



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2014

BOROUGH OF BELLMAWR SCHOOL DISTRICT
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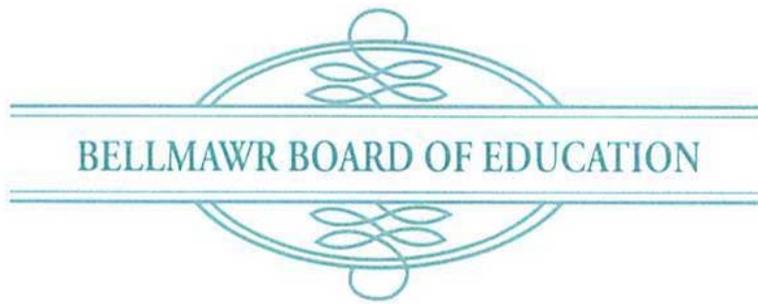
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INTRODUCTORY SECTION



AMY M. CAPRIOTTI, CPA

School Business Administrator/Board Secretary

October 21, 2014

Honorable President and
Members of the Board of Education
Bellmawr Public School District
256 Anderson Avenue
Bellmawr, NJ 08031

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Bellmawr Public School District for the fiscal year ended June 30, 2014, is hereby submitted. This CAFR includes the District's basic financial statements prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. 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 designated to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections:

- The Introductory Section contains a letter of transmittal, an organizational chart of the District, a roster of principal officials, and a list of consultants and advisors;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the basic financial statements, and notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the District, generally presented on a multi-year basis;
- The Single Audit Section – The District is required to undergo an annual audit in conformity with

the provisions of the U.S. Office of Management and Budget Circular A-133, “Audits of States, Local Governments and Non-Profit Organizations”, and the New Jersey OMB Circular 0404-0B, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. Information related to this single audit, including the auditors' reports on the internal control structure and compliance with applicable laws and regulations, and findings and recommendations, if any, are included in the single audit section of this report.

Reporting Entity and Its Services

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

The District continues to maintain a high quality of education. The District provides a full range of programs and services appropriate to grade levels Pre-K through 8. These include regular education, special education for students with disabilities, as well as basic skills improvement for lower functioning students. A variety of extra-curricular activities are offered to all students. The following details the changes in the student enrollment of the District over the last five years. The table presents the actual historical pupil enrollment as of October 15, for the school years 2009-10 through 2013-14.

<u>Fiscal</u> <u>Year</u>	<u>Student</u> <u>Enrollment</u>
2013-14	1,133
2012-13	1,114
2011-12	1,135
2010-11	1,146
2009-10	1,119

For fiscal year 2013-2014, the district administrative structure included a Superintendent, a Business Administrator/Board Secretary, three Principals, a Director of Curriculum & Instruction, and a Director of Special Services . The seven-member Board of Education is an elected body consisting of seven members from Bellmawr. The Board of Education meets on the fourth Wednesday of each month for its work session meetings and the fourth Wednesday of each month for its regular Board meetings (with some exceptions). During its Board meetings, the Board determines district goals and priorities and conducts business of the Board of Education. Board meetings are open to the public with the work sessions beginning at 5:00 pm and the regular meetings beginning at 6:30 pm.

The District is committed to helping every student reach his or her individual potential, capabilities and goals, and in doing so, provides a stimulating physical and social environment which is designed to activate the appetite for learning and motivate the students to excel to their fullest potential. It is the

District philosophy that education must be flexible and oriented toward the future and that we must attempt to insure the fulfillment of the student's educational aspirations and their correlated growth characteristics. Our educational process shall continually be improved, expanded, and evaluated to meet the demands of the times. We must provide a physical and social environment which discovers, develops, and nurtures human talents, self-confidence, and critical thinking.

As society moves into the twenty-first century, we must challenge students to become critical, independent thinkers. Additionally, an emphasis has been placed on technology throughout the District through integration and immersion. The District has adopted the goals, objectives and proficiencies outlined in the Technology Plan.

Economic Condition and Outlook

Although the Bellmawr community is essentially fully developed, enrollments have been generally stable. There is a trend toward younger families moving into the community as homes become available.

There is a major "light" industrial park located in the Borough, which includes a regional office of the United States Postal Service and sixty-two other wholesale and industrial businesses.

The Borough is situated directly between the NJ Turnpike, Interstate 295 and Routes 42, 30 and 168, making this a bustling area of commerce.

Goals and Objectives for 2013-2014

The District Goals were:

- To enhance skills that advance 21st century skills and promote technology standards across the curriculum
- To create a family support center to increase parent participation and engagement in the educational process
- To create and begin to implement a facilities transformation plan
- To address the unique learning needs of all children by providing support in basic skills, gifted and talented, in class support, non-English speaking students and general education students
- To meet the mandates of ACHIEVE NJ: student growth objectives
- To increase average daily attendance for students
- To create a cost effective budget that is within the 2% cap as mandated by the State of NJ

Internal Accounting Controls

Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal controls are designed to provide

reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

As part of the district's single audit described earlier, tests are made to determine the adequacy of the internal controls, 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.

Budgetary Controls

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

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

Accounting System and Reports

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

Management's Discussion and Analysis

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The District's MD&A can be found immediately following the report of the independent auditors.

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 is required to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Risk Management

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

Independent Audit

State statutes require an annual audit by independent Certified Public Accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in the state statutes, the audit also was designed to meet the requirements of OMB Circular A-133 and New Jersey Circular 04-04-0MB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Acknowledgements

We would like to express our appreciation to the members of the Bellmawr 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 Bellmawr staff.

