

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE



KEANSBURG SCHOOL DISTRICT  
KEANSBURG, NEW JERSEY  
For the Fiscal Year Ended June 30, 2016

Prepared by  
Keansburg School District  
Business Office



KEANSBURG SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For the Fiscal Year Ended June 30, 2016

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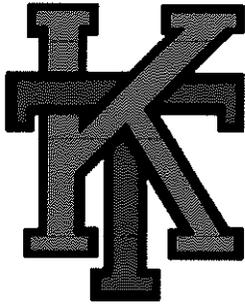
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## **Introductory Section**

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**KEANSBURG**  
**PUBLIC SCHOOLS**

[www.keansburg.k12.nj.us](http://www.keansburg.k12.nj.us)

**Superintendent of Schools**  
Mr. John J. Niesz

100 Palmer Place, Keansburg, NJ 07734  
Phone: 732-787-2007  
Fax Superintendent: 732-495-6714

**Director of Curriculum &  
Instruction/State & Federal Programs**  
Mr. John D. Covert

November 28, 2016

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Keansburg Public School District ("District") for the Fiscal year ended June 30, 2016 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rest with the management of the Keansburg Board of Education ("Board"). To the best of our knowledge and belief, the data presented in this Report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory Section includes this transmittal letter, the District's Organizational Chart, a roster of principal officials and a list of consultants and advisors. The Financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act of 1984, the U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the State Treasury OMB Circular Letter 04-04, Single Audit policy for Recipients of Federal Grants, State Grants and State Aid Payments. Information related to this Single Audit, including the auditor's report on the internal 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:**

Keansburg School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14 as amended by GASB Statement No. 39. All funds and account groups of the District are included in this report. The Keansburg Board of Education and all its schools constitute the District's reporting entity.

The District operates four schools and two Pre-K sites and provides a full range of educational services appropriate to grade levels Pre-K through twelve (12). Pre-K students, ages three and four are housed in temporary classroom units which are located adjacent to the Port Monmouth Road School and former Caruso Elementary School. Grades Kindergarten through grade two are housed in Port Monmouth Elementary School and grades three and four who are assigned to Caruso Elementary School attend class in a rented school facility which was formerly St. Ann's Elementary School. Grades five through eight attend the Joseph Bolger Middle School and grades nine through twelve are housed in Keansburg High School. Each school includes regular as well as special education for handicapped children. The District completed the 2015-2016 fiscal year with enrollment of 1,545.

The following details the changes in the students on roll, upon which the District's state aid is based, over the last ten years:

<b>Fiscal Year</b>	<b>Students on Roll</b>
2005-2006	1,938
2006-2007	1,858
2007-2008	1,909
2008-2009	1,890
2009-2010	1,814
2010-2011	1,759
2011-2012	1,717
2012-2013	1,637
2013-2014	1,593
2014-2015	1,555
2015-2016	1,545

The Keansburg School District is heavily dependent on State aid with 70% of the District's general fund revenue attributed to those funds for 2015-2016. State Aid for 2015-2016 decreased by \$5,296, so it was relatively flat. This was after a \$419,933 increase the year before.

With only 8% of the Budget funded by the local taxpayers, the future outlook for financing the Keansburg School District continues to depend primarily upon the willingness and ability of the Governor and State Legislature to provide funding in accordance with the School Funding Reform Act and the availability of tax revenues to the State.

## **2. MAJOR INITIATIVES:**

### **Implantation of Grading System Articulated Improvements**

- K-Grade 2 –Report Card Grades added to Genesis
- K-12 Grades Report Card template on Genesis
- Attendance/and behavior influence on grading

## Technology Upgrades Continue

- Wireless access points District wide
- White boards in every classroom
- Completed One to One MacBook initiatives for students and teachers
- Bolger Middle School Digital sign
- High School Server room upgraded

## Curriculum and Professional Development

- PARCC Assessment continued
- Differentiated Instruction continued to be implemented
- Curriculum continues to be revised to meet Core Curriculum Content Standards
- Year 3 of implantation of ACHIEVE NJ model aligned with the TEACH NJ law
- My Learning Plan utilized by staff

### **3. INTERNAL ACCOUNTING CONTROLS:**

Management of the District is responsible for establishing and maintaining an Internal Control structure designed to ensure that the Assets of the District are protected from loss, theft or mis-use and to ensure the adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The Internal Control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- (1) The cost of a control should not exceed the benefits likely to be derived
- (2) The valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District is also 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.

A part of the Districts Single Audit described earlier, tests were 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.

### **4. BUDGETARY CONTROLS:**

In addition to Internal Accounting controls, which now includes the prerequisite that all requisitions confirm the use of Ed Data, State Contracts, Educational Services Commission of NJ (formerly MCEC) the District maintains Budgetary controls. The objective of these Budgetary controls is to ensure compliance with legal provisions embodied in the annually appropriated Budget approved by the voters of the municipality or if at the Cap, approved by the Department

of Education. Annually appropriated Budgets are adopted for the General Fund, the Special Revenue Fund and the Debt Service Fund (if applicable). Project-length Budgets are approved for the Capital Improvements accounted for in the Capital Projects Fund. The final Budget amount as amended for the Fiscal Year is reflected in the Financial Section of this Report

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of Fund Balance in the subsequent year. Those amounts to be re-appropriated are reported as "Year End Encumbrances" of Fund Balance at June 30, 2016.

#### **5. ACCOUNTING SYTSEM AND REPORTS:**

The District's accounting records reflect Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of Funds and account groups. These Funds and account groups are explained in "Basic Financial Statements" Section.

#### **6. DEBT ADMINISTRATION:**

At June 30, 2016, the District has zero in Bonds payable and \$ 1,159,317 in Capital Leases Payable. Additional information regarding the District's Debt is contained in the "Notes to the Financial Statements", Note 6.

#### **7. FINANCIAL INFORMATION AT FISCAL YEAR-END:**

The Board developed it's 2015-2016 Budget under the State's Funding formula. An analysis of the expenditures in the Financial section of this Report will show that the Board was prudent in presenting the community with an accurate picture of educational needs.

#### **8. CASH MANAGEMENT:**

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

#### **9. RISK MANAGEMENT:**

The Board has been a participant/member for years in the New Jersey School Insurance Group, Monmouth-Ocean Counties Shared Services Insurance Fund (MOCSSIF) which self insures Worker's Compensation and provides General Liability, Auto, Property insurance on a volume basis (Joint Insurance Fund).

**10. OTHER INFORMATION:**

Independent Audit- State statutes require an annual audit by independent certified public accountants (CPA) or registered municipal accountants. The accounting firm of Cowan, Guteski & Co. P.A. was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet requirements of Title 2 U.S. Code of Regulations, Part 200, Uniform Administrative Requirement, Cost Principles and Audit Requirements for Federal Award (Uniform Guidance) and State Treasury Circular Letter 15-08 OMB. The auditor's Report on the basic financial statements and specific required supplemental information 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.

**ACKNOWLEDGMENTS:**

We would like to express our appreciation to the Members of the Keansburg Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this Report could not have been accomplished without the efficient and dedicated services of the Central Office staff.

Respectfully submitted,

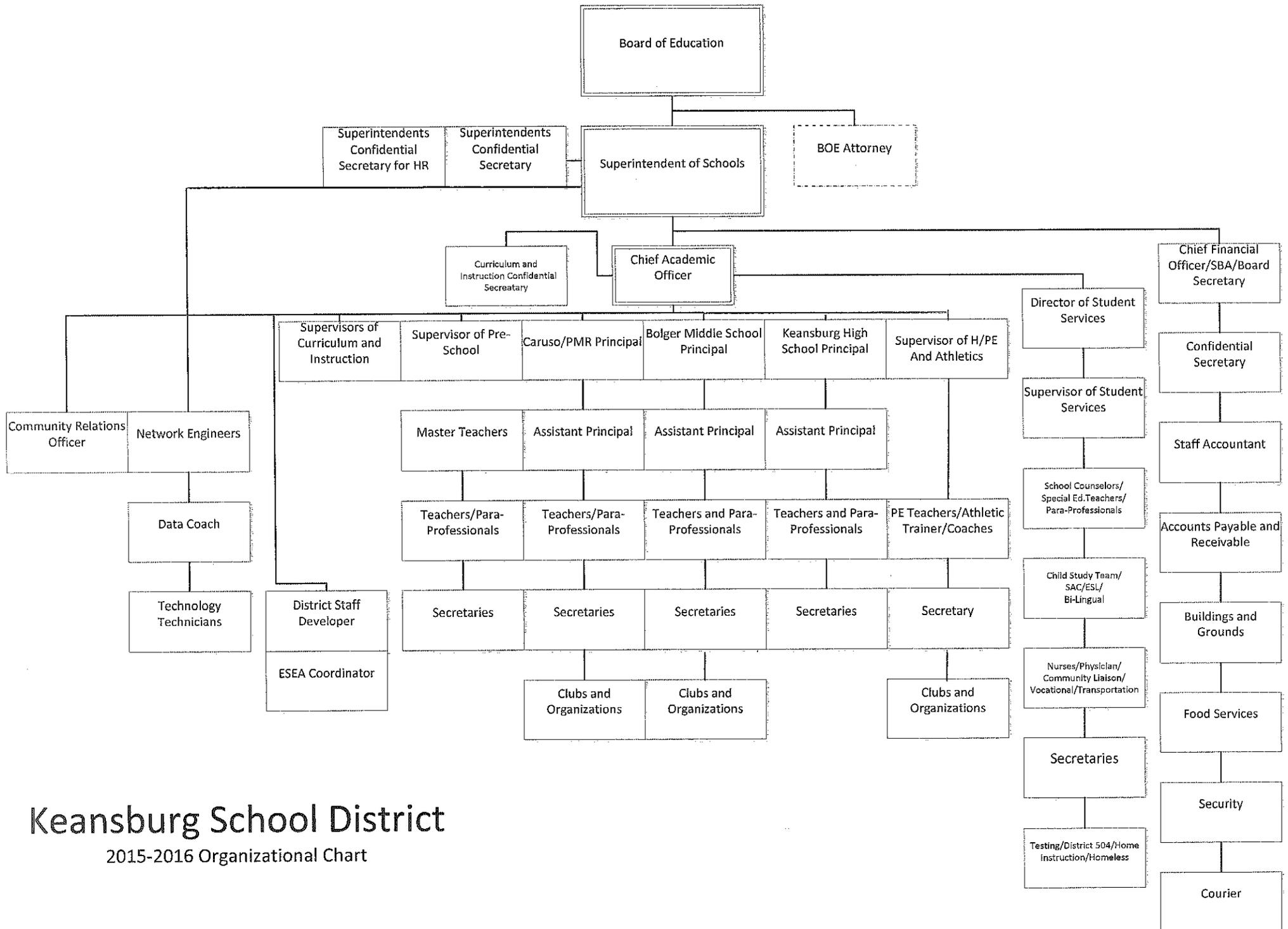


John J. Niesz  
Superintendent of Schools



Louise B. Davis  
Interim School Business  
Administrator/Board Secretary

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# Keansburg School District

2015-2016 Organizational Chart

KEANSBURG SCHOOL DISTRICT  
BOARD OF EDUCATION  
KEANSBURG, NEW JERSEY

Roster of Officials  
June 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Judy Ferraro, President	2018
Kimberly Kelaher Moran, Vice President	2017
Brooke Clayton	2016
Dolores A. Bartram	2016
Walter Fleming	2016
Robert Ketch	2017
Christopher J. Hoff	2017
Patricia Frizell	2018
Michael Donaldson	2018

Other Officials

John Niesz, Superintendent of Schools

Corey Lowell, School Business Administrator/Board Secretary

KEANSBURG SCHOOL DISTRICT  
BOARD OF EDUCATION  
KEANSBURG, NEW JERSEY

Consultants, Independent Auditors, and Advisors

**Auditor**

Cowan, Guteski & Co., P.A.  
40 Bey Lea Road, Suite A101  
Toms River, New Jersey 08753

**Attorney**

John O. Bennet, Esq.  
Gluck Walrath, LLP  
11 Wharf Avenue, Suite 4  
Red Bank, New Jersey 07701

**Architect**

Andrew F. Trocchia, AIA  
Sonnenfeld and Trocchia Architects  
53 Main Street  
Holmdel, New Jersey 08701

**Health Insurance Broker**

Gary W. Goldfarb  
Senior Vice President-Employee Benefits Division  
Brown & Brown Benefit Advisors  
1129 Broad Street, Suite 101  
Shrewsbury, NJ 07702

**Property/Casualty Insurance Broker**

New Jersey Schools Insurance Group  
450 Veterans Drive  
Burlington, New Jersey 08016

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## **Financial Section**

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**COWAN, GUNTESKI & Co., P.A.**

Certified Public Accountants and Consultants

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Keansburg Public School District, County of Monmouth, New Jersey (the "District") as of and for the year ended June 30, 2016, 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, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2016, 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.

Reply to: 40 Bey Lea Road, Suite A101 | Toms River | NJ 08753 | Phone: 732.349.6880 | Fax: 732.349.1949  
730 Hope Road | Tinton Falls | NJ 07724 | Phone: 732.676.4100 | Fax: 732.676.4101

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## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF and budgetary comparison information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of 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*

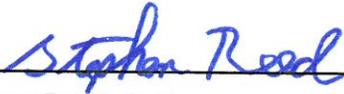
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, respectively, and are also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2016, on our consideration of the 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 District's internal control over financial reporting and compliance.



---

Stephen Reed, CPA  
Licensed Public School Accountant  
No. 20CS00220000

Cowan, Guteski & Co., P.A.

Toms River, New Jersey

November 28, 2016



**Required Supplementary Information - Part I**

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**KEANSBURG SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2016**

As management of the Keansburg School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information presented in the Letter of Transmittal, the financial statements, notes to the financial statements, and other supplemental information to enhance their understanding of the District's financial performance.

**Financial Highlights**

- The total assets of the Keansburg School District exceeded its liabilities at the end of the 2016 fiscal year by \$6,386,954. In total, net position decreased by \$1,435,862. The main cause of this decrease is due to an accounting change from a pronouncement by the Governmental Accounting Standards Board (GASB68). This pronouncement requires school districts (and municipalities and authorities) to report the proportionate share of State pension liabilities. For the Keansburg School District, this amounts to \$7,982,073. More information on this can be found in footnote 8 of the financial statements.
- Assets exceed Liabilities of the District's business-type activities (mainly, the school food services program) by \$185,103. This was an increase of \$405,959 this year. Transfers from the general fund were necessary for the past two years to keep the operation afloat. The District transferred \$157,471 in 2014, \$233,328 in 2015, and \$248,575 in 2016 to the food service fund. Administration has been working with their food service management companies to identify ways to increase participation and decrease costs.
- General revenues accounted for \$41,881,872. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5,912,871, which is an increase of \$310,729 from 2015. While general fund revenues from State and Federal sources increased \$461,349, special revenue fund revenues from State and Federal sources decreased \$632,602.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) district-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**District-wide financial statements.** The *district-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector companies.

The *Statement of Net Assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities should be considered.

The *Statement of Activities* presents information showing how the District's net assets changed during the most recent fiscal year. All of the current year's revenue and expenses are reported as soon as the underlying event giving rise to the changes occurs, regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

In the district-wide financial statements, the district's activities are divided into two distinct activities.

*Governmental Activities* – Most of the District's programs and services reported here include instruction, support services, operation and maintenance of plant, pupil transportation, and administration. Property taxes and state formula aid finance most of these activities.

*Business-Type Activities* – The District charges fees and receives federal and state reimbursements to cover the costs of its food service operation. The financial activity of this program is reported as business-type activity.

**Fund financial statements.** Fund financial statements provide information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. New Jersey school districts are required to treat all governmental and enterprise funds as major funds because of the importance placed on these funds by users of these financial statements.

*Governmental Funds* – Most of the District's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balance left at year-end available for spending in future periods. These funds are reported using the accounting method called Modified Accrual

Accounting. This method of accounting measures cash and all other financial assets that can readily be converted into cash. The governmental fund financial statements provide a detail short-term view of the District's general governmental operations and 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 at the district-wide level and those reported at the fund level are reconciled in the financial statements of the governmental funds.

*Proprietary Fund* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The Food Service Fund has historically operated as the Enterprise Fund using the same basis of accounting as business type activities.

*Fiduciary Fund* – The District serves as the trustee, or *fiduciary*, for assets that belong to others such as the student activities fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The district excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's budget process. The district adopts an annual expenditure budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund as required supplementary information.

### **Financial Analysis of the District as a Whole**

**Net assets.** Net assets serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$6,386,954 as of June 30, 2016.

The largest portion of the District's net assets reflect its investment in capital assets (e.g. land and improvements, building and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt

must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following table presents a summary of the District's net assets for the fiscal year ended June 30, 2016 and comparison with June 30, 2015:

	<b><u>2015</u></b>	<b><u>2016</u></b>
Current assets	\$ 5,524,068	\$ 3,767,976
Capital assets, net	<u>12,573,728</u>	<u>11,245,760</u>
<b>Total Assets</b>	18,097,796	15,013,736
Deferred Outflows of Resources	630,665	1,437,548
Current liabilities	8,684,465	8,985,564
Long-term debt outstanding	<u>1,583,829</u>	<u>854,401</u>
<b>Total Liabilities</b>	10,268,294	9,839,965
Deferred Inflows of Resources	416,495	409,468
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	10,826,401	10,132,586
Restricted	4,316,151	4,152,354
Unrestricted	<u>(7,098,880)</u>	<u>(8,083,089)</u>
<b>Total Net Position</b>	\$ 8,043,672	\$ 6,201,851

The District's total net assets were \$6,201,851 as of June 30, 2016, which is a decrease of \$1,841,821 over the prior year. The main cause of this decrease is due to an accounting change from a pronouncement by the Governmental Accounting Standards Board (GASB68). This pronouncement requires school districts (and municipalities and authorities) to report the proportionate share of State pension liabilities. For the Keansburg School District, this amounts to \$7,982,073. More information on this can be found in footnote 8 of the financial statements.

**Changes in net assets.** The District's total revenues for the fiscal year ended June 30, 2016, were \$48,236,117. The total cost of all programs and services was \$48,655,124. The following table presents a summary of the changes in net assets for the fiscal year ended June 30, 2016 and comparison with June 30, 2015.

	<b><u>2015</u></b>	<b><u>2016</u></b>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 140,506	\$ 411,750
Operating grants and contributions	5,602,142	5,909,871
General revenues:		
Property taxes	4,772,838	4,868,294
Federal and State Aid	35,909,425	36,841,154
Other	<u>360,020</u>	<u>202,048</u>
<b>Total Revenues</b>	46,784,931	48,236,117
<b>Expenses:</b>		
Program expenses:		
Instruction:		
Regular	\$15,933,149	\$17,135,486
Special	6,104,934	6,461,299
Other	3,939,448	4,486,008
Support services:		
Tuition	2,509,963	2,201,253
Support services	8,459,871	8,570,536
General administration	810,303	840,299
School administration	1,548,654	1,922,825
Operations and maintenance	2,334,658	3,665,625
Pupil transportation	1,388,622	1,325,581
Business and other support services	1,298,652	598,572
Food Service	1,081,572	1,016,860
Other	<u>1,610,444</u>	<u>1,447,640</u>
<b>Total Expenses</b>	47,020,270	49,671,984
<b>Increase (decrease) in net assets</b>	\$ (235,338)	(\$ 1,435,867)

Expenses increased overall during 2016. The salary increase to the Keansburg Education Association of 3.5% amounted to almost \$600,000. In addition, the District continues to make increased investments in technology infrastructure to prepare for the PARCC test. There was also an accounting change from a pronouncement by the Governmental Accounting Standards Board (GASB68). This pronouncement requires school districts (and municipalities and authorities) to report the proportionate share of State pension liabilities. For the Keansburg School District, this amounts to \$7,982,073. More information on this can be found in footnote 8 of the financial statements.

**Governmental and business-type activities.** The following table presents the cost of the major District functional activities. It also shows each function's net cost

(total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs.) The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

	<u>Total Cost</u>	<u>Net Cost</u>
<b>Governmental Activities</b>		
Instruction	\$28,082,793	\$22,930,154
Tuition	2,201,253	2,201,253
Support services – instructional	8,570,536	8,570,536
General administration	840,299	840,299
School administration	1,922,825	1,922,825
Operations and maintenance	3,665,625	3,665,625
Pupil transportation	1,325,581	1,325,581
Business and other support services	598,572	598,572
Other	<u>1,447,640</u>	<u>1,447,640</u>
Total Governmental Activities	48,655,124	43,502,485
<b>Business-type Activities</b>		
Food Service Program	<u>1,016,860</u>	<u>155,122</u>
<b>Total</b>	<u>\$49,671,984</u>	<u>\$43,347,363</u>

- The cost of all governmental activities this year was \$49,671,984, which is \$2,651,714 higher than 2015. This is mainly due to an accounting change from a pronouncement by the Governmental Accounting Standards Board (GASB68). This pronouncement requires school districts (and municipalities and authorities) to report the proportionate share of State pension liabilities. For the Keansburg School District, this amounts to \$6,988,808. More information on this can be found in footnote 8 of the financial statements.
- Instruction represents 58% of the total cost of all governmental activities of the District. This is the same percentage as 2015, which means we're maintaining direct educational costs for students.
- Administration represents 4% of the total cost of all governmental activities of the District. This is the same percentage as 2015, which means we're holding the line on administrative costs.

### Financial Analysis of the District's Funds

The focus of the district's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is

useful in assessing the District's financial requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$3,279,917. There is a surplus of (\$819,728) in the unassigned fund balance on the GAAP basis. The remaining fund balance is reserved or designated to indicate that it is not available for spending because it has already been committed.

### **General Fund Budgetary Highlights**

The District's budget is prepared according to the State of New Jersey budget law and is based on a basis of cash receipts, disbursements, and encumbrance system. The most significant budgeted funds are the General Fund and the Special Revenue Fund.

The District uses school-based budgets as required by the New Jersey Department of Education. The utilization of these budgets provides tight budgetary control for each school and flexibility for site management.

During the fiscal year 2016, the District amended its general fund budget as needed. The amendments are due to changes in expenditure priorities of the District. The State of New Jersey budget guidelines provide flexibilities for Districts to amend budget line items upon the Board's approval.

A schedule showing the original and final budget amounts compared to the actual financial activity for the General Fund is provided in this report.

### **Capital Assets and Debt Administration**

**Capital assets.** By the end of 2016, the District had \$11,245,760 net of depreciation in a broad range of capital assets, including school buildings, athletic facilities, computers and audiovisual equipment.

**Debt administration** At June 30, 2016, the District had no general obligation bonds outstanding, as they were paid off during the 2013-2014 fiscal year. (More detailed information about the District's long-term liabilities is presented in notes to the financial statements.)

### **Factors Bearing on the District's Future**

The Borough of Keansburg sustained significant damage as a result of Hurricane Sandy in October 2012. Many homes were damaged and families have been displaced. There has been a continuous decline in enrollment. The Borough of

Keansburg lost \$30 million in retables'. It is unknown at this time how the storm may impact the future financial health of the District.

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

The financial report is designed to provide a general overview of the Keansburg School District's finances for all those with an interest in the District's finances. Questions concerning any of the information in this report or requests for additional information should be addressed to Louise Davis, Interim School Business Administrator/Board Secretary, Keansburg Board of Education, 100 Palmer Place, Keansburg, NJ 07734.

## **Basic Financial Statements**

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## **District-Wide Financial Statements**

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KEANSBURG SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
June 30, 2016

Exhibit A-1

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,035,617	\$ 139,496	\$ 1,175,113
Accounts Receivable, net	2,551,507	109,009	2,660,516
Interfund Receivables	180,852	-	180,852
Inventory	-	15,391	15,391
Capital Assets, net	11,245,760	102,059	11,347,819
<b>Total Assets</b>	<b>15,013,736</b>	<b>365,955</b>	<b>15,379,691</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferred Outflows	1,437,548	-	1,437,548
<b>LIABILITIES</b>			
Accounts Payable	374,416	-	374,416
Payable to State Government	44,191	-	44,191
Interfund Payables	-	180,852	180,852
Deferred Revenue	69,452	-	69,452
Net Pension Liability (Note 8)	7,982,073	-	7,982,073
Current Portion of Long-Term Liabilities	515,432	-	515,432
Noncurrent Liabilities:			
Due Beyond One Year	854,401	-	854,401
<b>Total Liabilities</b>	<b>9,839,965</b>	<b>180,852</b>	<b>10,020,817</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows	409,468	-	409,468
<b>NET POSITION</b>			
Net Investment in Capital Assets	10,132,586	102,059	10,234,645
Restricted for:			
Reserved Fund Balance - Excess Surplus - Designated for Subsequent Year's Expenditures	2,134,429	-	2,134,429
Reserved Fund Balance - Excess Surplus	1,381,950	-	1,381,950
Reserved for Maintenance Reserve	500,000	-	500,000
Reserved for Emergency Reserve	130,000	-	130,000
Encumbrances	5,975	-	5,975
Unrestricted	(8,083,089)	83,044	(8,000,045)
<b>Total Net Position</b>	<b>\$ 6,201,851</b>	<b>\$ 185,103</b>	<b>\$ 6,386,954</b>

See Accompanying Notes and Independent Auditor's Report

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KEANSBURG SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2016

Exhibit A-2

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
Instruction						
Regular	\$ 17,135,486	\$ -	\$ 4,083,208	\$ (13,052,278)	\$ -	\$ (13,052,278)
Special Education	6,461,299	-	-	(6,461,299)	-	(6,461,299)
Other Instruction	4,486,008	-	1,069,431	(3,416,577)	-	(3,416,577)
Support Services						
Tuition	2,201,253	-	-	(2,201,253)	-	(2,201,253)
Student and Instruction Related Services	8,570,536	-	-	(8,570,536)	-	(8,570,536)
General Administrative Services	840,299	-	-	(840,299)	-	(840,299)
School Administrative Services	1,922,825	-	-	(1,922,825)	-	(1,922,825)
Plant Operations and Maintenance	3,665,625	-	-	(3,665,625)	-	(3,665,625)
Pupil Transportation	1,325,581	-	-	(1,325,581)	-	(1,325,581)
Business and Other Support Services	598,572	-	-	(598,572)	-	(598,572)
Unallocated Depreciation	1,447,640	-	-	(1,447,640)	-	(1,447,640)
Total Governmental Activities	48,655,124	-	5,152,639	(43,502,485)	-	(43,502,485)
Business-Type Activities						
Food Service and Community Service	1,016,860	411,750	760,232	-	155,122	155,122
Total Business-Type Activities	1,016,860	411,750	760,232	-	155,122	155,122
Total Primary Government	\$ 49,671,984	\$ 411,750	\$ 5,912,871	\$ (43,502,485)	\$ 155,122	\$ (43,347,363)
General Revenues and Transfers:						
Taxes:						
Taxes Levied for General Purposes				\$ 4,868,294	\$ -	\$ 4,868,294
Federal and State Aid Not Restricted				36,841,154	-	36,841,154
Tuition Received				24,685	-	24,685
Investment Earnings				2,391	5	2,396
Miscellaneous Income (Expense)				178,299	-	178,299
Transfers				(250,832)	250,832	-
Loss on Disposal and Revaluation of Long-term Assets				(3,327)	-	(3,327)
Total General Revenues and Transfers				41,660,664	250,837	41,911,501
Change in Net Position				(1,841,821)	405,959	(1,435,862)
Net Position - Beginning				8,043,672	(220,856)	7,822,816
Net Position- Ending				\$ 6,201,851	\$ 185,103	\$ 6,386,954

See Accompanying Notes and Independent Auditor's Report

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## **Fund Financial Statements**

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## **Governmental Funds**

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KEANSBURG SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2016

Exhibit B-1

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,035,617	\$ -	\$ 1,035,617
Accounts Receivables from Other Governments	1,908,017	291,913	2,199,930
Interfund Receivable	586,301	-	586,301
<b>Total Assets</b>	<b>\$ 3,529,935</b>	<b>\$ 291,913</b>	<b>\$ 3,821,848</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 250,018	\$ 124,398	\$ 374,416
Interfund Payable	-	53,872	53,872
Payable to State Government	-	44,191	44,191
Deferred Revenue	-	69,452	69,452
<b>Total Liabilities</b>	<b>250,018</b>	<b>291,913</b>	<b>541,931</b>
<b>Fund Balances</b>			
<b>Restricted for:</b>			
Excess Surplus - Current Year	1,381,950	-	1,381,950
Excess Surplus - Designated for Subsequent Year's Expenditures	2,134,429	-	2,134,429
Maintenance Reserve	500,000	-	500,000
Emergency Reserve	130,000	-	130,000
<b>Committed to:</b>			
Encumbrances	5,975	-	5,975
<b>Unassigned, reported in:</b>			
General Fund	(872,437)	-	(872,437)
<b>Total Fund Balances</b>	<b>3,279,917</b>	<b>-</b>	<b>3,279,917</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,529,935</b>	<b>\$ 291,913</b>	

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$22,770,067 and the accumulated depreciation is \$11,524,307. 11,245,760

Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. 1,437,548

Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (409,468)

Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (7,982,073)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Capital leases payable	\$ (1,113,174)	
Compensated absences	(256,659)	(1,369,833)

**\$ 6,201,851**

KEANSBURG SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2016

Exhibit B-2

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
Local Sources			
Local Tax Levy	\$ 4,868,294	\$ -	\$ 4,868,294
Tuition	24,685	-	24,685
Interest on Investments	2,391	-	2,391
Prior Year Refunds	41,292	-	41,292
Miscellaneous	137,007	103,121	240,128
Total Local Sources	5,073,669	103,121	5,176,790
State Sources	31,553,141	3,129,331	34,682,472
Federal Sources	102,423	1,920,187	2,022,610
Total Revenues	36,729,233	5,152,639	41,881,872
<b>EXPENDITURES</b>			
Current			
Regular Instruction	8,780,005	2,909,592	11,689,597
Special Education Instruction	3,655,883	-	3,655,883
Other Instruction	1,798,314	1,250,868	3,049,182
Support Services and Undistributed Costs			
Tuition	2,201,253	-	2,201,253
Student and Instruction Related Services	5,307,720	-	5,307,720
General Administrative	648,206	-	648,206
School Administrative Services	1,130,814	-	1,130,814
Plant Operations and Maintenance	3,327,095	-	3,327,095
Student Transportation	1,325,581	-	1,325,581
Business and Other Support Services	368,582	-	368,582
Unallocated Benefits	8,961,306	599,261	9,560,567
Transfers to Cover Deficit (Enterprise Fund)	248,575	-	248,575
Capital Outlay	399,702	-	399,702
Total Expenditures	38,153,036	4,759,721	42,912,757
(Deficiency) Excess of Revenues			
(Under) Over Expenditures	(1,423,803)	392,918	(1,030,885)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	392,918	-	392,918
Transfers Out	-	(392,918)	(392,918)
Total Other Financing Sources (Uses)	392,918	(392,918)	-
Net Change in Fund Balances	(1,030,885)	-	(1,030,885)
Fund Balance - July 1	4,310,802	-	4,310,802
Fund Balance - June 30	\$ 3,279,917	\$ -	\$ 3,279,917

See Accompanying Notes and Independent Auditor's Report

KEANSBURG 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, 2016

Exhibit B-3

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (1,030,885)

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capital outlays (net of adjustments) exceeded depreciation.

