.26	(9,051.24)		733.65	(8,312.33)
Net position beginning of year	3,620.58	\$9,051.24		419,517.40	432,264.22
Net position end of year	\$3,625.84		\$75.00	\$420,251.05	\$423,951.89

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

	<u>BALANCE</u> <u>JULY 1, 2013</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2014</u>
Elementary Schools				
Howard C. Johnson	\$13,356.66	\$1,601.51	\$1,220.46	\$13,737.71
Lucy N. Holman	1,315.14	2,499.37	2,627.37	1,187.14
Switlik	3,803.29	272.68	100.00	3,975.97
Crawford - Rodriguez	<u>2,771.84</u>	<u>135.59</u>	<u>828.56</u>	<u>2,078.87</u>
	21,246.93	4,509.15	4,776.39	20,979.69
Middle Schools				
Carl W. Goetz	69,379.91	136,016.20	124,192.80	81,203.31
Christa McAuliffe	54,950.42	137,696.88	132,098.08	60,549.22
Sylvia Rosenauer	<u>787.35</u>	<u>5,305.19</u>	<u>5,786.51</u>	<u>306.03</u>
	125,117.68	279,018.27	262,077.39	142,058.56
High Schools:				
Jackson Memorial High School	196,240.94	476,430.39	471,367.98	201,303.35
JMHS - Athletic Fund	7,470.66	89,855.00	89,021.00	8,304.66
Liberty High School	130,697.29	411,141.48	403,952.90	137,885.87
Liberty High School Athletic Fund	<u>17,611.05</u>	<u>78,874.76</u>	<u>74,161.76</u>	<u>22,324.05</u>
	352,019.94	1,056,301.63	1,038,503.64	369,817.93
Grand Total	<u>\$498,384.55</u>	<u>\$1,339,829.05</u>	<u>\$1,305,357.42</u>	<u>\$532,856.18</u>

EXHIBIT "H-4"

JACKSON TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>BALANCE</u> <u>JULY 1, 2013</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2014</u>
ASSETS:				
Cash and cash equivalents	\$3,694,506.78	\$92,302,064.97	\$92,062,230.65	\$3,934,341.10
Total assets	<u>\$3,694,506.78</u>	<u>\$92,302,064.97</u>	<u>\$92,062,230.65</u>	<u>\$3,934,341.10</u>
LIABILITIES:				
Interfunds payable	\$128,887.79	\$48,434,114.94	\$48,494,406.37	\$68,596.36
Intrafund Payable		146,145.66		146,145.66
Payroll deductions and withholdings	616,957.09	40,756,376.54	40,593,966.12	779,367.51
Wages payable - summer payroll	2,948,661.90	2,965,427.83	2,973,858.16	2,940,231.57
Total liabilities	<u>\$3,694,506.78</u>	<u>\$92,302,064.97</u>	<u>\$92,062,230.65</u>	<u>\$3,934,341.10</u>

LONG-TERM LIABILITIES SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Capital Leases.

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

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JULY 1, 2013	RETIRED	BALANCE JUNE 30, 2014
			DATE	AMOUNT				
Refunding School Bonds (Pension Series 2003)	01/15/03	\$ 6,550,000.00	06/30/15	\$ 620,000.00	5.31%	\$ 1,865,000.00	\$ 590,000.00	1,275,000.00
			06/30/16	655,000.00	5.31%			
Refunding Bonds	4/13/2006	87,650,000.00	06/15/15	3,955,000.00	5.00%	79,130,000.00	2,965,000.00	76,165,000.00
			06/15/16	4,490,000.00	5.25%			
			06/15/17	4,720,000.00	5.25%			
			06/15/18	4,955,000.00	5.25%			
			06/15/19	5,640,000.00	5.25%			
			06/15/20	5,475,000.00	5.25%			
			06/15/21	5,720,000.00	5.25%			
			06/15/22	6,020,000.00	5.25%			
			06/15/23	6,335,000.00	5.25%			
			06/15/24	6,665,000.00	5.00%			
			06/15/25	6,995,000.00	4.50%			
			06/15/26	7,310,000.00	2.50%			
			06/15/27	7,885,000.00	2.50%			
	Renovations and Improvements to Jackson Memorial High School and Christa McAuliffe Middle School	08/01/06	\$ 11,721,000.00	02/01/15	630,000.00			
			02/01/16	660,000.00	4.50%			
			02/01/17	690,000.00	4.50%			
			02/01/18	720,000.00	4.50%			
			02/01/19	755,000.00	4.50%			
			02/01/20	790,000.00	4.50%			
			02/01/21	825,000.00	4.50%			
			02/01/22	865,000.00	4.50%			
			02/01/23	900,000.00	4.50%			
			02/01/24	945,000.00	4.50%			
			02/01/25	985,000.00	4.50%			
			02/01/26	1,031,000.00	4.75%			
						\$ 10,395,000.00	600,000.00	9,796,000.00
						\$ 91,391,000.00	\$ 4,155,000.00	\$ 87,236,000.00

JACKSON TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
 AS OF JUNE 30, 2014

SERIES	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL LEASE	AMOUNT OUTSTANDING JUNE 30, 2013	INCREASE	DECREASE	AMOUNT OUTSTANDING JUNE 30, 2014
<u>Governmental Funds</u>						
Technology Upgrade JMHS Buses/Truck 10/11	1.950%	1,950,000.00 \$	796,267.00 \$		394,289.18 \$	401,977.82
New Lease - 11/12 Buses	3.210%	192,080.00	65,120.88		65,120.88	
Technology Equipment Lease Buses 13/14	1.470%	927,000.00	556,121.04		182,675.04	373,446.00
	1.350%	1,825,000.00	1,825,000.00		367,184.23	1,457,815.77
	1.287%	994,442.00		994,442.00	202,142.34	792,299.66
Sub-Total Governmental Funds		\$ 3,242,508.92 \$	\$ 3,242,508.92 \$	\$ 994,442.00 \$	\$ 1,211,411.67 \$	\$ 3,025,539.25
<u>Business-Type Funds:</u>						
JMHS Kitchen Equipment	2.06%	457,000.00	275,690.94		90,031.82	185,659.12
Grand Total		\$	\$ 3,518,199.86 \$	\$ 994,442.00 \$	\$ 1,301,443.49 \$	\$ 3,211,198.37

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

	<u>BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:					
Local sources:					
Local tax levy	\$6,398,341.00		\$6,398,341.00	\$6,398,341.00	
State sources:					
Debt service aid type II	1,341,879.00		1,341,879.00	1,341,879.00	
Total revenues	<u>7,740,220.00</u>		<u>7,740,220.00</u>	<u>7,740,220.00</u>	
EXPENDITURES:					
Regular debt service:					
Interest	4,120,435.00		4,120,435.00	4,120,435.00	
Redemption of principal	3,565,000.00		3,565,000.00	3,565,000.00	
Interest - ERIP	82,630.00		82,630.00	82,629.50	0.50
Principal - ERIP	590,000.00		590,000.00	590,000.00	
Total regular debt service-expenditures	<u>8,358,065.00</u>		<u>8,358,065.00</u>	<u>8,358,064.50</u>	<u>0.50</u>
Excess (deficiency) of revenues over (under) expenditures	(617,845.00)		(617,845.00)	(617,844.50)	0.50
Other financing sources:					
Operating Transfers in - Capital Projects				6,221.29	6,221.29
Interest earned on Arbitrage	(617,845.00)		(617,845.00)	387.37	387.37
Fund balance, July 1	630,498.00		630,498.00	630,498.00	
Fund balance, June 30	<u>\$12,653.00</u>		<u>\$12,653.00</u>	<u>\$19,262.16</u>	<u>\$6,609.16</u>