Respectfully submitted,

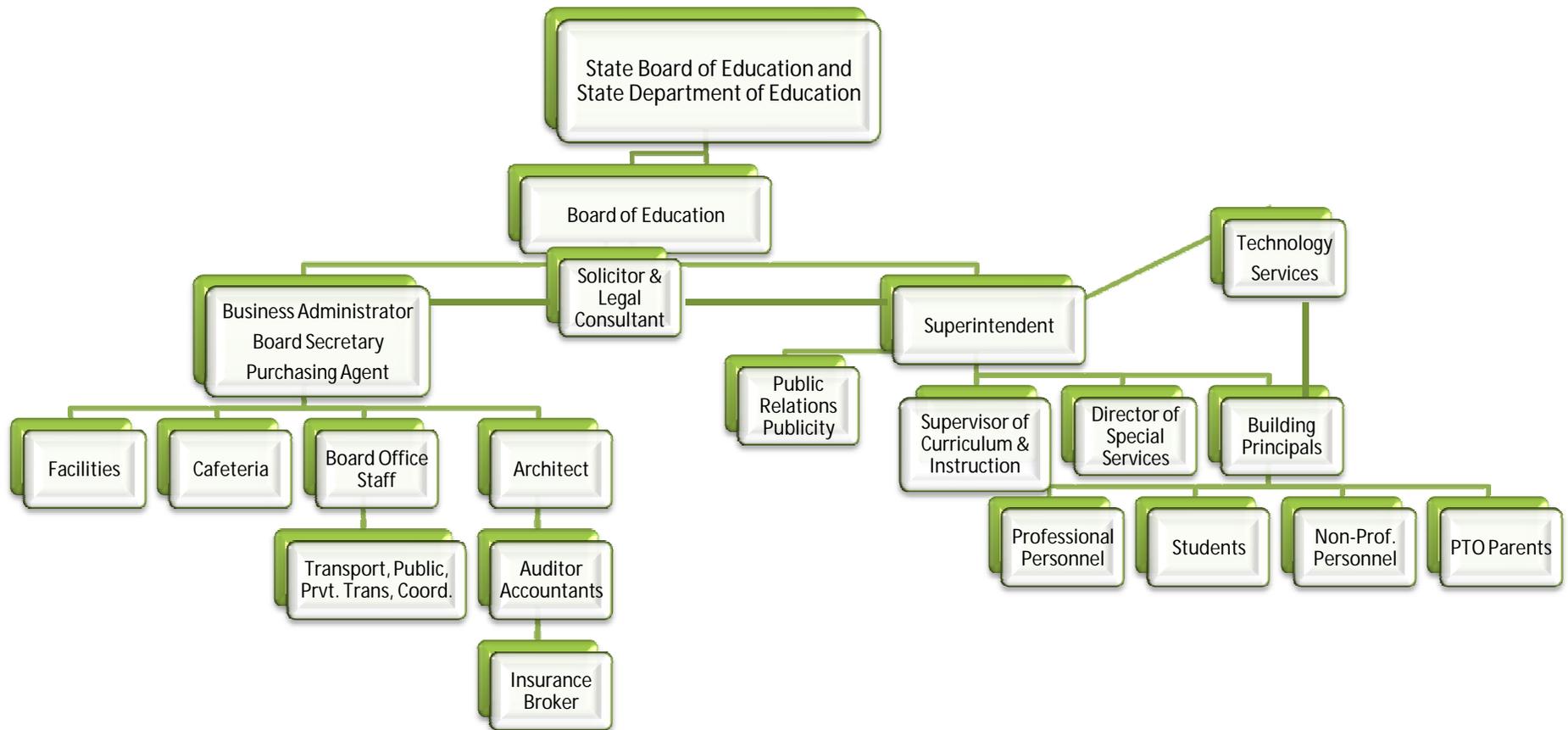


Annette Castiglione
Superintendent



Amy Capriotti
Business Administrator/Board Secretary

Bellmawr Board of Education Organization Chart



BOROUGH OF BELLMAWR SCHOOL DISTRICT
BELLMAWR, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2014

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jody Mangus, President	2014
Eric Hoban, Vice President	2016
James Casey	2014
Christopher Concannon	2015
Michael Eckmeyer	2015
Patrick Murray	2016
Michael Williams	2014

Other Officials

Annette Castiglione, Superintendent

Amy Capriotti, CPA, Business Administrator/Board Secretary

**BOROUGH OF BELLMAWR SCHOOL DISTRICT
BELLMAWR, NEW JERSEY**

Consultants and Advisors

Architect

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

Audit Firm

Bowman & Company LLP
601 White Horse Road
Voorhees, New Jersey 08043

Insurance Agent

Conner Strong
123 Rosenhayn Avenue
Bridgeton, NJ 08302

Attorneys

Adams Stern Gutierrez & Lattiboudere, LLC
1037 Raymond Blvd., Suite 900
Newark, NJ 07102

Official Depositories

1st Colonial Community Bank
321 Broadway
Westville, NJ 08093

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Bellmawr School District
Bellmawr, New Jersey 08031

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Bellmawr School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School 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; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School 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 School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Bellmawr School District in the County of Camden, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed 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 Borough of Bellmawr School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and 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 section and statistical section listed in the table of contents 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.

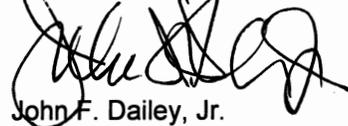
Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 21, 2014 on our consideration of the Borough of Bellmawr School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Bellmawr School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



John F. Dailey, Jr.
Certified Public Accountant
Public School Accountant No. CS 00140

Voorhees, New Jersey
October 21, 2014

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Bellmawr School District
Bellmawr, New Jersey 08031

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Bellmawr School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 21, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Bellmawr School 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, and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

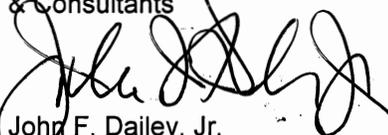
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



John F. Dailey, Jr.
Certified Public Accountant
Public School Accountant No. CS 00140

Voorhees, New Jersey
October 21, 2014

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**Borough of Bellmawr School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014**

This section of the Borough of Bellmawr School District annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2014. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current fiscal year (2013-14) and the prior fiscal year (2012-13) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2013-14 fiscal year include the following:

- Net Position for Governmental and Business-Type activities at June 30, 2014 were \$5,343,506.18 and \$269,187.54, respectively. At June 30, 2013 these were \$5,980,202.73 and \$210,989.52 respectively.
- The General Fund, fund balance as of June 30, 2014 was \$2,003,527.20, a decrease of \$271,744.66 when compared with the balance as of June 30, 2013 of \$2,275,271.86.
- The Capital Project Fund, fund balance as of June 30, 2014 was zero, an increase of \$444,023.52. This resulted from the funding and completion of a capital project utilizing bond proceeds.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the Bellmawr School District.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Bellmawr School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Bellmawr School District, reporting operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities that the Bellmawr School District operates like businesses.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below summarizes the major features of the Bellmawr School District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**Borough of Bellmawr School District
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2014**

MAJOR FEATURES OF THE DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

		Fund Financial Statements	
	District-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as regular and special education, building maintenance and transportation	Activities the district operates similar to private businesses: Food Service Fund, Community Education and Recreation Fund
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of revenue, Expenditures and changes in fund balances	Statement of Net Position Statement of revenue, Expenses and changes in fund net position Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

District-wide Statements

The district-wide statements report information about the Bellmawr School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the district's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the Bellmawr School District's net position and how they have changed. Net position – the difference between the district's assets and liabilities – are a measure of the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the overall health of the district you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

**Borough of Bellmawr School District
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2014**

In the district-wide financial statements the district's activities are shown in two categories:

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- *Business-type activities*-The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on the most significant or “major” funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

- **Governmental funds** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds** - 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.
- **Fiduciary funds** – The District is the trustee, or fiduciary, for assets that belong to others. 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. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE BELLMAWR SCHOOL DISTRICT AS A WHOLE

Net Position

The District's net position in the **governmental and business-type activities** was \$5,343,506.18 and \$269,187.53, respectively, as of June 30, 2014. (See Table A-1)

**Borough of Bellmawr School District
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2014**

Table A-1

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and Other Assets	\$ 2,535,516.63	\$ 2,500,699.25	\$ 189,277.86	\$ 97,973.86	\$ 2,724,794.49	\$2,598,673.11
Capital Assets	7,985,992.65	5,561,451.32	79,909.68	57,772.65	8,065,902.33	5,619,223.97
Total Assets	10,521,509.28	8,062,150.57	269,187.54	155,746.51	10,790,696.82	8,217,897.08
Long-term Liabilities	4,472,530.16	1,368,465.74			4,472,530.16	1,368,465.74
Other Liabilities	705,472.94	713,482.10	10,588.03	(55,243.01)	716,060.97	658,239.09
Total Liabilities	5,178,003.10	2,081,947.84	10,588.03	(55,243.01)	5,188,591.13	2,026,704.83
Net Position						
Net Investment in Capital Assets	4,502,141.62	5,268,553.32	79,909.68	57,772.65	4,582,051.30	5,326,325.97
Restricted	1,754,071.23	1,682,197.63			1,754,071.23	1,682,197.63
Unrestricted	(912,706.67)	(970,548.22)	189,277.86	153,216.87	(723,428.81)	(817,331.35)
Total Net Position	\$ 5,343,506.18	\$ 5,980,202.73	\$ 269,187.54	\$ 210,989.52	\$ 5,612,693.72	\$6,191,192.25

The District's financial positions for governmental and business-type activities are the product of the following factors:

- Program revenues were \$3,011,216.68.
 - ✓ Operating Grants & Contributions--\$2,778,417.19.
 - ✓ Charges for Services--\$232,799.49.
 - ✓ Capital Grants & Contributions – zero.
- General revenues were \$13,573,699.21.
- Net Expenditures were \$14,152,197.75.
- Total District revenues & beginning net position are adjusted by net adjusted expenditures resulting in a calculation of net position of \$5,612,693.72 as of June 30, 2014.
- Beginning net position (\$6,191,192.25) + General Revenues (\$13,573,699.21) – Net expenditures (\$14,152,197.74) = Net Position of \$5,612,693.72.

Change in Net Position. The net position for **governmental and business-type activities** decreased by \$578,498.54 from July 01, 2013 to June 30, 2014. (See Table A-2)

**Borough of Bellmawr School District
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2014**

**Table A-2
Change in Net Position
Governmental and Business-Type Activities
For the Fiscal Years Ended June 30, 2014 and 2013**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues						
Program revenues:						
Charges for services			\$ 232,799.49	\$ 228,174.76	\$ 232,799.49	\$ 228,174.76
Operating Grants and Contributions	\$ 2,454,010.61	\$ 2,441,301.12	324,406.58	291,723.34	2,778,417.19	2,733,024.46
Capital Grants and Contributions		198,581.00				198,581.00
General revenues:						
Property Taxes:						
Levied for General Purposes	8,063,489.00	7,727,386.00			8,063,489.00	7,727,386.00
Levied for Debt Service	146,500.00	209,112.00			146,500.00	209,112.00
Federal and State Aid not Restricted	5,180,479.28	4,925,504.64			5,180,479.28	4,925,504.64
Federal and State Aid Restricted	18,295.89	18,787.86			18,295.89	18,787.86
Contributions - Capital Assets	2,638.00				2,638.00	
Unrestricted Investment Earnings	4,265.21	13,185.04	353.07	1,149.50	4,618.28	14,334.54
Restricted Investment Earnings	4,008.05				4,008.05	
Miscellaneous Income	153,670.71	281,636.81			153,670.71	281,636.81
Total revenues	16,027,356.75	15,815,494.47	557,559.14	521,047.60	16,584,915.89	16,336,542.07
Expenses						
Instruction:						
Regular	\$ 5,117,185.35	\$ 4,874,039.61			\$ 5,117,185.35	\$ 4,874,039.61
Special Education	1,377,980.58	1,434,329.67			1,377,980.58	1,434,329.67
Other Special Instruction	150,037.60	101,875.43			150,037.60	101,875.43
Other Instruction	220,083.85	201,185.49			220,083.85	201,185.49
Support Services:						
Tuition	754,940.27	654,035.54			754,940.27	654,035.54
Student and Instruction Related Services	1,691,307.10	1,638,036.64			1,691,307.10	1,638,036.64
School Administrative Services	423,733.87	386,045.19			423,733.87	386,045.19
Other Administrative Services	718,620.53	580,715.32			718,620.53	580,715.32
Plant Operations and Maintenance	1,743,605.18	1,241,045.76			1,743,605.18	1,241,045.76
Pupil Transportation	374,924.74	288,071.10			374,924.74	288,071.10
Transfer to Charter Schools	46,281.00	40,240.00			46,281.00	40,240.00
Unallocated Benefits	3,927,223.28	3,826,906.81			3,927,223.28	3,826,906.81
Interest on Long-Term Debt	118,129.95	15,202.19			118,129.95	15,202.19
Childcare			\$ 13,048.86		13,048.86	
Food Services			486,312.26	\$ 454,442.51	486,312.26	454,442.51
Total Expenses	\$ 16,664,053.30	\$ 15,281,728.75	\$ 499,361.12	\$ 454,442.51	\$ 17,163,414.42	\$ 15,736,171.26