Depreciation Expense	\$ (1,447,640)	
Capital Outlays - net of adjustments	<u>122,999</u>	(1,324,641)

Repayment of capital leases is an expenditure in the Governmental Fund, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities. 634,153

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 assets will differ from the change in fund balance by the cost of the asset removed. (3,327)

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. (179,355)

In the Statement of Activities, certain operating expenses, e.g. compensated absences (vacations and sick time) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a deduction; when the paid amounts exceed the earned amount the difference is an addition to the reconciliation. 62,234

Change in Net Position of Governmental Activities \$ (1,841,821)

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## **Proprietary Funds**

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KEANSBURG SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2016

	Business-Type Activities - Enterprise Funds
	Food Service
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 139,496
Accounts Receivable	
State	647
Federal	47,290
Other Accounts Receivable	61,072
Inventory	15,391
Total Current Assets	263,896
Capital Assets, net	102,059
Total Assets	\$ 365,955
<b>LIABILITIES</b>	
Liabilities	
Interfund Accounts Payable	\$ 180,852
<b>NET POSITION</b>	
Total Net Position	185,103
Total Liabilities and Net Position	\$ 365,955

See Accompanying Notes and Independent Auditor's Report

KEANSBURG SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds
	Food Service
Operating Revenues	
Charges for Services	
Daily Sales - Reimbursable Programs	\$ 411,750
Operating Expenses	
Cost of Sales	353,335
Salaries	428,220
Supplies/Non-Controllable Expenses	77,800
Equipment	4,925
Repairs	11,409
Management Fee	65,811
Depreciation Expense	6,461
Food Distribution	28,782
Summer Food Program	15,063
Miscellaneous Costs	25,054
Total Operating Expenses	1,016,860
Operating Loss	(605,110)
Non-Operating Revenues (Expenses)	
State Sources	
State School Lunch Program	9,284
Federal Sources	
National School Lunch Program	465,832
National School Breakfast Program	183,658
National After School Snack Program	12,870
Summer Food Program	15,063
School Lunch Program Equipment Assistance	44,743
Food Distribution Program	28,782
Interest and Investment Revenue	5
Transfer from (to) General Fund	250,832
Total Non-Operating Revenues (Expenses)	1,011,069
Change in Net Position	405,959
Total Net Position - July 1	(220,856)
Total Net Position - June 30	\$ 185,103

See Accompanying Notes and Independent Auditor's Report

KEANSBURG SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds <u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts From Customers	\$ 411,701
Payments to Employees	(428,220)
Payments for Other Costs	(119,673)
Payments to Suppliers	<u>(446,732)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(582,924)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfer from (to) General Fund	(146,315)
Cash Received from State and Federal Reimbursements	<u>739,442</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>593,127</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Capital Assets	(47,000)
Interest and Dividends	<u>5</u>
Net Cash Provided by (Used in) Investing Activities	<u>(46,995)</u>
Net Decrease in Cash and Cash Equivalents	(36,792)
Cash and Cash Equivalents, Beginning of Year	<u>176,288</u>
Cash and Cash Equivalents, End of Year	<u>\$ 139,496</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities	
Operating Loss	<u>\$ (605,110)</u>
Adjustments to Reconcile Operating Loss to net Cash Provided by (Used in) Operating Activities	
Depreciation Expense	6,461
Food Distribution Program	28,782
(Increase) Decrease in:	
Accounts Receivable	65,277
Inventory	8,308
Increase (Decrease) in:	
Accounts Payable	<u>(86,642)</u>
Total Adjustments	<u>22,186</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (582,924)</u>

See Accompanying Notes and Independent Auditor's Report

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**Fiduciary Funds**

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KEANSBURG SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
June 30, 2016

	Private Purpose Scholarship Fund	Agency Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
ASSETS			
Cash and Cash Equivalents	\$ 115,316	\$ 592,795	\$ 708,111
Total Assets	<u>\$ 115,316</u>	<u>\$ 592,795</u>	<u>\$ 708,111</u>
LIABILITIES			
Interfund Payable	\$ -	\$ 351,577	\$ 351,577
Due to Student Groups	-	52,159	52,159
Payroll Deductions and Withholdings	<u>-</u>	<u>189,059</u>	<u>189,059</u>
Total Liabilities	-	592,795	592,795
NET POSITION			
Fund Balance			
Reserved for Scholarships	<u>115,316</u>	<u>-</u>	<u>115,316</u>
Total Liabilities and Net Position	<u>\$ 115,316</u>	<u>\$ 592,795</u>	<u>\$ 708,111</u>

See Accompanying Notes and Independent Auditor's Report

KEANSBURG SCHOOL DISTRICT  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 For the Fiscal Year Ended June 30, 2016

	Private Purpose Scholarship Fund
REVENUE	
Scholarship Donation	\$ 100,000
DEDUCTIONS	
Scholarship Payments	(1,000)
Change in Net Position	99,000
Net Position - Beginning of the Year	16,316
Net Position - End of the Year	\$ 115,316

## **Notes to the Financial Statements**

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KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Keansburg School District ("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 GASB has issued codification of governmental accounting and financial standards dated June 30, 2000. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government.

This financial report has been prepared in accordance with GASB Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments, issued in June 1999. Significant changes included in the Statement include the following:

- A Management and Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of its operations.
- Financial statements prepared using full accrual accounting for all of the District's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying basic financial statements. The more significant of the District's accounting policies are described below.

A. Reporting Entity:

The District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the District functions independently through a Board of Education ("Board"). The Board consists of nine members elected to three-year terms and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Component units are legally separate organizations for which the school district is financially accountable. Component units may also include organizations that are fiscally dependent on the school district in that the school district approves their budget, the issuance of their debt, or the levy of taxes. The District has no component units. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

The District also applies Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 to its governmental and business-type activities and proprietary funds provided they do not conflict with or contradict GASB pronouncements.

B. Basic Financial Statements – Government-Wide Statements:

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements. The government-wide financial statements categorize primary activities as either governmental or business-type.

The government-wide statement of net assets is reported on the full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support. The District's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements – Government-Wide Statements (continued):

The government-wide statement of activities reports both the gross and net costs of each of the District's functions. The net costs by function are normally supported by general revenues (property taxes, unrestricted intergovernmental revenues and investment income). The direct expenses of a given function or business segment, including depreciation expense, are offset by program revenues. Program revenues must be directly associated with the functional expense and includes charges for services, operating grants restricted to a specific function and capital grants and contributions.

The District does not allocate indirect costs. In creating the government-wide financial statements the District has eliminated interfund transactions.

The District maintains a policy of utilizing restricted resources first in financing qualified activities.

C. Basic Financial Statements – Fund Financial Statements:

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund balance, revenue and expenditures. Governmental resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types:

Governmental funds are those funds through which most of the District's functions are typically financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities are accounted for through 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.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund - The capital project 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).

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basic Financial Statements – Fund Financial Statements (continued):

Proprietary Fund Types:

Enterprise (Food Service) Fund - This enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is 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 expense and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Community Service Fund - This enterprise fund accounts for all revenues and expenses pertaining to community services offered by the district. The district provides educational and recreational programs for community members and the related revenues and expenses are accounted for in this fund.

Fiduciary Fund Types:

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

Expendable Trust Funds (Unemployment Compensation Insurance Fund and Scholarship Fund) - Expendable trust funds are used to account for assets held under the terms of a formal trust agreement, whereby the District may make expenditures against both the trust principal and any interest earned thereon.

Nonexpendable Trust Funds - A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District maintains a scholarship fund as a nonexpendable trust fund as of June 30, 2016.

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

D. Measurement Focus and Basis of Accounting:

Basis of accounting refers to the point at which revenues or expenditure/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources focus and the governmental-wide statement uses the economic resources measurement focus.

Accrual

Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. The accrual basis of accounting is also used for measuring financial position and operating results of proprietary fund types. Revenues are recognized when earned and expenses are recognized when incurred.

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (continued):

Modified Accrual

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

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

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. 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 details as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.1. All budget amendments must be approved by Board resolution.

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

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

A reconciliation of differences between budgetary inflows and outflows and GAAP revenues and expenditures is presented in exhibit C-3 in the financial statements.

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Encumbrances:

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

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

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

G. Cash, Cash Equivalents and Investments:

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

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

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

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

H. Short-Term Interfund Receivables/Payables:

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

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Inventory:

On the government-wide financial statements, inventory is presented at the lower of cost or market on a first-in, first-out basis, and are expensed when used. Inventory in governmental funds are stated at cost by the first-in, first-out method. The purchase method is used to account for inventory. Under the purchase method, inventory is recorded as expenditures when purchased; however, an estimated value of inventory is being reported as an asset in the general fund. The inventory in the general fund is equally offset by a fund balance reserve, which indicates they do not constitute "available spendable resources" even though they are a component of net current assets. There was no material balance of inventory in the governmental funds at June 30, 2016.

A physical inventory of the food services fund was taken as of June 30, 2016. The inventory consisted of purchased commodities and supplies; both valued using the first-in, first-out method. The District values government commodities at their estimated fair market value and reports any unused commodities as deferred revenue.

J. Prepaid Expenses:

In both the government-wide and fund financial statements, prepaid expenses are recorded as assets in the specific governmental fund in which the future benefit will be received.

K. Allowance for Uncollectible Accounts:

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

L. Capital Assets:

Capital assets purchased or acquired are capitalized at historical costs or estimated historical costs and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets as defined by the District are those assets with an initial individual cost of more than \$2,000 and an estimated useful life in excess of one year. Management has also elected to include certain homogenous asset categories with individual balances less than \$2,000 as composite groups for financial reporting purposes. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the assets life are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Depreciation on all capital assets is provided on the straight-line basis over the estimated useful lives as follows:

Site Improvements	50 years
Building and Building Improvements	20 – 50 years
Machinery and Equipment	5 – 12 years

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Long-Term Obligations:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term debt obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Fund Balances:

In February 2009, the GASB issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54"). GASB 54 is effective for periods beginning after June 15, 2010 and establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

- 1) Nonspendable - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) Committed - includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
- 4) Assigned - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
- 5) Unassigned - includes all spendable amounts not contained in the other classifications.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

O. Compensated Absences for Vacation and Sick Leave:

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.

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Compensated Absences for Vacation and Sick Leave (continued):

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

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

The long-term liability for vested compensated absences of the governmental fund type is recorded in the government-wide financial statements as the benefits accrued to employees. As of June 30, 2016 the compensated absences liability for governmental funds was \$256,659.

P. Deferred Revenue:

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

Q. Fund Equity:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties. Designated fund balances represent plans for future use of financial resources. Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds.

R. Net Position:

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 31, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources, and net position. The adoption of this statement resulted in a change in the presentation of the Statement of Net Position (previously referred to as the Statement of Net Assets). The term "Net Assets" is now changed to "Net Position" throughout the financial statements.

Net Position represents the difference between assets, deferred outflows, deferred inflows, and liabilities in the government-wide financial statements. Net Position invested in capital assets is reported net of related debt and accumulated depreciation. Net Position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. 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, workmen's compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the 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. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

T. Extraordinary and Special Items:

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

U. Memorandum Only – Total Columns:

Total columns are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither are such data comparable to a consolidation.

V. Comparative Data:

Comparative total data for the prior year had been presented in order to provide an understanding of changes on the District's financial position and operations. Certain 2015 amounts have been reclassified to conform to the 2016 presentation. This had no effect on the financial statement amounts for either year.

W. Use of Estimates:

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

X. Subsequent Events:

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2016 and the date that the financial statements were issued for possible disclosure and recognition in the financial statement, and no items have come to the attention of the District that would require disclosure, except as described in Note 16.

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

Operating cash, in the form of checking accounts, is held in the District's name by several commercial banking institutions. At June 30, 2016, the bank balance was \$2,697,709.

Pursuant to GASB Statement No. 40, "*Deposit and Investment Risk Disclosures*" ("GASB 40"), the District's checking accounts are profiled in order to determine exposure if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits of investment).

Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized securities held by financial institution's trust department or agent but not in the government's name. The District does not have a policy for custodial credit risk.

Investments

Pursuant to the Enabling Act, the funds of the District may be invested in any direct obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the District may approve.

In order to maximize liquidity, the District utilizes the New Jersey Cash Management Fund ("NJCMF") as its sole investment. The NJCMF is administered by the New Jersey Department of the Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: US Treasuries, short-term Commercial Paper, US Agency Bonds, Corporate Bonds, and Certificates of Deposits. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty.

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2016, consisted of accounts, accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	GAAP Basis	Budget Basis
Federal Assistance	\$ 309,825	\$ 309,825
State Assistance	1,491,090	3,183,255
Total	\$ 1,800,915	\$ 3,493,080

NOTE 4. CAPITAL RESERVE ACCOUNT

The District does not maintain a capital reserve account as of June 30, 2016.

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 5. FIXED ASSETS

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Retirements/ Adjustments	Ending Balance
<b>Governmental Activities:</b>				
Land	\$ 387,253	\$ -	\$ -	\$ 387,253
Site Improvements	276,980	-	-	276,980
Building and Building Improvements	17,080,991	-	-	17,080,991
Machinery and Equipment	5,435,824	122,999	(533,980)	5,024,843
Totals at Historical Cost	<u>23,181,048</u>	<u>122,999</u>	<u>(533,980)</u>	<u>22,770,067</u>
<b>Less: Accumulated Depreciation for:</b>				
Site Improvements	232,985	2,514	-	235,499
Building and Building Improvements	8,367,434	406,053	-	8,773,487
Machinery and Equipment	2,006,901	1,039,074	(530,654)	2,515,321
Total Accumulated Depreciation	<u>10,607,320</u>	<u>1,447,641</u>	<u>(530,654)</u>	<u>11,524,307</u>
<b>Governmental Activity Capital Assets, net</b>	<u><u>\$ 12,573,728</u></u>	<u><u>\$ (1,324,642)</u></u>	<u><u>\$ (3,326)</u></u>	<u><u>\$ 11,245,760</u></u>
<b>Business-Type Activities:</b>				
Machinery and Equipment	\$ 430,325	\$ 47,000	\$ -	\$ 477,325
Less: Accumulated Depreciation	<u>368,805</u>	<u>6,461</u>	<u>-</u>	<u>375,266</u>
<b>Business-Type Capital Assets, net</b>	<u><u>\$ 61,520</u></u>	<u><u>\$ 40,539</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 102,059</u></u>

Depreciation expense for the fiscal year ended June 30, 2016, amounted to \$1,447,641. The District determined that it was impractical to allocate depreciation expense to the various governmental activities as the assets serve various functions. Depreciation expense for the fiscal year ended June 30, 2016 for the Enterprise Fund is \$6,461. The adjustments are revaluation and reclassification adjustments due to the District obtaining a fixed asset inventory from a fixed asset management company.

NOTE 6. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2016, the following changes occurred in liabilities reported in the general long-term debt account group:

	Beginning Balance	Additions	Adjustments/ Retirements	Ending Balance
Compensated Absences	\$ 318,893	\$ 35,350	\$ 97,584	\$ 256,659
Obligations Under Capital Leases	<u>1,747,327</u>	<u>-</u>	<u>634,153</u>	<u>1,113,174</u>
	<u><u>\$ 2,066,220</u></u>	<u><u>\$ 35,350</u></u>	<u><u>\$ 731,737</u></u>	<u><u>\$ 1,369,833</u></u>

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 6. GENERAL LONG-TERM DEBT (Continued)

Capital Leases Payable

The District is leasing various items under capital leases. Following is a schedule of the future minimum lease payments and the present net value of the net minimum payments at June 30, 2016:

	Payment	Interest	Total
2017	\$ 515,432	\$ 27,774	\$ 543,206
2018	438,364	14,619	452,983
2019	151,614	3,632	155,246
2020	7,764	118	7,882
Total	\$ 1,113,174	\$ 46,143	\$ 1,159,317

NOTE 7. FUND BALANCE – RESERVATIONS AND DESIGNATIONS

General Funds

Of the \$4,972,082 General Fund Balance at June 30, 2016, \$5,975 is reserved for encumbrances; \$1,381,950 is reserved as excess surplus in accordance with N.J.S.A. 18A: 7F-7; \$2,134,429 was reserved as excess surplus at June 30, 2015, and has been appropriated and included as anticipated revenue for the year ended June 30, 2016; \$500,000 is reserved for maintenance reserve; \$130,000 is reserved for emergency reserve; \$0 has been appropriated and also included as anticipated revenue for the year ended June 30, 2016; and \$819,728 is unreserved and undesignated.

Committed to Encumbrances

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds (i.e. general fund), other than the special revenue fund, are reported as reservation of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the general fund at June 30, 2016 were \$5,975.

Calculation of Excess Surplus

In accordance with N.J.S.A. 18A: 7F-7, the designation for reserved fund balance – excess surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$1,381,950.

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 7. FUND BALANCE – RESERVATIONS AND DESIGNATIONS (Continued)

Maintenance Reserve Account

A maintenance reserve account was established by the District by way of a Board approved resolution in the amount of \$400,000 in June 2010 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP). Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance 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 appropriation amounts, or both. The District may also appropriate additional amounts when the excess approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year. Approved in the budget for the year ended June 30, 2015 was a withdrawal from the maintenance reserve account of \$400,000. Then, at June 30, 2015, \$500,000 of funds were appropriated and added to the maintenance reserve. During the year ended June 30, 2016, there was no change in the maintenance reserve. Therefore, the balance in the maintenance reserve at June 30, 2016 is \$500,000. The balance in the maintenance reserve does not exceed four percent of the replacement cost of the District's school facilities for the current year.

Emergency Reserve Account

In accordance with N.J.S.A. 18A:7F-41c(1), an emergency reserve account was established by the District. The emergency reserve account is maintained in the general fund. The funds in the reserve shall be used to finance unanticipated general fund current expense costs required for T&E. For the purpose of the emergency reserve account "unanticipated" shall mean reasonably unforeseeable and shall not include additional costs caused by poor planning or error. The account balance is not to exceed \$250,000 or one percent of the District's general fund budget up to a maximum of \$1,000,000 whichever is greater. Withdrawals require approval by the Commissioner. Approved in the budget for the year ended June 30, 2015 was a withdrawal from the emergency reserve account of \$120,000. At June 30, 2016, the balance of the emergency reserve account was \$130,000 and is within the statutory limitations.

NOTE 8. PENSION PLANS

Description of Plans

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

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 8. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

The TPAF was established in January 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 TPAF 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 and 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.

*Summary of Significant Accounting Policies* - For purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the TPAF and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The employer contributions for the District are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the District (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the District (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the District. However, the state's portion of the net pension liability that was associated with the District was \$106,255,015 as measured on June 30, 2015 and \$87,190,099 as measured on June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$6,487,825 and revenue of \$6,487,825 for support provided by the State. The measurement period for the pension expense and revenue reported in the District's financial statements (A-2) at June 30, 2016 is based upon changes in the collective net pension liability with a measurement period of June 30, 2014 through June 30, 2015. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2014 and June 30, 2015.

Although the District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 8. PENSION PLANS (Continued)

	6/30/2015 June 30, 2014	6/30/2016 June 30, 2015
Actuarial valuation date (rolled forward)		
Collective deferred outflows of resources	\$ 2,875,936,696	\$ 7,522,890,856
Collective deferred inflows of resources	\$ 1,834,538,115	\$ 623,365,110
Collective net pension liability (Nonemployer-State of New Jersey)	\$ 53,446,745,367	\$ 63,204,270,305
State's portion of the net pension liability that was associated with the District	\$ 87,190,099	\$ 106,255,015
State's portion of the net pension liability that was associated with the District as a percentage of the collective net pension liability.	0.163135%	0.168114%

*Actuarial assumptions* - The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	2.5%
Salary Increases:	Varies based on experience
Investment Rate of Return:	7.90%

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 8. PENSION PLANS (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds – Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

*Discount rate* - The discount rate used to measure the State's total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% as of both June 30, 2015 and 2014, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit pay.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate* - Since the District has no proportionate share of the net pension liability because of the special funding situation, the District would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/pdf/financial/gasb68-tpaf15.pdf>.

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 8. PENSION PLANS (Continued)

*Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide retirement benefits, death, disability and medical benefits to certain qualified members. The PERS 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.

*Summary of Significant Accounting Policies* - For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* - At June 30, 2016, the District reported a liability of \$7,982,073 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2015 and 2016. At June 30, 2015, the District's proportion was 0.035558%, which was an decrease of 0.00177% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$483,027 at June 30, 2016 the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	857,211	-
Net difference between projected and actual earnings on pension plan investments	-	128,336
Changes in proportion and differences between District contributions and proportionate share of contributions	274,633	281,132
District contributions subsequent to the measurement date	305,704	-
Total	<u>\$ 1,437,548</u>	<u>\$ 409,468</u>

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 8. PENSION PLANS (Continued)

\$305,704 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Plan Year Ended June 30:
2016	\$ 123,059
2017	123,059
2018	123,059
2019	123,059
2020	123,059
Thereafter	107,081
Total	\$ 722,376

Collective Balances at June 30, 2015 and 2014 are as follows:

	6/30/2015	6/30/2014
Collective deferred outflows of resources	\$ 3,578,755,666	\$ 952,194,675
Collective deferred inflows of resources	\$ 993,410,455	\$ 1,479,224,662
Collective net pension liability	\$ 22,447,996,119	\$ 18,722,735,003
District's portion of net pension liability	\$ 7,982,073	\$ 6,988,808
District's proportion %	0.03555806%	0.03732792%

*Actuarial assumptions* - The total pension liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.04%
Salary Increases:	
2012-2012	2.15%-4.40% based on age
Thereafter	3.15%-5.40% based on age
Investment Rate of Return:	7.90%

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 8. PENSION PLANS (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
US Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

*Discount rate* - The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate* - The following presents the District's proportionate share of the net pension liability measured as of June 30, 2015, calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 8. PENSION PLANS (Continued)

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's proportionate share of the net pension liability	\$ 9,920,740	\$ 7,982,073	\$ 6,356,709

*Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

Defined Contribution Retirement Plan (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

PERS and TPAF Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. They may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) operates and to the benefit provisions of the system.

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 8. PENSION PLANS (Continued)

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.

The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF), and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2016	\$ 305,704	100%	\$ -
June 30, 2015	302,389	100%	-
June 30, 2014	284,693	100%	-

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 8. PENSION PLANS (Continued)

Three-Year Trend Information for TPAF (Paid on behalf of the District)			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2016	\$ 1,302,235	100%	\$ -
June 30, 2015	908,884	100%	-
June 30, 2014	690,126	100%	-

During the fiscal year ended June 30, 2016, the State of New Jersey contributed \$1,550,602 for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A: 66-66 the State of New Jersey reimbursed the District \$1,223,751 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 9. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required TPAF and the PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees.

As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

GASB Statement #45 requires certain disclosures relating to governmental entities obligations for other postemployment benefits (OPEB), which are post-employment benefits other than pensions. The District does not provide post-employment benefits other than pension. Healthcare provided to eligible TPAF and PERS board of education retirees through the NJ State Health Benefits Program are paid by the State of New Jersey and as such, no district OPEB liability exists.

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 10. DEFERRED COMPENSATION

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

Equitable Life Assurance Co.  
MetLife Resources  
Variable Annuity Life Insurance Co.  
Putnam

NOTE 11. STATEMENT OF CASH FLOWS

The District made no disbursements for interest or taxes in their Proprietary Funds during the fiscal year ended June 30, 2016.

NOTE 12. INTERFUND BALANCES AND TRANSFERS

Interfund balances at June 30, 2016 consisted of the following:

Receivable Fund	Payable Fund	Amount
Fund 15	General Fund	\$ 19,085
General Fund	Enterprise Fund	\$ 180,852
General Fund	Trust and Agency	\$ 351,577
General Fund	Special Revenue Fund	\$ 53,872

Interfund balances represent short-term borrowings and revenues earned or other financing sources received in one fund which are due to another fund.

Interfund transfers at June 30, 2016 consisted of the following:

	Fund 10	Fund 15	Fund 20	Fund 60	Total
Fund 10	\$ -	\$ 17,617,959	\$ -	\$ 250,832	\$ 17,868,791
Fund 15	(17,617,959)	392,918	(392,918)	-	(17,617,959)
Fund 20	-	-	-	-	-
Fund 60	(250,832)	-	-	-	(250,832)
Total	\$ (17,868,791)	\$ 18,010,877	\$ (392,918)	\$ 250,832	\$ -

The transfers represent contributions to school-based budgets.

KEANSBURG SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 13. RISK MANAGEMENT

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

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

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

NOTE 14. ECONOMIC DEPENDENCY

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

NOTE 15. CONTINGENT LIABILITIES

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

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

NOTE 16. SUBSEQUENT EVENTS

The State of New Jersey approved a new elementary school to be built for the Keansburg School District. This building will house pre-school through fourth grade students. Subsequent to the balance sheet date, in August of 2016, the building was completed and the title for the building and its contents were transferred to the District. At June 30, 2016, the building was the property of the State of New Jersey; therefore, no costs related to the building are included in the financial statements as of June 30, 2016. The building has an approximate value of \$34,500,000.