STATISTICAL SECTION - UNAUDITED

TOWNSHIP OF JACKSON SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

TOWNSHIP OF JACKSON SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities										
Net investment in capital assets	\$47,814,504.24	\$48,082,597.01	\$46,201,066.71	\$48,866,924.07	\$55,944,397.54	\$54,849,723.06	\$54,631,170.27	\$70,818,784.41	\$66,202,961.72	\$54,138,165.94
Restricted	12,339,597.41	12,838,192.35	10,675,728.91	6,822,188.30	2,820,294.92	4,522,834.13	5,671,280.65	6,720,493.30	9,803,632.26	20,073,365.66
Unrestricted (deficit)	(3,660,492.59)	(5,044,120.30)	(2,028,413.56)	(6,739,508.79)	(2,428,956.92)	(3,965,126.38)	(1,034,050.70)	(2,701,850.48)	(2,429,711.48)	(6,333,944.03)
Total governmental activities net position	\$56,453,609.06	\$55,876,669.06	\$54,848,382.06	\$49,949,603.56	\$56,335,735.54	\$55,407,430.81	\$59,268,400.22	\$74,837,437.23	\$73,576,862.50	\$67,877,586.57
Business-type activities										
Invested in capital assets	\$1,372,697.36	\$1,463,854.49	\$1,065,445.16	\$111,575.75	\$140,809.25	\$178,717.70	\$305,733.10	\$66,511.50	\$95,485.80	\$123,296.00
Net of related debt	1,927,162.07	1,580,821.01	1,296,748.73	2,043,431.89	1,662,052.76	1,419,796.05	1,278,552.61	1,250,816.88	2,025,490.61	1,486,919.84
Unrestricted	\$3,299,859.43	\$3,044,675.50	\$2,362,193.89	\$2,155,007.64	\$1,802,862.01	\$1,598,513.75	\$1,584,285.71	\$1,317,328.38	\$2,120,976.41	\$1,610,215.84
Total business-type activities net position	\$49,187,201.60	\$49,546,451.50	\$47,266,511.87	\$48,978,499.82	\$56,085,206.79	\$55,028,440.76	\$54,836,903.37	\$70,885,305.91	\$66,298,447.52	\$54,261,462.94
District-wide										
Net investment in capital assets	12,339,597.41	12,838,192.35	10,675,728.91	6,822,188.30	2,820,294.92	4,522,834.13	5,671,280.65	6,720,493.30	9,803,632.26	20,073,365.66
Restricted	(1,733,330.52)	(3,463,299.29)	(731,664.83)	(3,696,076.90)	(766,904.16)	(2,545,330.33)	244,501.91	(1,451,033.60)	(404,220.87)	(4,847,024.19)
Unrestricted	\$59,792,468.49	\$58,921,344.56	\$57,210,575.95	\$52,104,611.22	\$58,138,597.55	\$57,005,944.56	\$60,852,685.93	\$76,154,765.61	\$75,697,858.91	\$69,487,804.41
Total district net position	\$68,059,235.38	\$67,388,449.82	\$66,789,529.99	\$64,512,645.54	\$66,476,290.02	\$64,460,558.85	\$67,729,972.79	\$75,458,237.62	\$75,190,796.00	\$64,623,545.88

Source: CAFR Schedule A-1

TOWNSHIP OF JACKSON SCHOOL DISTRICT
CHANGES IN NET POSITION

UNAUDITED

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
EXPENSES										
Governmental activities										
Instruction:										
Regular	\$51,228,343.35	\$51,355,565.47	\$47,418,293.10	\$49,695,187.95	\$48,766,175.92	\$47,698,725.24	\$48,114,374.28	\$49,695,935.16	\$44,092,985.19	\$40,960,445.08
Special	25,176,975.77	25,936,760.52	21,976,846.06	21,139,945.86	20,494,499.40	19,792,810.28	19,870,388.57	17,029,470.25	15,340,953.10	13,856,791.15
Other instruction	3,744,844.45	3,851,722.09	3,506,035.75	3,569,886.52	3,689,912.79	3,852,776.57	3,756,939.66	4,059,154.01	3,063,466.34	3,064,000.57
Support services:										
Tuition			3,876,982.94	3,750,069.61	4,969,955.20	5,157,689.83	6,937,680.06	7,293,653.87	8,712,637.63	8,759,077.40
Student and instruction related services	20,425,794.44	19,876,718.88	17,400,796.17	18,526,033.44	19,092,320.50	17,309,066.83	13,987,559.07	14,289,111.44	10,496,708.43	9,868,720.30
General administrative services	1,439,252.04	1,610,611.59	1,925,564.62	1,835,550.15	1,913,192.33	1,914,810.90	1,734,663.99	1,948,099.78	1,553,443.60	2,094,875.11
School administrative services	7,577,919.04	7,442,343.74	6,895,043.79	6,882,113.63	6,918,483.23	7,056,377.78	6,472,045.64	6,439,173.91	6,030,376.28	6,060,151.78
Business and other support services										
Central Services/Administrative Technology	3,468,124.34	3,690,056.55	3,609,258.71	3,587,495.41	3,209,350.56	3,236,185.51	3,320,914.44	2,868,442.33	3,311,306.57	2,302,245.58
Plant operations and maintenance	12,077,242.72	11,536,372.79	12,289,740.37	12,034,474.36	13,885,102.74	13,127,849.55	13,020,264.78	11,614,167.47	9,733,829.99	9,194,621.12
Pupil transportation	11,094,664.25	10,481,457.01	10,836,039.01	10,629,131.41	10,413,351.37	11,049,828.87	11,108,999.51	11,486,494.96	8,785,730.92	8,044,222.38
Special Schools	515,477.44	249,524.28	467,036.59	450,955.85	609,114.80	1,285,616.40	1,196,120.50	1,093,349.00	989,321.13	701,471.54
Interest on Long-Term Debt	4,857,336.82	4,639,250.05	4,794,914.55	5,179,101.17	5,014,454.11	5,218,464.03	5,267,133.36	5,514,487.38	3,731,479.00	5,182,635.27
Unallocated depreciation	4,032,879.16	4,025,742.48	3,785,313.96	241,519.60	284,431.80	275,843.49	293,712.88	290,585.07	202,801.23	132,070.00
Unallocated amortization		201,190.48	201,190.48	201,190.48	201,190.48	201,190.48	201,190.48	201,190.48		
Total governmental activities expenses	145,638,883.52	144,797,315.93	139,059,056.10	137,722,057.44	139,451,535.03	137,177,038.76	135,182,147.24	133,843,315.11	116,065,061.41	110,371,327.28
Business-type activities:										
Food Service	2,812,087.52	2,771,155.15	2,833,183.75	2,664,266.74	2,715,689.54	2,686,032.65	2,520,542.92	2,462,306.31	2,257,776.71	2,139,663.88
Child Care	954,810.40	917,967.41	842,554.10	969,475.10	1,371,802.64	1,318,839.12	1,412,432.02	1,186,235.99	1,151,067.26	1,016,787.87
Extended Enrichment Kindergarten	310,207.42	330,427.53	287,985.07							
Community School	88,045.95	82,211.12	120,420.14	484,219.19	117,855.10	190,851.76	231,826.73	193,055.11	163,749.92	162,020.20
Preschool	86,487.97	76,467.11	128,835.09	176,716.48	240,717.16	229,230.47	286,634.06	195,843.29	236,475.67	243,409.28
Digital Media	30,643.49	32,447.94	30,421.18	14,187.52	3,725.00					
Summer Electives	9,998.53									
Total business-type activities expense	4,282,281.28	4,210,666.26	4,243,389.33	4,328,883.03	4,449,769.44	4,426,954.00	4,451,435.73	4,037,440.70	3,809,089.56	3,561,881.23
Total district expenses	\$149,931,165.10	\$149,007,982.19	\$143,302,445.43	\$142,050,940.47	\$143,901,324.47	\$141,603,992.76	\$139,633,582.97	\$137,880,755.81	\$119,874,150.97	\$113,933,208.51
PROGRAM REVENUES										
Governmental activities:										
Operating grants and contributions	\$14,404,622.31	\$16,501,489.61	\$13,095,413.53	\$13,123,340.00	\$15,241,018.06	\$15,124,062.33	\$18,620,860.61	\$17,884,772.25	\$14,139,492.84	\$13,353,334.31
Total governmental activities program revenues	14,404,622.31	16,501,489.61	13,095,413.53	13,123,340.00	15,241,018.06	15,124,062.33	18,620,860.61	17,884,772.25	14,139,492.84	13,353,334.31