**Borough of Bellmawr School District
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2014**

Table 2 (Cont'd)

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Net Increase/Decrease in Net Position	\$ (636,696.55)	\$ 533,765.72	\$ 58,198.02	\$ 66,605.09	\$ (578,498.53)	\$ 600,370.81
Net Position -- July 1	5,980,202.73	5,446,437.01	210,989.52	144,384.43	6,653,283.93	5,590,821.44
End of Year Net Position June 30	<u>\$ 5,343,506.18</u>	<u>\$ 5,980,202.73</u>	<u>\$ 269,187.54</u>	<u>\$ 210,989.52</u>	<u>\$ 6,074,785.41</u>	<u>\$ 6,191,192.25</u>

Total revenues for the District were \$16,584,915.89. Government funding was the source of 48.1% of the district's revenues. This includes the State of New Jersey and Federal sources.

Property taxes provided 49.5 % of revenues.

Other miscellaneous revenues represent 2.4% of the district revenues.

The District's expenses for government activities are predominantly related to instruction and support services. Instruction together with tuition totaled 45.7% of total governmental activities expenditures. Employee benefits including TPAF On Behalf Payments represent 23.6% of total governmental activities expenditures. All other support services including student services, administration, plant operations, transportation and interest totaled 30.7% of total governmental activities expenditures. (See Table A-3.)

Total expenditures exceeded revenues, decreasing net position \$578,498.54 from the beginning balance as of July 01, 2013.

**Table A-3
Net Cost of Governmental Activities**

Governmental Activities:	Source	<u>2014</u>		<u>2013</u>	
		Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction:					
Regular	A-2	5,117,185.35	4,116,608.45	\$ 4,874,039.61	\$ 4,050,976.86
Special Education	A-2	1,377,980.58	1,377,980.58	1,434,329.67	1,434,329.67
Other Special Instruction	A-2	150,037.60	150,037.60	101,875.43	101,875.43
Other Instruction	A-2	220,083.85	220,083.85	201,185.49	201,185.49
Support Services:					
Tuition	A-2	754,940.27	754,940.27	654,035.54	654,035.54
Student and Instruction Related Services	A-2	1,691,307.10	1,553,600.72	1,638,036.64	1,441,141.64
School Administrative Services	A-2	423,733.87	423,733.87	386,045.19	386,045.19
Other Administrative Services	A-2	718,620.53	718,620.53	580,715.32	580,715.32
Plant Operations and Maintenance	A-2	1,743,605.18	1,743,605.18	1,241,045.76	1,063,586.42
Pupil Transportation	A-2	374,924.74	374,924.74	288,071.10	288,071.10
Transfer to Charter Schools	A-2	46,281.00	46,281.00	40,240.00	40,240.00
Unallocated Benefits	A-2	3,927,223.28	2,612,873.06	3,826,906.81	2,386,299.92
Interest on Long-Term Debt	A-2	118,129.95	116,752.84	15,202.19	13,344.05
Total Governmental Activities		<u>\$16,664,053.30</u>	<u>\$14,210,042.69</u>	<u>\$15,281,728.75</u>	<u>\$12,641,846.63</u>

**Borough of Bellmawr School District
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2014**

Activity Descriptions

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

Tuition expenses include the cost to the District to send pupils with special needs living within the District to private schools and/or schools outside the District area.

Student and instruction related services include the activities designed to assess and improve the well being of students and to supplement the teaching process.

School Administrative and General and Business Administrative services include expenses associated with establishing and administering policy for the District including financial supervision.

Plant operation and maintenance of plant activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

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

Unallocated benefits includes the cost of benefits for the District staff for social security, retirement contributions, worker's compensation, health benefits and other employee benefits.

Interest on long-term debt involves the transactions associated with the payment of interest on the debt of the District.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The financial performance of the Bellmawr School District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$1,944,506.93. In 2012-13 the fund balance was \$1,792,562.37. The governmental fund balance increased by \$151,944.56.

All governmental funds had total revenues of \$16,024,718.75 and total expenditures of \$19,210,719.30. Net other financing sources were \$3,337,945.11.

GENERAL FUND BUDGETING HIGHLIGHTS

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

The General Fund includes the primary operations of the District in providing educational services to students from pre-kindergarten through grade 8 including pupil transportation activities and capital outlay projects.

One of the primary sources of funding for the district is received from local property taxes and accounted for 55.2% of total general fund revenues. State aid accounted for 43.5% of total general fund revenues. Federal aid accounted for .2% of total general fund revenues and other local sources accounted for 1.1% of total general fund revenues.