**Required Supplementary Information - Part II**

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## **Budgetary Comparison Schedules**

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KEANSBURG SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2016

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Local Tax Levy	\$ 4,868,294	\$ -	\$ 4,868,294	\$ 4,868,294	\$ -
Tuition	56,544	-	56,544	24,685	31,859
Interest on Investments	-	-	-	2,391	(2,391)
Prior Year Refunds	-	-	-	41,292	(41,292)
Miscellaneous	-	-	-	137,007	(137,007)
Total Local Sources	4,924,838	-	4,924,838	5,073,669	(148,831)
<b>State Sources</b>					
School Choice Aid	9,886	-	9,886	9,886	-
Transportation Aid	244,350	-	244,350	244,350	-
Special Education Aid	901,656	-	901,656	901,656	-
Extraordinary Aid	-	-	-	115,045	(115,045)
TPAF - Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	1,550,602	(1,550,602)
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)	-	-	-	1,302,235	(1,302,235)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,223,751	(1,223,751)
Equalization Aid	16,973,265	-	16,973,265	16,973,265	-
Categorical Security Aid	535,157	-	535,157	535,157	-
Adjustment Aid	8,642,285	-	8,642,285	8,642,285	-
Other State Aids	28,060	-	28,060	28,060	-
Total State Sources	27,334,659	-	27,334,659	31,526,292	(4,191,633)
<b>Federal Sources</b>					
Medicaid Reimbursement	71,731	-	71,731	102,423	(30,692)
Total Federal Sources	71,731	-	71,731	102,423	(30,692)
Total Revenues	32,331,228	-	32,331,228	36,702,384	(4,371,156)
<b>EXPENDITURES</b>					
<b>Current Expenditures</b>					
<b>Instruction</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of Teachers	491,900	150,368	642,268	624,831	17,437
Grades 1-5 - Salaries of Teachers	3,197,873	(293,487)	2,904,386	2,871,599	32,787
Grades 6-8 - Salaries of Teachers	1,654,925	90,878	1,745,803	1,735,318	10,485
Grades 9-12 - Salaries of Teachers	1,876,650	116,821	1,993,471	1,945,382	48,089
<b>Regular Programs - Home Instruction</b>					
Salaries of Teachers	80,000	(45,000)	35,000	17,143	17,857
Purchased Professional - Educational Services	12,000	45,000	57,000	32,674	24,326
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	23,200	22,542	45,742	39,226	6,516
Purchased Technical Services	5,500	(2,256)	3,244	2,689	555
Other Purchased Services (400-500 series)	419,653	205,741	625,394	623,227	2,167
General Supplies	815,159	29,843	845,002	828,325	16,677
Textbooks	4,000	(1,200)	2,800	2,663	137
Miscellaneous Expense	4,500	3,837	8,337	7,191	1,146
Other Objects	55,360	2,863	58,223	49,737	8,486
Total Regular Programs - Instruction	8,640,720	325,950	8,966,670	8,780,005	186,665
<b>Special Education - Instruction</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	139,050	(53,580)	85,470	76,923	8,547
General Supplies	500	350	850	747	103
Other Objects	350	(350)	-	-	-
Total Learning and/or Language Disabilities	139,900	(53,580)	86,320	77,670	8,650
<b>Behavioral Disabilities</b>					
Salaries of Teachers	259,150	65,080	324,230	324,067	163
Other Salaries for Instruction	60,890	(3,792)	57,098	56,989	109
General Supplies	6,750	(2,390)	4,360	3,263	1,097
Total Behavioral Disabilities	326,790	58,998	385,688	384,319	1,369
<b>Multiple Disabilities</b>					
Salaries of Teachers	287,250	52,500	339,750	339,750	-
Other Salaries for Instruction	115,800	82,480	198,280	185,828	12,452
General Supplies	6,050	(500)	5,550	3,500	2,050
Total Multiple Disabilities	409,100	134,480	543,580	529,078	14,502
<b>Resource Room/Resource Center</b>					
Salaries of Teachers	2,697,450	(295,100)	2,402,350	2,361,867	40,483
Other Salaries for Instruction	178,890	(90,506)	88,384	85,341	3,043
General Supplies	5,050	(2,300)	2,750	1,591	1,159
Total Resource Room/Resource Center	2,881,390	(387,906)	2,493,484	2,448,799	44,685

KEANSBURG SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2016

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Full-Time					
Salaries of Teachers	142,600	(19,734)	122,866	122,866	-
Other Salaries for Instruction	43,390	48,918	92,308	92,308	-
General Supplies	1,000	(205)	795	795	-
Other Objects	450	(241)	209	48	161
Total Preschool Disabilities - Full-Time	187,440	28,738	216,178	216,017	161
Total Special Education - Instruction	3,944,620	(219,370)	3,725,250	3,655,883	69,367
Other Instructional Programs					
Basic Skills/Remedial					
Salaries of Teachers	536,590	93,169	629,759	625,090	4,669
General Supplies	2,200	100	2,300	2,124	176
Total Basic Skills/Remedial	538,790	93,269	632,059	627,214	4,845
Bilingual Education					
Salaries of Teachers	133,800	115,372	249,172	249,172	-
Other Salaries for Instruction	20,190	1,546	21,736	17,497	4,239
General Supplies	5,750	78	5,828	5,807	21
Total Bilingual Education	159,740	116,996	276,736	272,476	4,260
School Sponsored Co-Curricular Activities					
Salaries	117,788	(3,326)	114,462	109,441	5,021
Supplies and Materials	23,760	(4,709)	19,051	12,416	6,635
Other Objects	12,085	4,810	16,895	9,455	7,440
Total School Sponsored Co-Curricular Activities	153,633	(3,225)	150,408	131,312	19,096
School Sponsored Athletics					
Salaries	511,283	(15,000)	496,283	486,217	10,066
Purchased Services (300-500 series)	69,222	(9,510)	59,712	39,989	19,723
Supplies and Materials	41,300	-	41,300	37,601	3,699
Other Objects	36,874	-	36,874	31,742	5,132
Total School Sponsored Athletics	658,679	(24,510)	634,169	595,549	38,620
Before and After School Sponsored Activities					
Salaries	56,100	(20,000)	36,100	21,028	15,072
Total Before and After School Sponsored Activities	56,100	(20,000)	36,100	21,028	15,072
Summer School					
Salaries of Teachers	117,520	9,092	126,612	126,612	-
Other Salaries for Instruction	21,225	(5,541)	15,684	15,684	-
Support Services - Salaries	15,000	(7,500)	7,500	7,500	-
Purchased Services (300-500 series)	3,000	(813)	2,187	729	1,458
Supplies and Materials	4,000	-	4,000	210	3,790
Total Summer School	160,745	(4,762)	155,983	150,735	5,248
Total Other Instructional Programs	1,727,687	157,768	1,885,455	1,798,314	87,141
Total Instruction	14,313,027	264,348	14,577,375	14,234,202	343,173
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular	72,400	95,094	167,494	152,165	15,329
Tuition to Other LEAs Within the State - Special	308,418	(66,082)	242,336	222,957	19,379
Tuition to County Vocational School District - Regular	88,000	50,000	138,000	128,734	9,266
Tuition to County Vocational School District - Special	107,400	(55,000)	52,400	35,753	16,647
Tuition to County Special Services and Regular Day Schools	31,000	48,000	79,000	24,700	54,300
Tuition to Private Schools for the Handicapped - Within the State	2,388,410	(764,543)	1,623,867	1,551,223	72,644
Tuition - State Facilities	67,771	-	67,771	67,771	-
Tuition - Other	25,000	-	25,000	17,950	7,050
Total Instruction	3,088,399	(692,531)	2,395,868	2,201,253	194,615
Attendance and Social Work Services					
Salaries	25,509	1,629	27,138	27,138	-
Salaries of Family Support Teams	77,460	1,320	78,780	78,780	-
Salaries of Community/School Coordinators	75,000	7,825	82,825	82,825	-
Total Attendance and Social Work Services	177,969	10,774	188,743	188,743	-
Health Services					
Salaries	394,650	(20,019)	374,631	369,774	4,857
Purchased Professional and Technical Services	89,113	6,108	95,221	85,336	9,885
Other Purchased Services (400-500 series)	7,745	(272)	7,473	1,500	5,973
Supplies and Materials	12,328	2,372	14,700	12,884	1,816
Other Objects	144	-	144	-	144
Total Health Services	503,980	(11,811)	492,169	469,494	22,675

KEANSBURG SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2016

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Other Support Services - Students - Related Services</b>					
Salaries	366,092	236,352	602,444	602,444	-
Salaries - Other Professional Services	213,000	(193,227)	19,773	9,560	10,213
Supplies and Materials	7,550	(1,385)	6,165	5,839	326
<b>Total Other Support Services - Students - Related Services</b>	<b>586,642</b>	<b>41,740</b>	<b>628,382</b>	<b>617,843</b>	<b>10,539</b>
<b>Other Support Services - Students - Extraordinary Services</b>					
Salaries	247,499	44,652	292,151	286,642	5,509
<b>Total Other Support Services - Students - Extraordinary Services</b>	<b>247,499</b>	<b>44,652</b>	<b>292,151</b>	<b>286,642</b>	<b>5,509</b>
<b>Guidance</b>					
Salaries of Other Professional Staff	713,395	51,633	765,028	765,028	-
Salaries of Secretarial and Clerical Assistants	33,000	(479)	32,521	32,521	-
Other Purchased Professional and Technical Services	18,100	-	18,100	7,400	10,700
Other Purchased Services (400-500 series)	42,400	5,508	47,908	47,901	7
Supplies and Materials	34,550	(7,403)	27,147	24,164	2,983
Other Objects	17,400	(2,513)	14,887	8,365	6,522
<b>Total Guidance</b>	<b>858,845</b>	<b>46,746</b>	<b>905,591</b>	<b>885,379</b>	<b>20,212</b>
<b>Child Study Team</b>					
Salaries of Other Professional Staff	1,124,439	3,254	1,127,693	1,086,088	41,605
Purchased Professional - Educational Services	36,000	(210)	35,790	35,393	397
Other Purchased Services (400-500 series)	3,763	10,672	14,435	14,285	150
Supplies and Materials	91,500	(14,075)	77,425	75,067	2,358
Other Objects	2,000	303	2,303	2,217	86
<b>Total Child Study Team</b>	<b>1,257,702</b>	<b>(56)</b>	<b>1,257,646</b>	<b>1,213,050</b>	<b>44,596</b>
<b>Improvement of Instructional Services</b>					
Salaries of Supervisors of Instruction	543,002	(81,065)	461,937	438,829	23,108
Salaries of Other Professional Staff	26,250	(11,323)	14,927	14,927	-
Salaries of Secretarial and Clerical Assistants	47,863	3,700	51,563	51,563	-
Purchased Professional - Educational Services	114,500	(16,298)	98,202	94,702	3,500
Other Purchased Services (400-500 series)	12,650	-	12,650	4,312	8,338
Supplies and Materials	28,500	13,098	41,598	33,854	7,744
Other Objects	11,750	-	11,750	7,894	3,856
<b>Total Improvement of Instructional Services</b>	<b>784,515</b>	<b>(91,888)</b>	<b>692,627</b>	<b>646,081</b>	<b>46,546</b>
<b>Educational Media Services/School Library</b>					
Salaries	504,500	(35,790)	468,710	468,710	-
Other Salaries	-	68,797	68,797	54,817	13,980
Purchased Professional and Technical Services	292,500	(15,558)	276,942	212,569	64,373
Other Purchased Services (400-500 series)	356,862	(111,892)	244,970	187,503	57,467
Supplies and Materials	201,050	(152,650)	48,400	31,682	16,718
Other Objects	50	600	650	-	650
<b>Total Educational Media Services/School Library</b>	<b>1,354,962</b>	<b>(246,493)</b>	<b>1,108,469</b>	<b>955,281</b>	<b>153,188</b>
<b>Instructional Staff Training Services</b>					
Purchased Professional - Educational Services	8,000	(1,417)	6,583	2,220	4,363
Other Purchased Services (400-500 series)	24,845	(3,339)	21,506	17,364	4,142
Supplies and Materials	40,986	(7,532)	33,454	25,623	7,831
<b>Total Instructional Staff Training Services</b>	<b>73,831</b>	<b>(12,288)</b>	<b>61,543</b>	<b>45,207</b>	<b>16,336</b>
<b>Support Services - General Administration</b>					
Salaries	256,852	7,341	264,193	262,833	1,360
Legal Services	48,000	15,231	63,231	32,685	30,546
Audit Fees	48,500	-	48,500	48,500	-
Architectural/Engineering Services	5,000	180,338	185,338	87,765	97,573
Purchased Technical Services	7,200	(414)	6,786	6,761	25
Communications/Telephone	58,000	77,259	135,259	118,964	16,295
BOE Other Purchased Services	5,400	(1,200)	4,200	2,815	1,385
Other Purchased Services (400-500 series other than 530 & 585)	41,438	3,956	45,394	45,316	78
General Supplies	3,300	6,500	9,800	8,080	1,720
BOE In-House Training/Meeting Supplies	350	244	594	562	32
Miscellaneous Expenditures	15,750	-	15,750	13,094	2,656
Board Member Dues and Fees	26,500	(4,604)	21,896	20,831	1,065
<b>Total Support Services - General Administration</b>	<b>516,290</b>	<b>284,651</b>	<b>800,941</b>	<b>648,206</b>	<b>152,735</b>

KEANSBURG SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2016

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Support Services - School Administration</b>					
Salaries of Principals/Assistant Principals/Program Director	697,050	112,483	809,533	803,961	5,572
Salaries of Secretarial and Clerical Assistants	228,000	7,785	235,785	235,785	-
Other Purchased Services (400-500 series)	17,586	8,536	26,122	17,762	8,360
Travel	15,000	(5,489)	9,511	4,591	4,920
Supplies and Materials	51,650	9,694	61,344	52,525	8,819
Other Objects	26,800	3,000	29,800	16,190	13,610
Total Support Services - School Administration	<u>1,036,086</u>	<u>136,009</u>	<u>1,172,095</u>	<u>1,130,814</u>	<u>41,281</u>
<b>Central Services</b>					
Salaries	294,431	12,321	306,752	306,752	-
Purchased Professional Services	21,850	1,668	23,518	23,332	186
Other Purchased Services (400-500 series other than 594)	4,000	18,240	22,240	20,378	1,862
Supplies and Materials	10,000	6,235	16,235	16,176	59
Other Objects	2,400	184	2,584	1,944	640
Total Central Services	<u>332,681</u>	<u>38,648</u>	<u>371,329</u>	<u>368,582</u>	<u>2,747</u>
<b>Administration Information Technology</b>					
Salaries	81,152	(81,152)	-	-	-
Total Administration Information Technology	<u>81,152</u>	<u>(81,152)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Required Maintenance for School Facilities</b>					
Cleaning, Repair, and Maintenance Services	780,248	185,468	965,716	956,898	8,818
General Supplies	77,500	16,000	93,500	86,993	6,507
Total Required Maintenance for School Facilities	<u>857,748</u>	<u>201,468</u>	<u>1,059,216</u>	<u>1,043,891</u>	<u>15,325</u>
<b>Custodial Services</b>					
Salaries	12,000	71,952	83,952	83,284	668
Cleaning, Repair, and Maintenance Services	871,152	(21,362)	849,790	844,411	5,379
Other Purchased Property Services	145,000	12,099	157,099	157,099	-
Insurance	197,000	(46,197)	150,803	150,803	-
General Supplies	11,660	-	11,660	9,692	1,968
Energy (Natural Gas)	111,000	5,000	116,000	74,999	41,001
Energy (Electricity)	455,000	3,237	458,237	433,389	24,848
Energy (Oil)	29,000	(5,000)	24,000	4,154	19,846
Total Custodial Services	<u>1,831,812</u>	<u>19,729</u>	<u>1,851,541</u>	<u>1,757,831</u>	<u>93,710</u>
<b>Care and Upkeep of Grounds</b>					
Cleaning, Repair, and Maintenance Services	249,022	(77,160)	171,862	146,541	25,321
General Supplies	38,300	-	38,300	33,704	4,596
Total Care and Upkeep of Grounds	<u>287,322</u>	<u>(77,160)</u>	<u>210,162</u>	<u>180,245</u>	<u>29,917</u>
<b>Security</b>					
Cleaning, Repair and Maintenance Services	250,000	40,000	290,000	280,020	9,980
Other Purchases Services	60,000	-	60,000	60,000	-
General Supplies	6,300	-	6,300	5,108	1,192
Total Security	<u>316,300</u>	<u>40,000</u>	<u>356,300</u>	<u>345,128</u>	<u>11,172</u>
<b>Student Transportation Services</b>					
Contracted Services (Other than Between Home and School) - Vendors	157,522	(4,420)	153,102	112,815	40,287
Contracted Services Between Home and School - Vendors	8,000	2,421	10,421	10,421	-
Special Education Students - Joint Agreements	15,000	(4,198)	10,802	7,096	3,706
Contracted Services (Regular Students) - ESCs and CTSAs	205,000	78,382	283,382	281,308	2,074
Contracted Services (Special Education Students) - ESCs and CTSAs	1,082,150	(183,413)	898,737	898,737	-
Miscellaneous Purchased Services - Transportation	10,500	4,704	15,204	15,204	-
Total Student Transportation Services	<u>1,478,172</u>	<u>(106,524)</u>	<u>1,371,648</u>	<u>1,325,581</u>	<u>46,067</u>
<b>Unallocated Benefits</b>					
Social Security Contributions	400,000	134,367	534,367	534,367	-
Other Retirement Contributions - PERS	356,500	(50,796)	305,704	305,704	-
Workers Compensation	155,000	(1,151)	153,849	149,505	4,344
Health Benefits	3,861,958	18,050	3,880,008	3,835,103	44,905
Tuition Reimbursement	50,000	6,463	56,463	56,463	-
Other Employee Benefits	19,200	(14,200)	5,000	3,576	1,424
Total Unallocated Benefits	<u>4,842,658</u>	<u>92,733</u>	<u>4,935,391</u>	<u>4,884,718</u>	<u>50,673</u>
<b>Operation of Non-Instructional Services</b>					
Transfers to Cover Deficit (Enterprise Fund)	35,000	220,856	255,856	248,575	7,281
Total Operation of Non-Instructional Services	<u>35,000</u>	<u>220,856</u>	<u>255,856</u>	<u>248,575</u>	<u>7,281</u>
<b>TPAF Pension/Social Security</b>					
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	1,302,235	(1,302,235)
On-behalf TPAF OPEB (Post Retire. Medical) Contrib.(non-budgeted)	-	-	-	1,550,602	(1,550,602)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,223,751	(1,223,751)
Total TPAF Pension/Social Security	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,076,588</u>	<u>(4,076,588)</u>
Total Undistributed Expenditures	<u>20,549,565</u>	<u>(141,897)</u>	<u>20,407,668</u>	<u>23,519,132</u>	<u>(3,111,464)</u>
<b>Total Current Expenditures</b>	<u>34,862,592</u>	<u>122,451</u>	<u>34,985,043</u>	<u>37,753,334</u>	<u>(2,768,291)</u>

KEANSBURG SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2016

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital Outlay					
Equipment - Undistributed Expenditures					
Administration Information Technology	145,000	85,213	230,213	229,975	238
Non-Instructional Equipment	-	36,200	36,200	22,879	13,321
Total Equipment	<u>145,000</u>	<u>121,413</u>	<u>266,413</u>	<u>252,854</u>	<u>13,559</u>
Facilities Acquisition and Construction Services					
Other Purchased Professional and Technical Services	-	25,333	25,333	9,371	15,962
Construction Services	-	135,220	135,220	135,220	-
Capital Outlay - Transfer to Enterprise Fund	-	-	-	2,257	(2,257)
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>160,553</u>	<u>160,553</u>	<u>146,848</u>	<u>13,705</u>
Total Capital Outlay	<u>145,000</u>	<u>281,966</u>	<u>426,966</u>	<u>399,702</u>	<u>27,264</u>
Total Expenditures	<u>35,007,592</u>	<u>404,417</u>	<u>35,412,009</u>	<u>38,153,036</u>	<u>(2,741,027)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,676,364)</u>	<u>(404,417)</u>	<u>(3,080,781)</u>	<u>(1,450,652)</u>	<u>(1,630,129)</u>
Other Financing Sources (Uses):					
Operating Transfers In					
Contribution to School Based Budgets - General Revenue Fund	17,785,652	861	17,786,513	17,617,959	168,554
NCLB Contribution to School Based Budgets	607,294	-	607,294	392,918	214,376
Operating Transfers Out					
Transfer to School Based Budgets - From General Fund	<u>(17,785,652)</u>	<u>-</u>	<u>(17,785,652)</u>	<u>(17,617,959)</u>	<u>(167,693)</u>
Total Other Financing Sources (Uses)	<u>607,294</u>	<u>861</u>	<u>608,155</u>	<u>392,918</u>	<u>215,237</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(2,069,070)</u>	<u>(403,556)</u>	<u>(2,472,626)</u>	<u>(1,057,734)</u>	<u>(1,414,892)</u>
Fund Balance, July 1	<u>2,122,640</u>	<u>33,519</u>	<u>2,156,159</u>	<u>6,029,816</u>	<u>(3,873,657)</u>
Fund Balance, June 30	<u>\$ 53,570</u>	<u>\$ (370,037)</u>	<u>\$ (316,467)</u>	<u>\$ 4,972,082</u>	<u>\$ (5,288,549)</u>

Recapitulation:

**Restricted Fund Balance:**

Maintenance Reserve	\$ 500,000
Emergency Reserve	130,000
Excess Surplus - Designated for Subsequent Year's Expenditures	2,134,429
Excess Surplus - Current Year	1,381,950

**Committed Fund Balance:**

Year-End Encumbrances	5,975
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**Unassigned Fund Balance**

819,728
<u>4,972,082</u>

**Reconciliation to Governmental Funds Statements (GAAP):**

Reconciliation of State Aid Payments for GAAP to Budgetary Basis	<u>(1,692,165)</u>
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Fund Balance per Governmental Funds (GAAP)

\$ 3,279,917

KEANSBURG SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2016

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund	Blended Resource Fund 15	Total General Fund	Operating Fund	Blended Resource Fund 15	Total General Fund
<b>REVENUES</b>						
<b>Local Sources</b>						
Local Tax Levy	\$ 4,868,294	\$ -	\$ 4,868,294	\$ -	\$ -	\$ -
Tuition	56,544	-	56,544	-	-	-
Interest on Investments	-	-	-	-	-	-
Prior Year Refunds	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total Local Sources</b>	<b>4,924,838</b>	<b>-</b>	<b>4,924,838</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>State Sources</b>						
School Choice Aid	9,886	-	9,886	-	-	-
Transportation Aid	244,350	-	244,350	-	-	-
Special Education Aid	901,656	-	901,656	-	-	-
Extraordinary Aid	-	-	-	-	-	-
TPAF - Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	-	-	-
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	-	-	-
Equalization Aid	16,973,265	-	16,973,265	-	-	-
Categorical Security Aid	535,157	-	535,157	-	-	-
Adjustment Aid	8,642,285	-	8,642,285	-	-	-
Other State Aids	28,060	-	28,060	-	-	-
<b>Total State Sources</b>	<b>27,334,659</b>	<b>-</b>	<b>27,334,659</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Federal Sources</b>						
Medicaid Reimbursement	71,731	-	71,731	-	-	-
<b>Total Federal Sources</b>	<b>71,731</b>	<b>-</b>	<b>71,731</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenues</b>	<b>32,331,228</b>	<b>-</b>	<b>32,331,228</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>						
<b>Current Expenditures</b>						
<b>Instruction</b>						
<b>Regular Programs - Instruction</b>						
Preschool/Kindergarten - Salaries of Teachers	-	491,900	491,900	-	150,368	150,368
Grades 1-5 - Salaries of Teachers	152,500	3,045,373	3,197,873	(20,863)	(272,624)	(293,487)
Grades 6-8 - Salaries of Teachers	55,000	1,599,925	1,654,925	25,231	65,647	90,878
Grades 9-12 - Salaries of Teachers	192,000	1,684,650	1,876,650	84,433	32,388	116,821
<b>Regular Programs - Home Instruction</b>						
Salaries of Teachers	80,000	-	80,000	(45,000)	-	(45,000)
Purchased Professional - Educational Services	12,000	-	12,000	45,000	-	45,000
<b>Regular Programs - Undistributed Instruction</b>						
Other Salaries for Instruction	-	23,200	23,200	-	22,542	22,542
Purchased Technical Services	-	5,500	5,500	-	(2,256)	(2,256)
Other Purchased Services (400-500 series)	35,000	384,653	419,653	211,391	(5,650)	205,741
General Supplies	294,500	520,659	815,159	(285)	30,128	29,843
Textbooks	-	4,000	4,000	-	(1,200)	(1,200)
Miscellaneous Expenses	-	4,500	4,500	-	3,837	3,837
Other Objects	7,410	47,950	55,360	(770)	3,633	2,863
<b>Total Regular Programs - Instruction</b>	<b>828,410</b>	<b>7,812,310</b>	<b>8,640,720</b>	<b>299,137</b>	<b>26,813</b>	<b>325,950</b>
<b>Special Education - Instruction</b>						
<b>Learning and/or Language Disabilities</b>						
Salaries of Teachers	-	139,050	139,050	-	(53,580)	(53,580)
General Supplies	-	500	500	-	350	350
Other Objects	-	350	350	-	(350)	(350)
<b>Total Learning and/or Language Disabilities</b>	<b>-</b>	<b>139,900</b>	<b>139,900</b>	<b>-</b>	<b>(53,580)</b>	<b>(53,580)</b>
<b>Behavioral Disabilities</b>						
Salaries of Teachers	-	259,150	259,150	-	65,080	65,080
Other Salaries for Instruction	-	60,890	60,890	-	(3,792)	(3,792)
General Supplies	-	6,750	6,750	-	(2,390)	(2,390)
<b>Total Behavioral Disabilities</b>	<b>-</b>	<b>326,790</b>	<b>326,790</b>	<b>-</b>	<b>58,898</b>	<b>58,898</b>
<b>Multiple Disabilities</b>						
Salaries of Teachers	-	287,250	287,250	-	52,500	52,500
Other Salaries for Instruction	-	115,800	115,800	-	82,480	82,480
General Supplies	-	6,050	6,050	-	(500)	(500)
<b>Total Multiple Disabilities</b>	<b>-</b>	<b>409,100</b>	<b>409,100</b>	<b>-</b>	<b>134,480</b>	<b>134,480</b>

FINAL BUDGET			ACTUAL		
Operating Fund	Blended Resource Fund 15	Total General Fund	Operating Fund	Blended Resource Fund 15	Total General Fund
\$ 4,868,294	\$ -	\$ 4,868,294	\$ 4,868,294	\$ -	\$ 4,868,294
56,544	-	56,544	24,685	-	24,685
-	-	-	2,391	-	2,391
-	-	-	41,292	-	41,292
-	-	-	137,007	-	137,007
<u>4,924,838</u>	<u>-</u>	<u>4,924,838</u>	<u>5,073,669</u>	<u>-</u>	<u>5,073,669</u>
9,886	-	9,886	9,886	-	9,886
244,350	-	244,350	244,350	-	244,350
901,656	-	901,656	901,656	-	901,656
-	-	-	115,045	-	115,045
-	-	-	1,550,602	-	1,550,602
-	-	-	1,302,235	-	1,302,235
-	-	-	1,223,751	-	1,223,751
16,973,265	-	16,973,265	16,973,265	-	16,973,265
535,157	-	535,157	535,157	-	535,157
8,642,285	-	8,642,285	8,642,285	-	8,642,285
28,060	-	28,060	28,060	-	28,060
<u>27,334,659</u>	<u>-</u>	<u>27,334,659</u>	<u>31,526,292</u>	<u>-</u>	<u>31,526,292</u>
71,731	-	71,731	102,423	-	102,423
71,731	-	71,731	102,423	-	102,423
<u>32,331,228</u>	<u>-</u>	<u>32,331,228</u>	<u>36,702,384</u>	<u>-</u>	<u>36,702,384</u>
-	642,268	642,268	-	624,831	624,831
131,637	2,772,749	2,904,386	99,544	2,772,055	2,871,599
80,231	1,665,572	1,745,803	71,829	1,663,489	1,735,318
276,433	1,717,038	1,993,471	264,913	1,680,469	1,945,382
35,000	-	35,000	17,143	-	17,143
57,000	-	57,000	32,674	-	32,674
-	45,742	45,742	-	39,226	39,226
-	3,244	3,244	-	2,689	2,689
246,391	379,003	625,394	246,391	376,836	623,227
294,215	550,787	845,002	290,224	538,101	828,325
-	2,800	2,800	-	2,663	2,663
-	8,337	8,337	-	7,191	7,191
6,640	51,583	58,223	3,785	45,952	49,737
<u>1,127,547</u>	<u>7,839,123</u>	<u>8,966,670</u>	<u>1,026,503</u>	<u>7,753,502</u>	<u>8,780,005</u>
-	85,470	85,470	-	76,923	76,923
-	850	850	-	747	747
-	-	-	-	-	-
<u>-</u>	<u>86,320</u>	<u>86,320</u>	<u>-</u>	<u>77,670</u>	<u>77,670</u>
-	324,230	324,230	-	324,067	324,067
-	57,098	57,098	-	56,989	56,989
-	4,360	4,360	-	3,263	3,263
<u>-</u>	<u>385,688</u>	<u>385,688</u>	<u>-</u>	<u>384,319</u>	<u>384,319</u>
-	339,750	339,750	-	339,750	339,750
-	198,280	198,280	-	185,828	185,828
-	5,550	5,550	-	3,500	3,500
<u>-</u>	<u>543,580</u>	<u>543,580</u>	<u>-</u>	<u>529,078</u>	<u>529,078</u>

KEANSBURG SCHOOL DISTRICT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Fiscal Year Ended June 30, 2016

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund	Blended Resource Fund 15	Total General Fund	Operating Fund	Blended Resource Fund 15	Total General Fund
Resource Room/Resource Center						
Salaries of Teachers	-	2,697,450	2,697,450	-	(295,100)	(295,100)
Other Salaries for Instruction	-	178,890	178,890	-	(90,506)	(90,506)
General Supplies	-	5,050	5,050	-	(2,300)	(2,300)
Total Resource Room/Resource Center	-	2,881,390	2,881,390	-	(387,906)	(387,906)
Preschool Disabilities - Full-Time						
Salaries of Teachers	-	142,600	142,600	-	(19,734)	(19,734)
Other Salaries for Instruction	-	43,390	43,390	-	48,918	48,918
General Supplies	-	1,000	1,000	-	(205)	(205)
Other Objects	-	450	450	-	(241)	(241)
Total Preschool Disabilities - Full-Time	-	187,440	187,440	-	28,738	28,738
Total Special Education - Instruction	-	3,944,620	3,944,620	-	(219,370)	(219,370)
Other Instructional Programs						
Basic Skills/Remedial						
Salaries of Teachers	-	536,590	536,590	-	93,169	93,169
General Supplies	-	2,200	2,200	-	100	100
Total Basic Skills/Remedial	-	538,790	538,790	-	93,269	93,269
Bilingual Education						
Salaries of Teachers	133,800	-	133,800	115,372	-	115,372
Other Salaries for Instruction	20,190	-	20,190	1,546	-	1,546
General Supplies	5,750	-	5,750	78	-	78
Total Bilingual Education	159,740	-	159,740	116,996	-	116,996
School Sponsored Co-Curricular Activities						
Salaries	-	117,788	117,788	-	(3,326)	(3,326)
Supplies and Materials	-	23,760	23,760	-	(4,709)	(4,709)
Other Objects	-	12,085	12,085	-	4,810	4,810
Total School Sponsored Co-Curricular Activities	-	153,633	153,633	-	(3,225)	(3,225)
School Sponsored Athletics						
Salaries	-	511,283	511,283	-	(15,000)	(15,000)
Purchased Services (300-500 series)	-	69,222	69,222	-	(9,510)	(9,510)
Supplies and Materials	-	41,300	41,300	-	-	-
Other Objects	-	36,874	36,874	-	-	-
Total School Sponsored Athletics	-	658,679	658,679	-	(24,510)	(24,510)
Before and After School Sponsored Activities						
Salaries of Teachers	-	56,100	56,100	-	(20,000)	(20,000)
Total Before and After School Sponsored Activities	-	56,100	56,100	-	(20,000)	(20,000)
Summer School						
Salaries of Teachers	55,520	62,000	117,520	(6,643)	15,735	9,092
Other Salaries for Instruction	21,225	-	21,225	(5,541)	-	(5,541)
Support Services - Salaries	7,500	7,500	15,000	(7,500)	-	(7,500)
Purchased Services (300-500 series)	3,000	-	3,000	(813)	-	(813)
Supplies and Materials	4,000	-	4,000	-	-	-
Total Summer School	91,245	69,500	160,745	(20,497)	15,735	(4,762)
Total Other Instructional Programs	250,985	1,476,702	1,727,687	96,499	61,269	157,768
Total Instruction	1,079,395	13,233,632	14,313,027	395,636	(131,288)	264,348
Undistributed Expenditures						
Instruction						
Tuition to Other LEAs Within the State - Regular	72,400	-	72,400	95,094	-	95,094
Tuition to Other LEAs Within the State - Special	308,418	-	308,418	(66,082)	-	(66,082)
Tuition to County Vocational School District - Regular	88,000	-	88,000	50,000	-	50,000
Tuition to County Vocational School District - Special	107,400	-	107,400	(55,000)	-	(55,000)
Tuition to County Special Services and Regular Day Schools	31,000	-	31,000	48,000	-	48,000
Tuition to Private Schools for the Handicapped - Within the State	2,388,410	-	2,388,410	(764,543)	-	(764,543)
Tuition - State Facilities	67,771	-	67,771	-	-	-
Tuition - Other	25,000	-	25,000	-	-	-
Total Instruction	3,088,399	-	3,088,399	(692,531)	-	(692,531)
Attendance and Social Work Services						
Salaries	25,509	-	25,509	1,629	-	1,629
Salaries of Family Support Teams	77,460	-	77,460	1,320	-	1,320
Salaries of Community/School Coordinators	75,000	-	75,000	7,825	-	7,825
Total Attendance and Social Work Services	177,969	-	177,969	10,774	-	10,774