TOWNSHIP OF JACKSON SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
PROGRAM REVENUES										
Business-type activities:										
Charges for services										
Food Service	\$1,720,956.37	\$1,770,566.04	\$1,960,706.05	\$1,996,786.65	\$2,006,459.55	\$2,067,055.16	\$2,037,359.85	\$1,929,843.53	\$1,875,032.66	\$1,740,202.60
Extended Enrichment Kindergarten	\$460,132.99	\$492,433.85	\$556,329.64							
Child Care	1,093,488.62	1,145,629.72	1,107,740.88	1,116,260.73	1,475,555.36	1,375,656.76	1,448,474.88	1,362,936.11	1,501,127.70	1,391,837.71
Community School	105,609.93	95,886.30	89,778.61	544,016.78	120,875.08	177,212.00	190,193.16	195,921.30	205,711.37	165,001.55
Preschool	133,275.82	142,055.46	124,752.81	169,881.50	243,804.12	240,349.30	226,357.24	271,588.55	277,237.59	239,254.51
Digital Media Program	38,513.00	31,597.00	30,140.00	19,880.00	9,245.00					
Summer Electives	10,000.00									
Operating grants and contributions	964,268.20	926,684.34	921,721.89	828,449.84	787,425.93	639,740.39	534,038.42	497,299.29	436,436.80	456,618.11
Total business type activities program revenues	4,576,244.93	4,604,554.71	4,791,169.88	4,675,277.50	4,643,265.94	4,500,013.61	4,436,473.55	4,257,586.73	4,295,546.12	3,972,914.48
Total district program revenues	\$18,980,867.24	\$21,108,044.32	\$17,889,583.51	\$17,798,617.50	\$19,684,383.10	\$19,624,073.94	\$23,057,334.16	\$22,142,361.03	\$18,435,038.96	\$17,326,248.79
NET(EXPENSE)/REVENUE										
Governmental activities	(\$131,234,261.51)	(\$128,295,826.32)	(\$125,960,642.57)	(\$124,598,717.44)	(\$124,210,516.97)	(\$122,052,976.43)	(\$116,561,286.63)	(\$115,958,542.86)	(\$101,925,568.57)	(\$97,017,982.97)
Business-type activities	283,963.65	393,888.45	547,780.65	346,394.47	183,575.60	73,059.61	(14,962.18)	220,148.08	486,456.56	411,033.25
Total district-wide net expense	(\$130,950,297.86)	(\$127,901,937.87)	(\$125,412,861.92)	(\$124,252,322.97)	(\$124,026,941.37)	(\$121,979,916.82)	(\$116,576,248.81)	(\$115,738,394.78)	(\$101,439,112.01)	(\$86,006,959.72)
GENERAL REVENUES AND OTHER CHANGES										
IN NET POSITION										
Governmental activities:										
Property taxes levied for general purposes, net	\$74,095,557.00	\$72,054,468.00	\$70,641,635.00	\$70,641,635.00	\$64,892,178.00	\$62,757,140.00	\$62,757,140.00	\$60,020,934.00	\$53,950,635.00	\$45,927,677.00
Taxes levied for debt service	6,398,341.00	6,555,540.00	7,131,668.00	7,218,334.00	6,075,860.00	6,126,678.00	6,135,149.00	6,135,149.00	6,131,191.00	5,995,732.00
Federal and state aid not restricted	49,581,508.91	49,055,628.93	51,335,296.65	44,890,516.12	51,951,063.36	45,810,096.96	47,906,596.02	45,756,316.63	45,506,083.81	45,403,470.12
Federal and state aid restricted	699,142.62	596,617.04	922,873.50	889,350.31	983,951.32	1,013,537.95	877,362.86	771,397.00	995,513.00	831,371.72
Miscellaneous income	1,218,782.69	1,211,869.34	1,125,753.17	760,147.48	1,227,353.07	2,863,225.06	2,577,666.92	2,300,614.79	2,046,223.75	1,752,550.85
Cancellation of Capital Lease	(204,330.97)		(297,805.27)	(472,988.00)	8,415.95	(5,833.75)		(1,290.50)		
Disposal of capital asset (net)	62,200.00	50,000.00						1,040,000.00		
Transfers	131,851,201.25	129,324,113.31	130,859,421.05	124,026,984.91	125,138,821.70	118,564,744.24	119,653,914.70	116,023,122.92	108,629,646.56	99,910,801.69
Total governmental activities	33,420.28	31,220.35	16,622.29	11,271.16	11,772.66	21,386.43	18,539.26	16,203.89	15,776.35	20,859.90
Business-type activities:										
Miscellaneous Income	(62,200.00)	(50,000.00)						(1,040,000.00)		
Transfers	(28,778.72)	(18,770.65)	16,622.29	11,271.16	11,772.66	21,386.43	18,539.26	(1,023,796.11)	15,776.35	20,859.90
Total business-type activities	\$131,822,421.53	\$129,305,333.66	\$130,876,043.34	\$124,038,266.07	\$125,150,594.36	\$118,586,130.67	\$119,672,453.96	\$114,999,326.81	\$108,645,722.91	\$99,831,661.59
CHANGE IN NET POSITION										
Governmental activities	\$616,839.74	\$1,026,286.99	\$4,898,778.48	(\$571,722.53)	\$928,304.73	(\$3,488,232.19)	\$3,092,628.07	\$64,560.06	\$6,704,077.99	\$2,892,808.72
Business-type activities	255,183.93	375,108.80	564,402.94	357,665.63	205,346.26	94,446.04	3,577.08	(603,648.03)	502,232.91	431,893.15
Total district	\$872,123.67	\$1,401,395.79	\$5,463,181.42	(\$214,056.90)	\$1,133,652.99	(\$3,393,786.15)	\$3,096,205.15	(\$739,067.97)	\$7,206,310.90	\$3,324,701.87

Source: CAFR Schedule A-2

TOWNSHIP OF JACKSON SCHOOL DISTRICT
 FUND BALANCES - GOVERNMENTAL FUNDS
 UNAUDITED

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund										
Restricted	\$12,663,645.02	\$12,316,898.45	\$10,667,396.93	\$5,513,429.71	\$3,445,238.15	\$3,481,324.87	\$4,411,074.12	\$2,971,077.39	\$5,332,800.67	\$4,263,327.03
Committed	2,408,701.67	1,565,750.57	2,623,176.34	2,715,596.45	4,390,578.67	2,817,399.44	5,398,386.95	4,846,181.11	3,402,187.79	2,180,347.76
Unassigned (deficit)										
Reserved										
Unreserved	\$15,072,346.69	\$13,882,649.02	\$13,290,573.27	\$8,229,026.16	\$7,835,816.82	\$6,298,724.31	\$9,809,461.07	\$7,817,258.50	\$8,734,988.46	\$6,443,674.79
Total general fund										
All Other Governmental Funds										
Restricted	\$1,375,749.29	\$1,377,583.54	\$2,340,158.32	\$2,432,149.83	\$1,095,610.72	\$1,208,304.16	\$1,341,700.49	\$4,472,357.52	\$16,080,024.60	\$20,687,280.14
Assigned	25,388.06	679,635.24	126,745.55	445,069.55					(9,208.95)	(9,208.95)
Committed									(2,774,034.03)	8,384,509.16
Reserved									1,510,510.57	880,923.50
Unreserved, reported in:									\$14,807,292.19	\$29,943,503.85
Special revenue fund (deficit)										
Capital projects fund (deficit)										
Debt service fund										
Total all other governmental funds	\$1,413,790.35	\$2,057,218.78	\$2,466,903.87	\$2,877,219.38	\$3,878,593.84	\$4,862,496.39	\$6,678,686.71	\$12,382,488.66	\$14,807,292.19	\$29,943,503.85