The following schedule (Table A-4) presents a summary of General Fund Revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

**Borough of Bellmawr School District
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2014**

**Table A-4
Summary of General Fund Revenues**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
REVENUES				
Local Sources				
Local Tax Levy	\$ 8,063,489.00	\$ 7,727,386.00	\$ 336,103.00	4.3%
Miscellaneous	161,943.97	307,603.85	(145,659.88)	-47.4%
Total Local Sources	<u>8,225,432.97</u>	<u>8,034,989.85</u>	<u>190,443.12</u>	<u>-43.1%</u>
Federal Sources	27,364.53	18,759.18	8,605.35	45.9%
State Sources	6,349,709.24	6,277,699.07	72,010.17	1.1%
Total Governmental Sources	<u>6,377,073.77</u>	<u>6,296,458.25</u>	<u>80,615.52</u>	<u>47.0%</u>
Total General Fund Revenues	<u>\$14,602,506.74</u>	<u>\$14,331,448.10</u>	<u>\$ 271,058.64</u>	<u>3.9%</u>

The following schedule (Table A-5) presents a summary of General Fund expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

**Table A-5
Summary of General Fund Expenditures**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Current:				
Regular Instruction	\$ 4,084,893.68	\$ 3,986,370.31	\$ 98,523.37	2.5%
Special Education Instruction	1,363,080.58	1,434,329.67	(71,249.09)	-5.0%
Basic Skills Remedial Instruction	67,215.49	64,833.00	2,382.49	3.7%
Bilingual Education Instruction	83,022.11	101,875.43	(18,853.32)	-18.5%
School Sponsored Extra Curricular Activities Instruction	41,957.34	43,395.87	(1,438.53)	-3.3%
School Sponsored Athletics Instruction	37,821.62	31,462.27	6,359.35	20.2%
Before and After School Programs	33,537.88	28,304.05	5,233.83	18.5%
Summer School	29,715.13	24,606.80	5,108.33	20.8%
Other Supplemental At Risk Programs	76,084.38	72,849.00	3,235.38	4.4%
Community Service Programs	267.50	567.50	(300.00)	-52.9%
Support Services and Undistributed Costs:				
Tuition	754,940.27	640,745.76	114,194.51	17.8%
Student and Instruction Related Services	1,561,850.72	1,460,991.64	100,859.08	6.9%
School Administrative Services	419,483.87	417,245.19	2,238.68	0.5%
Other Administrative Services	592,737.99	569,280.41	23,457.58	4.1%
Plant Operations and Maintenance	1,313,416.98	945,582.99	367,833.99	38.9%
Pupil Transportation	374,924.74	288,071.10	86,853.64	30.2%
Unallocated Benefits	2,650,651.67	2,270,045.50	380,606.17	16.8%
TPAF Pension and Social Security	1,196,594.49	1,367,075.27	(170,480.78)	-12.5%
Transfer to Charter Schools	46,281.00	40,240.00	6,041.00	15.0%
Capital Outlay	365,284.46	148,507.32	216,777.14	146.0%
	<u>\$ 15,093,761.90</u>	<u>\$ 13,936,379.08</u>	<u>\$ 1,157,382.82</u>	<u>254.1%</u>

Total General Fund expenditures increased \$1,157,382.82 from the previous year. The net increase in instruction (including tuition) was minimal. Increases in student related services, plant operations and maintenance, employee benefits accounted for the majority of the increase.

**Borough of Bellmawr School District
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2014**

The Bellmawr School District values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year. The amounts of budgeted fund balance designated to support the subsequent year's budgets and provide tax relief were \$440,462.00 for the 2012-13 school year and \$455,273.00 for the 2013-14 school year.

During the course of fiscal year 2014 the District modified the General Fund Budget as needed to ensure no line item was projected to be over-expended.

DEBT SERVICE FUND

The current year obligations for payment of debt service principal and interest amounted to \$166,174.00, of which \$146,500.00 in funding was provided by local tax levy, \$19,673.00 was received as aid from the state.

FOOD SERVICE FUND

The Food Service Fund had net position of \$268,632.60 as of June 30, 2014. This reflects an increase of \$57,643.07 from June 30, 2013.

BEFORE AND AFTER CARE PROGRAM

The Before and After Care Program had net position of \$554.94 as of June 30, 2014. This program was new for the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets are individual items purchased at a cost exceeding \$2,000.00, have an extended useful life of one year or more and maintain their identity and structure when placed into service.

At June 30, 2014, the district had capital assets with a book value for governmental activities and business-type activities of \$7,985,992.65 and \$79,909.68, respectively. This consists of a broad range of capital assets, including land, school buildings, computer, audio-visual equipment and other equipment. (See Table A-6.) Total depreciation expense for the year was \$509,128.98 and \$10,718.97, respectively.

Table A-6
Capital Assets (Net of Accumulated Depreciation)
As of June 30, 2014 and 2013

	Governmental		Business-Type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Land	\$ 841418.00	\$ 841418.00			\$ 841418.00	\$ 841418.00
Construction in Progress		515,543.50				515,543.50
Buildings & Bldg Improvements	9,279,036.36	6,119,341.36			9,279,036.36	6,119,341.36
Land Improvements	919,540.91	919,540.91			919,540.91	919,540.91
Equipment	1,270,808.08	981,289.27	\$ 172,557.72	\$ 139,701.72	1,443,365.80	1,120,990.99
Total Capital Assets	12,310,803.35	9,377,133.04	172,557.72	139,701.72	12,483,361.07	9,516,834.76
Less: Accumulated Depreciation	(4,324,810.70)	(3,815,681.72)	(92,648.04)	(81,929.07)	(4,417,458.74)	(3,897,610.79)
Net Capital Assets	\$ 7,985,992.65	\$ 5,561,451.32	\$ 79,909.68	\$ 57,772.65	\$ 8,065,902.33	\$ 5,619,223.97

**Borough of Bellmawr School District
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2014**

Increases in capital assets resulted from capital outlay in the general fund, a roof replacement project in the capital projects fund and equipment purchased in the Food Services enterprise fund.