FINAL BUDGET			ACTUAL		
Operating Fund	Blended Resource Fund 15	Total General Fund	Operating Fund	Blended Resource Fund 15	Total General Fund
-	2,402,350	2,402,350	-	2,361,867	2,361,867
-	88,384	88,384	-	85,341	85,341
-	2,750	2,750	-	1,591	1,591
-	2,493,484	2,493,484	-	2,448,799	2,448,799
-	122,866	122,866	-	122,866	122,866
-	92,308	92,308	-	92,308	92,308
-	795	795	-	795	795
-	209	209	-	48	48
-	216,178	216,178	-	216,017	216,017
-	3,725,250	3,725,250	-	3,655,883	3,655,883
-	629,759	629,759	-	625,090	625,090
-	2,300	2,300	-	2,124	2,124
-	632,059	632,059	-	627,214	627,214
249,172	-	249,172	249,172	-	249,172
21,736	-	21,736	17,497	-	17,497
5,828	-	5,828	5,807	-	5,807
276,736	-	276,736	272,476	-	272,476
-	114,462	114,462	-	109,441	109,441
-	19,051	19,051	-	12,416	12,416
-	16,895	16,895	-	9,455	9,455
-	150,408	150,408	-	131,312	131,312
-	496,283	496,283	-	486,217	486,217
-	59,712	59,712	-	39,989	39,989
-	41,300	41,300	-	37,601	37,601
-	36,874	36,874	-	31,742	31,742
-	634,169	634,169	-	595,549	595,549
-	36,100	36,100	-	21,028	21,028
-	36,100	36,100	-	21,028	21,028
48,877	77,735	126,612	48,877	77,735	126,612
15,684	-	15,684	15,684	-	15,684
-	7,500	7,500	-	7,500	7,500
2,187	-	2,187	729	-	729
4,000	-	4,000	210	-	210
70,748	85,235	155,983	65,500	85,235	150,735
347,484	1,537,971	1,885,455	337,976	1,460,338	1,798,314
1,475,031	13,102,344	14,577,375	1,364,479	12,869,723	14,234,202
167,494	-	167,494	152,165	-	152,165
242,336	-	242,336	222,957	-	222,957
138,000	-	138,000	128,734	-	128,734
52,400	-	52,400	35,753	-	35,753
79,000	-	79,000	24,700	-	24,700
1,623,867	-	1,623,867	1,551,223	-	1,551,223
67,771	-	67,771	67,771	-	67,771
25,000	-	25,000	17,950	-	17,950
2,395,868	-	2,395,868	2,201,253	-	2,201,253
27,138	-	27,138	27,138	-	27,138
78,780	-	78,780	78,780	-	78,780
82,825	-	82,825	82,825	-	82,825
188,743	-	188,743	188,743	-	188,743

KEANSBURG SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2016

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund	Blended Resource Fund 15	Total General Fund	Operating Fund	Blended Resource Fund 15	Total General Fund
<b>Health Services</b>						
Salaries	-	394,650	394,650	2,624	(22,643)	(20,019)
Purchased Professional and Technical Services	89,113	-	89,113	6,108	-	6,108
Other Purchased Services (400-500 series)	-	7,745	7,745	-	(272)	(272)
Supplies and Materials	1,270	11,058	12,328	-	2,372	2,372
Other Objects	-	144	144	-	-	-
Total Health Services	90,383	413,597	503,980	8,732	(20,543)	(11,811)
<b>Other Support Services - Students - Related Services</b>						
Salaries	366,092	-	366,092	236,352	-	236,352
Salaries - Other Professional Services	213,000	-	213,000	(193,227)	-	(193,227)
Supplies and Materials	7,550	-	7,550	(1,385)	-	(1,385)
Total Other Support Services - Students - Related Services	586,642	-	586,642	41,740	-	41,740
<b>Other Support Services - Students - Extraordinary Services</b>						
Salaries	247,499	-	247,499	44,652	-	44,652
Total Other Support Services - Students - Extraordinary Services	247,499	-	247,499	44,652	-	44,652
<b>Guidance</b>						
Salaries of Other Professional Staff	135,095	578,300	713,395	1,648	49,985	51,633
Salaries of Secretarial and Clerical Assistants	-	33,000	33,000	-	(479)	(479)
Other Purchased Professional and Technical Services	-	18,100	18,100	-	-	-
Other Purchased Services (400-500 series)	42,400	-	42,400	5,508	-	5,508
Supplies and Materials	21,450	13,100	34,550	(2,420)	(4,983)	(7,403)
Other Objects	17,400	-	17,400	(2,513)	-	(2,513)
Total Guidance	216,345	642,500	858,845	2,223	44,523	46,746
<b>Child Study Team</b>						
Salaries of Other Professional Staff	1,124,439	-	1,124,439	3,254	-	3,254
Purchased Professional - Educational Services	36,000	-	36,000	(210)	-	(210)
Other Purchased Services (400-500 series)	3,763	-	3,763	10,672	-	10,672
Supplies and Materials	91,500	-	91,500	(14,075)	-	(14,075)
Other Objects	2,000	-	2,000	303	-	303
Total Child Study Team	1,257,702	-	1,257,702	(56)	-	(56)
<b>Improvement of Instructional Services</b>						
Salaries of Supervisors of Instruction	543,002	-	543,002	(81,065)	-	(81,065)
Salaries of Other Professional Staff	26,250	-	26,250	(11,323)	-	(11,323)
Salaries of Secretarial and Clerical Assistants	47,863	-	47,863	3,700	-	3,700
Purchased Professional - Educational Services	114,500	-	114,500	(16,298)	-	(16,298)
Other Purchased Services (400-500 series)	12,650	-	12,650	-	-	-
Supplies and Materials	28,500	-	28,500	13,098	-	13,098
Other Objects	11,750	-	11,750	-	-	-
Total Improvement of Instructional Services	784,515	-	784,515	(91,888)	-	(91,888)
<b>Educational Media Services/School Library</b>						
Salaries	504,500	-	504,500	(35,790)	-	(35,790)
Other Salaries	-	-	-	68,797	-	68,797
Purchased Professional and Technical Services	292,500	-	292,500	(15,558)	-	(15,558)
Other Purchased Services (400-500 series)	340,300	16,562	356,862	(137,536)	25,644	(111,892)
Supplies and Materials	197,000	4,050	201,050	(150,600)	(2,050)	(152,650)
Other Objects	-	50	50	600	-	600
Total Educational Media Services/School Library	1,334,300	20,662	1,354,962	(270,087)	23,594	(246,493)
<b>Instructional Staff Training Services</b>						
Purchased Professional - Educational Services	5,000	3,000	8,000	(930)	(487)	(1,417)
Other Purchased Services (400-500 series)	12,350	12,495	24,845	930	(4,269)	(3,339)
Supplies and Materials	27,000	13,986	40,986	-	(7,532)	(7,532)
Total Instructional Staff Training Services	44,350	29,481	73,831	-	(12,288)	(12,288)
<b>Support Services - General Administration</b>						
Salaries	256,852	-	256,852	7,341	-	7,341
Legal Services	48,000	-	48,000	15,231	-	15,231
Audit Fees	48,500	-	48,500	-	-	-
Architectural/Engineering Services	5,000	-	5,000	180,338	-	180,338
Purchased Technical Services	7,200	-	7,200	(414)	-	(414)
Communications/Telephone	58,000	-	58,000	77,259	-	77,259
BOE Other Purchased Services	5,400	-	5,400	(1,200)	-	(1,200)
Other Purchased Services (400-500 series other than 530 & 585)	41,438	-	41,438	3,956	-	3,956
General Supplies	3,300	-	3,300	6,500	-	6,500
BOE In-House Training/Meeting Supplies	350	-	350	244	-	244
Miscellaneous Expenditures	15,750	-	15,750	-	-	-
Board Member Dues and Fees	26,500	-	26,500	(4,604)	-	(4,604)
Total Support Services - General Administration	516,290	-	516,290	284,651	-	284,651

FINAL BUDGET			ACTUAL		
Operating Fund	Blended Resource Fund 15	Total General Fund	Operating Fund	Blended Resource Fund 15	Total General Fund
2,624	372,007	374,631	2,298	367,476	369,774
95,221	-	95,221	85,336	-	85,336
-	7,473	7,473	-	1,500	1,500
1,270	13,430	14,700	1,165	11,719	12,884
-	144	144	-	-	-
99,115	393,054	492,169	88,799	380,695	469,494
602,444	-	602,444	602,444	-	602,444
19,773	-	19,773	9,560	-	9,560
6,165	-	6,165	5,839	-	5,839
628,382	-	628,382	617,843	-	617,843
292,151	-	292,151	286,642	-	286,642
292,151	-	292,151	286,642	-	286,642
136,743	628,285	765,028	136,743	628,285	765,028
-	32,521	32,521	-	32,521	32,521
-	18,100	18,100	-	7,400	7,400
47,908	-	47,908	47,901	-	47,901
19,030	8,117	27,147	18,466	5,698	24,164
14,887	-	14,887	8,365	-	8,365
218,568	687,023	905,591	211,475	673,904	885,379
1,127,693	-	1,127,693	1,086,088	-	1,086,088
35,790	-	35,790	35,393	-	35,393
14,435	-	14,435	14,285	-	14,285
77,425	-	77,425	75,067	-	75,067
2,303	-	2,303	2,217	-	2,217
1,257,646	-	1,257,646	1,213,050	-	1,213,050
461,937	-	461,937	438,829	-	438,829
14,927	-	14,927	14,927	-	14,927
51,563	-	51,563	51,563	-	51,563
98,202	-	98,202	94,702	-	94,702
12,650	-	12,650	4,312	-	4,312
41,598	-	41,598	33,854	-	33,854
11,750	-	11,750	7,894	-	7,894
692,627	-	692,627	646,081	-	646,081
468,710	-	468,710	468,710	-	468,710
68,797	-	68,797	54,817	-	54,817
276,942	-	276,942	212,569	-	212,569
202,764	42,206	244,970	147,643	39,860	187,503
46,400	2,000	48,400	29,932	1,750	31,682
600	50	650	-	-	-
1,064,213	44,256	1,108,469	913,671	41,610	955,281
4,070	2,513	6,583	2,220	-	2,220
13,280	8,226	21,506	11,333	6,031	17,364
27,000	6,454	33,454	19,583	6,040	25,623
44,350	17,193	61,543	33,136	12,071	45,207
264,193	-	264,193	262,833	-	262,833
63,231	-	63,231	32,685	-	32,685
48,500	-	48,500	48,500	-	48,500
185,338	-	185,338	87,765	-	87,765
6,786	-	6,786	6,761	-	6,761
135,259	-	135,259	118,964	-	118,964
4,200	-	4,200	2,815	-	2,815
45,394	-	45,394	45,316	-	45,316
9,800	-	9,800	8,080	-	8,080
594	-	594	562	-	562
15,750	-	15,750	13,094	-	13,094
21,896	-	21,896	20,831	-	20,831
800,941	-	800,941	648,206	-	648,206

KEANSBURG SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2016

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund	Blended Resource Fund 15	Total General Fund	Operating Fund	Blended Resource Fund 15	Total General Fund
<b>Support Services - School Administration</b>						
Salaries of Principals/Assistant Principals/Program Director	-	697,050	697,050	6,765	105,718	112,483
Salaries of Secretarial and Clerical Assistants	-	228,000	228,000	-	7,785	7,785
Other Purchased Services (400-500 series)	-	17,586	17,586	-	8,536	8,536
Travel	-	15,000	15,000	-	(5,489)	(5,489)
Supplies and Materials	-	51,650	51,650	-	9,694	9,694
Other Objects	-	26,800	26,800	-	3,000	3,000
<b>Total Support Services - School Administration</b>	-	<b>1,036,086</b>	<b>1,036,086</b>	<b>6,765</b>	<b>129,244</b>	<b>136,009</b>
<b>Central Services</b>						
Salaries	294,431	-	294,431	12,321	-	12,321
Purchased Professional Services	21,850	-	21,850	1,668	-	1,668
Other Purchased Services (400-500 series other than 594)	4,000	-	4,000	18,240	-	18,240
Supplies and Materials	10,000	-	10,000	6,235	-	6,235
Other Objects	2,400	-	2,400	184	-	184
<b>Total Central Services</b>	<b>332,681</b>	-	<b>332,681</b>	<b>38,648</b>	-	<b>38,648</b>
<b>Administration Information Technology</b>						
Salaries	81,152	-	81,152	(81,152)	-	(81,152)
<b>Total Administration Information Technology</b>	<b>81,152</b>	-	<b>81,152</b>	<b>(81,152)</b>	-	<b>(81,152)</b>
<b>Required Maintenance for School Facilities</b>						
Cleaning, Repair, and Maintenance Services	780,248	-	780,248	185,468	-	185,468
General Supplies	77,500	-	77,500	16,000	-	16,000
<b>Total Required Maintenance for School Facilities</b>	<b>857,748</b>	-	<b>857,748</b>	<b>201,468</b>	-	<b>201,468</b>
<b>Custodial Services</b>						
Salaries	12,000	-	12,000	71,952	-	71,952
Cleaning, Repair, and Maintenance Services	871,152	-	871,152	(21,362)	-	(21,362)
Other Purchased Property Services	145,000	-	145,000	12,099	-	12,099
Insurance	197,000	-	197,000	(46,197)	-	(46,197)
General Supplies	11,660	-	11,660	-	-	-
Energy (Natural Gas)	111,000	-	111,000	5,000	-	5,000
Energy (Electricity)	455,000	-	455,000	3,237	-	3,237
Energy (Oil)	29,000	-	29,000	(5,000)	-	(5,000)
<b>Total Custodial Services</b>	<b>1,831,812</b>	-	<b>1,831,812</b>	<b>19,729</b>	-	<b>19,729</b>
<b>Care and Upkeep of Grounds</b>						
Cleaning, Repair, and Maintenance Services	249,022	-	249,022	(77,160)	-	(77,160)
General Supplies	38,300	-	38,300	-	-	-
<b>Total Care and Upkeep of Grounds</b>	<b>287,322</b>	-	<b>287,322</b>	<b>(77,160)</b>	-	<b>(77,160)</b>
<b>Security</b>						
Cleaning, Repair and Maintenance Services	250,000	-	250,000	40,000	-	40,000
Other Purchased Services	60,000	-	60,000	-	-	-
General Supplies	-	6,300	6,300	-	-	-
<b>Total Security</b>	<b>310,000</b>	<b>6,300</b>	<b>316,300</b>	<b>40,000</b>	-	<b>40,000</b>
<b>Student Transportation Services</b>						
Contracted Services (Other than Between Home and School) - Vendors	2,860	154,662	157,522	10,806	(15,226)	(4,420)
Contracted Services Between Home and School - Vendors	8,000	-	8,000	2,421	-	2,421
Special Education Students - Joint Agreements	15,000	-	15,000	(4,198)	-	(4,198)
Contracted Services (Regular Students) - ESCs and CTAS	205,000	-	205,000	78,382	-	78,382
Contracted Services (Special Education Students) - ESCs and CTAS	1,082,150	-	1,082,150	(183,413)	-	(183,413)
Miscellaneous Purchased Services - Transportation	10,500	-	10,500	4,704	-	4,704
<b>Total Student Transportation Services</b>	<b>1,323,510</b>	<b>154,662</b>	<b>1,478,172</b>	<b>(91,298)</b>	<b>(15,226)</b>	<b>(106,524)</b>
<b>Unallocated Benefits</b>						
Social Security Contributions	400,000	-	400,000	134,367	-	134,367
Other Retirement Contributions - PERS	356,500	-	356,500	(50,796)	-	(50,796)
Workers Compensation	155,000	-	155,000	(1,151)	-	(1,151)
Health Benefits	1,005,932	2,856,026	3,861,958	35,205	(17,155)	18,050
Tuition Reimbursement	50,000	-	50,000	6,463	-	6,463
Other Employee Benefits	19,200	-	19,200	(14,200)	-	(14,200)
<b>Total Unallocated Benefits</b>	<b>1,986,632</b>	<b>2,856,026</b>	<b>4,842,658</b>	<b>109,888</b>	<b>(17,155)</b>	<b>92,733</b>
<b>Operation of Non-Instructional Services</b>						
Transfers to Cover Deficit (Enterprise Fund)	35,000	-	35,000	220,856	-	220,856
<b>Total Operation of Non-Instructional Services</b>	<b>35,000</b>	-	<b>35,000</b>	<b>220,856</b>	-	<b>220,856</b>

FINAL BUDGET			ACTUAL		
Operating Fund	Blended Resource Fund 15	Total General Fund	Operating Fund	Blended Resource Fund 15	Total General Fund
6,765	802,768	809,533	1,193	802,768	803,961
-	235,785	235,785	-	235,785	235,785
-	26,122	26,122	-	17,762	17,762
-	9,511	9,511	-	4,591	4,591
-	61,344	61,344	-	52,525	52,525
-	29,800	29,800	-	16,190	16,190
<u>6,765</u>	<u>1,165,330</u>	<u>1,172,095</u>	<u>1,193</u>	<u>1,129,621</u>	<u>1,130,814</u>
306,752	-	306,752	306,752	-	306,752
23,518	-	23,518	23,332	-	23,332
22,240	-	22,240	20,378	-	20,378
16,235	-	16,235	16,176	-	16,176
2,584	-	2,584	1,944	-	1,944
<u>371,329</u>	<u>-</u>	<u>371,329</u>	<u>368,582</u>	<u>-</u>	<u>368,582</u>
-	-	-	-	-	-
-	-	-	-	-	-
965,716	-	965,716	956,898	-	956,898
93,500	-	93,500	86,993	-	86,993
<u>1,059,216</u>	<u>-</u>	<u>1,059,216</u>	<u>1,043,891</u>	<u>-</u>	<u>1,043,891</u>
83,952	-	83,952	83,284	-	83,284
849,790	-	849,790	844,411	-	844,411
157,099	-	157,099	157,099	-	157,099
150,803	-	150,803	150,803	-	150,803
11,660	-	11,660	9,692	-	9,692
116,000	-	116,000	74,999	-	74,999
458,237	-	458,237	433,389	-	433,389
24,000	-	24,000	4,154	-	4,154
<u>1,851,541</u>	<u>-</u>	<u>1,851,541</u>	<u>1,757,831</u>	<u>-</u>	<u>1,757,831</u>
171,862	-	171,862	146,541	-	146,541
38,300	-	38,300	33,704	-	33,704
<u>210,162</u>	<u>-</u>	<u>210,162</u>	<u>180,245</u>	<u>-</u>	<u>180,245</u>
290,000	-	290,000	280,020	-	280,020
60,000	-	60,000	60,000	-	60,000
-	6,300	6,300	-	5,108	5,108
<u>350,000</u>	<u>6,300</u>	<u>356,300</u>	<u>340,020</u>	<u>5,108</u>	<u>345,128</u>
13,666	139,436	153,102	8,635	104,180	112,815
10,421	-	10,421	10,421	-	10,421
10,802	-	10,802	7,096	-	7,096
283,382	-	283,382	281,308	-	281,308
898,737	-	898,737	898,737	-	898,737
15,204	-	15,204	15,204	-	15,204
<u>1,232,212</u>	<u>139,436</u>	<u>1,371,648</u>	<u>1,221,401</u>	<u>104,180</u>	<u>1,325,581</u>
534,367	-	534,367	534,367	-	534,367
305,704	-	305,704	305,704	-	305,704
153,849	-	153,849	149,505	-	149,505
1,041,137	2,838,871	3,880,008	1,041,138	2,793,965	3,835,103
56,463	-	56,463	56,463	-	56,463
5,000	-	5,000	3,576	-	3,576
<u>2,096,520</u>	<u>2,838,871</u>	<u>4,935,391</u>	<u>2,090,753</u>	<u>2,793,965</u>	<u>4,884,718</u>
255,856	-	255,856	248,575	-	248,575
<u>255,856</u>	<u>-</u>	<u>255,856</u>	<u>248,575</u>	<u>-</u>	<u>248,575</u>

KEANSBURG SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2016

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund	Blended Resource Fund 15	Total General Fund	Operating Fund	Blended Resource Fund 15	Total General Fund
TPAF Pension/Social Security						
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	-	-	-
On-behalf TPAF OPEB (Post Retire. Medical) Contrib.(non-budgeted)	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	-	-	-
Total TPAF Pension/Social Security	-	-	-	-	-	-
Total Undistributed Expenditures	15,390,251	5,159,314	20,549,565	(274,046)	132,149	(141,897)
Total Current Expenditures	16,469,646	18,392,946	34,862,592	121,590	861	122,451
Capital Outlay						
Equipment - Undistributed Expenditures						
Administration Information Technology	145,000	-	145,000	85,213	-	85,213
Non-Instructional Equipment	-	-	-	36,200	-	36,200
Total Equipment	145,000	-	145,000	121,413	-	121,413
Facilities Acquisition and Construction Services						
Other Purchased Professional and Technical Services	-	-	-	25,333	-	25,333
Construction Services	-	-	-	135,220	-	135,220
Capital Outlay - Transfer to Enterprise Fund	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	-	-	160,553	-	160,553
Total Capital Outlay	145,000	-	145,000	281,966	-	281,966
Total Expenditures	16,614,646	18,392,946	35,007,592	403,556	861	404,417
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,716,582	(18,392,946)	(2,676,364)	(403,556)	(861)	(404,417)
Other Financing Sources (Uses)						
Operating Transfers In						
Contribution to School Based Budgets - General Revenue Fund	-	17,785,652	17,785,652	-	861	861
NCLB Contribution to School Based Budgets	-	607,294	607,294	-	-	-
Operating Transfers Out						
Transfer to School Based Budgets - From General Fund	(17,785,652)	-	(17,785,652)	-	-	-
Total Other Financing Sources (Uses)	(17,785,652)	18,392,946	607,294	-	861	861
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,069,070)	-	(2,069,070)	(403,556)	-	(403,556)
Fund Balance, July 1	2,122,640	-	2,122,640	33,519	-	33,519
Fund Balance, June 30	\$ 53,570	\$ -	\$ 53,570	\$ (370,037)	\$ -	\$ (370,037)

FINAL BUDGET			ACTUAL		
Operating Fund	Blended Resource Fund 15	Total General Fund	Operating Fund	Blended Resource Fund 15	Total General Fund
-	-	-	1,302,235	-	1,302,235
-	-	-	1,550,602	-	1,550,602
-	-	-	1,223,751	-	1,223,751
-	-	-	4,076,588	-	4,076,588
15,116,205	5,291,463	20,407,668	18,377,978	5,141,154	23,519,132
16,591,236	18,393,807	34,985,043	19,742,457	18,010,877	37,753,334
230,213	-	230,213	229,975	-	229,975
36,200	-	36,200	22,879	-	22,879
266,413	-	266,413	252,854	-	252,854
25,333	-	25,333	9,371	-	9,371
135,220	-	135,220	135,220	-	135,220
-	-	-	2,257	-	2,257
160,553	-	160,553	146,848	-	146,848
426,966	-	426,966	399,702	-	399,702
17,018,202	18,393,807	35,412,009	20,142,159	18,010,877	38,153,036
15,313,026	(18,393,807)	(3,080,781)	16,560,225	(18,010,877)	(1,450,652)
-	17,786,513	17,786,513	-	17,617,959	17,617,959
-	607,294	607,294	-	392,918	392,918
(17,785,652)	-	(17,785,652)	(17,617,959)	-	(17,617,959)
(17,785,652)	18,393,807	608,155	(17,617,959)	18,010,877	392,918
(2,472,626)	-	(2,472,626)	(1,057,734)	-	(1,057,734)
2,156,159	-	2,156,159	6,029,816	-	6,029,816
\$ (316,467)	\$ -	\$ (316,467)	\$ 4,972,082	\$ -	\$ 4,972,082

KEANSBURG SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 For the Fiscal Year Ended June 30, 2016

Exhibit C-2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
State Sources	\$ 2,914,631	\$ 471,703	\$ 3,386,334	\$ 3,124,419	\$ 261,915
Federal Sources	1,477,576	814,882	2,292,458	1,888,008	404,450
Local Sources	-	131,595	131,595	103,121	28,474
<b>Total Revenues</b>	<b>4,392,207</b>	<b>1,418,180</b>	<b>5,810,387</b>	<b>5,115,548</b>	<b>694,839</b>
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries of Teachers	1,403,564	402,549	1,806,113	1,680,521	125,592
Other Salaries for Instruction	350,860	39,925	390,785	376,023	14,762
Purchased Professional - Technical Services	-	11,054	11,054	9,172	1,882
Other Purchased Services	6,160	672,172	678,332	672,810	5,522
General Supplies	552,328	(393,529)	158,799	140,730	18,069
Instructional Equipment	-	44,743	44,743	-	44,743
Other Objects	13,010	29,718	42,728	32,464	10,264
<b>Total Instruction</b>	<b>2,325,922</b>	<b>806,632</b>	<b>3,132,554</b>	<b>2,911,720</b>	<b>220,834</b>
<b>Support Services</b>					
Salaries - Personnel Services - Non-Instruction	-	168,357	168,357	152,294	16,063
Salaries of Supervisors of Instruction	118,200	67,060	185,260	185,260	-
Salaries of Other Professional Staff	440,691	(99,271)	341,420	340,759	661
Salaries of Secretarial and Clerical Assistants	76,566	(7,299)	69,267	69,267	-
Other Salaries	135,025	10,435	145,460	145,460	-
Personal Services - Employee Benefits	525,610	90,320	615,930	565,453	50,477
Purchased Professional - Educational and Technical Services	28,250	73,533	101,783	83,670	18,113
Other Purchased Professional Services	15,080	16,753	31,833	8,203	23,630
Purchased Property Services	-	61,140	61,140	57,012	4,128
Contracted Services - Transportation	93,779	3,785	97,564	97,139	425
Other Purchased Services	-	32,610	32,610	24,688	7,922
Travel	3,500	465	3,965	826	3,139
Supplies and Materials	13,190	31,105	44,295	31,845	12,450
Other Objects	9,100	44,290	53,390	49,034	4,356
<b>Total Support Services</b>	<b>1,458,991</b>	<b>493,283</b>	<b>1,952,274</b>	<b>1,810,910</b>	<b>141,364</b>
<b>Facilities Acquisition and Construction Services</b>					
Instructional Equipment	-	118,265	118,265	-	118,265
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>118,265</b>	<b>118,265</b>	<b>-</b>	<b>118,265</b>
<b>Total Expenditures</b>	<b>3,784,913</b>	<b>1,418,180</b>	<b>5,203,093</b>	<b>4,722,630</b>	<b>480,463</b>
<b>Other Financing Sources (Uses)</b>					
Transfer Out to School Based Budgets (General Fund)	(607,294)	-	(607,294)	(392,918)	(214,376)
<b>Total Other Financing Sources (Uses)</b>	<b>(607,294)</b>	<b>-</b>	<b>(607,294)</b>	<b>(392,918)</b>	<b>(214,376)</b>
<b>Total Outflows</b>	<b>4,392,207</b>	<b>1,418,180</b>	<b>5,810,387</b>	<b>5,115,548</b>	<b>694,839</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Notes to the Required Supplementary Information - Part II**

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KEANSBURG SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGET TO GAAP RECONCILIATION  
 NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION  
 For the Fiscal Year Ended June 30, 2016

Exhibit C-3

NOTE 1. EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 36,702,384	\$ 5,115,548
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(10,701)
Prior Year	-	47,792
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	3,028,339	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(3,001,490)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 36,729,233	\$ 5,152,639
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 38,153,036	\$ 5,115,548
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(10,701)
Prior Year	-	47,792
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	-	(392,918)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 38,153,036	\$ 4,759,721

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**Required Supplementary Information - Part III**

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

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KEANSBURG SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - PERS  
 LAST TEN FISCAL YEARS\*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's Proportion of the Net Pension Liability	0.035558%	0.037328%	0.036689%							
District's Proportionate Share of the Net Pension Liability	\$ 7,982,073	\$ 6,988,808	\$ 7,011,968							
District's Covered Employee Payroll	\$ 2,855,868	\$ 2,349,278	\$ 2,563,801							
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Employee Payroll	279.50%	297.49%	273.50%							
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Local)	47.93%	52.08%	48.72%							

\* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

KEANSBURG SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS  
 LAST TEN FISCAL YEARS\*

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually Required Contribution	\$ 305,704	\$ 284,693	\$ 261,704							
Contributions in Relation to the Contractually Required Contribution	<u>(305,704)</u>	<u>(284,693)</u>	<u>(261,704)</u>							
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>							
District's Covered Employee Payroll	\$ 2,855,868	\$ 2,349,278	\$ 2,563,801							
Contributions as a Percentage of Covered Employee Payroll	10.70%	12.12%	10.21%							

\* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

KEANSBURG SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - TPAF  
 LAST TEN FISCAL YEARS\*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's Proportion of the Net Pension Liability **	N/A	N/A	N/A							
District's Proportionate Share of the Net Pension Liability **	N/A	N/A	N/A							
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>\$ 106,255,015</u>	<u>\$ 87,190,099</u>	<u>\$ 86,874,692</u>							
Total	<u>\$ 106,255,015</u>	<u>\$ 87,190,099</u>	<u>\$ 86,874,692</u>							
District's Covered Employee Payroll	\$ 17,038,426	\$ 15,779,409	\$ 16,383,370							
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Employee Payroll	N/A	N/A	N/A							
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Local)	28.71%	33.64%	33.76%							

\* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

\*\* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the District (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the District.