Source: CAFR Schedule B-1

TOWNSHIP OF JACKSON SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Tax, levy	\$80,493,898.00	\$78,410,008.00	\$77,773,303.00	\$77,859,985.00	\$70,968,038.00	\$68,883,818.00	\$68,892,289.00	\$66,156,083.00	\$60,081,826.00	\$51,923,409.00
Interest on capital reserve	7,946.52	7,337.25	3,892.27							
Tuition charges										
Miscellaneous	1,225,562.00	1,242,223.66	1,168,676.78	797,933.02	1,241,725.22	2,928,451.16	18,421.20	114,334.60	81,490.34	52,799.00
Slate sources	61,788,957.76	62,856,309.32	60,427,464.99	54,421,953.55	56,385,446.29	56,530,537.48	63,560,717.17	61,167,417.92	1,955,796.23	1,876,350.43
Federal sources	2,981,202.88	3,258,885.62	4,881,119.92	4,541,439.64	11,772,489.55	3,347,602.18	3,217,320.34	3,127,534.58	57,577,792.80	56,514,728.09
Total revenue	146,397,567.16	145,774,763.85	144,254,456.96	137,621,195.21	140,367,689.06	133,690,408.82	138,286,400.75	132,857,037.76	122,760,202.22	113,258,787.31
Expenditures										
Instruction										
Regular instruction	35,606,212.83	34,374,391.92	34,108,896.75	34,009,575.04	34,007,421.38	36,351,634.14	34,605,322.05	35,030,197.70	32,191,026.16	30,991,764.31
Special education instruction	15,617,593.21	16,170,443.17	15,973,237.78	15,252,120.36	14,944,323.71	11,514,557.15	12,368,430.07	11,813,614.75	10,767,585.96	9,919,598.17
Other instruction	2,736,039.08	2,723,254.73	2,525,760.01	2,689,452.64	2,828,245.09	2,921,594.98	2,765,110.69	3,133,894.56	2,248,702.47	2,302,925.10
Support Services:										
Tuition	3,712,590.54	4,054,485.34	3,876,982.94	3,750,069.61	4,959,955.20	5,157,069.83	6,837,860.08	7,293,653.74	6,401,817.20	6,400,878.25
Student and instruction related services	14,333,987.14	13,704,630.31	12,758,565.45	13,911,120.16	14,772,563.22	13,322,660.59	10,548,446.14	11,102,272.88	10,173,747.08	9,522,610.16
General administrative services	1,385,754.42	1,462,810.93	1,349,469.43	1,320,502.68	1,250,860.22	1,420,700.54	1,326,350.21	1,161,881.23	1,151,732.72	1,084,380.67
School administrative services	5,106,242.22	4,991,978.20	4,950,907.06	5,059,641.86	5,111,517.08	5,352,765.50	4,969,899.85	5,032,612.75	4,785,485.33	4,567,796.81
Business and other support services										
Central Services and Adm Technology	2,511,879.44	2,513,005.13	2,330,157.98	2,341,281.76	2,366,111.75	2,506,514.77	2,594,486.92	2,223,168.47	2,296,227.61	2,319,189.16
Plant operations and maintenance	10,587,678.49	10,102,949.68	9,730,261.31	9,795,098.62	10,994,330.66	11,251,874.13	11,101,354.29	10,005,619.65	8,627,754.70	7,900,427.61
Pupil transportation	8,707,904.20	8,653,346.48	8,275,435.62	8,058,054.47	8,344,221.53	8,456,249.90	9,372,796.53	10,482,904.37	9,148,022.86	7,663,520.45
Unallocated benefits	35,278,120.26	36,221,093.85	33,111,546.03	31,155,128.63	29,804,925.13	28,481,552.66	29,579,294.70	27,380,362.78	22,593,060.75	21,444,682.46
Special schools										
Debt service:										
Principal	385,261.75	187,298.87	213,943.49	209,283.67	275,894.20	969,709.23	889,386.65	800,692.41	719,022.99	703,429.88
Interest and other charges	4,155,000.00	3,440,000.00	4,559,000.00	4,355,000.00	3,865,000.00	3,930,000.00	3,520,010.00	3,405,000.00	4,205,000.00	3,125,000.00
Capital Outlay	4,203,064.50	4,350,094.50	4,588,372.00	4,816,106.50	5,020,487.25	5,224,337.25	5,647,180.50	5,032,952.38	4,020,904.03	5,578,187.51
Total expenditures	2,580,999.21	3,609,198.09	1,300,651.58	3,735,436.65	2,102,162.03	2,432,023.73	6,900,697.01	13,578,119.80	20,033,116.34	39,788,115.06
Excess (Deficiency) of revenues over (under) expenditures	146,908,327.29	146,568,971.20	139,653,190.43	140,357,873.65	140,678,018.45	132,242,864.40	143,026,623.69	147,476,947.47	139,363,206.20	153,312,485.60
	(510,760.13)	(794,207.35)	4,601,266.53	(2,736,678.44)	(310,319.39)	(5,552,455.58)	(4,760,222.94)	(14,619,908.71)	(16,603,003.98)	(40,062,688.29)
Other Financing sources (uses)										
Interest earned on Arbitrage reserve	387.37	839.07	1,182.89	2,127.70	3,724.75	4,331.50	8,374.56	12,147.91	8,937.18	4,348.69
Capital leases (non-budgeted)	994,442.00	925,758.94	48,782.18	2,126,388.82	859,781.40	221,197.00	1,040,229.00	1,089,974.85	1,224,586.14	468,290.22
Transfers	62,200.00	50,000.00						1,040,000.00		
Long-Term debt issued										
Total other financing sources (uses)	1,057,029.37	976,598.01	49,965.07	2,128,516.52	863,506.15	225,528.50	1,048,603.56	13,863,122.76	1,233,523.32	472,638.91
Net change in fund balances	\$546,269.24	\$182,390.66	\$4,651,231.60	(\$608,161.92)	\$553,186.76	(\$5,327,927.08)	(\$3,711,619.38)	(\$756,786.95)	(\$15,369,480.96)	(\$39,580,059.38)
Debt service as a percentage of noncapital expenditures	5.79%		6.61%	6.71%	6.43%	6.69%	6.73%	6.30%	6.89%	7.67%

Source: CAFR Schedule B-2

TOWNSHIP OF JACKSON SCHOOL DISTRICT
 GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
 UNAUDITED

Fiscal Year Ended June 30,	INTEREST EARNED	PRIOR YEAR VOIDED CHECKS	TUITION	REIMBURSEMENT			TOTAL
				OF PRIOR YEAR COSTS	INSURANCE REIMBURSEMENTS	MISCELLANEOUS	
2014	\$ 28,242.05	\$ 1,968.00	297,145.32	\$ 363,116.89	\$	513,755.25	\$ 1,204,227.51
2013	76,626.67	442.00	461,908.84	144,506.80		508,385.89	1,191,870.20
2012	97,451.54	2,844.35	199,329.55	172,564.29		631,826.16	1,104,015.89
2011	92,927.12	6,125.08	86,102.86	134,175.10		343,467.60	662,797.76
2010	89,798.46		213,566.16	267,322.89		471,768.88	1,042,456.39
2009	143,502.13	859.00	2,161.80	291,076.54	1,855,394.00	349,184.55	2,642,178.02
2008	330,495.42	9,050.29	8,027.00	235,924.55	1,029,702.00	407,430.40	2,020,629.66
2007	426,223.40	396.34	28,856.80	561,410.61		62,745.22	1,079,632.37
2006	463,208.33	1,635.32	49,006.04	416,460.90		189,864.42	1,120,175.01
2005	212,905.44	2,146.36	24,875.00	189,163.61		45,849.39	474,939.80

Source: District Records

TOWNSHIP OF JACKSON SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
UNAUDITED

Calendar Year Ended June 30,	Vacant Land	Residential	Farm Req.	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2013	\$177,539,100.00	\$5,758,469,920.00	\$25,466,100.00	\$561,902,600.00	\$45,329,600.00	\$84,381,800.00	\$6,653,089,120.00	\$9,274,100.00	\$6,662,363,220.00	6,492,632,689.00	1.192
2012	195,594,400.00	5,789,559,620.00	26,609,600.00	559,779,044.00	45,508,400.00	82,853,600.00	6,999,904,664.00	10,721,673.00	6,710,626,337.00	6,687,258,458.00	1.163
2011	212,538,700.00	5,804,842,020.00	24,196,300.00	557,092,044.00	46,031,800.00	91,186,000.00	6,735,886,864.00	10,837,630.00	6,746,824,494.00	6,811,429,164.00	1.166
2010	241,510,500.00	5,770,609,820.00	24,137,200.00	573,497,800.00	46,269,500.00	91,186,000.00	6,747,210,820.00	12,584,359.00	6,759,795,179.00	6,826,418,584.00	1.089
2009	252,278,800.00	5,755,588,400.00	24,917,400.00	576,757,400.00	46,277,000.00	95,228,200.00	6,751,047,200.00	13,105,657.00	6,764,152,857.00	7,124,711,261.00	1.034
2008	81,777,650.00	2,975,062,100.00	11,872,400.00	260,972,200.00	17,831,100.00	30,428,100.00	2,977,943,550.00	4,858,081.00	2,982,801,631.00	7,459,572,861.00	2.310
2007	94,868,650.00	2,550,024,600.00	12,322,800.00	252,420,010.00	18,118,100.00	30,853,100.00	2,958,607,260.00	4,862,021.00	2,963,469,281.00	7,063,164,759.00	2.278
2006	106,426,550.00	2,404,800,500.00	13,169,700.00	249,459,500.00	18,171,200.00	30,853,100.00	2,822,880,550.00	5,215,094.00	2,828,095,644.00	6,032,656,183.00	2.232
2005	98,987,550.00	2,248,532,001.00	13,141,300.00	247,695,000.00	17,236,600.00	30,084,100.00	2,655,746,551.00	5,913,328.00	2,661,659,879.00	5,156,109,685.00	2.091
2004	95,277,850.00	2,117,604,200.00	12,576,700.00	259,185,800.00	17,374,300.00	30,286,400.00	2,532,305,250.00	6,887,801.00	2,539,193,051.00	4,164,543,831.00	2.020

Source: District records Tax list summary & Municipal Tax Assessor
 Note: Real property is required to be assessed at true value (fair or market value) established by each county board of taxation.
 Reassessment occurs when ordered by the County Board of Taxation
 (a) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
 (b) Tax rates are per \$100

TOWNSHIP OF JACKSON SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended June 30,	Township of Jackson Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Township of Jackson	Ocean County	
2013	\$1.097	\$0.095	\$1.192	\$0.458	\$0.390	\$2.040
2012	1.069	0.094	1.163	0.441	0.364	1.968
2011	1.059	0.107	1.166	0.432	0.349	1.947
2010	0.987	0.101	1.088	0.398	0.343	1.829
2009*	0.945	0.089	1.034	0.392	0.344	1.770
2008	2.104	0.206	2.310	0.824	0.770	3.904
2007	2.067	0.211	2.278	0.824	0.741	3.843
2006	2.004	0.228	2.232	0.824	0.718	3.774
2005	1.850	0.241	2.091	0.628	0.738	3.457
2004	1.782	0.238	2.020	0.584	0.703	3.307