Long-term Obligations

At fiscal year-end, the District had \$3,230,898.00 in general obligation bonds outstanding, an increase of \$2,389,480.00 from last fiscal year – as shown in Table A-7. There is a premium associated with a 2013 bond issuance with a balance of \$92,106.86 which will be amortized over the life of the bonds.

At fiscal year-end, the District had capital leases totaling \$160,846.17 outstanding, an increase of \$160,846.17 from last fiscal year – as shown in Table A-7.

The District also had a \$988,679.13 liability for compensated absences, a decrease of \$25,028.61 from last fiscal year – as shown in Table A-7. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement.

**Table A-7
Long Term Debt Schedule
As of June 30, 2014 and 2013**

	<u>Balance at</u>		<u>Increase</u>
	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>(Decrease)</u>
General Obligation Bonds	\$3,230,898.00	\$ 841,418.00	\$2,389,480.00
Premium on Bonds Issued	92,106.86		92,106.86
Capital Leases	160,846.17		160,846.17
Compensated Absences	988,679.13	1,013,707.74	(25,028.61)
Total Balances	<u>\$4,472,530.16</u>	<u>\$1,855,125.74</u>	<u>\$2,617,404.42</u>

THE FUTURE OUTLOOK

The Bellmawr School District is presently in a strong financial condition. However, the future financing of public schools in the State of New Jersey is becoming very unpredictable and unsettling. This was demonstrated in recent years by the withholding of one or more state aid payment until after the close of the fiscal year, the state refusing to fully fund the educational formulas created by law imposing more unfunded mandates.

The over-reliance on property taxes to support the schools in Bellmawr is a concern faced by the Board of Education and Administration each year. The District has been committed to financial excellence for many years. The District's system for financial planning, budgeting and internal controls are well regarded. The District is committed to continuing its sound fiscal management to meet the challenges of the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives.

If you have questions about this report or need additional financial information, contact the School Business Administrator/Board Secretary at Bellmawr Board of Education, 256 Anderson Avenue, Bellmawr, New Jersey 08031.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Statement of Net Position
June 30, 2014

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 208,767.70	\$ 143,631.50	\$ 352,399.20
Internal Balances	10,635.81	(10,588.03)	47.78
Accounts Receivable (Note 5)	562,041.66	43,641.97	605,683.63
Inventory (Note 3)		12,592.42	12,592.42
Restricted Assets:			
Restricted Cash and Cash Equivalents	0.23		0.23
Capital Reserve Cash	1,754,071.23		1,754,071.23
Capital Assets, net (Note 6)	<u>7,985,992.65</u>	<u>79,909.68</u>	<u>8,065,902.33</u>
Total Assets	<u>10,521,509.28</u>	<u>269,187.54</u>	<u>10,790,696.82</u>
LIABILITIES:			
Cash Deficit	526,884.42		526,884.42
Accounts Payable	54,097.72		54,097.72
Interfund Accounts Payable			
Accrued Interest Payable	114,463.24		114,463.24
Unearned Revenue	10,027.56		10,027.56
Noncurrent Liabilities (Note 7):			
Due within One Year	317,390.99		317,390.99
Due beyond One Year	<u>4,155,139.17</u>		<u>4,155,139.17</u>
Total Liabilities	<u>5,178,003.10</u>	<u>-</u>	<u>5,178,003.10</u>
NET POSITION:			
Net Investment in Capital Assets	4,502,141.62	79,909.68	4,582,051.30
Restricted for:			
Other Purposes	1,754,071.23		1,754,071.23
Unrestricted	<u>(912,706.67)</u>	<u>189,277.86</u>	<u>(723,428.81)</u>
Total Net Position	<u>\$ 5,343,506.18</u>	<u>\$ 269,187.54</u>	<u>\$ 5,612,693.72</u>

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2014

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction:							
Regular	\$ 5,117,185.35		1,000,576.90		\$ (4,116,608.45)		\$ (4,116,608.45)
Special Education	1,377,980.58				(1,377,980.58)		(1,377,980.58)
Other Special Instruction	150,037.60				(150,037.60)		(150,037.60)
Other Instruction	220,083.85				(220,083.85)		(220,083.85)
Support Services:							
Tuition	754,940.27				(754,940.27)		(754,940.27)
Student and Instruction Related Services	1,691,307.10		137,706.38		(1,553,600.72)		(1,553,600.72)
School Administrative Services	423,733.87				(423,733.87)		(423,733.87)
Other Administrative Services	718,620.53				(718,620.53)		(718,620.53)
Plant Operations and Maintenance	1,743,605.18				(1,743,605.18)		(1,743,605.18)
Pupil Transportation	374,924.74				(374,924.74)		(374,924.74)
Transfer to Charter Schools	46,281.00				(46,281.00)		(46,281.00)
Unallocated Benefits	3,927,223.28		1,314,350.22		(2,612,873.06)		(2,612,873.06)
Interest on Long-Term Debt	118,129.95		1,377.11		(116,752.84)		(116,752.84)
Total Governmental Activities	16,664,053.30	-	2,454,010.61	-	(14,210,042.69)	-	(14,210,042.69)
Business-Type Activities:							
Food Service	486,312.26	\$ 219,204.22	324,406.58			\$ 57,298.54	57,298.54
Before and After Care Program	13,048.86	13,595.27				546.41	546.41
Total Business-Type Activities	499,361.12	232,799.49	324,406.58	-	-	57,844.95	57,844.95
Total Primary Government	\$ 17,163,414.42	\$ 232,799.49	\$ 2,778,417.19	-	(14,210,042.69)	57,844.95	(14,152,197.74)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					8,063,489.00		8,063,489.00
Taxes Levied for Debt Service					146,500.00		146,500.00
Federal and State Aid not Restricted					5,180,479.28		5,180,479.28
Federal and State Aid Restricted					18,295.89		18,295.89
Contributions - Capital Asset					2,638.00		2,638.00
Unrestricted Investment Earnings					4,265.21	353.07	4,618.28
Restricted Investment Earnings					4,008.05		4,008.05
Miscellaneous Income					153,670.71		153,670.71
Total General Revenues, Special Items, Extraordinary Items and Transfers					13,573,346.14	353.07	13,573,699.21
Change in Net Position					(636,696.55)	58,198.02	(578,498.53)
Net Position, July 1					5,859,522.73	210,989.52	6,070,512.25
Prior Period Adjustment (Note 20)					120,680.00		120,680.00
					5,980,202.73	210,989.52	6,191,192.25
Net Position, June 30					\$ 5,343,506.18	\$ 269,187.54	\$ 5,612,693.72