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**Notes to the Required Supplementary Information - Part III**

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KEASNBURG SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III  
June 30, 2016

TEACHERS' PENSION AND ANNUITY FUND (TPAF)

A. Changes of benefit terms:

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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.

B. Changes of assumptions:

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

PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

A. Changes of benefit terms:

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

B. Changes of assumptions:

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

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## **Other Supplementary Information**

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## **School Based Budget Schedules**

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KEANSBURG SCHOOL DISTRICT  
GENERAL FUND  
COMBINING BALANCE SHEET  
June 30, 2016

Exhibit D-1

	Operating Fund Fund 10-13 & 19	Blended Resource Fund 15	Total General Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,035,617	\$ -	\$ 1,035,617
Receivables, net	3,600,182	-	3,600,182
Interfund Receivable	586,301	-	586,301
Internal Balance	1,899	20,984	22,883
	<u>\$ 5,223,999</u>	<u>\$ 20,984</u>	<u>\$ 5,244,983</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	\$ 230,933	\$ 19,085	\$ 250,018
Interfund Payable	20,984	1,899	22,883
	<u>251,917</u>	<u>20,984</u>	<u>272,901</u>
Fund Balances			
Restricted for:			
Excess Surplus - Current Year	1,381,950	-	1,381,950
Excess Surplus - Designated for Subsequent Year's Expenditures	2,134,429	-	2,134,429
Maintenance Reserve	500,000	-	500,000
Emergency Reserve	130,000	-	130,000
Committed to:			
Encumbrances	5,975	-	5,975
Unassigned, reported in:			
General Fund	819,728	-	819,728
	<u>4,972,082</u>	<u>-</u>	<u>4,972,082</u>
Total Liabilities and Fund Balances	<u>\$ 5,223,999</u>	<u>\$ 20,984</u>	<u>\$ 5,244,983</u>

KEANSBURG SCHOOL DISTRICT  
 BLENDED RESOURCE FUND 15  
 SCHEDULE OF EXPENDITURES ALLOCATED BY RESOURCE TYPE - ACTUAL  
 For the Fiscal Year Ended June 30, 2016

District-Wide

<u>Resources</u>	Resource Amount (Final Budget)	District-Wide Blended % of Total Resources	Total Expenditures Allocated as a % of Total Resources	Total Surplus/ Carryover
General Fund Contribution to Whole School Reform	\$ 17,786,513	96.70%	\$ 17,617,959	\$ 168,554
General Fund Reserve for Encumbrances at June 30, 2016	-	0.00%	-	-
Combined General Fund Contribution and Other State Resources	17,786,513	96.70%	17,617,959	168,554
Restricted Federal Resources				
Title I, Part A of NCLB: <i>Improving Basic Programs</i>	607,294	3.30%	392,918	214,376
Total	<u>\$ 18,393,807</u>	<u>100.00%</u>	<u>\$ 18,010,877</u>	<u>\$ 382,930</u>

KEANSBURG SCHOOL DISTRICT  
 BLENDED RESOURCE FUND 15  
 SCHEDULE OF EXPENDITURES ALLOCATED BY RESOURCE TYPE - ACTUAL  
 For the Fiscal Year Ended June 30, 2016

School: Port Monmouth Road

Resources	Resource Amount (Final Budget)	% of Total Resources	Total Expenditures Allocated as a % of Total Resources	Total Surplus/ Carryover
General Fund Contribution to Whole School Reform	\$ 4,325,426	95.36%	\$ 4,310,116	\$ 15,310
General Fund Reserve for Encumbrances at June 30, 2016	-	0.00%	-	-
Combined General Fund Contribution and Other State Resources	4,325,426	95.36%	4,310,116	15,310
Restricted Federal Resources				
Title I, Part A of NCLB: <i>Improving Basic Programs</i>	210,254	4.64%	136,034	74,220
Total	<u>\$ 4,535,680</u>	<u>100.00%</u>	<u>\$ 4,446,150</u>	<u>\$ 89,530</u>

KEANSBURG SCHOOL DISTRICT  
 BLENDED RESOURCE FUND 15  
 SCHEDULE OF EXPENDITURES ALLOCATED BY RESOURCE TYPE - ACTUAL  
 For the Fiscal Year Ended June 30, 2016

School: Caruso

<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to Whole School Reform	\$ 2,485,127	93.92%	\$ 2,521,179	\$ (36,052)
General Fund Reserve for Encumbrances at June 30, 2016	-	0.00%	-	-
Combined General Fund Contribution and Other State Resources	2,485,127	93.92%	2,521,179	(36,052)
Restricted Federal Resources				
Title I, Part A of NCLB: <i>Improving Basic Programs</i>	160,871	6.08%	104,083	56,788
Total	<u>\$ 2,645,998</u>	<u>100.00%</u>	<u>\$ 2,625,262</u>	<u>\$ 20,736</u>

KEANSBURG SCHOOL DISTRICT  
 BLENDED RESOURCE FUND 15  
 SCHEDULE OF EXPENDITURES ALLOCATED BY RESOURCE TYPE - ACTUAL  
 For the Fiscal Year Ended June 30, 2016

School: Bolger

<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
General Fund Contribution to Whole School Reform	\$ 5,303,236	95.74%	\$ 5,274,452	\$ 28,784
General Fund Reserve for Encumbrances at June 30, 2016	-	0.00%	-	-
Combined General Fund Contribution and Other State Resources	5,303,236	95.74%	5,274,452	28,784
Restricted Federal Resources				
Title I, Part A of NCLB: <i>Improving Basic Programs</i>	236,169	4.26%	152,801	83,368
Total	<u>\$ 5,539,405</u>	<u>100.00%</u>	<u>\$ 5,427,253</u>	<u>\$ 112,152</u>

KEANSBURG SCHOOL DISTRICT  
 BLENDED RESOURCE FUND 15  
 SCHEDULE OF EXPENDITURES ALLOCATED BY RESOURCE TYPE - ACTUAL  
 For the Fiscal Year Ended June 30, 2016

School: Keansburg High School

Resources	Resource Amount (Final Budget)	% of Total Resources	Total Expenditures Allocated as a % of Total Resources	Total Surplus/ Carryover
General Fund Contribution to Whole School Reform	\$ 5,672,724	100.00%	\$ 5,512,212	\$ 160,512
General Fund Reserve for Encumbrances at June 30, 2016	-	0.00%	-	-
Combined General Fund Contribution and Other State Resources	5,672,724	100.00%	5,512,212	160,512
Restricted Federal Resources Title I, Part A of NCLB: <i>Improving Basic Programs</i>	-	0.00%	-	-
<b>Total</b>	<u><u>\$ 5,672,724</u></u>	<u><u>100.00%</u></u>	<u><u>\$ 5,512,212</u></u>	<u><u>\$ 160,512</u></u>

KEANSBURG SCHOOL DISTRICT  
 BLENDED RESOURCE FUND 15  
 SCHEDULE OF BLENDED EXPENDITURES - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2016

Exhibit D-3

District-Wide	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
Current Expenditures					
Instruction					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	\$ 491,900	\$ 150,368	\$ 642,268	\$ 624,831	\$ 17,437
Grades 1-5 Salaries of Teachers	3,045,373	(272,624)	2,772,749	2,772,055	694
Grades 6-8 - Salaries of Teachers	1,599,925	65,647	1,665,572	1,663,489	2,083
Grades 9-12 - Salaries of Teachers	1,684,650	32,388	1,717,038	1,680,469	36,569
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	23,200	22,542	45,742	39,226	6,516
Purchased Technical Services	5,500	(2,256)	3,244	2,689	555
Other Purchased Services (400-500 series)	384,653	(5,650)	379,003	376,836	2,167
General Supplies	520,659	30,128	550,787	538,101	12,686
Textbooks	4,000	(1,200)	2,800	2,663	137
Miscellaneous Expenses	4,500	3,837	8,337	7,191	1,146
Other Objects	47,950	3,633	51,583	45,952	5,631
Total Regular Programs - Instruction	7,812,310	26,813	7,839,123	7,753,502	85,621
Special Education - Instruction					
Learning and/or Language Disabilities					
Salaries of Teachers	139,050	(53,580)	85,470	76,923	8,547
General Supplies	500	350	850	747	103
Other Objects	350	(350)	-	-	-
Total Learning and/or Language Disabilities	139,900	(53,580)	86,320	77,670	8,650
Behavioral Disabilities					
Salaries of Teachers	259,150	65,080	324,230	324,067	163
Other Salaries for Instruction	60,890	(3,792)	57,098	56,989	109
General Supplies	6,750	(2,390)	4,360	3,263	1,097
Total Behavioral Disabilities	326,790	58,898	385,688	384,319	1,369
Multiple Disabilities					
Salaries of Teachers	287,250	52,500	339,750	339,750	-
Other Salaries for Instruction	115,800	82,480	198,280	185,827	12,453
General Supplies	6,050	(500)	5,550	3,501	2,049
Total Multiple Disabilities	409,100	134,480	543,580	529,078	14,502
Resource Room/Resource Center					
Salaries of Teachers	2,697,450	(295,100)	2,402,350	2,361,868	40,482
Other Salaries for Instruction	178,890	(90,506)	88,384	85,340	3,044
General Supplies	5,050	(2,300)	2,750	1,591	1,159
Total Resource Room/Resource Center	2,881,390	(387,906)	2,493,484	2,448,799	44,685
Preschool Disabilities - Full Time					
Salaries of Teachers	142,600	(19,734)	122,866	122,866	-
Other Salaries for Instruction	43,390	48,918	92,308	92,308	-
General Supplies	1,000	(205)	795	795	-
Other Objects	450	(241)	209	48	161
Total Preschool Disabilities - Full-Time	187,440	28,738	216,178	216,017	161
Total Special Education - Instruction	3,944,620	(219,370)	3,725,250	3,655,883	69,367
Other Instructional Programs					
Basic Skills/Remedial					
Salaries of Teachers	536,590	93,169	629,759	625,090	4,669
General Supplies	2,200	100	2,300	2,124	176
Total Basic Skills/Remedial	538,790	93,269	632,059	627,214	4,845

KEANSBURG SCHOOL DISTRICT  
 BLENDED RESOURCE FUND 15  
 SCHEDULE OF BLENDED EXPENDITURES - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2016

Exhibit D-3

District-Wide	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School Sponsored Co-Curricular Activities					
Salaries	117,788	(3,326)	114,462	109,441	5,021
Supplies and Materials	23,760	(4,709)	19,051	12,416	6,635
Other Objects	12,085	4,810	16,895	9,455	7,440
Total School Sponsored Co-Curricular Activities	<u>153,633</u>	<u>(3,225)</u>	<u>150,408</u>	<u>131,312</u>	<u>19,096</u>
School Sponsored Athletics					
Salaries	511,283	(15,000)	496,283	486,217	10,066
Purchased Services (300-500 series)	69,222	(9,510)	59,712	39,989	19,723
Supplies and Materials	41,300	-	41,300	37,601	3,699
Other Objects	36,874	-	36,874	31,742	5,132
Total School Sponsored Athletics	<u>658,679</u>	<u>(24,510)</u>	<u>634,169</u>	<u>595,549</u>	<u>38,620</u>
Before and After School Sponsored Activities					
Salaries of Teachers	56,100	(20,000)	36,100	21,028	15,072
Total Before and After School Sponsored Activities	<u>56,100</u>	<u>(20,000)</u>	<u>36,100</u>	<u>21,028</u>	<u>15,072</u>
Summer School					
Salaries of Teachers	62,000	15,735	77,735	77,735	-
Support Services - Salaries	7,500	-	7,500	7,500	-
Total Summer School	<u>69,500</u>	<u>15,735</u>	<u>85,235</u>	<u>85,235</u>	<u>-</u>
Total Other Instructional Programs	<u>1,476,702</u>	<u>61,269</u>	<u>1,537,971</u>	<u>1,460,338</u>	<u>77,633</u>
Total Instruction	<u>13,233,632</u>	<u>(131,288)</u>	<u>13,102,344</u>	<u>12,869,723</u>	<u>232,621</u>
Undistributed Expenditures					
Health Services					
Salaries	394,650	(22,643)	372,007	367,476	4,531
Other Purchased Services (400-500 series)	7,745	(272)	7,473	1,500	5,973
Supplies and Materials	11,058	2,372	13,430	11,719	1,711
Other Objects	144	-	144	-	144
Total Health Services	<u>413,597</u>	<u>(20,543)</u>	<u>393,054</u>	<u>380,695</u>	<u>12,359</u>
Guidance					
Salaries of Other Professional Staff	578,300	49,985	628,285	628,285	-
Salaries of Secretarial and Clerical Assistants	33,000	(479)	32,521	32,521	-
Other Purchased Professional and Technical Services	18,100	-	18,100	7,400	10,700
Supplies and Materials	13,100	(4,983)	8,117	5,698	2,419
Total Guidance	<u>642,500</u>	<u>44,523</u>	<u>687,023</u>	<u>673,904</u>	<u>13,119</u>
Educational Media Services/School Library					
Other Purchased Services (400-500 series)	16,562	25,644	42,206	39,860	2,346
Supplies and Materials	4,050	(2,050)	2,000	1,750	250
Other Objects	50	-	50	-	50
Total Educational Media Services/School Library	<u>20,662</u>	<u>23,594</u>	<u>44,256</u>	<u>41,610</u>	<u>2,646</u>
Instructional Staff Training Services					
Purchased Professional - Educational Services	3,000	(487)	2,513	-	2,513
Other Purchased Services (400-500 series)	12,495	(4,269)	8,226	6,031	2,195
Supplies and Materials	13,986	(7,532)	6,454	6,040	414
Total Instructional Staff Training Services	<u>29,481</u>	<u>(12,288)</u>	<u>17,193</u>	<u>12,071</u>	<u>5,122</u>

KEANSBURG SCHOOL DISTRICT  
 BLENDED RESOURCE FUND 15  
 SCHEDULE OF BLENDED EXPENDITURES - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2016

Exhibit D-3

<u>District-Wide</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services - School Administration					
Salaries of Principals/Assistant Principals/Program Director	697,050	105,718	802,768	802,768	-
Salaries of Secretarial and Clerical Assistants	228,000	7,785	235,785	235,785	-
Other Purchased Services (400-500 series)	17,586	8,536	26,122	17,762	8,360
Travel	15,000	(5,489)	9,511	4,591	4,920
Supplies and Materials	51,650	9,694	61,344	52,525	8,819
Other Objects	26,800	3,000	29,800	16,190	13,610
Total Support Services - School Administration	<u>1,036,086</u>	<u>129,244</u>	<u>1,165,330</u>	<u>1,129,621</u>	<u>35,709</u>
Security					
General Supplies	6,300	-	6,300	5,108	1,192
Total Security	<u>6,300</u>	<u>-</u>	<u>6,300</u>	<u>5,108</u>	<u>1,192</u>
Student Transportation Services					
Contracted Services (Oth. than Bet. Home & Sch.) - Vendors	154,662	(15,226)	139,436	104,180	35,256
Total Student Transportation Services	<u>154,662</u>	<u>(15,226)</u>	<u>139,436</u>	<u>104,180</u>	<u>35,256</u>
Unallocated Benefits					
Health Benefits	2,856,026	(17,155)	2,838,871	2,793,965	44,906
Total Unallocated Benefits	<u>2,856,026</u>	<u>(17,155)</u>	<u>2,838,871</u>	<u>2,793,965</u>	<u>44,906</u>
Total Undistributed Expenditures	<u>5,159,314</u>	<u>132,149</u>	<u>5,291,463</u>	<u>5,141,154</u>	<u>150,309</u>
Total Current Expenditures	<u>18,392,946</u>	<u>861</u>	<u>18,393,807</u>	<u>18,010,877</u>	<u>382,930</u>
District-Wide School Based Expenditures	<u>18,392,946</u>	<u>861</u>	<u>18,393,807</u>	<u>18,010,877</u>	<u>382,930</u>
Other Financing Sources					
Operating Transfers In	18,392,946	861	18,393,807	18,010,877	382,930
Total Other Financing Sources	<u>18,392,946</u>	<u>861</u>	<u>18,393,807</u>	<u>18,010,877</u>	<u>382,930</u>
Excess (Deficiency) of Other Financing Sources Over (Under) District-Wide Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

KEANSBURG SCHOOL DISTRICT  
 BLENDED RESOURCE FUND 15  
 SCHEDULE OF BLENDED EXPENDITURES - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2016

Exhibit D-3a

School: Keansburg High School	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES</b>					
<b>Current Expenditures</b>					
<b>Instruction</b>					
<b>Regular Programs - Instruction</b>					
Grades 9-12 - Salaries of Teachers	\$ 1,684,650	\$ 32,388	\$ 1,717,038	\$ 1,680,469	\$ 36,569
<b>Regular Programs - Undistributed Instruction</b>					
Purchased Technical Services	3,000	(1,750)	1,250	847	403
Other Purchased Services (400-500 series)	305,946	(7,338)	298,608	297,565	1,043
General Supplies	259,138	8,292	267,430	257,024	10,406
Textbooks	4,000	(1,200)	2,800	2,663	137
Other Objects	26,700	(3,000)	23,700	19,002	4,698
<b>Total Regular Programs - Instruction</b>	<b>2,283,434</b>	<b>27,392</b>	<b>2,310,826</b>	<b>2,257,570</b>	<b>53,256</b>
<b>Special Education - Instruction</b>					
<b>Behavioral Disabilities</b>					
Salaries of Teachers	142,600	3,300	145,900	145,900	-
Other Salaries for Instruction	20,600	15,362	35,962	35,853	109
<b>Total Behavioral Disabilities</b>	<b>163,200</b>	<b>18,662</b>	<b>181,862</b>	<b>181,753</b>	<b>109</b>
<b>Multiple Disabilities</b>					
Salaries of Teachers	62,500	(4,554)	57,946	57,946	-
Other Salaries for Instruction	23,800	(3,843)	19,957	19,807	150
General Supplies	2,300	-	2,300	1,397	903
<b>Total Multiple Disabilities</b>	<b>88,600</b>	<b>(8,397)</b>	<b>80,203</b>	<b>79,150</b>	<b>1,053</b>
<b>Resource Room/Resource Center</b>					
Salaries of Teachers	729,800	(87,996)	641,804	641,107	697
Other Salaries for Instruction	20,190	(17,112)	3,078	3,078	-
General Supplies	2,300	(2,300)	-	-	-
<b>Total Resource Room/Resource Center</b>	<b>752,290</b>	<b>(107,408)</b>	<b>644,882</b>	<b>644,185</b>	<b>697</b>
<b>Total Special Education - Instruction</b>	<b>1,004,090</b>	<b>(97,143)</b>	<b>906,947</b>	<b>905,088</b>	<b>1,859</b>
<b>Other Instructional Programs</b>					
<b>Basic Skills/Remedial</b>					
Salaries of Teachers	122,350	45,080	167,430	162,761	4,669
<b>Total Basic Skills/Remedial</b>	<b>122,350</b>	<b>45,080</b>	<b>167,430</b>	<b>162,761</b>	<b>4,669</b>
<b>School Sponsored Co-Curricular Activities</b>					
Salaries	71,495	(3,927)	67,568	67,568	-
Supplies and Materials	15,960	(7,108)	8,852	8,852	-
Other Objects	4,585	4,810	9,395	9,355	40
<b>Total School Sponsored Co-Curricular Activities</b>	<b>92,040</b>	<b>(6,225)</b>	<b>85,815</b>	<b>85,775</b>	<b>40</b>
<b>School Sponsored Athletics</b>					
Salaries	437,641	-	437,641	437,091	550
Purchased Services (300-500 series)	56,182	(9,510)	46,672	39,493	7,179
Supplies and Materials	31,300	-	31,300	31,103	197
Other Objects	36,874	-	36,874	31,742	5,132
<b>Total School Sponsored Athletics</b>	<b>561,997</b>	<b>(9,510)</b>	<b>552,487</b>	<b>539,429</b>	<b>13,058</b>
<b>Before and After School Sponsored Activities</b>					
Salaries of Teachers	38,500	(20,000)	18,500	14,430	4,070
<b>Total Before and After School Sponsored Activities</b>	<b>38,500</b>	<b>(20,000)</b>	<b>18,500</b>	<b>14,430</b>	<b>4,070</b>
<b>Summer School</b>					
Salaries of Teachers	62,000	15,735	77,735	77,735	-
Support Services - Salaries	7,500	-	7,500	7,500	-
<b>Total Summer School</b>	<b>69,500</b>	<b>15,735</b>	<b>85,235</b>	<b>85,235</b>	<b>-</b>
<b>Total Other Instructional Programs</b>	<b>884,387</b>	<b>25,080</b>	<b>909,467</b>	<b>887,630</b>	<b>21,837</b>
<b>Total Instruction</b>	<b>4,171,911</b>	<b>(44,671)</b>	<b>4,127,240</b>	<b>4,050,288</b>	<b>76,952</b>
<b>Undistributed Expenditures</b>					
<b>Health Services</b>					
Salaries	90,500	(19,986)	70,514	65,983	4,531
Other Purchased Services (400-500 series)	7,745	(272)	7,473	1,500	5,973
Supplies and Materials	2,976	2,394	5,370	5,312	58
Other Objects	144	-	144	-	144
<b>Total Health Services</b>	<b>101,365</b>	<b>(17,864)</b>	<b>83,501</b>	<b>72,795</b>	<b>10,706</b>
<b>Guidance</b>					
Salaries of Other Professional Staff	178,250	(7,918)	170,332	170,332	-
Salaries of Secretarial and Clerical Assistants	33,000	(479)	32,521	32,521	-
Other Purchased Professional and Technical Services	18,100	-	18,100	7,400	10,700
Supplies and Materials	5,700	-	5,700	4,184	1,516
<b>Total Guidance</b>	<b>235,050</b>	<b>(8,397)</b>	<b>226,653</b>	<b>214,437</b>	<b>12,216</b>

KEANSBURG SCHOOL DISTRICT  
 BLENDED RESOURCE FUND 15  
 SCHEDULE OF BLENDED EXPENDITURES - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2016

Exhibit D-3a

School: Keansburg High School	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational Media Services/School Library					
Other Purchased Services (400-500 series)	7,287	12,727	20,014	19,159	855
Supplies and Materials	2,850	(850)	2,000	1,750	250
Other Objects	50	-	50	-	50
Total Educational Media Services/School Library	<u>10,187</u>	<u>11,877</u>	<u>22,064</u>	<u>20,909</u>	<u>1,155</u>
Instructional Staff Training Services					
Purchased Professional - Educational Services	-	1,763	1,763	-	1,763
Other Purchased Services (400-500 series)	5,500	(1,763)	3,737	2,871	866
Supplies and Materials	3,000	(3,000)	-	-	-
Total Instructional Staff Training Services	<u>8,500</u>	<u>(3,000)</u>	<u>5,500</u>	<u>2,871</u>	<u>2,629</u>
Support Services - School Administration					
Salaries of Principals/Assistant Principals/Program Director	232,350	(3,000)	229,350	229,350	-
Salaries of Secretarial and Clerical Assistants	78,000	4,412	82,412	82,412	-
Other Purchased Services (400-500 series)	1,562	2,005	3,567	2,867	700
Travel	6,000	-	6,000	2,500	3,500
Supplies and Materials	14,850	264	15,114	8,256	6,858
Other Objects	10,800	-	10,800	4,234	6,566
Total Support Services - School Administration	<u>343,562</u>	<u>3,681</u>	<u>347,243</u>	<u>329,619</u>	<u>17,624</u>
Security					
General Supplies	1,950	-	1,950	1,000	950
Total Security	<u>1,950</u>	<u>-</u>	<u>1,950</u>	<u>1,000</u>	<u>950</u>
Student Transportation Services					
Contracted Services (Oth. than Bet. Home & Sch.) - Vendors	85,862	(3,000)	82,862	67,506	15,356
Total Student Transportation Services	<u>85,862</u>	<u>(3,000)</u>	<u>82,862</u>	<u>67,506</u>	<u>15,356</u>
Unallocated Benefits					
Health Benefits	775,711	-	775,711	752,787	22,924
Total Unallocated Benefits	<u>775,711</u>	<u>-</u>	<u>775,711</u>	<u>752,787</u>	<u>22,924</u>
Total Undistributed Expenditures	<u>1,562,187</u>	<u>(16,703)</u>	<u>1,545,484</u>	<u>1,461,924</u>	<u>83,560</u>
Total Current Expenditures	<u>5,734,098</u>	<u>(61,374)</u>	<u>5,672,724</u>	<u>5,512,212</u>	<u>160,512</u>
Total School Based Expenditures	<u>5,734,098</u>	<u>(61,374)</u>	<u>5,672,724</u>	<u>5,512,212</u>	<u>160,512</u>
Other Financing Sources					
Operating Transfers In	5,734,098	(61,374)	5,672,724	5,512,212	160,512
Total Other Financing Sources	<u>5,734,098</u>	<u>(61,374)</u>	<u>5,672,724</u>	<u>5,512,212</u>	<u>160,512</u>
Excess (Deficiency) of Other Financing Sources Over (Under) School Based Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

KEANSBURG SCHOOL DISTRICT  
 BLENDED RESOURCE FUND 15  
 SCHEDULE OF BLENDED EXPENDITURES - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2016

Exhibit D-3b

School: Caruso	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
Current Expenditures					
Instruction					
Regular Programs - Instruction					
Grades 1-5 - Salaries of Teachers	\$ 1,175,305	\$ (97,941)	\$ 1,077,364	\$ 1,077,364	\$ -
Regular Programs - Undistributed Instruction					
Purchased Technical Services	2,500	(506)	1,994	1,842	152
Other Purchased Services (400-500 series)	4,525	10,585	15,110	14,400	710
General Supplies	61,478	2,175	63,653	63,114	539
Other Objects	8,250	1,711	9,961	9,833	128
<b>Total Regular Programs - Instruction</b>	<b>1,252,058</b>	<b>(83,976)</b>	<b>1,168,082</b>	<b>1,166,553</b>	<b>1,529</b>
Special Education - Instruction					
Behavioral Disabilities					
Salaries of Teachers	60,050	(3,090)	56,960	56,960	-
Other Salaries for Instruction	20,190	(20,190)	-	-	-
General Supplies	3,250	-	3,250	2,633	617
<b>Total Behavioral Disabilities</b>	<b>83,490</b>	<b>(23,280)</b>	<b>60,210</b>	<b>59,593</b>	<b>617</b>
Multiple Disabilities					
Salaries of Teachers	56,500	710	57,210	57,210	-
Other Salaries for Instruction	23,500	571	24,071	24,071	-
General Supplies	1,250	-	1,250	857	393
<b>Total Multiple Disabilities</b>	<b>81,250</b>	<b>1,281</b>	<b>82,531</b>	<b>82,138</b>	<b>393</b>
Resource Room/Resource Center					
Salaries of Teachers	411,350	(77,313)	334,037	334,037	-
Other Salaries for Instruction	67,700	(48,102)	19,598	19,597	1
General Supplies	1,350	-	1,350	511	839
<b>Total Resource Room/Resource Center</b>	<b>480,400</b>	<b>(125,415)</b>	<b>354,985</b>	<b>354,145</b>	<b>840</b>
<b>Total Special Education - Instruction</b>	<b>645,140</b>	<b>(147,414)</b>	<b>497,726</b>	<b>495,876</b>	<b>1,850</b>
Other Instructional Programs					
Basic Skills/Remedial					
Salaries of Teachers	65,500	56,070	121,570	121,570	-
General Supplies	1,700	100	1,800	1,715	85
<b>Total Basic Skills/Remedial</b>	<b>67,200</b>	<b>56,170</b>	<b>123,370</b>	<b>123,285</b>	<b>85</b>
School Sponsored Co-Curricular Activities					
Salaries	10,747	601	11,348	11,348	-
Supplies and Materials	4,300	(601)	3,699	3,564	135
<b>Total School Sponsored Co-Curricular Activities</b>	<b>15,047</b>	<b>-</b>	<b>15,047</b>	<b>14,912</b>	<b>135</b>
Before and After School Sponsored Activities					
Salaries of Teachers	7,000	-	7,000	2,100	4,900
<b>Total Before and After School Sponsored Activities</b>	<b>7,000</b>	<b>-</b>	<b>7,000</b>	<b>2,100</b>	<b>4,900</b>
<b>Total Other Instructional Programs</b>	<b>89,247</b>	<b>56,170</b>	<b>145,417</b>	<b>140,297</b>	<b>5,120</b>
<b>Total Instruction</b>	<b>1,986,445</b>	<b>(175,220)</b>	<b>1,811,225</b>	<b>1,802,726</b>	<b>8,499</b>

KEANSBURG SCHOOL DISTRICT  
 BLENDED RESOURCE FUND 15  
 SCHEDULE OF BLENDED EXPENDITURES - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2016