* - Revaluation

Source: District Records and Municipal Tax Collector
(Rates are per \$100 of assessed value)

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

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

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2014			2005		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Six Flags Theme Park, Inc.	\$112,621,100.00	1	1.690%	\$97,395,000.00	1	4.270%
CPG Partners LP	77,016,800.00	2	1.156%	21,648,600.00	2	0.950%
Gala Regency, LLC	31,500,000.00	3	0.473%			
Healthcare Reit Inc.	27,431,000.00	4	0.412%			
Jackson Plaza Associates	20,220,800.00	5	0.304%	4,682,100.00	9	0.210%
Centro/IA Bennetts Mills Plaza, LLC	17,500,000.00	6	0.263%			
Leigh, Mitch	16,898,000.00	7	0.254%			
Bartley Associates, LLC	12,475,500.00	8	0.187%	7,586,500.00	7	0.390%
S/K Jackson Green Assoc. LLC	12,000,000.00	9	0.180%			
Cardinale & Jackson Crossing Assoc.	11,822,100.00	10	0.177%			
Parkside of Jackson LLC				13,047,300.00	3	0.570%
F.C. Regency Club				11,350,000.00	4	0.500%
Metedeconk National Golf Club Inc.				8,884,500.00	5	0.390%
New Plan Realty Trust Centro NP				8,839,200.00	6	0.390%
Bartley Assisted Living				6,000,000.00	8	0.260%
Jackson Healthcare Associates				4,537,000.00	10	0.290%
Total	\$339,485,300.00		5.096%	\$183,970,200.00		8.220%

Source: Municipal Tax Assessor

TOWNSHIP OF JACKSON SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2014	\$80,493,898.00	\$80,493,898.00	100.00%	0.00
2013	78,410,008.00	78,410,008.00	100.00%	0.00
2012	78,410,008.00	78,410,008.00	100.00%	0.00
2011	77,859,969.00	77,859,969.00	100.00%	0.00
2010	70,968,038.00	70,968,038.00	100.00%	0.00
2009	68,883,818.00	68,883,818.00	100.00%	0.00
2008	68,892,289.00	68,892,289.00	100.00%	0.00
2007	66,156,083.00	66,156,083.00	100.00%	0.00
2006	60,081,826.00	60,081,826.00	100.00%	0.00
2005	51,923,409.00	51,923,409.00	100.00%	0.00

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

Note: 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 is the amount voted upon or certified prior to the end of the school year.

TOWNSHIP OF JACKSON SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Capital Leases			
2014	\$87,236,000.00	\$3,211,198.37	\$90,447,198.37	N/A	N/A
2013	91,391,000.00	3,248,796.40	94,639,796.40	N/A	1,838.67
2012	94,831,000.00	2,822,422.05	97,653,422.05	0.044%	1,755.85
2011	99,390,000.00	2,485,996.37	110,393,916.37	0.037%	2,002.47
2010	103,745,000.00	1,359,466.18	105,104,466.18	0.038%	1,912.24
2009	107,640,000.00	1,351,992.94	108,991,992.94	0.029%	2,049.07
2008	111,570,000.00	2,277,588.69	113,847,588.69	0.029%	2,164.94
2007	115,090,000.00	3,042,836.05	118,132,836.05	0.028%	2,246.85
2006	106,754,000.00	4,543,959.87	111,297,959.87	0.030%	2,132.47
2005	109,879,000.00	5,390,942.64	115,269,942.64	0.030%	2,227.09

Source: District CAFR Schedules I-1, I-2

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

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

(b) Includes Early Retirement Incentive Plan (ERIP) refunding

N/A - Not available

TOWNSHIP OF JACKSON SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	General Bonded Debt Outstanding			Percentage of Actual Taxable Value (a) of <u>Property</u>	<u>Per Capita (b)</u>
	General Obligation <u>Bonds</u>	<u>Deductions</u>	Net General Bonded Debt <u>Outstanding</u>		
2014	\$87,236,000.00	\$1,275,000.00	\$85,961,000.00	N/A	N/A
2013	91,391,000.00	1,865,000.00	89,526,000.00	1.344%	1,609.72
2012	94,831,000.00	2,425,000.00	92,406,000.00	1.377%	1,676.18
2011	99,390,000.00	2,955,000.00	96,435,000.00	1.429%	1,754.51
2010	103,745,000.00	3,465,000.00	100,280,000.00	1.483%	1,885.28
2009	107,640,000.00	3,950,000.00	103,690,000.00	1.533%	1,971.78
2008	111,570,000.00	4,415,000.00	107,155,000.00	3.592%	2,038.06
2007	115,090,000.00	4,865,000.00	110,225,000.00	3.719%	2,111.91
2006	106,754,000.00	5,300,000.00	101,474,000.00	3.588%	1,960.55
2005	109,879,000.00	5,725,000.00	101,029,000.00	3.796%	1,961.27

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

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

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2013
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Jackson Township	\$29,868,578.00	100.00%	\$29,868,578.00
Other debt			
Ocean County	436,970,945.81	7.29%	31,858,838.83
Ocean County Utilities Authority	186,183,673.00	4.60%	<u>8,558,130.45</u>
Subtotal, overlapping debt			70,285,547.28
Jackson School District Direct Debt			<u>91,391,973.00</u>
Total direct and overlapping debt			<u><u>\$161,677,520.28</u></u>

Source: Township of Jackson Chief Financial Officer, Ocean County Treasurer's Office and Ocean County Utilities Authority.

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
UNAUDITED

Legal Debt Margin Calculation for Fiscal 2013:

Equalized Valuation Basis

Calendar Year

2013	\$6,483,358,589.00
2012	6,676,536,785.00
2011	6,800,491,534.00
	<u>\$19,960,386,908.00</u>
Average Equalized Valuation of Taxable Property	\$6,653,462,302.67
Debt Limit (4% of average equalization value)	266,138,492.11
Total Net Debt Applicable to Limit	91,391,973.00
Legal Debt Margin	<u>\$174,746,519.11</u>

	Fiscal Year Ending June 30,							
	2014	2013	2012	2011	2009	2008	2007	2006
Debt Limit	\$266,138,492.11	\$271,878,167.25	\$277,679,084.84	\$286,494,498.81	\$292,954,945.37	\$263,862,657.40	\$230,613,977.63	\$193,777,184.20
Total Net Debt Applicable To Limit	91,391,973.00	91,391,000.00	94,831,000.00	99,390,000.00	103,745,000.00	111,570,000.00	115,090,000.00	106,754,000.00
Legal Debt Margin	<u>\$174,746,519.11</u>	<u>\$180,487,167.25</u>	<u>\$182,848,084.84</u>	<u>\$183,259,498.81</u>	<u>\$176,264,222.09</u>	<u>\$150,042,647.40</u>	<u>\$120,388,977.63</u>	<u>\$92,303,184.20</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	34.34%	33.61%	34.15%	36.03%	38.08%	43.14%	47.80%	52.37%

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.A. 18A:24-19 for a K through 12 district, other % limits would be applicable for other district types.

TOWNSHIP OF JACKSON SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2013	51,472	N/A	N/A	7.80%
2012	55,616	\$2,402,611,200.00	\$43,200.00	9.20%
2011	55,129	2,245,073,396.00	40,724.00	9.00%
2010	54,964	2,214,554,524.00	40,291.00	9.30%
2009	53,191	1,707,377,909.00	32,099.00	9.20%
2008	52,587	1,711,549,089.00	32,547.00	5.40%
2007	52,577	1,735,514,193.00	33,009.00	4.00%
2006	52,192	1,750,363,104.00	33,537.00	4.40%
2005	51,758	1,783,735,954.00	34,463.00	3.90%
2004	51,512	1,892,653,904.00	36,742.00	5.00%

Source:

- (a) Population information provided by the NJ Dept. 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 2001 Census published by the US Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

TOWNSHIP OF JACKSON SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

<u>Employer</u>	2014		2004	
	<u># of Employees</u>	<u>Rank (Optional)</u>	<u># of Employees</u>	<u>Rank (Optional)</u>
Six Flags Great Adventure Theme Park	4,100		N/A	
Jackson Township Board of Education	1,450		N/A	
	5,550		0	
		<u>Percentage of Total Employment</u>		<u>Percentage of Total Employment</u>
		15.16%		0.00%
		5.36%		
		20.52%		

Source: District Records

TOWNSHIP OF JACKSON SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
UNAUDITED