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

FUND FINANCIAL STATEMENTS

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Balance Sheet
 Governmental Funds
 June 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
ASSETS:						
Cash and Cash Equivalents	\$ 208,767.70			\$ 0.23		\$ 208,767.93
Capital Reserve Cash	1,754,071.23					1,754,071.23
Interfunds Account Receivable:						
Enterprise Funds:						
Food Services	5,405.53					5,405.53
Before and Aftercare Program	5,182.50					5,182.50
Trust and Agency Fund	47.78					47.78
Intergovernmental Accounts Receivable:						
State	30,890.00		\$ 397,065.00			427,955.00
Federal		\$ 126,273.00				126,273.00
Other	7,813.66					7,813.66
Total Assets	\$ 2,012,178.40	\$ 126,273.00	\$ 397,065.00	\$ 0.23	-	\$ 2,535,516.63
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Cash Deficit		\$ 129,819.42	\$ 397,065.00			\$ 526,884.42
Accounts Payable	\$ 8,651.20	45,446.52				54,097.72
Intergovernmental Accounts Payable - Federal						
Interfunds Account Payable:						
General Fund						
Trust and Agency Fund						
Enterprise Fund						
Unearned Revenue		10,027.56				10,027.56
Total Liabilities	8,651.20	185,293.50	397,065.00	-	-	591,009.70

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Balance Sheet
 Governmental Funds
 June 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
LIABILITIES AND FUND BALANCES (CONT'D):						
Fund Balances:						
Restricted:						
Capital Reserve	\$ 1,754,071.23					\$ 1,754,071.23
Debt Service Fund				\$ 0.23		0.23
Assigned:						
Subsequent Year's Expenditures	249,455.97					249,455.97
Unassigned:						
Special Revenue Fund		\$ (59,020.50)				(59,020.50)
Total Fund Balances	<u>2,003,527.20</u>	<u>(59,020.50)</u>	<u>-</u>	<u>0.23</u>	<u>-</u>	<u>1,944,506.93</u>
Total Liabilities and Fund Balances	<u>\$ 2,012,178.40</u>	<u>\$ 126,273.00</u>	<u>\$ 397,065.00</u>	<u>\$ 0.23</u>	<u>-</u>	

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Balance Sheet
 Governmental Funds
 June 30, 2014

	Total Governmental <u>Funds</u>
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$12,310,803.35 and the accumulated depreciation is \$4,324,810.70.	\$ 7,985,992.65
Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds.	(114,463.24)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(4,472,530.16)</u>
Net position of governmental activities	<u><u>\$ 5,343,506.18</u></u>

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
REVENUES:						
Local Tax Levy	\$ 8,063,489.00			\$ 146,500.00		\$ 8,209,989.00
Unrestricted Miscellaneous Revenues	161,943.97					161,943.97
Federal Sources	27,364.53	\$ 642,434.20				669,798.73
State Sources	6,349,709.24	613,604.81		19,673.00		6,982,987.05
Total Revenues	14,602,506.74	1,256,039.01	-	166,173.00	-	16,024,718.75
EXPENDITURES:						
Current:						
Regular Instruction	4,084,893.68	1,020,910.20				5,105,803.88
Special Education Instruction	1,363,080.58					1,363,080.58
Basic Skills Remedial Instruction	67,215.49					67,215.49
Bilingual Education Instruction	83,022.11					83,022.11
School Sponsored Extra Curricular Activities Instruction	41,957.34					41,957.34
School Sponsored Athletics Instruction	37,821.62					37,821.62
Before and After School Programs	33,537.88					33,537.88
Summer School	29,715.13					29,715.13
Other Supplemental At Risk Programs	76,084.38					76,084.38
Community Service Programs	267.50					267.50
Support Services and Undistributed Costs:						
Tuition	754,940.27					754,940.27
Student and Instruction Related Services	1,561,850.72	137,706.38				1,699,557.10
School Administrative Services	419,483.87					419,483.87
Other Administrative Services	592,737.99		\$ 96,954.59			689,692.58
Plant Operations and Maintenance	1,313,416.98					1,313,416.98
Pupil Transportation	374,924.74					374,924.74
Unallocated Benefits	2,650,651.67	117,755.73				2,768,407.40
TPAF Pension and Social Security	1,196,594.49					1,196,594.49
Debt Service:						
Principal				155,000.00		155,000.00
Interest and Other Charges				11,174.00		11,174.00
Transfer to Charter Schools	46,281.00					46,281.00
Capital Outlay	365,284.46		2,577,456.50			2,942,740.96
Total Expenditures	15,093,761.90	1,276,372.31	2,674,411.09	166,174.00	-	19,210,719.30
Excess (Deficiency) of Revenues over Expenditures	(491,255.16)	(20,333.30)	(2,674,411.09)	(1.00)	-	(3,186,000.55)