Exhibit D-3b

School: Caruso	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures					
Health Services					
Salaries	82,550	(30,490)	52,060	52,060	-
Supplies and Materials	2,640	882	3,522	3,502	20
Total Health Services	<u>85,190</u>	<u>(29,608)</u>	<u>55,582</u>	<u>55,562</u>	<u>20</u>
Guidance					
Salaries of Other Professional Staff	114,775	(9,173)	105,602	105,602	-
Total Guidance	<u>114,775</u>	<u>(9,173)</u>	<u>105,602</u>	<u>105,602</u>	<u>-</u>
Educational Media Services/School Library					
Other Purchased Services (400-500 series)	6,225	8,393	14,618	14,525	93
Total Educational Media Services/School Library	<u>6,225</u>	<u>8,393</u>	<u>14,618</u>	<u>14,525</u>	<u>93</u>
Instructional Staff Training Services					
Purchased Professional - Educational Services	1,500	(750)	750	-	750
Other Purchased Services (400-500 series)	1,000	750	1,750	1,011	739
Supplies and Materials	4,239	-	4,239	3,825	414
Total Instructional Staff Training Services	<u>6,739</u>	<u>-</u>	<u>6,739</u>	<u>4,836</u>	<u>1,903</u>
Support Services - School Administration					
Salaries of Principals/Assistant Principals/Program Director	-	106,150	106,150	106,150	-
Salaries of Secretarial and Clerical Assistants	30,000	(80)	29,920	29,920	-
Other Purchased Services (400-500 series)	-	7,078	7,078	6,230	848
Travel	3,000	(2,500)	500	25	475
Supplies and Materials	2,400	1,200	3,600	3,542	58
Other Objects	1,500	2,500	4,000	2,612	1,388
Total Support Services - School Administration	<u>36,900</u>	<u>114,348</u>	<u>151,248</u>	<u>148,479</u>	<u>2,769</u>
Security					
General Supplies	1,200	-	1,200	1,200	-
Total Security	<u>1,200</u>	<u>-</u>	<u>1,200</u>	<u>1,200</u>	<u>-</u>
Student Transportation Services					
Contracted Services (Oth. than Bet. Home & Sch.) - Vendors	7,350	(1,200)	6,150	6,025	125
Total Student Transportation Services	<u>7,350</u>	<u>(1,200)</u>	<u>6,150</u>	<u>6,025</u>	<u>125</u>
Unallocated Benefits					
Health Benefits	493,634	-	493,634	486,307	7,327
Total Unallocated Benefits	<u>493,634</u>	<u>-</u>	<u>493,634</u>	<u>486,307</u>	<u>7,327</u>
Total Undistributed Expenditures	<u>752,013</u>	<u>82,760</u>	<u>834,773</u>	<u>822,536</u>	<u>12,237</u>
Total Current Expenditures	<u>2,738,458</u>	<u>(92,460)</u>	<u>2,645,998</u>	<u>2,625,262</u>	<u>20,736</u>
Total School Based Expenditures	<u>2,738,458</u>	<u>(92,460)</u>	<u>2,645,998</u>	<u>2,625,262</u>	<u>20,736</u>
Other Financing Sources					
Operating Transfers In	2,738,458	(92,460)	2,645,998	2,625,262	20,736
Total Other Financing Sources	<u>2,738,458</u>	<u>(92,460)</u>	<u>2,645,998</u>	<u>2,625,262</u>	<u>20,736</u>
Excess (Deficiency) of Other Financing Sources Over (Under) School Based Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

KEANSBURG SCHOOL DISTRICT  
 BLENDED RESOURCE FUND 15  
 SCHEDULE OF BLENDED EXPENDITURES - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2016

Exhibit D-3c

School: Bolger	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
Current Expenditures					
Instruction					
Regular Programs - Instruction					
Grades 1-5 - Salaries of Teachers	\$ 660,025	\$ (111,202)	\$ 548,823	\$ 548,129	\$ 694
Grades 6-8 - Salaries of Teachers	1,599,925	65,647	1,665,572	1,663,489	2,083
Regular Programs - Undistributed Instruction					
Other Purchased Services (400-500 series)	60,657	(27,180)	33,477	33,258	219
General Supplies	148,153	17,598	165,751	164,446	1,305
Other Objects	4,500	3,976	8,476	8,344	132
Total Regular Programs - Instruction	2,473,260	(51,161)	2,422,099	2,417,666	4,433
Special Education - Instruction					
Learning and/or Language Disabilities					
Salaries of Teachers	82,550	2,920	85,470	76,923	8,547
Total Learning and/or Language Disabilities	82,550	2,920	85,470	76,923	8,547
Behavioral Disabilities					
Salaries of Teachers	56,500	64,870	121,370	121,207	163
Other Salaries for Instruction	20,100	1,036	21,136	21,136	-
General Supplies	3,500	(2,390)	1,110	630	480
Total Behavioral Disabilities	80,100	63,516	143,616	142,973	643
Multiple Disabilities					
Salaries of Teachers	168,250	(1,070)	167,180	167,180	-
Other Salaries for Instruction	46,400	22,548	68,948	68,113	835
General Supplies	2,500	(500)	2,000	1,247	753
Total Multiple Disabilities	217,150	20,978	238,128	236,540	1,588
Resource Room/Resource Center					
Salaries of Teachers	773,500	(27,572)	745,928	742,107	3,821
Other Salaries for Instruction	44,600	(22,260)	22,340	19,297	3,043
Total Resource Room/Resource Center	818,100	(49,832)	768,268	761,404	6,864
Total Special Education - Instruction	1,197,900	37,582	1,235,482	1,217,840	17,642
Other Instructional Programs					
Basic Skills/Remedial					
Salaries of Teachers	120,140	(4,581)	115,559	115,559	-
Total Basic Skills/Remedial	120,140	(4,581)	115,559	115,559	-
School Sponsored Co-Curricular Activities					
Salaries	32,799	-	32,799	30,525	2,274
Supplies and Materials	3,500	3,000	6,500	-	6,500
Other Objects	7,500	-	7,500	100	7,400
Total School Sponsored Co-Curricular Activities	43,799	3,000	46,799	30,625	16,174
School Sponsored Athletics					
Salaries	73,642	(15,000)	58,642	49,126	9,516
Purchased Services (300-500 series)	13,040	-	13,040	496	12,544
Supplies and Materials	10,000	-	10,000	6,498	3,502
Total School Sponsored Athletics	96,682	(15,000)	81,682	56,120	25,562
Before and After School Sponsored Activities					
Salaries of Teachers	3,600	-	3,600	1,155	2,445
Total Before and After School Sponsored Activities	3,600	-	3,600	1,155	2,445
Total Other Instructional Programs	264,221	(16,581)	247,640	203,459	44,181
Total Instruction	3,935,381	(30,160)	3,905,221	3,838,965	66,256

KEANSBURG SCHOOL DISTRICT  
 BLENDED RESOURCE FUND 15  
 SCHEDULE OF BLENDED EXPENDITURES - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2016

Exhibit D-3c

School: Bolger	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures					
Health Services					
Salaries	78,050	3,393	81,443	81,443	-
Supplies and Materials	2,202	-	2,202	592	1,610
Total Health Services	<u>80,252</u>	<u>3,393</u>	<u>83,645</u>	<u>82,035</u>	<u>1,610</u>
Guidance					
Salaries of Other Professional Staff	190,700	77,381	268,081	268,081	-
Supplies and Materials	7,400	(4,983)	2,417	1,514	903
Total Guidance	<u>198,100</u>	<u>72,398</u>	<u>270,498</u>	<u>269,595</u>	<u>903</u>
Educational Media Services/School Library					
Other Purchased Services (400-500 series)	1,525	3,012	4,537	3,238	1,299
Supplies and Materials	1,200	(1,200)	-	-	-
Total Educational Media Services/School Library	<u>2,725</u>	<u>1,812</u>	<u>4,537</u>	<u>3,238</u>	<u>1,299</u>
Instructional Staff Training Services					
Other Purchased Services (400-500 series)	4,995	(3,506)	1,489	899	590
Supplies and Materials	1,000	(1,000)	-	-	-
Total Instructional Staff Training Services	<u>5,995</u>	<u>(4,506)</u>	<u>1,489</u>	<u>899</u>	<u>590</u>
Support Services - School Administration					
Salaries of Principals/Assistant Principals/Program Director	233,350	2,000	235,350	235,350	-
Salaries of Secretarial and Clerical Assistants	78,000	2,975	80,975	80,975	-
Other Purchased Services (400-500 series)	13,762	(112)	13,650	6,849	6,801
Travel	3,000	-	3,000	2,066	934
Supplies and Materials	32,000	5,730	37,730	35,968	1,762
Other Objects	10,500	-	10,500	5,438	5,062
Total Support Services - School Administration	<u>370,612</u>	<u>10,593</u>	<u>381,205</u>	<u>366,646</u>	<u>14,559</u>
Security					
General Supplies	1,950	-	1,950	1,908	42
Total Security	<u>1,950</u>	<u>-</u>	<u>1,950</u>	<u>1,908</u>	<u>42</u>
Student Transportation Services					
Contracted Services (Oth. than Bet. Home & Sch.) - Vendors	54,800	(10,170)	44,630	25,064	19,566
Total Student Transportation Services	<u>54,800</u>	<u>(10,170)</u>	<u>44,630</u>	<u>25,064</u>	<u>19,566</u>
Unallocated Benefits					
Health Benefits	846,230	-	846,230	838,903	7,327
Total Unallocated Benefits	<u>846,230</u>	<u>-</u>	<u>846,230</u>	<u>838,903</u>	<u>7,327</u>
Total Undistributed Expenditures	<u>1,560,664</u>	<u>73,520</u>	<u>1,634,184</u>	<u>1,588,288</u>	<u>45,896</u>
Total Current Expenditures	<u>5,496,045</u>	<u>43,360</u>	<u>5,539,405</u>	<u>5,427,253</u>	<u>112,152</u>
Total School Based Expenditures	<u>5,496,045</u>	<u>43,360</u>	<u>5,539,405</u>	<u>5,427,253</u>	<u>112,152</u>
Other Financing Sources					
Operating Transfers In	5,496,045	43,360	5,539,405	5,427,253	112,152
Total Other Financing Sources	<u>5,496,045</u>	<u>43,360</u>	<u>5,539,405</u>	<u>5,427,253</u>	<u>112,152</u>
Excess (Deficiency) of Other Financing Sources Over (Under) School Based Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

KEANSBURG SCHOOL DISTRICT  
 BLENDED RESOURCE FUND 15  
 SCHEDULE OF BLENDED EXPENDITURES - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2016

Exhibit D-3d

School: Port Monmouth Road	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
Current Expenditures					
Instruction					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	\$ 491,900	\$ 150,368	\$ 642,268	\$ 624,831	\$ 17,437
Grades 1-5 - Salaries of Teachers	1,210,043	(63,481)	1,146,562	1,146,562	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	23,200	22,542	45,742	39,226	6,516
Other Purchased Services (400-500 series)	13,525	18,283	31,808	31,613	195
General Supplies	51,890	2,063	53,953	53,517	436
Miscellaneous Expenses	4,500	3,837	8,337	7,191	1,146
Other Objects	8,500	946	9,446	8,773	673
<b>Total Regular Programs - Instruction</b>	<b>1,803,558</b>	<b>134,558</b>	<b>1,938,116</b>	<b>1,911,713</b>	<b>26,403</b>
Special Education - Instruction					
Learning and/or Language Disabilities					
Salaries of Teachers	56,500	(56,500)	-	-	-
General Supplies	500	350	850	747	103
Other Objects	350	(350)	-	-	-
<b>Total Learning and/or Language Disabilities</b>	<b>57,350</b>	<b>(56,500)</b>	<b>850</b>	<b>747</b>	<b>103</b>
Multiple Disabilities					
Salaries of Teachers	-	57,414	57,414	57,414	-
Other Salaries for Instruction	22,100	63,204	85,304	73,836	11,468
<b>Total Multiple Disabilities</b>	<b>22,100</b>	<b>120,618</b>	<b>142,718</b>	<b>131,250</b>	<b>11,468</b>
Resource Room/Resource Center					
Salaries of Teachers	782,800	(102,219)	680,581	644,617	35,964
Other Salaries for Instruction	46,400	(3,032)	43,368	43,368	-
General Supplies	1,400	-	1,400	1,080	320
<b>Total Resource Room/Resource Center</b>	<b>830,600</b>	<b>(105,251)</b>	<b>725,349</b>	<b>689,065</b>	<b>36,284</b>
Preschool Disabilities - Full-Time					
Salaries of Teachers	142,600	(19,734)	122,866	122,866	-
Other Salaries for Instruction	43,390	48,918	92,308	92,308	-
General Supplies	1,000	(205)	795	795	-
Other Objects	450	(241)	209	48	161
<b>Total Preschool Disabilities - Full-Time</b>	<b>187,440</b>	<b>28,738</b>	<b>216,178</b>	<b>216,017</b>	<b>161</b>
<b>Total Special Education - Instruction</b>	<b>1,097,490</b>	<b>(12,395)</b>	<b>1,085,095</b>	<b>1,037,079</b>	<b>48,016</b>
Other Instructional Programs					
Basic Skills/Remedial					
Salaries of Teachers	228,600	(3,400)	225,200	225,200	-
General Supplies	500	-	500	409	91
<b>Total Basic Skills/Remedial</b>	<b>229,100</b>	<b>(3,400)</b>	<b>225,700</b>	<b>225,609</b>	<b>91</b>
School Sponsored Co-Curricular Activities					
Salaries	2,747	-	2,747	-	2,747
<b>Total School Sponsored Co-Curricular Activities</b>	<b>2,747</b>	<b>-</b>	<b>2,747</b>	<b>-</b>	<b>2,747</b>
Before and After School Sponsored Activities					
Salaries of Teachers	7,000	-	7,000	3,343	3,657
<b>Total Before and After School Sponsored Activities</b>	<b>7,000</b>	<b>-</b>	<b>7,000</b>	<b>3,343</b>	<b>3,657</b>
<b>Total Other Instructional Programs</b>	<b>238,847</b>	<b>(3,400)</b>	<b>235,447</b>	<b>228,952</b>	<b>6,495</b>
<b>Total Instruction</b>	<b>3,139,895</b>	<b>118,763</b>	<b>3,258,658</b>	<b>3,177,744</b>	<b>80,914</b>

KEANSBURG SCHOOL DISTRICT  
 BLENDED RESOURCE FUND 15  
 SCHEDULE OF BLENDED EXPENDITURES - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2016

Exhibit D-3d

School: Port Monmouth Road	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures					
Health Services					
Salaries	143,550	24,440	167,990	167,990	-
Supplies and Materials	3,240	(904)	2,336	2,313	23
Total Health Services	<u>146,790</u>	<u>23,536</u>	<u>170,326</u>	<u>170,303</u>	<u>23</u>
Guidance					
Salaries of Other Professional Staff	94,575	(10,305)	84,270	84,270	-
Total Guidance	<u>94,575</u>	<u>(10,305)</u>	<u>84,270</u>	<u>84,270</u>	<u>-</u>
Educational Media Services/School Library					
Other Purchased Services (400-500 series)	1,525	1,512	3,037	2,938	99
Total Educational Media Services/School Library	<u>1,525</u>	<u>1,512</u>	<u>3,037</u>	<u>2,938</u>	<u>99</u>
Instructional Staff Training Services					
Purchased Professional - Educational Services	1,500	(1,500)	-	-	-
Other Purchased Services (400-500 series)	1,000	250	1,250	1,250	-
Supplies and Materials	5,747	(3,532)	2,215	2,215	-
Total Instructional Staff Training Services	<u>8,247</u>	<u>(4,782)</u>	<u>3,465</u>	<u>3,465</u>	<u>-</u>
Support Services - School Administration					
Salaries of Principals/Assistant Principals/Program Director	231,350	568	231,918	231,918	-
Salaries of Secretarial and Clerical Assistants	42,000	478	42,478	42,478	-
Other Purchased Services (400-500 series)	2,262	(435)	1,827	1,816	11
Travel	3,000	(2,989)	11	-	11
Supplies and Materials	2,400	2,500	4,900	4,759	141
Other Objects	4,000	500	4,500	3,906	594
Total Support Services - School Administration	<u>285,012</u>	<u>622</u>	<u>285,634</u>	<u>284,877</u>	<u>757</u>
Security					
Supplies and Materials	1,200	-	1,200	1,000	200
Total Security	<u>1,200</u>	<u>-</u>	<u>1,200</u>	<u>1,000</u>	<u>200</u>
Student Transportation Services					
Contracted Services (Oth. than Bet. Home & Sch.) - Vendors	6,650	(856)	5,794	5,585	209
Total Student Transportation Services	<u>6,650</u>	<u>(856)</u>	<u>5,794</u>	<u>5,585</u>	<u>209</u>
Unallocated Benefits					
Health Benefits	740,451	(17,155)	723,296	715,968	7,328
Total Unallocated Benefits	<u>740,451</u>	<u>(17,155)</u>	<u>723,296</u>	<u>715,968</u>	<u>7,328</u>
Total Undistributed Expenditures	<u>1,284,450</u>	<u>(7,428)</u>	<u>1,277,022</u>	<u>1,268,406</u>	<u>8,616</u>
Total Current Expenditures	<u>4,424,345</u>	<u>111,335</u>	<u>4,535,680</u>	<u>4,446,150</u>	<u>89,530</u>
Total School Based Expenditures	<u>4,424,345</u>	<u>111,335</u>	<u>4,535,680</u>	<u>4,446,150</u>	<u>89,530</u>
Other Financing Sources					
Operating Transfers In	4,424,345	111,335	4,535,680	4,446,150	89,530
Total Other Financing Sources	<u>4,424,345</u>	<u>111,335</u>	<u>4,535,680</u>	<u>4,446,150</u>	<u>89,530</u>
Excess (Deficiency) of Other Financing Sources Over (Under) School Based Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**Special Revenue Fund**

KEANSBURG SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2016  
(With Comparative Totals for June 30, 2015)

	Preschool Education Aid	IGS Systems Grant	21st Century Community	21st Century Community Carryover	21st Century Community Supplemental
<b>REVENUES</b>					
State Sources	\$ 2,849,426	\$ -	\$ -	\$ -	\$ -
Federal Sources	-	-	274,714	61,319	4,727
Local Sources	-	82,275	-	-	-
<b>Total Revenues</b>	<b>2,849,426</b>	<b>82,275</b>	<b>274,714</b>	<b>61,319</b>	<b>4,727</b>
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries of Teachers	1,101,029	-	106,928	24,123	4,472
Other Salaries of Instruction	376,023	-	-	-	-
Purchased Professional - Technical Services	-	-	9,122	50	-
Other Purchased Services	6,638	82,275	-	-	-
General Supplies	41,334	-	9,642	4,850	-
Other Objects	14,234	-	14,280	3,695	255
<b>Total Instruction</b>	<b>1,539,258</b>	<b>82,275</b>	<b>139,972</b>	<b>32,718</b>	<b>4,727</b>
<b>Support Services</b>					
Salaries - Personnel Services - Non-Instruction	-	-	72,772	13,540	-
Salaries of Supervisors of Instruction	118,200	-	-	-	-
Salaries of Other Professional Staff	323,920	-	-	-	-
Salaries of Secretarial and Clerical Assistants	69,267	-	-	-	-
Other Salaries	144,340	-	-	-	-
Personal Services - Employee Benefits	457,007	-	28,457	-	-
Purchased Professional - Educational and Technical Services	17,377	-	10,000	10,000	-
Other Purchased Professional Services	8,203	-	-	-	-
Purchased Property Services	54,821	-	1,826	365	-
Contractual Services Transportation	97,139	-	-	-	-
Other Purchased Services	-	-	20,853	2,045	-
Travel	123	-	703	-	-
Supplies and Materials	12,913	-	131	2,651	-
Other Objects	6,858	-	-	-	-
<b>Total Support Services</b>	<b>1,310,168</b>	<b>-</b>	<b>134,742</b>	<b>28,601</b>	<b>-</b>
<b>Facilities Acquisition and Construction</b>					
Instructional Equipment	-	-	-	-	-
<b>Total Expenditures</b>	<b>2,849,426</b>	<b>82,275</b>	<b>274,714</b>	<b>61,319</b>	<b>4,727</b>
<b>Other Financing Sources (Uses)</b>					
Transfer From Other Funds	-	-	-	-	-
Contribution to SBB	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Title I	Title I Carryover	Title II A	Title II A Carryover	Title III	Title III C/O	I.D.E.A. Part B	I.D.E.A. Part B Preschool
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
801,835	53,614	80,210	254	20,509	6,929	568,545	15,352
-	-	-	-	-	-	-	-
<u>801,835</u>	<u>53,614</u>	<u>80,210</u>	<u>254</u>	<u>20,509</u>	<u>6,929</u>	<u>568,545</u>	<u>15,352</u>
178,818	45,255	-	-	-	140	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	568,545	15,352
53,807	6,559	-	-	20,509	4,029	-	-
-	-	-	-	-	-	-	-
<u>232,625</u>	<u>51,814</u>	<u>-</u>	<u>-</u>	<u>20,509</u>	<u>4,169</u>	<u>568,545</u>	<u>15,352</u>
65,982	-	-	-	-	-	-	-
-	-	67,060	-	-	-	-	-
16,104	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,120	-	-
66,989	-	13,000	-	-	-	-	-
20,600	1,800	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	150	-	-	1,640	-	-
-	-	-	-	-	-	-	-
6,617	-	-	254	-	-	-	-
-	-	-	-	-	-	-	-
<u>176,292</u>	<u>1,800</u>	<u>80,210</u>	<u>254</u>	<u>-</u>	<u>2,760</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
<u>408,917</u>	<u>53,614</u>	<u>80,210</u>	<u>254</u>	<u>20,509</u>	<u>6,929</u>	<u>568,545</u>	<u>15,352</u>
-	-	-	-	-	-	-	-
(392,918)	-	-	-	-	-	-	-
<u>(392,918)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

KEANSBURG SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2016  
(With Comparative Totals for June 30, 2015)

	Workforce Investment In School	NJDCF School Based Youth Svcs	NJDCF Family Friendly Center	2016	Memorandum Totals 2015
<b>REVENUES</b>					
State Sources	\$ -	\$ 229,530	\$ 45,463	\$ 3,124,419	\$ 3,369,386
Federal Sources	-	-	-	1,888,008	2,175,045
Local Sources	20,846	-	-	103,121	212,421
<b>Total Revenues</b>	<b>20,846</b>	<b>229,530</b>	<b>45,463</b>	<b>5,115,548</b>	<b>5,756,852</b>
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries of Teachers	20,846	159,126	39,784	1,680,521	1,696,494
Other Salaries of Instruction	-	-	-	376,023	382,894
Purchased Professional - Technical Services	-	-	-	9,172	10,965
Other Purchased Services	-	-	-	672,810	705,043
General Supplies	-	-	-	140,730	315,984
Other Objects	-	-	-	32,464	16,856
<b>Total Instruction</b>	<b>20,846</b>	<b>159,126</b>	<b>39,784</b>	<b>2,911,720</b>	<b>3,128,236</b>
<b>Support Services</b>					
Salaries - Personnel Services - Non-Instruction	-	-	-	152,294	-
Salaries of Supervisors of Instruction	-	-	-	185,260	272,238
Salaries of Other Professional Staff	-	-	735	340,759	308,102
Salaries of Secretarial and Clerical Assistants	-	-	-	69,267	61,336
Other Salaries	-	-	-	145,460	107,132
Personal Services - Employee Benefits	-	-	-	565,453	629,282
Purchased Professional - Educational and Technical Services	-	23,743	150	83,670	103,496
Other Purchased Professional Services	-	-	-	8,203	14,107
Purchased Property Services	-	-	-	57,012	200,659
Contractual Services Transportation	-	-	-	97,139	125,069
Other Purchased Services	-	-	-	24,688	42,090
Travel	-	-	-	826	1,612
Supplies and Materials	-	9,279	-	31,845	51,525
Other Objects	-	37,382	4,794	49,034	35,921
<b>Total Support Services</b>	<b>-</b>	<b>70,404</b>	<b>5,679</b>	<b>1,810,910</b>	<b>1,952,569</b>
<b>Facilities Acquisition and Construction</b>					
Instructional Equipment	-	-	-	-	42,767
<b>Total Expenditures</b>	<b>20,846</b>	<b>229,530</b>	<b>45,463</b>	<b>4,722,630</b>	<b>5,123,572</b>
<b>Other Financing Sources (Uses)</b>					
Transfer From Other Funds	-	-	-	-	63,511
Contribution to SBB	-	-	-	(392,918)	(696,791)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(392,918)</b>	<b>(633,280)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

KEANSBURG SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2016

Exhibit E-2

District-Wide

EXPENDITURES	Budget			Actual	Variance
	Original	Transfers	Budgeted		
<b>Instruction</b>					
Salaries of Teachers	\$ 1,034,030	\$ 66,999	\$ 1,101,029	\$ 1,101,029	\$ -
Other Salaries of Instruction	350,860	39,925	390,785	376,023	14,762
Other Purchased Services	6,160	6,000	12,160	6,638	5,522
General Supplies	51,580	(6,500)	45,080	41,334	3,746
Other Objects	13,010	6,500	19,510	14,234	5,276
<b>Total Instruction</b>	<b>1,455,640</b>	<b>112,924</b>	<b>1,568,564</b>	<b>1,539,258</b>	<b>29,306</b>
<b>Support Services</b>					
Salaries of Supervisors of Instruction	118,200	-	118,200	118,200	-
Salaries of Other Professional Staff	244,960	78,960	323,920	323,920	-
Salaries of Secretarial and Clerical Assistants	76,566	(7,299)	69,267	69,267	-
Other Salaries	330,756	(186,416)	144,340	144,340	-
Personal Services - Employee Benefits	525,610	(45,557)	480,053	457,007	23,046
Purchased Professional - Educational and Technical Services	28,250	(7,525)	20,725	17,377	3,348
Other Purchased Professional Services	15,080	(1)	15,079	8,203	6,876
Purchased Property Services	-	54,914	54,914	54,821	93
Contractual Services Transportation	93,779	3,785	97,564	97,139	425
Travel	3,500	(1,585)	1,915	123	1,792
Supplies and Materials	13,190	-	13,190	12,913	277
Other Objects	9,100	(2,200)	6,900	6,858	42
<b>Total Support Services</b>	<b>1,458,991</b>	<b>(112,924)</b>	<b>1,346,067</b>	<b>1,310,168</b>	<b>35,899</b>
<b>Total Expenditures</b>	<b>\$ 2,914,631</b>	<b>\$ -</b>	<b>\$ 2,914,631</b>	<b>\$ 2,849,426</b>	<b>\$ 65,205</b>

Calculation of Budget & Carryover

Total 2015/2016 PreK and ECPA Aid Allocation	\$ 2,800,160
Add:	
Carryover June 30, 2015	114,471
Add:	
Budgeted Transfer from General Fund	-
<b>Total Funds Available for 2015/2016 Budget</b>	<b>2,914,631</b>
Less:	
2015/2016 Budgeted PreK/ECPA	2,914,631
<b>Available and Unbudgeted Funds as of June 30, 2016</b>	<b>-</b>
Add:	
June 30, 2016 - Unexpended PreK Aid	65,205
<b>2015-2016 Actual Carryover - PreK Aid</b>	<b>\$ 65,205</b>
<b>2015-2016 PreK Aid Carryover Budgeted in 2016/2017</b>	<b>\$ 65,205</b>

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## **Proprietary Funds**

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**Enterprise Fund**

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KEANSBURG SCHOOL DISTRICT  
 ENTERPRISE FUND  
 COMBINING SCHEDULE OF NET POSITION  
 June 30, 2016  
 (With Comparative Totals for June 30, 2015)

ASSETS	2016	2015
Cash and Cash Equivalents	\$ 139,496	\$ 176,288
Accounts Receivable		
State	647	780
Federal	47,290	55,149
Other Accounts Receivable	61,072	126,349
Inventory	15,391	23,699
Total Current Assets	263,896	382,265
Capital Assets, net	102,059	61,520
Total Assets	\$ 365,955	\$ 443,785
LIABILITIES AND NET POSITION		
Accounts Payable	\$ -	\$ 86,642
Interfund Accounts Payable	180,852	577,999
Total Current Liabilities	180,852	664,641
Net Position	185,103	(220,856)
Total Liabilities and Net Position	\$ 365,955	\$ 443,785

KEANSBURG SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2016  
(With Comparative Totals for June 30, 2015)

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Charges for Services		
Daily Sales - Reimbursable Programs	\$ 411,750	\$ 140,506
Operating Expenses		
Cost of Sales	353,335	376,922
Salaries	428,220	377,000
Supplies/Non-Controllable Expenses	77,800	112,809
Equipment	4,925	44,915
Repairs	11,409	14,375
Management Fee	65,811	-
Depreciation Expense	6,461	35,783
Food Distribution	28,782	42,018
Summer Food Program	15,063	12,443
Miscellaneous Costs	25,054	65,307
Total Operating Expenses	<u>1,016,860</u>	<u>1,081,572</u>
Operating Loss	<u>(605,110)</u>	<u>(941,066)</u>
Non-Operating Revenues (Expenses)		
State Sources		
State School Lunch Program	9,284	9,393
Federal Sources		
National School Lunch Program	465,832	448,889
National School Breakfast Program	183,658	199,633
National After School Snack Program	12,870	11,431
Summer Food Program	15,063	14,749
School Lunch Program Equipment Assistance	44,743	-
Food Distribution Program	28,782	42,018
Interest and Investment Revenue	5	1
Transfer from General Fund	250,832	233,328
Total Non-Operating Revenues (Expenses)	<u>1,011,069</u>	<u>959,442</u>
Change in Net Position	405,959	18,376
Total Net Position - July 1	<u>(220,856)</u>	<u>(239,232)</u>
Total Net Position - June 30	<u>\$ 185,103</u>	<u>\$ (220,856)</u>