Function/Program	2014	2013	2012	2011	2010	2009	2008
Instruction:							
Regular	499	499	498	499	625	620	612
Special education	282	284	293	252	308	305	305
Support Services:							
Student and instruction related services	185	184	177	208	140	138	132
General administrative services	3	4	4	4	4	4	4
School administrative services	63	63	65	64	75	75	71
Plant operations and maintenance	169	169	168	167	125	123	120
Pupil transportation	158	158	161	161	175	172	160
Central services	18	18	18	17	21	21	21
Administration information technology	8	8	8	8	7	8	8
Special Schools	61	58	60	59	67	62	1
Food Service	4	4	3	3	3	3	62
Child Care							3
Total	1,450	1,449	1,455	1,442	1,550	1,532	1,499

Source: District Personnel Records

TOWNSHIP OF JACKSON SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Teacher/Pupil Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2014	9,015	\$135,969,263.58	\$15,082.56	10.64%	808	1:11	1:11	1:12	8,941	8,471	-4.86%	94.74%
2013	9,183	135,169,678.61	14,719.56	8.61%	816	N/A	N/A	N/A	9,149	8,653	-3.69%	94.58%
2012	9,478	129,205,166.85	13,632.11	0.58%	814	1:11	1:12	1:12	9,398	8,927	-1.07%	94.99%
2011	9,590	127,451,330.50	13,552.88	1.49%	821	1:11	1:12	1:13	9,500	9,004	-0.99%	94.78%
2010	9,710	129,660,369.17	13,353.28	1.97%	842	1:12	1:12	1:13	9,595	9,087	-0.55%	94.71%
2009	9,748	127,656,503.42	13,095.66	0.08%	830	1:12	1:12	1:13	9,648	9,142	-1.08%	94.76%
2008	9,810	128,364,087.78	13,085.02	1.23%	822	1:12	1:12	1:13	9,753	9,238	1.06%	94.72%
2007	9,861	127,467,365.37	12,926.41	10.90%	810	1:13	1:11	1:14	9,651	9,137	0.44%	94.67%
2006	9,687	112,911,793.09	11,656.01	3.17%	803	1:13	1:11	1:14	9,609	9,077	1.26%	94.46%
2005	9,573	108,151,264.25	11,297.53	6.17%	792	1:13	1:10	1:14	9,490	8,950	1.51%	94.31%

Sources: District records

Note: Enrollment based on annual October district count.

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents of certificated staff.

(c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
N/A - Not Available

TOWNSHIP OF JACKSON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	2014	2013	2012	2011	2010	2009	2008
<u>District Buildings</u>							
Elementary School(s):							
Elms Elementary School (2003)	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Capacity (students)	808	808	808	808	808	808	808
Enrollment	673	697	758	792	835	857	907
Crawford Rodriguez Elementary School (2001)	107,400	107,400	107,400	107,400	107,400	107,400	107,400
Capacity (students)	742	742	742	742	742	742	742
Enrollment	830	800	785	804	803	815	847
Switlik Elementary School (1948)	62,750	62,750	62,750	62,750	62,750	62,750	62,750
Capacity (students)	475	475	475	475	475	475	475
Enrollment	802	851	871	867	893	927	964
Holman Elementary School (1970)	62,280	62,280	62,280	62,280	62,280	62,280	62,280
Capacity (students)	462	462	462	462	462	462	462
Enrollment	635	656	691	661	669	643	663
Rosenauer Elementary School (1962)	34,128	34,128	34,128	34,128	34,128	34,128	34,128
Capacity (students)	252	252	252	252	252	252	252
Enrollment	315	308	335	355	334	360	371
Johnson Elementary School (1970)	47,490	47,490	47,490	47,490	47,490	47,490	47,490
Capacity (students)	352	352	352	352	352	352	352
Enrollment	547	587	608	601	626	626	625
Middle School(s):							
McAuliffe Middle School (1993)	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Capacity (students)	886	886	886	886	886	886	886
Enrollment	957	993	1,027	1,036	1,022	1,037	1,049
Goetz Middle School (1973)	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Capacity (students)	886	886	886	886	886	886	886
Enrollment	1,209	1,207	1,280	1,339	1,365	1,313	1,358
High School(s):							
Jackson Memorial High School	375,000	375,000	375,000	375,000	375,000	375,000	375,000
Capacity (students)	1,980	1,980	1,980	1,980	1,980	1,980	1,980
Enrollment	1,635	1,690	1,715	1,700	1,689	1,696	1,949
Jackson Liberty High School	295,000	295,000	295,000	295,000	295,000	295,000	295,000
Capacity (students)	1,900	1,900	1,900	1,900	1,900	1,900	1,900
Enrollment	1,342	1,306	1,324	1,344	1,343	1,379	1,077
Number of Schools at June 30, 2014							
Elementary = 6							
Middle School = 2							
High School = 2							

Number of Schools at June 30, 2014

Elementary = 6

Middle School = 2

High School = 2

Source: District records

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT
 SCHEDULE OF REQUIRED MAINTENANCE
 UNAUDITED

Undistributed expenditures - Required maintenance for school facilities - 11-000-261-XXX

School Facilities * Project #s)	Total	Liberty High School	Jackson Memorial High School	Rosenhater	Johnson	Holman	McAuliffe	Switlik	Elms	Goetz	Crawford/Rodriguez	Other Facilities
2014	\$1,607,792.00		\$630,008.00	\$56,646.00	\$41,823.00	\$63,186.00	\$130,204.00	\$61,568.00	\$138,397.00	\$121,345.00	\$130,035.00	\$9,405.00
2013	1,750,158.00	236,802.00	236,387.00	29,613.00	34,057.00	630,853.00	135,328.00	48,217.00	126,533.00	130,572.00	130,200.00	9,596.00
2012	1,349,484.00	256,381.00	236,051.00	27,452.00	297,548.00	47,768.00	117,153.00	48,060.00	116,626.00	124,940.00	69,146.00	9,328.00
2011	1,150,829.00	228,639.00	252,650.00	29,560.00	74,791.00	50,236.00	134,055.00	39,501.00	123,784.00	121,829.00	85,435.00	9,339.00
2010	1,209,567.57	149,523.09	125,741.91	128,569.23	40,868.42	43,121.44	28,543.81	43,286.65	76,084.22	61,685.90	86,799.36	425,343.54
2009	1,179,140.39	129,307.35	126,959.78	48,078.73	58,197.84	60,519.79	60,282.45	63,417.67	74,890.62	63,072.40	65,140.45	429,273.31
2008	1,161,427.54	235,547.45	266,972.32	29,988.85	38,059.90	49,994.41	117,496.31	95,116.89	86,775.54	140,168.63	86,731.40	10,574.53
2007	1,054,283.00	137,217.00	223,489.00	34,577.00	58,862.00	46,601.00	121,846.00	111,678.00	105,562.00	128,803.00	89,772.00	5,886.00
2006	941,866.00		249,537.00	33,448.00	59,603.00	46,917.00	127,024.00	93,501.00	112,237.00	118,664.00	94,165.00	6,780.00
2005	970,756.00		302,897.00	25,140.00	48,256.00	38,728.00	143,558.00	80,127.00	89,346.00	143,771.00	89,880.00	9,055.00
Total School Facilities	\$6,527,052.50	\$651,594.89	\$1,297,597.01	\$299,801.81	\$303,847.16	\$285,981.64	\$596,750.57	\$497,127.21	\$544,885.38	\$656,186.23	\$514,488.21	\$886,922.38

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

Source: District records

JACKSON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE

UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Property:		
Special Multi Peril Package: Selective Insurance Co./ACCASBOJIF		
Blanket Buildings & Contents, EDP Equipment, Data, Media & Extra Expense Musical Instruments & Contractor Equip.	\$150,000,000.00	\$500.00
Blanket Business Income & Extra Expense	Within Blanket Limit	500.00
Blanket Valuable Papers	Within Blanket Limit	500.00
Demolition Costs	Within Blanket Limit	500.00
Increased Cost of Construction	Within Blanket Limit	500.00
Class Coverage	Within Blanket Limit	500.00
Earthquake	75,000,000.00	125,000.00
Flood:		
Outside the Flood Zone	50,000,000.00	25,000.00
Inside the Flood Zone	5,000,000.00	500,000.00
General Liability - Selective Insurance Co./ACCASBOJIF		
General Aggregate Limit	10,000,000.00	
Products & Completed Operations Aggregate Limit	10,000,000.00	
Per Occurrence Limit	10,000,000.00	
Personal & Advertising Injury Limit	10,000,000.00	
Fire Legal Liability Limit	2,500,000.00	
Medical Payments Limit	500,000.00	
Employee Benefit Liability	10,000,000.00	
Boiler & Machinery - Travelers Insurance		
Property Damage up to Limits of Blanket Buildings/Contents	100,000,000.00	1,000.00
Expediting Expenses	250,000.00	
	12 Consecutive months	1,000.00
Ammonia Contamination	500,000.00	1,000.00
Water Damage	Within Blanket Limit	1,000.00
Hazardous Substance / Pollution Cleanup	250,000.00	1,000.00
Crime Insurance - Selective Insurance Co.		
Employee Dishonesty	500,000.00	Per Occurrence 500.00
Faithful Performance	500,000.00	500.00
Forgery or alteration	500,000.00	500.00
Money & Securities:		
Loss Inside	500,000.00	500.00
Loss Outside	500,000.00	500.00
Coounterfeit Papers	500,000.00	500.00
Commercial Automobile Insurance -		
Carrier: Selective Insurance Co./ACCASBOJIF		
Comprehensive Liability	10,000,000.00	
School Board Legal Liability - Carrier ACE USA/ACCASBOJIF		
Limit of Liability	10,000,000 (Each Claim)	
Aggregate Limit	10,000,000 (Each Policy Year)	
Self Insured Retention Limit		none
Student Accident		