KEANSBURG SCHOOL DISTRICT  
 ENTERPRISE FUND  
 COMBINING SCHEDULE OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Fiscal Year Ended June 30, 2016  
 (With Comparative Totals for June 30, 2015)

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating Loss	\$ (605,110)	\$ (941,066)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation Expense	6,461	35,783
Food Distribution Program	28,782	42,018
(Increase) Decrease in Accounts Receivable	65,277	(122,584)
(Increase) Decrease in Inventory	8,308	10,195
Increase (Decrease) in Accounts Payable	(86,642)	(53,512)
Net Cash Provided by (Used in) Operating Activities	(582,924)	(1,029,166)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Transfer from (to) General Fund	(146,315)	405,073
State and Federal Sources	739,442	756,567
Net Cash Provided by (Used in) Non-Capital Financing Activities	593,127	1,161,640
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Capital Assets	(47,000)	-
Interest and Dividends	5	1
Net Cash Provided by (Used in) Investing Activities	(46,995)	1
Net Increase (Decrease) in Cash and Cash Equivalents	(36,792)	132,475
Cash and Cash Equivalents at Beginning of Year	176,288	43,813
Cash and Cash Equivalents at End of Year	\$ 139,496	\$ 176,288

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**Fiduciary Funds**

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KEANSBURG SCHOOL DISTRICT  
TRUST AND AGENCY FUND  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2016  
(With Comparative Totals for June 30, 2015)

	Agency		Expendable Trust	Totals	
	Student Activity	Payroll	Private Purpose Scholarship	2016	2015
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 52,159	\$ 540,636	\$ 115,316	\$ 708,111	\$ 359,799
Total Assets	<u>\$ 52,159</u>	<u>\$ 540,636</u>	<u>\$ 115,316</u>	<u>\$ 708,111</u>	<u>\$ 359,799</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Interfund Payable	\$ -	\$ 351,577	\$ -	\$ 351,577	\$ 87,387
Due to Student Groups	52,159	-	-	52,159	47,938
Payroll Deductions and Withholdings	-	189,059	-	189,059	208,158
Total Liabilities	52,159	540,636	-	592,795	343,483
<b>FUND BALANCES</b>					
Reserved for Scholarships	-	-	115,316	115,316	16,316
Total Liabilities and Fund Balances	<u>\$ 52,159</u>	<u>\$ 540,636</u>	<u>\$ 115,316</u>	<u>\$ 708,111</u>	<u>\$ 359,799</u>

KEANSBURG SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 For the Fiscal Year Ended June 30, 2016  
 (With Comparative Totals for June 30, 2015)

	Private Purpose Scholarship Trust	
	2016 Total	2015 Total
OPERATING REVENUES		
Local Sources		
Scholarship Donation	\$ 100,000	\$ -
OPERATING EXPENSES		
Scholarship Payments	1,000	2,000
Net Income (Loss)	99,000	(2,000)
Fund Balance, July 1	16,316	18,316
Fund Balance, June 30	\$ 115,316	\$ 16,316

KEANSBURG SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
For the Fiscal Year Ended June 30, 2016

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2016</u>
Elementary:				
Joseph C. Caruso	\$ 1,944	\$ 11,837	\$ (10,705)	\$ 3,076
Port Monmouth Road	<u>1,848</u>	<u>12,094</u>	<u>(10,769)</u>	<u>3,173</u>
Total Elementary	3,792	23,931	(21,474)	6,249
Intermediate:				
Joseph R. Bolger	9,251	26,104	(23,273)	12,082
High School:				
Keansburg High School	<u>34,895</u>	<u>132,655</u>	<u>(133,722)</u>	<u>33,828</u>
Total	<u>\$ 47,938</u>	<u>\$ 182,690</u>	<u>\$ (178,469)</u>	<u>\$ 52,159</u>

KEANSBURG SCHOOL DISTRICT  
 PAYROLL AGENCY FUND  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 For the Fiscal Year Ended June 30, 2016

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2016</u>
Net Payroll Account	\$ 9,782	\$ 12,569,994	\$ (12,569,776)	\$ 10,000
Payroll Agency Account	<u>285,763</u>	<u>11,491,641</u>	<u>(11,246,768)</u>	<u>530,636</u>
Total	<u>\$ 295,545</u>	<u>\$ 24,061,635</u>	<u>\$ (23,816,544)</u>	<u>\$ 540,636</u>

**Long-Term Debt**

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KEANSBURG SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES AND NOTES PAYABLE  
For the Fiscal Year Ended June 30, 2016

Purpose	Date of Lease	Term of Lease	Amount of Original Issue	Balance July 1, 2015	Issued Current Year	Retired Current Year	Balance June 30, 2016
Savin Municipal Capital Copier Lease	5/2/2012	5 Years	\$ 360,796	\$ 155,152	\$ -	\$ 75,649	\$ 79,503
Savin PMRS Copier	3/29/2013	5 Years	20,704	12,766	-	4,168	8,598
Apple Lease	7/15/2012	3 Years	507,373	128,222	-	128,222	-
Savin Postscript Options	7/28/2013	4 Years	27,600	14,602	-	7,089	7,513
Municipal Capital Additional Copiers	10/28/2013	5 Years	44,147	30,157	-	8,669	21,488
Apple MacBook Lease	3/25/2014	3 Years	936,335	814,688	-	265,554	549,134
Atlantic Printers	6/28/2014	5 Years	106,510	85,624	-	20,303	65,321
Atlantic Printers	8/8/2014	5 years	8,537	7,230	-	1,669	5,561
KAP Copier	1/23/2015	6 years	9,305	8,776	-	1,660	7,116
Municipal - KHS, PMRS, Bolger Copiers	10/17/2014	6 years	67,497	60,517	-	12,482	48,035
Apple Lease	3/31/2015	4 years	429,593	429,593	-	108,688	320,905
				<u>\$ 1,747,327</u>	<u>\$ -</u>	<u>\$ 634,153</u>	<u>\$ 1,113,174</u>

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**Statistical Section - Unaudited**

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## **Financial Trends**

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KEANSBURG SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST EIGHT FISCAL YEARS  
UNAUDITED

Exhibit J-1

	2016	2015	2014	2013	2012	2011	2010	2009
<b>Governmental Activities</b>								
Invested in Capital Assets, net of related debt	\$ 10,132,586	\$ 10,826,401	\$ 10,153,795	\$ 8,077,516	\$ 6,058,176	\$ 4,784,327	\$ 4,116,440	\$ 3,719,344
Restricted	4,152,354	4,316,151	3,923,907	6,155,752	7,781,916	4,991,990	2,474,284	2,289,605
Unrestricted	<u>(8,083,089)</u>	<u>(7,098,880)</u>	<u>910,182</u>	<u>(1,220,685)</u>	<u>(288,180)</u>	<u>699,604</u>	<u>660,641</u>	<u>84,773</u>
<b>Total Governmental Activities</b>	<b><u>\$ 6,201,851</u></b>	<b><u>\$ 8,043,672</u></b>	<b><u>\$ 14,987,884</u></b>	<b><u>\$ 13,012,583</u></b>	<b><u>\$ 13,551,912</u></b>	<b><u>\$ 10,475,921</u></b>	<b><u>\$ 7,251,365</u></b>	<b><u>\$ 6,093,722</u></b>
<b>Business-Type Activities</b>								
Invested in Capital Assets, net of related debt	\$ 102,059	\$ 61,520	\$ 97,303	\$ 133,942	\$ 87,124	\$ -	\$ -	\$ -
Unrestricted	<u>83,044</u>	<u>(282,376)</u>	<u>(336,535)</u>	<u>(329,523)</u>	<u>(315,112)</u>	<u>(104,408)</u>	<u>31,454</u>	<u>67,997</u>
<b>Total Business-Type Activities</b>	<b><u>\$ 185,103</u></b>	<b><u>\$ (220,856)</u></b>	<b><u>\$ (239,232)</u></b>	<b><u>\$ (195,581)</u></b>	<b><u>\$ (227,988)</u></b>	<b><u>\$ (104,408)</u></b>	<b><u>\$ 31,454</u></b>	<b><u>\$ 67,997</u></b>
<b>District-Wide Activities</b>								
Invested in Capital Assets, net of related debt	\$ 10,234,645	\$ 10,887,921	\$ 10,251,098	\$ 8,211,458	\$ 6,145,300	\$ 4,784,327	\$ 4,116,440	\$ 3,719,344
Restricted	4,152,354	4,316,151	3,923,907	6,155,752	7,781,916	4,991,990	2,474,284	2,289,605
Unrestricted	<u>(8,000,045)</u>	<u>(7,381,256)</u>	<u>573,647</u>	<u>(1,550,208)</u>	<u>(603,292)</u>	<u>595,196</u>	<u>692,095</u>	<u>152,770</u>
<b>Total District-Wide Net Assets</b>	<b><u>\$ 6,386,954</u></b>	<b><u>\$ 7,822,816</u></b>	<b><u>\$ 14,748,652</u></b>	<b><u>\$ 12,817,002</u></b>	<b><u>\$ 13,323,924</u></b>	<b><u>\$ 10,371,513</u></b>	<b><u>\$ 7,282,819</u></b>	<b><u>\$ 6,161,719</u></b>

Source: District Records

KEANSBURG SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST EIGHT FISCAL YEARS  
UNAUDITED

Exhibit J-2

	2016	2015	2014	2013	2012	2011	2010	2009
<b>Expenses</b>								
Governmental Activities								
Instruction:								
Regular	\$ 17,135,486	\$ 15,933,149	\$ 13,989,259	\$ 14,755,639	\$ 14,827,373	\$ 14,014,543	\$ 16,219,154	\$ 14,877,102
Special Education	6,461,299	6,104,934	5,606,168	5,900,904	6,161,470	5,851,117	6,050,083	5,616,694
Other Instruction	4,486,008	3,939,448	3,822,604	3,520,822	3,632,370	3,391,348	3,271,008	-
School-Sponsored/Other Instructional	-	-	-	-	-	-	-	2,961,710
Support Services:								
Tuition	2,201,253	2,509,963	2,350,691	2,830,436	2,776,661	2,747,958	2,587,266	2,358,749
Student and Instruction Related Services	8,570,536	8,459,871	6,735,241	6,492,933	5,695,645	4,850,056	6,587,572	7,725,115
General Administrative Services	840,299	810,303	706,344	742,654	660,671	694,793	781,386	658,427
School Administrative Services	1,922,825	1,548,654	1,334,645	1,270,867	1,378,043	1,496,058	1,162,403	1,128,848
Plant Operation and Maintenance	3,665,625	2,976,333	3,634,172	4,071,681	2,939,057	2,919,370	2,327,790	2,721,289
Pupil Transportation	1,325,581	1,388,622	1,296,582	1,490,025	1,174,591	999,079	1,389,447	1,458,312
Business and Other Support Services	598,572	656,977	633,318	710,197	775,456	838,566	1,350,623	758,914
Interest on Long-Term Debt	-	-	20,535	56,217	92,182	125,817	160,945	196,235
Unallocated Depreciation	1,447,640	1,610,444	786,900	499,824	494,258	475,800	474,745	474,220
Other Capital Outlay	-	-	-	84,135	-	-	-	-
Total Governmental Activities	<u>48,655,124</u>	<u>45,938,698</u>	<u>40,916,459</u>	<u>42,426,334</u>	<u>40,607,777</u>	<u>38,404,505</u>	<u>42,362,422</u>	<u>40,935,615</u>
Business-Type Activities								
Food Service	1,016,860	1,081,572	1,123,229	935,498	1,021,165	991,251	1,128,573	1,080,152
Total Business-Type Activities	<u>1,016,860</u>	<u>1,081,572</u>	<u>1,123,229</u>	<u>935,498</u>	<u>1,021,165</u>	<u>991,251</u>	<u>1,128,573</u>	<u>1,080,152</u>
Total District-Wide Expenses	<u>\$ 49,671,984</u>	<u>\$ 47,020,270</u>	<u>\$ 42,039,688</u>	<u>\$ 43,361,832</u>	<u>\$ 41,628,942</u>	<u>\$ 39,395,756</u>	<u>\$ 43,490,995</u>	<u>\$ 42,015,767</u>
<b>Program Revenues</b>								
Governmental Activities								
Operating Grants and Contributions	\$ 5,152,639	\$ 4,876,029	\$ 5,547,373	\$ 5,468,879	\$ 4,885,775	\$ 4,795,586	\$ 6,372,429	\$ 5,504,799
Total Governmental Activities	<u>5,152,639</u>	<u>4,876,029</u>	<u>5,547,373</u>	<u>5,468,879</u>	<u>4,885,775</u>	<u>4,795,586</u>	<u>6,372,429</u>	<u>5,504,799</u>
Business-Type Activities								
Charges for Services:								
Food Service	411,750	140,506	218,938	160,364	191,375	197,230	283,936	276,743
Operating Grants and Contributions	760,232	726,113	703,168	807,535	706,206	663,005	732,979	687,543
Total Business-Type Activities	<u>1,171,982</u>	<u>866,619</u>	<u>922,106</u>	<u>967,899</u>	<u>897,581</u>	<u>860,235</u>	<u>1,016,915</u>	<u>964,286</u>
Total District-Wide Program Revenues	<u>\$ 6,324,621</u>	<u>\$ 5,742,648</u>	<u>\$ 6,469,479</u>	<u>\$ 6,436,778</u>	<u>\$ 5,783,356</u>	<u>\$ 5,655,821</u>	<u>\$ 7,389,344</u>	<u>\$ 6,469,085</u>
<b>Net (Expenses)/Revenues</b>								
Governmental Activities	\$ (43,502,485)	\$ (41,062,669)	\$ (35,369,086)	\$ (36,957,455)	\$ (35,722,002)	\$ (33,608,919)	\$ (35,989,993)	\$ (35,430,816)
Business-Type Activities	155,122	(214,953)	(201,123)	32,401	(123,584)	(131,016)	(111,658)	(115,866)
Total District-Wide Net (Expenses)/Revenues	<u>\$ (43,347,363)</u>	<u>\$ (41,277,622)</u>	<u>\$ (35,570,209)</u>	<u>\$ (36,925,054)</u>	<u>\$ (35,845,586)</u>	<u>\$ (33,739,935)</u>	<u>\$ (36,101,651)</u>	<u>\$ (35,546,682)</u>
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental Activities:								
Property Taxes Levied for General Purposes, net	\$ 4,868,294	\$ 4,772,838	\$ 4,290,139	\$ 4,472,122	\$ 4,384,433	\$ 4,352,386	\$ 4,286,910	\$ 4,241,088
Taxes Levied for Debt Service	-	-	401,666	417,558	430,654	450,609	369,120	379,616
Unrestricted Grants and Contributions	36,841,154	35,909,425	32,768,467	30,724,747	33,222,155	31,283,072	32,301,985	30,545,264
Tuition received	24,685	55,998	125,626	40,093	-	-	-	-
Investment Earnings	2,391	629	35	1,090	1,161	1,961	3,375	35,919
Miscellaneous Income	178,299	325,580	322,304	228,075	400,110	447,450	(1,652)	333,523
Gain (Loss) on Revaluation & Disposal of Long-Term Assets	(3,327)	(22,187)	(406,379)	638,849	-	-	-	-
Recovery on Disposal of Fixed Assets	-	-	-	-	(3,219)	297,997	-	-
Total Governmental Activities	<u>41,911,496</u>	<u>41,042,283</u>	<u>37,501,858</u>	<u>36,522,534</u>	<u>38,435,294</u>	<u>36,833,475</u>	<u>36,959,738</u>	<u>35,535,410</u>
Business-Type Activities:								
Miscellaneous Income (Expense)	-	-	-	-	-	(1,120)	21,185	-
Investment Earnings	5	1	1	6	4	37	246	-
Total Business-Type Activities	<u>5</u>	<u>1</u>	<u>1</u>	<u>6</u>	<u>4</u>	<u>(1,083)</u>	<u>21,431</u>	<u>-</u>
Total District-Wide General Revenues and Other Changes in Net Assets	<u>\$ 41,911,501</u>	<u>\$ 41,042,284</u>	<u>\$ 37,501,859</u>	<u>\$ 36,522,540</u>	<u>\$ 38,435,298</u>	<u>\$ 36,832,392</u>	<u>\$ 36,981,169</u>	<u>\$ 35,535,410</u>

Source: District Records

KEANSBURG SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST EIGHT FISCAL YEARS  
 UNAUDITED

Exhibit J-3

	2016	2015	2014	2013	2012	2011	2010	2009
General Fund								
Reserved	\$ 4,152,354	\$ 5,237,912	\$ 6,019,554	\$ 6,155,752	\$ 8,938,216	\$ 6,916,612	\$ 2,404,733	\$ 1,810,050
Unreserved	(872,437)	(927,110)	(920,995)	(766,508)	(819,722)	(756,536)	1,215,774	1,506,397
Total General Fund	<u>\$ 3,279,917</u>	<u>\$ 4,310,802</u>	<u>\$ 5,098,559</u>	<u>\$ 5,389,244</u>	<u>\$ 8,118,494</u>	<u>\$ 6,160,076</u>	<u>\$ 3,620,507</u>	<u>\$ 3,316,447</u>
All Other Governmental Funds								
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,551	\$ -
Unreserved, reported in:								
Special Revenue Fund	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ 69,551</u>	<u>\$ -</u>					

Source: District Records

KEANSBURG SCHOOL DISTRICT  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
LAST EIGHT FISCAL YEARS  
UNAUDITED

Exhibit J-4

	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues</b> ①								
Local Tax Levy	\$ 4,868,294	\$ 4,772,838	\$ 4,691,805	\$ 4,889,680	\$ 4,384,433	\$ 4,352,386	\$ 4,286,910	\$ 4,241,088
Other Local Revenue	308,496	382,205	447,965	269,258	370,688	315,893	1,723	369,442
State Revenue	34,682,472	34,423,568	35,405,537	33,642,654	31,150,569	29,884,325	31,134,435	29,779,866
Federal Revenue	2,022,610	2,579,124	2,910,303	2,550,972	1,094,971	84,071	134,997	52,770
<b>Total Revenue</b>	<b>41,881,872</b>	<b>42,157,735</b>	<b>43,455,610</b>	<b>41,352,564</b>	<b>37,000,661</b>	<b>34,636,675</b>	<b>35,558,065</b>	<b>34,443,166</b>
<b>Expenditures</b> ②								
Instruction:								
Regular	8,780,005	8,135,158	7,792,124	8,174,950	8,286,303	7,556,633	8,273,779	8,426,354
Special	3,655,883	3,741,546	3,971,932	4,234,916	4,299,689	4,126,280	4,311,870	4,090,480
Other	1,798,314	1,654,932	1,526,817	1,639,990	1,739,483	1,538,607	1,347,539	1,450,503
<b>Total Instruction</b>	<b>14,234,202</b>	<b>13,531,636</b>	<b>13,290,873</b>	<b>14,049,856</b>	<b>14,325,475</b>	<b>13,221,520</b>	<b>13,933,188</b>	<b>13,967,337</b>
Undistributed:								
Instruction	2,201,253	2,509,963	2,350,691	2,830,436	2,776,661	2,747,958	2,587,266	2,358,749
Support Services - Students	2,117,535	2,050,523	2,129,771	2,150,027	1,843,800	1,627,286	2,584,038	2,029,872
Support Services - Instructional Staff	930,586	906,913	790,182	876,449	737,396	662,351	22,697	769,679
Attendance and Social Work Services	188,743	194,162	176,945	132,684	99,843	76,164	250,152	494,165
Health Services	469,494	496,978	434,111	418,953	407,685	358,174	561,365	550,953
Improvement of Instruction Services	646,081	899,472	764,594	614,079	471,158	185,361	580,863	758,660
Educational Media Services/School Library	955,281	929,549	627,480	576,284	480,852	489,788	698,559	1,016,909
General Administration	648,206	653,703	611,635	666,530	605,965	606,357	676,846	573,346
School Administration	1,130,814	991,190	973,052	927,481	987,417	1,075,871	1,167,007	1,186,290
Operations and Maintenance	3,327,095	3,065,201	3,594,716	4,021,887	3,022,529	2,905,426	2,294,288	2,713,917
Student Transportation	1,325,581	1,388,622	1,296,582	1,490,025	1,173,766	983,010	1,389,447	1,439,908
Business and Other Support Services	368,582	426,400	488,516	544,485	591,348	623,944	1,113,934	553,058
Unallocated Benefits	4,884,718	4,458,449	4,589,951	5,038,843	4,773,491	4,807,725	5,374,272	4,968,076
Transfer to Cover Deficit (Enterprise Fund)	248,575	233,328	157,471	104,408	-	-	-	-
On-behalf TPAF Pension Contribution	2,852,837	2,351,738	1,821,674	1,260,490	1,750,895	1,260,490	1,255,928	1,204,402
Reimbursed TPAF Social Security Contributions	1,223,751	1,137,055	1,158,592	1,268,608	1,212,334	1,200,410	1,408,630	1,401,412
<b>Total Undistributed</b>	<b>23,519,132</b>	<b>22,693,246</b>	<b>21,965,963</b>	<b>22,921,669</b>	<b>20,935,140</b>	<b>19,610,315</b>	<b>21,965,292</b>	<b>22,019,396</b>
Capital Outlay:								
Equipment	252,854	660,938	976,466	676,499	584,752	18,912	4,100	38,289
Facilities Acquisition and Construction Services	146,848	803,101	-	-	-	-	-	-
Assets Acquired Under Capital Leases (Non-Budgeted)	-	514,932	1,114,592	1,261,933	-	-	-	-
<b>Total Capital Outlay</b>	<b>399,702</b>	<b>1,978,971</b>	<b>2,091,058</b>	<b>1,938,432</b>	<b>584,752</b>	<b>18,912</b>	<b>4,100</b>	<b>38,289</b>
<b>Total General Fund Expenditures</b>	<b>38,153,036</b>	<b>38,203,853</b>	<b>37,347,894</b>	<b>38,909,957</b>	<b>35,845,367</b>	<b>32,850,747</b>	<b>35,902,580</b>	<b>36,025,022</b>
Special Revenue:								
Federal	1,920,187	2,199,022	2,564,066	2,049,509	2,780,225	3,203,239	3,739,639	2,140,454
State	3,129,331	3,373,798	3,480,206	3,419,368	2,105,550	2,345,988	3,301,077	3,342,513
Other	103,121	212,421	35,298	26,494	30,583	133,518	33,942	21,832
<b>Total Special Revenue Expenditures</b>	<b>5,152,639</b>	<b>5,785,241</b>	<b>6,079,570</b>	<b>5,495,371</b>	<b>4,916,358</b>	<b>5,682,745</b>	<b>7,074,658</b>	<b>5,504,799</b>
Debt Service Expenditures	-	-	901,763	937,444	966,844	1,011,644	1,062,044	1,092,244
<b>Total Governmental Fund Expenditures</b>	<b>\$ 43,305,675</b>	<b>\$ 43,989,094</b>	<b>\$ 44,329,227</b>	<b>\$ 45,342,772</b>	<b>\$ 41,728,569</b>	<b>\$ 39,545,136</b>	<b>\$ 44,039,282</b>	<b>\$ 42,622,065</b>

① Note: Excludes Capital Projects Fund as these revenues vary substantially from year to year. The financial data presented would not be as meaningful for comparative purposes if these were included.

① Source: District Record (GAAP Basis)

KEANSBURG SCHOOL DISTRICT  
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
 LAST EIGHT FISCAL YEARS  
 UNAUDITED

Description	2016	2015	2014	2013	2012	2011	2010	2009
Interest on Investments	\$ 2,391	\$ 629	\$ 35	\$ 1,090	\$ 1,161	\$ 1,961	\$ 3,375	\$ 35,919
Tuition	24,685	55,998	125,626	40,093	-	-	-	28,000
Prior Year Refunds	41,292	55,659	-	-	-	32,875	40,239	-
Miscellaneous	137,007	57,498	287,006	201,581	369,527	281,057	(41,892)	305,523
<b>Total</b>	<b>\$ 205,375</b>	<b>\$ 169,784</b>	<b>\$ 412,667</b>	<b>\$ 242,764</b>	<b>\$ 370,688</b>	<b>\$ 315,893</b>	<b>\$ 1,722</b>	<b>\$ 369,442</b>

Source: District Records

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**Revenue Capacity**

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KEANSBURG SCHOOL DISTRICT  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN CALENDAR YEARS  
 UNAUDITED

Year Ended December 31,	Net Assessed Valuations Taxable	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuation
2006	277,260,283	720,985,142	38.46%
2007	277,260,283	788,948,982	35.14%
2008	272,345,621	825,331,061	33.00%
2009	774,755,975	784,087,899	98.81%
2010	520,992,021	681,658,804	76.43%
2011	520,651,600	639,228,484	81.45%
2012	516,416,913	582,947,808	88.59%
2013	485,659,140	536,240,248	90.57%
2014	493,320,899	540,081,753	91.34%
2015	478,094,196	540,081,753	88.52%

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

Source: Abstract of Ratables, County Board of Taxation

Note: The 2015 estimated full cash valuation was not available, 2014 value was used.

KEANSBURG SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 PER \$100 OF ASSESSED VALUATION  
 LAST TEN CALENDAR YEARS  
 UNAUDITED

Assessment Year	Keansburg School District	Borough of Keansburg	Monmouth County	Total
2006	1.56	2.53	0.66	4.75
2007	0.58	0.93	0.25	1.76
2008	0.58	1.08	0.26	1.92
2009	0.58	1.10	0.25	1.93
2010	0.92	1.95	0.37	3.24
2011	0.92	1.95	0.37	3.24
2012	0.94	2.01	0.36	3.31
2013	0.99	2.05	0.34	3.38
2014	0.96	2.10	0.35	3.41
2015	1.01	2.15	0.34	3.50

Note: N.J.S.A. 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 pre-budgeted year net budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

Source: Monmouth County Board of Taxation - Tax Rate Archive

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

Taxpayer	2015		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
TRC Real Estate Partnership	\$ 11,261,900	2.16%	\$ 14,960,200	5.42%
Jersey Shore Beach and Boardwalk Co.	7,939,600	1.52%	10,264,200	3.72%
Beachview Realty, LLC	4,747,700	0.91%	8,951,000	3.24%
Keansburg Plaza	2,347,900	0.45%	-	0.00%
Creek Point, LLC	2,250,000	0.43%	3,355,100	1.22%
Lenox Beachway, LLC	1,950,000	0.37%	-	0.00%
Tomar, Inc	1,864,900	0.36%	2,176,800	0.79%
Eugene & Barbara Schwartz	1,814,600	0.35%	3,367,600	1.22%
O'Dwyer Holdings, LLC	1,346,000	0.26%	2,151,300	0.78%
The Three Little Bears, LLC	1,300,700	0.25%	2,060,200	0.75%
Carl Bachstadt	-	0.00%	1,783,000	0.65%
544 Beachway, LLC	-	0.00%	2,588,000	0.94%
<b>Total Net Taxable Value</b>	<b>\$ 36,823,300</b>	<b>7.07%</b>	<b>\$ 51,657,400</b>	<b>18.71%</b>

Source: Municipal Tax Assessor

Note: The values listed above are 2014 values due to 2015 values were not available.

KEANSBURG SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN CALENDAR YEARS  
UNAUDITED

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
2006	13,671,805	13,655,399	99.88%
2007	13,671,805	13,543,974	99.07%
2008	14,818,699	14,786,098	99.78%
2009	15,297,259	14,608,882	95.50%
2010	16,885,622	15,988,592	94.69%
2011	16,886,524	16,031,870	94.94%
2012	17,091,389	16,238,375	95.01%
2013	16,448,368	15,628,330	95.01%
2014	16,801,604	16,050,725	95.53%
2015	16,911,472	16,042,318	94.86%

Source: Municipal Tax Collector

**Debt Capacity**

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KEANSBURG SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Percentage ① of Personal Income	① Per Capita
	② General Obligation Bonds	Capital Leases			
2007	6,115,000	47,047	6,162,047	1.06%	578
2008	5,225,000	30,209	5,255,209	0.85%	497
2009	4,345,000	13,206	4,358,206	0.70%	413
2010	3,460,000	2,235	3,462,235	0.58%	329
2011	2,590,000	203,627	2,793,627	0.48%	276
2012	1,730,000	112,109	1,842,109	0.31%	182
2013	865,000	939,780	1,804,780	0.29%	180
2014	-	1,723,363	1,723,363	0.28%	172
2015	-	1,747,327	1,747,327	0.28%	174
2016	-	1,113,174	1,113,174	0.17%	110

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

① See Exhibit N.J. J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

② Includes Early Retirement Incentive Plan (ERIP) refunding

KEANSBURG SCHOOL DISTRICT  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Net Bonded Debt	Ratio of Bonded Debt To Assessed Value	Per Capita
2007	6,115,000	1.00%	574
2008	5,225,000	0.86%	494
2009	4,345,000	0.81%	412
2010	3,460,000	0.64%	328
2011	2,590,000	0.48%	256
2012	1,730,000	0.32%	171
2013	865,000	0.16%	86
2014	-	0.00%	0
2015	-	0.00%	0
2016	-	0.00%	0

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

Source: Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation. School District population data was provided by the U.S. Bureau of the Census, Population Division.