JACKSON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Carrier: Monument Life Insurance Co. through Bollinger		
Disability Plan for all students excluding interscholastic athletes	\$1,000,000.00	
Benefit limit for all athletes	5,000,000.00	
80% coinsurance, \$500 deductible		
Full Excess plan, 10 year benefit period		
Board Secretary / Business Administrator		
Carrier: Travelers Insurance Co	250,000.00	
Treasurer of School Funds		
Carrier: Travelers Insurance Co.	750,000.00	
Workers Compensation		
Limit of Liability	Statutory	
Employers Liability/Occupational Injury	10,000,000.00 per occurrence	
Deductible		none
Pollution & Microbial Matter Legal Liability-Carrier ACE USA		
Pollution Legal Liability Limit of Liability	3,000,000.00 per pollution condition	
Microbial Matter Legal Liability Limit of Liability	1,000,000.00 per pollution condition	
Policy annual aggregate	2,000,000.00	
Pollution Legal Liability Deductible		\$25,000.00
Microbial Legal Liability Deductible		50,000.00

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable President and Members
of the Board of Education
Jackson School District
County of Ocean
Jackson, New Jersey 08527

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jackson School District (the "District") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 14, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Jackson School 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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.

SUPLEE, CLOONEY & COMPANY

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 District's financial statements are free from 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*.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

November 14, 2014



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH U.S. OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and Members
of the Board of Education
Jackson School District
County of Ocean
Jackson, New Jersey 08527

Report on Compliance for Each Major Federal and State Program

We have audited the Jackson School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Jackson School District's major federal and state programs for the year ended June 30, 2014. The 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 Jackson School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and *New Jersey OMB 04-04*. Those standards, *OMB Circular A-133* and *New Jersey OMB 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 or state program occurred. An audit includes examining, on a test basis, evidence about the Jackson School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Jackson School District's compliance.

SUPLEE, CLOONEY & COMPANY

Opinion on Each Major Federal and State Program

In our opinion, the Jackson School District 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

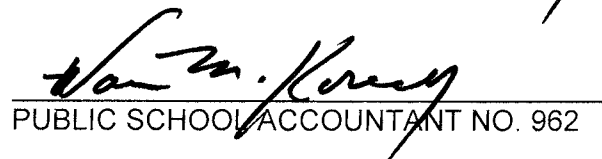
Management of the Jackson School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jackson School District's internal control 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 program and to test and report on internal control over compliance in accordance with *OMB Circular A-133* and New Jersey *OMB 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 Jackson School District'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 or 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 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 or 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 State of New Jersey *OMB 04-04*. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

November 14, 2014

JACKSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT PERIOD		AWARD AMOUNT	BALANCE AT JUNE 30, 2013	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PY'S BALANCE	(ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2014 UNEARNED REVENUE	DUE GRANTOR
		FROM	TO								
General Fund:											
U.S. Department of Education											
Passed-through State Department of Education:											
93.778	Medical Assistance Program (SEM)	7/1/2013	6/30/2014	\$ 95,968.91	\$	\$ 95,968.91	\$	\$	\$	\$	\$
93.778	Medical Assistance Program (SEM)	7/1/2012	6/30/2013	84,308.92	(21,901.42)	21,901.42					
84.410A	Education Jobs Fund	7/1/2010	6/30/2013	4,456.00	(4,456.00)	4,456.00					
	Total General Fund			122,325.33	(26,357.42)	95,968.91					
Special Revenue Fund:											
Passed-through County of Ocean:											
17.250	Ocean County Private Industry Council (WIA)	7/1/13	8/31/14	22,727.60			(22,727.60)				
U.S. Department of Education											
Passed-through State Department of Education:											
84.010	Title I	7/1/13	6/30/14	522,062.00		427,528.00	(521,244.45)		(93,715.45)		
84.010	Title I	9/1/12	8/31/13	613,434.00	(68,183.00)	68,183.00					
84.367	Title II Part A	9/1/13	8/31/14	163,407.00		150,728.00	(163,407.00)		(12,679.00)		
84.365	Title III Elementary	9/1/12	8/31/13	184,600.00	(9,628.00)	9,628.00					
84.365	Title III Elementary	9/1/12	8/31/14	18,796.00		17,265.00	(18,796.00)		(1,528.00)		
84.365	Title III Immigrant	9/1/12	8/31/13	18,046.23	(4,114.00)	4,114.00					
84.027	I.D.E.A. Part B	9/1/12	8/31/13	15,379.00	(424.00)	424.00					
84.027	I.D.E.A. Part B	9/1/12	8/31/14	1,962,301.00		1,163,998.90	(1,950,271.12)		(786,272.22)		
84.173	I.D.E.A. Preschool	9/1/13	8/31/14	2,088,146.00	(1,259,068.10)	1,259,068.10					
84.173	I.D.E.A. Preschool	9/1/12	8/31/13	64,602.00		30,716.62	(64,196.00)		(33,477.38)		
84.048	Carl D. Perkins - Secondary	9/1/12	8/31/13	69,538.00	(34,628.38)	34,628.38					
84.048	Carl D. Perkins - Secondary	7/1/13	6/30/14	43,789.00		12,356.00	(43,788.80)		(31,432.80)		
84.048	Race to the Top - ARRA	7/1/12	6/30/13	46,193.00	(16,469.00)	16,469.00					
84.416	Total U.S. Department of Education	7/1/12	11/30/15	49,586.00	(11,552.00)	12,355.00	(803.00)		(959,104.85)		
	Total Special Revenue Fund			3,207,463.00	(1,404,066.48)	3,207,463.00	(2,762,506.37)		(959,104.85)		
Enterprise Fund:											
U.S. Department of Agriculture											
Passed-through State Department of Education:											
10.550	U.S.D.A. Commodities Program	7/1/11	6/30/12	211,992.99		193,245.21	(175,038.99)		(6,634.80)	8,206.22	
10.550	U.S.D.A. Commodities Program	7/1/12	6/30/13	190,216.07	16,228.89		(16,228.89)				
10.553	National School Breakfast Program	7/1/13	6/30/14	63,206.82		56,572.02	(63,206.82)				
10.553	National School Breakfast Program	7/1/12	6/30/13	44,947.20	(3,383.87)	3,383.87					
10.555	National School Lunch Program	7/1/13	6/30/14	681,639.82		621,317.71	(681,639.82)		(60,322.11)		
10.555	National School Lunch Program	7/1/12	6/30/13	677,819.12	(39,567.99)	39,567.99					
10.551	Supplemental Nutrition Assistance Program	7/1/13	6/30/14	33,035.10		30,109.14	(33,035.10)		(2,925.96)		
10.551	Supplemental Nutrition Assistance Program	7/1/12	6/30/13	19,189.52	(3,640.04)	3,640.04			(69,882.87)	8,206.22	
	Total Federal Financial Assistance			937,835.98	(30,363.01)	969,149.62	(969,149.62)		(1,028,987.72)	8,206.22	
	Total Federal Financial Assistance			\$ 4,290,357.91	\$ (1,460,786.91)	\$ 4,290,357.91	\$ (3,850,352.50)	\$	\$ (1,028,987.72)	\$ 8,206.22	\$

See accompanying notes to schedules of financial assistance.