KEANSBURG SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING BONDED GOVERNMENTAL ACTIVITIES DEBT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
 UNAUDITED

Net Direct Debt of School District as of June 30, 2016	\$ 1,113,174
Net Overlapping Debt of School District:	
Municipal/County of Monmouth-Keansburg's Share (4%)	682,667
Water & Sewer Utility-Keansburg's Share (4%)	-
	-
Total Direct and Overlapping Bonded Debt as of June 30, 2016	\$ 1,795,841

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

Source: Municipal Tax Collector

KEANSBURG SCHOOL DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
LEGAL DEBT MARGIN INFORMATION  
UNAUDITED

	Year	Equalized Valuation Basis	
	2013	\$ 536,240,248	
	2014	540,081,753	
	2015	540,081,753	
		\$ 1,616,403,754	
Average equalized valuation of taxable property			\$ 538,801,251
School Borrowing Margin - 4% of	\$ 538,801,251	\$ 21,552,050	
Net Bonded School Debt as of June 30, 2016		682,667	
School Borrowing Margin Available		\$ 20,869,383	

Source: Borough of Keansburg Supplemental Debt Statement for the Year Ended December 31, 2015.

	2015	2014	2013	2012	2011	2010	2009
School Borrowing Margin	\$ 20,869,383	\$ 21,473,870	\$ 22,977,830	\$ 28,066,336	\$ 30,547,704	\$ 31,978,239	\$ 31,978,239
Net Bonded School Debt as of June 30,	-	-	865,000	1,730,000	2,590,000	3,460,000	4,345,000
School Borrowing Margin Available	\$ 20,869,383	\$ 21,473,870	\$ 22,112,830	\$ 26,336,336	\$ 27,957,704	\$ 28,518,239	\$ 27,633,239

Note: The 2015 equalized valuation basis was not available, 2014 value was used.

## **Demographic and Economic Information**

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KEANSBURG SCHOOL DISTRICT  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN CALENDAR YEARS  
 UNAUDITED

Year Ended December 31,	Unemployment Rate	① Total Per Capita Income	Population	Personal Income
2006	7.6%	54,698	10,660	583,080,680
2007	6.9%	58,370	10,567	616,795,790
2008	8.9%	59,079	10,543	622,869,897
2009	14.2%	56,827	10,536	598,729,272
2010	14.4%	57,251	10,114	579,036,614
2011	14.5%	59,669	10,116	603,611,604
2012	15.1%	61,426	10,013	615,058,538
2013	10.0%	61,426	10,014	615,119,964
2014	8.4%	62,901	9,872	620,958,672
2015	6.9%	66,019	10,105	667,121,995

① County Information

Source: State Department of Education

KEANSBURG SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR  
UNAUDITED

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>
Aramark Facility Services	34	7
Bayside Manor	135	3
Church Street Corporation	8	10
Jersey Shore Beach and Boardwalk Co.	150	2
Keansburg Borough	94	5
Keansburg Pharmacy	35	6
Keansburg School District	414	1
Laurel Bay Rehabilitation	110	4
Unites Postal Service	24	8
Wells Fargo	14	9
	<u>14</u>	
Total	<u><u>1,018</u></u>	

## **Operating Information**

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KEANSBURG SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST EIGHT FISCAL YEARS  
 UNAUDITED

Exhibit J-16

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009
Instruction:								
Regular	149	152	161	163	155	141	151	214
Special Education	83	81	91	93	87	116	126	80
School-Sponsored/Other Instructional	5	5	15	13	15	3	14	10
Support Services:								
Student and Instruction Related Services	61	64	48	50	50	50	81	85
School Administrative Services	15	14	13	16	14	18	20	16
General Administration	3	3	3	3	3	3	4	4
Central Services	4	4	5	6	6	8	9	9
Administrative Information Technology	1	1	1	1	1	1	1	1
Other Support Services	5	5	5	5	8	3	3	2
<b>Total</b>	<b>326</b>	<b>329</b>	<b>342</b>	<b>350</b>	<b>339</b>	<b>343</b>	<b>409</b>	<b>421</b>

Source: District Personnel Records

KEANSBURG SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Fiscal Year Ended June 30,</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>% Change in Average Daily Enrollment</u>	<u>Attendance %</u>
2007	1,858	42,743,997	23,005	18.5%	427	2,095	1,732	-2.9%	82.7%
2008	1,909	36,443,806	19,091	-17.0%	426	1,829	1,698	-2.0%	92.8%
2009	1,890	36,025,023	19,061	-0.2%	421	1,838	1,712	0.8%	93.1%
2010	1,814	35,902,580	19,792	3.8%	409	1,729	1,613	-5.8%	93.3%
2011	1,759	32,533,818	18,496	-6.5%	343	1,681	1,529	-5.2%	91.0%
2012	1,717	35,260,615	20,536	11.0%	339	1,638	1,489	-2.6%	90.9%
2013	1,637	36,971,525	22,585	10.0%	350	1,680	1,539	3.4%	91.6%
2014	1,593	34,985,423	21,962	-2.8%	342	1,615	1,444	-6.2%	89.4%
2015	1,478	36,866,557	24,944	10.4%	329	1,536	1,384	-10.1%	90.1%
2016	1,527	37,753,334	24,724	12.6%	326	1,503	1,409	-2.5%	93.8%

Source: District Records

KEANSBURG SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST EIGHT FISCAL YEARS  
UNAUDITED

Exhibit J-18

	2016	2015	2014	2013	2012	2011	2010	2009
<b>District Building</b>								
Elementary								
Square Feet	117,805	117,805	117,805	117,805	117,805	117,805	117,805	117,805
Capacity (students)	881	881	881	881	881	881	881	881
Enrollment	730	774	752	874	836	843	871	1,046
Middle School								
Square Feet	100,808	100,808	100,808	100,808	100,808	100,808	100,808	100,808
Capacity (students)	648	648	648	648	648	648	648	648
Enrollment	416	370	414	437	430	454	455	484
High School								
Square Feet	100,040	100,040	100,040	100,040	100,040	100,040	100,040	100,040
Capacity (students)	576	576	576	576	576	576	576	576
Enrollment	381	364	379	389	396	428	454	541

Number of Schools at June 30, 2016

    Elementary = 2

    Middle School = 1

    High School = 1

Source: District Facilities Office

KEANSBURG SCHOOL DISTRICT  
 GENERAL FUND  
 SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES  
 For the Fiscal Years Ended June 30, 2016 through June 30, 2008  
 UNAUDITED

School Facilities	2016	2015	2014	2013	2012	2011	2010	2009	2008
Keansburg High School	\$ 523,184	\$ 290,115	\$ 433,784	\$ 1,197,749	\$ 695,986	\$ 549,862	\$ 321,990	\$ 325,567	\$ 215,437
Joseph C. Caruso Elementary School	53,091	293,934	147,125	107,299	100,284	76,736	117,002	132,031	187,170
Port Monmouth Road Elementary School	198,251	98,397	274,037	212,081	216,733	193,067	142,872	201,817	300,634
Joseph R. Bolger Middle School	269,365	183,277	439,493	510,446	412,860	199,185	285,303	285,999	290,120
<b>Total</b>	<b>\$ 1,043,891</b>	<b>\$ 865,723</b>	<b>\$ 1,294,439</b>	<b>\$ 2,027,575</b>	<b>\$ 1,425,863</b>	<b>\$ 1,018,850</b>	<b>\$ 867,167</b>	<b>\$ 945,414</b>	<b>\$ 993,361</b>

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

KEANSBURG SCHOOL DISTRICT  
INSURANCE SCHEDULE  
June 30, 2016  
UNAUDITED

	Coverage Limits	Deductible
<b>Article I - Property (NJSBAIG)</b>		
Blanket Real and Personal Property (Per Occurrence)	\$ 350,000,000	\$ -
Blanket Extra Expense	50,000,000	-
Blanket Valuable Papers and Records	10,000,000	-
Demolition and Increased Cost of Construction (Per Occurrence)	10,000,000	-
Loss of Rents	Not Covered	-
Loss of Business Income/Tuition	Not Covered	-
Builders' Risk	Not Covered	-
Fire Department Service Charge	10,000	-
Arson Reward	10,000	-
Pollutant Cleanup and Removal	250,000	-
Fine Arts	Not Covered	-
Sublimits: Flood Zones Prefix A and V (Per Occurrence/NJSBAIG Annual Aggregate)	15,000,000	-
Accounts Receivable	250,000	-
All Other Flood Zones (Per Occurrence/NJSBAIG Annual Aggregate)	75,000,000	-
Earthquake (Per Occurrence/NJSBAIG Annual Aggregate)	50,000,000	-
Terrorism (Per Occurrence/NJSBAIG Annual Aggregate)	1,000,000	-
Deductibles: Real and Personal (Per Occurrence)	-	5,000
Deductibles: Extra Expense (Per Occurrence)	-	5,000
Deductibles: Valuable Papers (Per Occurrence)	-	5,000
Flood Deductibles: Zones Prefix A and V (Per Building)	-	500,000
Flood Deductibles: Zones Prefix A and V (Per Building Contents)	-	500,000
Flood Deductibles: All Other Flood Zones (Per Member/Per Occurrence)	-	10,000
<b>Article II - Electronic Data Processing (NJSBAIG)</b>		
Blanket Hardware/Software (Per Occurrence)	2,250,000	-
Blanket Extra Expense	Included	-
Coverage Extensions: Transit	25,000	-
Coverage Extensions: Loss of Income	10,000	-
Coverage Extensions: Terrorism	Included in Property	-
Deductible (Per Occurrence)	-	1,000
Flood Deductible: Zones A and V (Per Building Content)	-	500,000
Flood Deductible: All Other Flood Zones (Per Member/Per Occurrence)	-	10,000
<b>Article III - Equipment Breakdown (NJSBAIG)</b>		
Combined Single Limit per Accident for Property Damage and Business Income	100,000,000	-
Sublimits: Property Damage	Included	-
Sublimits: Off Premises Property Damage	100,000	-
Sublimits: Business Income	Included	-
Sublimits: Extra Expense	10,000,000	-
Sublimits: Service Interruption	10,000,000	-
Sublimits: Perishable Goods	500,000	-
Sublimits: Data Restoration	100,000	-
Sublimits: Contingent Business Income	100,000	-
Sublimits: Demolition	1,000,000	-
Sublimits: Ordinance or Law	1,000,000	-
Sublimits: Expediting Expenses	500,000	-
Sublimits: Hazardous Substances	500,000	-
Sublimits: Newly Acquired Locations (60 Days Notice)	250,000	-
Sublimits: Terrorism	Included	-
Deductibles (Per Accident for Property Damage)	-	5,000

KEANSBURG SCHOOL DISTRICT  
INSURANCE SCHEDULE  
June 30, 2016  
UNAUDITED

**Article IV - Crime (NJSBAIG)**

Public Employee Dishonesty with Faithful Performance	250,000	1,000
Theft, Disappearance and Destruction - Loss of Money and Securities On or Off Premises	25,000	500
Theft, Disappearance and Destruction - Money Orders and Counterfeit Paper Currency	25,000	500
Forgery or Alteration	250,000	1,000
Computer Fraud	25,000	500
Public Officials Bond: Board Secretary	257,000	1,000

**Article V - Comprehensive General Liability (NJSBAIG)**

Bodily Injury and Property Damage (Combined Single Limit)	11,000,000	-
Bodily Injury from Products and Completed Operations (Annual Aggregate)	11,000,000	-
Sexual Abuse (Per Occurrence)	11,000,000	-
Sexual Abuse (Annual Pool Aggregate)	17,000,000	-
Personal Injury and Advertising Injury (Per Occurrence)	11,000,000	-
Personal Injury and Advertising Injury (Annual Aggregate)	11,000,000	-
Employee Benefits Liability (Per Occurrence/Annual Aggregate)	11,000,000	-
Employee Benefits Liability Deductible (Each Claim)	-	1,000
Premises Medical Payments (Per Accident)	10,000	-
Premises Medical Payments (Limit per Person)	5,000	-
Terrorism (Per Occurrence/Annual NJSBAIG Aggregate)	1,000,000	-

**Article VI - Automobile (NJSBAIG)**

Combined Single Limit for Bodily Injury and Property Damage (Per Accident)	11,000,000	-
Uninsured/Underinsured Motorists - Private Passenger Auto (Combined Single Limit)	1,000,000	-
Uninsured/Underinsured Motorists - All Other Vehicles (Bodily Injury per Person)	15,000	-
Uninsured/Underinsured Motorists - All Other Vehicles (Bodily Injury per Accident)	30,000	-
Uninsured/Underinsured Motorists - All Other Vehicles (Property Damage per Accident)	5,000	-
Personal Injury Protection (Including Pedestrians)	250,000	-
Medical Payments (Private Passenger Vehicles)	10,000	-
Medical Payments (All Other Vehicles)	5,000	-
Terrorism (Per Occurrence/Annual NJSBAIG Aggregate)	1,000,000	-
Physical Damage - Comprehensive Deductible	-	1,000
Physical Damage - Collision Deductible	-	1,000
Hired Car Physical Damage Deductible (\$75,000 Limit)	-	1,000
Replacement Cost	-	Not Covered

**Errors and Omissions (NJSBAIG)**

Coverage A (Each Policy Period)	11,000,000	5,000
Coverage B (Each Policy Period)	300,000	5,000
Coverage B (Each Claim)	100,000	5,000

**Workmen's Compensation (NJSBAIG)**

Estimated Professional and Clerical	19,493,329	-
Liability Limits: Bodily Injury by Accident (Each Accident)	2,000,000	-
Liability Limits: Bodily Injury by Disease (Each Employee)	2,000,000	-
Liability Limits: Bodily Injury by Disease (Aggregate Limit)	2,000,000	-

**Single Audit Section**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Keansburg School District, in the County of Monmouth, State of New Jersey (the "District"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 28, 2016.

#### Internal Control over Financial Reporting

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

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

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

Reply to: 40 Bey Lea Road, Suite A101 | Toms River | NJ 08753 | Phone: 732.349.6880 | Fax: 732.349.1949  
730 Hope Road | Tinton Falls | NJ 07724 | Phone: 732.676.4100 | Fax: 732.676.4101

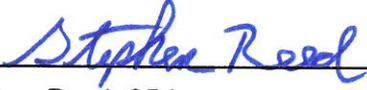
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## Purpose of this Report

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



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Stephen Reed, CPA  
Licensed Public School Accountant  
No. 20CS00220000

Cowan, Guteski & Co., P.A.  
Toms River, New Jersey  
November 28, 2016





INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
NEW JERSEY OMB CIRCULAR 15-08

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

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

We have audited the Board of Education of the Keansburg School District, County of Monmouth, State of New Jersey (the "District")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the 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 District's compliance.

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

In our opinion, the 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, 2016.

## Report on Internal Control over Compliance

Management of the 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 the 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 and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, 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 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 or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



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Stephen Reed, CPA  
Licensed Public School Accountant  
No. 20CS00220000  
Cowan, Guteski & Co., P.A.

Toms River, New Jersey  
November 28, 2016

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015
<u>General Fund</u>					
U.S. Department of Health and Human Services Passed-through State Department of Education:					
Special Education Medicaid Initiative	93.778	N/A	07/01/15-06/30/16	\$ 74,824	\$ -
Special Education Medicaid Initiative	93.778	N/A	07/01/11-06/30/16	27,599	-
Total General Fund					-
U.S. Department of Education Passed-through State Department of Education:					
No Child Left Behind Consolidated Grant					
Title I, Basic	84.010	NCLB240015	07/01/14-06/30/15	1,059,863	(6,707)
Title I, Basic	84.010	NCLB240016	07/01/15-06/30/16	1,066,785	-
Title II, Part A	84.367	NCLB240015	07/01/14-06/30/15	89,346	(12,102)
Title II, Part A	84.367	NCLB240016	07/01/15-06/30/16	88,125	-
Title III	84.365	NCLB240015	07/01/14-06/30/15	10,731	-
Title III	84.365	NCLB240016	07/01/15-06/30/16	26,146	-
IDEA Part B, Basic	84.027	IDEA240016	07/01/15-06/30/16	568,545	-
IDEA Part B, Preschool	84.173	IDEA240016	07/01/15-06/30/16	15,352	-
21st Century Community Learning Centers	84.287	CCLC240015	07/01/14-06/30/15	300,000	(49,675)
21st Century Community Learning Centers - Supplemental	84.287	CCLCSupp	03/01/15-09/30/16	30,000	(6,357)
21st Century Community Learning Centers - Supplemental	84.287	CCLCSupp	09/01/15-08/31/16	33,300	-
21st Century Community Learning Centers	84.287	CCLC240016	09/01/15-08/30/16	345,000	-
Total Special Revenue Fund					(74,841)
<u>Enterprise (Food Service) Fund:</u>					
U.S. Department of Agriculture Passed-through State Department of Education:					
Food Distribution Program	10.550	N/A	07/01/15-06/30/16	55,182	-
School Breakfast Program	10.553	N/A	07/01/14-06/30/15	199,633	(17,056)
School Breakfast Program	10.553	N/A	07/01/15-06/30/16	183,658	-
National School Lunch Program	10.555	N/A	07/01/14-06/30/15	448,889	(37,356)
National School Lunch Program	10.555	N/A	07/01/15-06/30/16	465,832	-
After School Snack Program	10.558	N/A	07/01/14-06/30/15	11,431	(738)
After School Snack Program	10.558	N/A	07/01/15-06/30/16	12,870	-
Summer Food Service Program	10.559	N/A	07/01/15-06/30/16	15,063	-
Passed-through State Department of Agriculture:					
National School Lunch Program School Equipment Assistance	10.579	N/A	12/08/15-06/01/16	44,743	-
Total Enterprise (Food Service) Fund					(55,150)
Total Federal Financial Awards					\$ (129,991)

<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Repayments</u>	<u>Adjustments</u>	<u>(Accounts Receivable) at June 30, 2016</u>	<u>Deferred Revenue at June 30, 2016</u>	<u>Due to Grantor at June 30, 2016</u>
\$ 74,824	\$ (74,824)	\$ -	\$ -	\$ -	\$ -	\$ -
27,599	(27,599)	-	-	-	-	-
<u>102,423</u>	<u>(102,423)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
60,321	(53,614)	-	-	-	-	-
682,561	(801,835)	-	-	(119,274)	-	-
12,356	(254)	-	-	-	-	-
62,809	(80,210)	-	-	(17,401)	-	-
6,929	(6,929)	-	-	-	-	-
11,749	(20,509)	-	-	(8,760)	-	-
524,220	(568,545)	-	-	(44,325)	-	-
15,352	(15,352)	-	-	-	-	-
110,994	(61,319)	-	-	-	-	-
6,357	-	-	-	-	-	-
-	(4,727)	-	-	(4,727)	-	-
206,666	(274,714)	-	-	(68,048)	-	-
<u>1,700,314</u>	<u>(1,888,008)</u>	<u>-</u>	<u>-</u>	<u>(262,535)</u>	<u>-</u>	<u>-</u>
28,782	(28,782)	-	-	-	-	-
17,056	-	-	-	-	-	-
169,391	(183,658)	-	-	(14,267)	-	-
37,356	-	-	-	-	-	-
433,444	(465,832)	-	-	(32,388)	-	-
738	-	-	-	-	-	-
12,235	(12,870)	-	-	(635)	-	-
15,063	(15,063)	-	-	-	-	-
44,743	(44,743)	-	-	-	-	-
<u>758,808</u>	<u>(750,948)</u>	<u>-</u>	<u>-</u>	<u>(47,290)</u>	<u>-</u>	<u>-</u>
<u>\$ 2,561,545</u>	<u>\$ (2,741,379)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (309,825)</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE PROGRAMS, SCHEDULE B  
For the Fiscal Year Ended June 30, 2016

State Grantor/Pass - Through Grantor Program Title	Grant or State Project Number	Grant Period	Award Amount	(Accounts Receivable) at June 30, 2015	Deferred Revenue at June 30, 2015
New Jersey Department of Education:					
<u>General Fund</u>					
Equalization Aid	15-495-034-5120-078	07/01/14-06/30/15	\$ 16,973,265	\$ (302,556)	\$ -
Equalization Aid	16-495-034-5120-078	07/01/15-06/30/16	16,973,265	-	-
Transportation Aid	16-495-034-5120-014	07/01/15-06/30/16	244,350	-	-
Special Education Aid	15-495-034-5120-089	07/01/14-06/30/15	901,656	(165,644)	-
Special Education Aid	16-495-034-5120-089	07/01/15-06/30/16	901,656	-	-
Security Aid	16-495-034-5120-084	07/01/15-06/30/16	535,157	-	-
Adjustment Aid	15-495-034-5120-085	07/01/14-06/30/15	8,642,285	(2,532,079)	-
Adjustment Aid	16-495-034-5120-085	07/01/15-06/30/16	8,642,285	-	-
PARCC Readiness Aid	15-495-034-5120-098	07/01/14-06/30/15	14,030	(14,030)	-
PARCC Readiness Aid	16-495-034-5120-098	07/01/15-06/30/16	14,030	-	-
Per Pupil Growth Aid	15-495-034-5120-097	07/01/14-06/30/15	14,030	(14,030)	-
Per Pupil Growth Aid	16-495-034-5120-097	07/01/15-06/30/16	14,030	-	-
School Choice Aid	16-495-034-5120-068	07/01/15-06/30/16	9,886	-	-
Extraordinary Aid	15-100-034-5120-473	07/01/14-06/30/15	120,567	(120,567)	-
Extraordinary Aid	16-100-034-5120-473	07/01/15-06/30/16	115,045	-	-
Reimbursed TPAF Social Security Aid	15-495-034-5095-002	07/01/14-06/30/15	1,137,055	(56,404)	-
Reimbursed TPAF Social Security Aid	16-495-034-5095-002	07/01/15-06/30/16	1,223,751	-	-
Reimbursed TPAF Post-Retirement Medical On-Behalf	16-495-034-5095-001	07/01/15-06/30/16	1,550,602	-	-
Reimbursed TPAF Pension On-Behalf	16-495-034-5095-006	07/01/15-06/30/16	1,302,235	-	-
<b>Total General Fund</b>				<b>(3,205,310)</b>	<b>-</b>
<u>Special Revenue Fund:</u>					
Preschool Education Aid	16-495-034-5120-086	07/01/15-06/30/16	2,800,160	-	-
Preschool Education Aid	14-495-034-5120-086	07/01/13-06/30/14	3,207,456	-	105,748
Preschool Education Aid	13-495-034-5120-086	07/01/12-06/30/13	3,193,344	-	8,723
N.J. Department of Children and Families					
Family Friendly Center	FFCE24C	07/01/14-06/30/15	45,463	-	-
Family Friendly Center	FFCE24C	07/01/15-06/30/16	45,463	-	-
School Based Youth and Health Services	FFCE24E	07/01/14-06/30/15	263,976	-	-
School Based Youth and Health Services	FFCE24E	07/01/15-06/30/16	267,026	-	-
School Based Extra Funding	FFCE24E	07/01/14-06/30/15	2,474	-	-
School Based Youth and Health Services Ext Grant	14AUNP	07/01/14-07/30/14	5,500	-	49
N.J. Department of Health					
Improving School Health to Enhance Student Learning	N/A	07/01/14-06/30/15	4,000	-	3
N.J. Department of Law and Public Safety					
JJC Grant	JJ92508	07/01/13-06/30/14	9,230	(8,003)	-
<b>Total Special Revenue Fund</b>				<b>(8,003)</b>	<b>114,523</b>
<u>Enterprise (Food Service) Fund</u>					
National School Lunch Program (State Share)	15-100-010-3360-067	07/01/14-06/30/15	9,393	(780)	-
National School Lunch Program (State Share)	16-100-010-3360-067	07/01/15-06/30/16	9,284	-	-
<b>Total Enterprise (Food Service) Fund</b>				<b>(780)</b>	<b>-</b>
Total State Financial Assistance Awards				<b>(3,214,093)</b>	<b>114,523</b>
State Financial Assistance Not Subject to Single Audit Determination:					
Reimbursed TPAF Pension On-Behalf	16-495-034-5095-006	07/01/15-06/30/16	1,302,235	-	-
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				<b>\$ (3,214,093)</b>	<b>\$ 114,523</b>

Due to Grantor Revenue at June 30, 2015	Balance at June 30, 2015	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	(Accounts Receivable) at June 30, 2016	Deferred Revenue at June 30, 2016	Due to Grantor at June 30, 2016
\$ -	\$ (302,556)	\$ 302,556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	16,973,265	(16,973,265)	-	-	-	-	-
-	-	244,350	(244,350)	-	-	-	-	-
-	(165,644)	165,644	-	-	-	-	-	-
-	-	901,656	(901,656)	-	-	-	-	-
-	-	535,157	(535,157)	-	-	-	-	-
-	(2,532,079)	2,532,079	-	-	-	-	-	-
-	-	5,668,855	(8,642,285)	-	-	(2,973,430)	-	-
-	(14,030)	14,030	-	-	-	-	-	-
-	(14,030)	14,030	(14,030)	-	-	(14,030)	-	-
-	-	-	(14,030)	-	-	(14,030)	-	-
-	-	9,886	(9,886)	-	-	-	-	-
-	(120,567)	120,567	-	-	-	-	-	-
-	-	-	(115,045)	-	-	(115,045)	-	-
-	(56,404)	56,404	-	-	-	-	-	-
-	-	1,165,681	(1,223,751)	-	-	(58,070)	-	-
-	-	1,550,602	(1,550,602)	-	-	-	-	-
-	-	1,302,235	(1,302,235)	-	-	-	-	-
-	(3,205,310)	31,556,997	(31,526,292)	-	-	(3,174,605)	-	-
-	-	2,800,160	(2,800,160)	-	-	-	-	-
-	105,748	-	(40,543)	-	-	-	65,205	-
-	8,723	-	(8,723)	-	-	-	-	-
856	856	-	-	-	-	-	-	856
-	-	45,463	(45,463)	-	-	-	-	-
3,365	3,365	-	-	-	-	-	-	3,365
-	-	267,026	(229,530)	-	-	-	-	37,496
2,474	2,474	-	-	-	-	-	-	2,474
-	49	-	-	-	-	-	49	-
-	3	-	-	-	-	-	3	-
-	(8,003)	-	-	-	-	(8,003)	-	-
6,695	113,215	3,112,649	(3,124,419)	-	-	(8,003)	65,257	44,191
-	(780)	780	-	-	-	-	-	-
-	-	8,637	(9,284)	-	-	(647)	-	-
-	(780)	9,417	(9,284)	-	-	(647)	-	-
6,695	(3,092,875)	34,679,063	(34,659,995)	-	-	(3,183,255)	65,257	44,191
-	-	1,302,235	(1,302,235)	-	-	-	-	-
\$ 6,695	\$ (3,092,875)	\$ 33,376,828	\$ (33,357,760)	\$ -	\$ -	\$ (3,183,255)	\$ 65,257	\$ 44,191

KEANSBURG PUBLIC SCHOOLS  
NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2016

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(1,692,165) for the general fund and \$37,091 for the special revenue fund. See Note 1, *Note to Required Supplementary Information*, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund and special revenue fund. Awards and financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as follows:

KEANSBURG PUBLIC SCHOOLS  
NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2016

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

	Federal	State	Total
General Fund	\$ 102,423	\$ 31,553,141	\$ 31,655,564
Special Revenue Fund	1,920,187	3,129,331	5,049,518
Enterprise Fund	750,948	9,284	760,232
Total Financial Assistance	\$ 2,773,558	\$ 34,691,756	\$ 37,465,314

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. FEDERAL AND STATE LOANS OUTSTANDING

The Keansburg School District has no federal or state loans outstanding at June 30, 2016.

NOTE 6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

NOTE 7. SCHOOL-WIDE PROGRAM FUNDS

School-wide program funds are not separate federal programs as defined in 2 CFR 200; amounts used in the school-wide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in school wide programs in the District:

Title I, Part A: Improving Basic Programs Operated by LEAs	\$ 855,449
Title II, Part A: Teacher and Principal Training and Recruiting	80,464
Title III, Part A: English Language Acquisition Grants	27,438
	\$ 963,351

KEANSBURG SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2016

I. Summary of Auditor's Results

Financial Statement Section

- |   |               |
|---|---------------|
| 1. Type of auditor's report issued:   | UNMODIFIED    |
| 2. Internal control over financial reporting  |               |
| a. Material Weakness(es) identified?  | NO            |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | NONE REPORTED |
| 3. Noncompliance material to the financial statements?                                    | NO            |

Federal Awards Section

- |   |               |
|---|---------------|
| 1. Dollar threshold used to determine Type A Programs:  | \$750,000     |
| 2. Dollar threshold used to determine Type B Programs:  | \$187,500     |
| 3. Auditee qualified as low-risk Auditee?   | YES           |
| 4. Type of auditors' report on compliance for major programs:   | UNMODIFIED    |
| 5. Internal Control over compliance:  |               |
| a. Material weakness(es) identified?  | NO            |
| b. Significant deficiencies identified that are not considered to be material weaknesses?                     | NONE REPORTED |
| c. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) | NO            |
| 6. Identification of major programs:  |               |

<u>CFDA Number</u>	<u>Program or Cluster Name</u>
84.010	NCLB Title I, Basic

KEANSBURG SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2016

I. Summary of Auditor's Results (continued)

State Awards Section

- 1. Dollar threshold used to determine Type A Programs: \$1,000,733
- 2. Dollar threshold used to determine Type B Programs: \$250,183
- 2. Auditee qualified as low-risk Auditee? YES
- 3. Type of auditor's report on compliance for major programs: UNMODIFIED
- 4. Internal Control over compliance:
  - a. Material weakness(es) identified? NO
  - b. Significant deficiencies identified that are not considered to be material weaknesses? NONE REPORTED
  - c. Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? NO
- 5. Identification of major programs:

<u>State Grant/Project Number</u>	<u>Name of State Program</u>
495-034-5120-068	School Choice Aid
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-086	Preschool Education Aid

II. Schedule of Financial Statement Findings

NONE

III. Schedule of Federal and State Award Findings and Questioned Costs

NONE

KEANSBURG SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Fiscal Year Ended June 30, 2016

Status of Prior Year Findings

There were no prior year findings.