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

STATE GRANT OR PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	BALANCE JUNE 30, 2013			ADJUSTMENTS/			BALANCE JUNE 30, 2014			MEMO		
			AWARD AMOUNT	UNEARNED REVENUE (ACCT'S REC)	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS BALANCES	(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES		
State Department of Education General Funds:														
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	\$42,102,240.00	\$	\$ 37,939,335.00	\$ (42,102,240.00)	\$	\$ 4,162,904.00	\$	\$	\$ 4,162,904.00	\$	42,102,240.00	
Categorical Special Education Aid	7/1/13-6/30/14		5,211,500.00		4,696,209.00	(5,211,500.00)		515,291.00			515,291.00		5,211,500.00	
Categorical Transportation Aid	7/1/13-6/30/14		1,013,961.00		913,702.00	(1,013,961.00)		100,259.00			100,259.00		1,013,961.00	
Categorical Security Aid	7/1/13-6/30/14		854,977.00		770,439.00	(854,977.00)		84,538.00			84,538.00		854,977.00	
Adjustment Aid	7/1/13-6/30/14		195,598.00		176,259.00	(195,598.00)		19,339.00			19,339.00		195,598.00	
Equalization Aid	7/1/12-6/30/13		42,309,845.00		4,190,788.00			(4,190,788.00)					42,309,845.00	
Categorical Special Education Aid	7/1/12-6/30/13		5,176,770.00		4,105,439.00			(105,438.00)					5,176,770.00	
Categorical Transportation Aid	7/1/12-6/30/13		1,064,493.00		512,758.00			(512,758.00)					1,064,493.00	
Categorical Security Aid	7/1/12-6/30/13		827,168.00		81,933.00			(81,933.00)					827,168.00	
Extraordinary Aid	7/1/13-6/30/14		1,111,513.00					(1,111,513.00)					1,111,513.00	
Non-Public Transportation Aid	7/1/12-6/30/13		1,000,434.00		1,000,434.00								1,000,434.00	
Non-Public Transportation Aid	7/1/13-6/30/14		51,657.00					(51,657.00)					51,657.00	
Reimbursed TPAF Social Security Contributions	7/1/12-6/30/13		57,739.01		57,739.01								57,739.01	
Reimbursed TPAF Social Security Contributions	7/1/13-6/30/14		3,832,515.17		3,660,274.03			(172,241.14)					3,832,515.17	
Total General Funds	7/1/12-6/30/13		3,956,988.31		179,377.24								3,832,515.17	
			(1,237,550.25)		54,284,687.28			(8,587.00)					108,706,096.49	
Special Revenue Fund														
Non-Public Textbooks	14-100-034-5120-064	7/1/13-6/30/14	18,978.00		18,978.00								18,978.00	
Non-Public Textbooks	7/1/12-6/30/13		19,551.00		2,845.14			(2,845.14)					19,551.00	
Non-Public Comp Ed	7/1/13-6/30/14		56,495.00		56,495.00								56,495.00	
Non-Public Comp Ed	7/1/12-6/30/13		54,513.00		7.00			(7.00)					54,513.00	
Non-Public ESL	7/1/13-6/30/14		4,365.00		4,365.00								4,365.00	
Non-Public ESL	7/1/12-6/30/13		2,568.00		2,557.00			(11.00)					2,557.00	
Non-Public Examination & Classification	7/1/13-6/30/14		27,074.00		27,074.00								27,074.00	
Non-Public Examination & Classification	7/1/12-6/30/13		34,566.00		13,862.00			(20,704.00)					34,566.00	
Non-Public Corrective Speech	7/1/13-6/30/14		20,311.00		20,311.00								20,311.00	
Non-Public Corrective Speech	7/1/12-6/30/13		16,405.00		777.00			(15,628.00)					16,405.00	
Non-Public Supplemental Instruction	7/1/13-6/30/14		13,183.00		15,264.00								13,183.00	
Non-Public Supplemental Instruction	7/1/12-6/30/13		13,877.00		692.00			(692.00)					13,877.00	
Non-Public Nursing	7/1/13-6/30/14		26,711.00		26,711.00								26,711.00	
Non-Public Transportation	7/1/13-6/30/14		10,243.00		10,243.00								10,243.00	
Non-Public Transportation	7/1/12-6/30/13		6,920.00		6,920.00								6,920.00	
Total Special Revenue Fund	7/1/13-6/30/14		20,740.14		186,361.00			(20,740.14)					325,750.00	
			(1,341,879.00)		1,341,879.00								1,341,879.00	
Debt Service Fund:														
Debt Service Aid Type II	14-100-034-5120-125	7/1/13-6/30/14	1,341,879.00		1,341,879.00								1,341,879.00	
Total Debt Service Fund														
Enterprise Fund:														
National School Lunch Program (State Share)	14-100-034-5120-122	7/1/13-6/30/14	25,116.58		22,894.39			(2,224.19)					25,116.58	
National School Lunch Program (State Share)	7/1/12-6/30/13		25,725.13		4,518.75								25,725.13	
Total Enterprise Fund														
Total State Financial Assistance Subject to OMB 04-04			\$ (1,218,328.86)		\$ 55,837,340.42			\$ (29,327.14)					\$ 110,424,571.20	
On-Behalf TPAF Contributions Not Subject to OMB 04-04														
On-Behalf TPAF non-contributory insurance			\$181,592.00		\$181,592.00								\$181,592.00	
On-Behalf TPAF Pension			2,058,444.00		2,058,444.00								2,058,444.00	
On-Behalf TPAF post retirement medical			3,672,980.00		3,672,980.00								3,672,980.00	
Total State Financial Assistance			\$61,750,456.42		\$61,805,485.34								\$61,805,485.34	

See accompanying notes to schedules of financial assistance.

Jackson Township School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2014

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, Jackson Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from the federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions 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 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Jackson Township School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2014

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$8,587.00) for the general fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$95,968.91	60,295,664.17	\$60,391,633.08
Special Revenue Fund	2,785,233.97	151,414.59	2,936,648.56
Debt Service Fund		1,341,879.00	1,341,879.00
Food Service Fund	<u>969,149.62</u>	<u>25,118.58</u>	<u>994,268.20</u>
Financial Assistance	<u>3,850,352.50</u>	<u>61,814,076.34</u>	<u>65,664,428.84</u>
GAAP Adjustment		<u>(8,587.00)</u>	<u>(8,587.00)</u>
Total Awards & Financial Assistance	<u><u>\$3,850,352.50</u></u>	<u><u>\$61,805,489.34</u></u>	<u><u>\$65,655,841.84</u></u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent 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. The amount reported as TPAF pension contributions reported in the financial statements represents the amount paid by the state on behalf of the district for the year ended June 30, 2014.

Jackson Township School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued: | Unmodified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to basic financial statements noted? | No |

Federal Program(s)

- | (1) | Internal Control Over Major Federal Programs: | | | | | | | | | |
|---------------|--|---------------|----------------|--------|---------------|--------|-------------------|-------|---------|--|
| | (a) Material weakness identified? | No | | | | | | | | |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No | | | | | | | | |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified | | | | | | | | |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Section.510(a) of Circular OMB A-133? | No | | | | | | | | |
| (4) | Identification of Major Federal Program(s): | | | | | | | | | |
| | <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Number</u></th> <th style="text-align: left;"><u>Program</u></th> </tr> </thead> <tbody> <tr> <td>84.027</td> <td>I.D.E.A Basic</td> </tr> <tr> <td>84.173</td> <td>I.D.E.A Preschool</td> </tr> <tr> <td>84.01</td> <td>Title I</td> </tr> </tbody> </table> | <u>Number</u> | <u>Program</u> | 84.027 | I.D.E.A Basic | 84.173 | I.D.E.A Preschool | 84.01 | Title I | |
| <u>Number</u> | <u>Program</u> | | | | | | | | | |
| 84.027 | I.D.E.A Basic | | | | | | | | | |
| 84.173 | I.D.E.A Preschool | | | | | | | | | |
| 84.01 | Title I | | | | | | | | | |
| (5) | Program Threshold Determination:
Type A Federal Program Threshold > \$300,000.00
Type B Federal Program Threshold <= \$300,000.00 | | | | | | | | | |
| (6) | Auditee qualified as a low-risk auditee under OMB Circular A-133? | Yes | | | | | | | | |

Jackson 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 Program(s)

- (1) Internal Control Over Major State Programs:
 - (a) Material weakness identified? No
 - (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? No
- (4) Identification of Major State Program(s):

<u>Grant Number</u>	<u>Program</u>
14-495-034-5120-078	Equalization Aid
14-495-034-5120-089	Categorical Special Education Aid
14-495-034-5120-084	Security Aid
14-495-034-5120-085	Adjustment Aid
14-100-034-5120-050	Reimbursed TPAF Social Security Contributions

- (5) Program Threshold Determination:
 - Type A State Program Threshold > \$1,676,771.20
 - Type B State Program Threshold <= \$1,676,771.20
- (6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

Jackson Township School District
Schedule of Prior Year Audit Findings

Finding #SFY2013-01 has been corrected.