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
OTHER FINANCING SOURCES (USES):						
Cancellation of Prior Year Receivables			\$ (5,268.40)			\$ (5,268.40)
Proceeds from the Sale of Bonds			3,031,140.00			3,031,140.00
Premium on Issuance of Bonds			96,954.59			96,954.59
Assets Acquired by Capital Lease - Non-Budgeted	\$ 211,110.87					211,110.87
Capital Outlay Transferred to Capital Reserve	(144,081.58)					(144,081.58)
Capital Reserve Transferred from Capital Outlay	144,081.58					144,081.58
Interest Deposited into Capital Reserve	4,008.05					4,008.05
Capital Projects Transferred to Capital Reserve	4,608.58		(4,608.58)			
Capital Reserve Transferred to Capital Projects Fund	(217.00)		217.00			
Total Other Financing Sources and Uses	<u>219,510.50</u>	<u>-</u>	<u>3,118,434.61</u>	<u>-</u>	<u>-</u>	<u>3,337,945.11</u>
Net Change in Fund Balances	(271,744.66)	\$ (20,333.30)	444,023.52	\$ (1.00)	-	151,944.56
Fund Balance, July 1	<u>2,275,271.86</u>	<u>(38,687.20)</u>	<u>(444,023.52)</u>	<u>1.23</u>		<u>1,792,562.37</u>
Fund Balance, June 30	<u>\$ 2,003,527.20</u>	<u>\$ (59,020.50)</u>	<u>-</u>	<u>\$ 0.23</u>	<u>-</u>	<u>\$ 1,944,506.93</u>

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2014

Total Net Change in Fund Balances - Governmental Funds	\$	151,944.56
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense	\$	(509,128.98)
Capital outlay expensed in accordance with District's policies		(1.60)
School Development Authority Debt Service Assessment Expensed		(7,699.00)
Interest Income Transferred to Capital Reserve		(4,008.05)
Contributions - Capital Assets		2,638.00
Capital outlays		<u>2,942,740.96</u>
		2,424,541.33
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		205,264.70
<p>Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.</p>		
		4,847.73
<p>Proceeds from the issuance of debt is an increase to fund balance in the government funds, but the receipt increases long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		(3,339,205.46)
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		(109,118.02)
<p>In the statement of activities, certain operating expenses, (e.g., compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>25,028.61</u>
Change in Net Position of Governmental Activities	\$	<u>(636,696.55)</u>

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-Type Activities -- Enterprise Funds		
	<u>Food Service</u>	<u>Before and After Care Program</u>	<u>Totals</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 138,103.75	\$ 5,527.75	\$ 143,631.50
Accounts Receivable:			
Federal	26,008.16		26,008.16
State	778.12		778.12
Other	16,646.00	209.69	16,855.69
Inventories	12,592.42		12,592.42
Total Current Assets	<u>194,128.45</u>	<u>5,737.44</u>	<u>199,865.89</u>
Noncurrent Assets:			
Equipment	172,557.72		172,557.72
Less: Accumulated Depreciation	<u>(92,648.04)</u>		<u>(92,648.04)</u>
Total Noncurrent Assets	<u>79,909.68</u>	<u>-</u>	<u>79,909.68</u>
Total Assets	<u>274,038.13</u>	<u>5,737.44</u>	<u>279,775.57</u>
LIABILITIES:			
Current Liabilities:			
Interfund Accounts Payable - General Fund	<u>5,405.53</u>	<u>5,182.50</u>	<u>10,588.03</u>
	<u>5,405.53</u>	<u>5,182.50</u>	<u>10,588.03</u>
NET POSITION:			
Invested in Capital Assets Net of Related Debt	79,909.68		79,909.68
Unrestricted	<u>188,722.92</u>	<u>554.94</u>	<u>189,277.86</u>
Total Net Position	<u>\$ 268,632.60</u>	<u>\$ 554.94</u>	<u>\$ 269,187.54</u>

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Business-Type Activities -- Enterprise Funds		
	<u>Food Service</u>	<u>Before and After Care Program</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable and Non-Reimburseable Programs	\$ 134,486.42		\$ 134,486.42
Daily Sales - Vending	5,900.77		5,900.77
Rebates	235.00		235.00
Other School District	77,269.08		77,269.08
Special Functions	1,312.95		1,312.95
Tuition and Fees		\$ 13,595.27	13,595.27
Total Operating Revenues	<u>219,204.22</u>	<u>13,595.27</u>	<u>232,799.49</u>
OPERATING EXPENSES:			
Cost of Sales	207,801.28		207,801.28
Salaries	164,486.88	12,533.75	177,020.63
Employee Benefits	35,612.24		35,612.24
Purchased Professional Services	30,913.32		30,913.32
Other Purchased Services	18,459.86		18,459.86
Supplies and Materials	18,211.97	515.11	18,727.08
Miscellaneous	107.75		107.75
Depreciation	10,718.96		10,718.96
Total Operating Expenses	<u>486,312.26</u>	<u>13,048.86</u>	<u>499,361.12</u>
Operating Income (Loss)	<u>(267,108.04)</u>	<u>546.41</u>	<u>(266,561.63)</u>
NONOPERATING REVENUES:			
State Sources:			
State School Lunch Program	6,163.95		6,163.95
Federal Sources:			
National School Lunch Program	230,019.02		230,019.02
National School Breakfast Program	60,667.88		60,667.88
Food Distribution Program	27,555.73		27,555.73
Interest	344.54	8.53	353.07
Total Nonoperating Revenues	<u>324,751.12</u>	<u>8.53</u>	<u>324,759.65</u>
Change in Net Position	57,643.08	554.94	58,198.02
Net Position, July 1	<u>210,989.52</u>	-	<u>210,989.52</u>
Net Position, June 30	<u>\$ 268,632.60</u>	<u>\$ 554.94</u>	<u>\$ 269,187.54</u>

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Business-Type Activities -- Enterprise Funds		
	Food Service	Before and After Care Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 219,570.77	\$ 13,385.58	\$ 232,956.35
Payments to Employees	(164,486.88)	(7,351.25)	(171,838.13)
Payments for Employee Benefits	(35,612.24)		(35,612.24)
Payments to Suppliers	(248,806.68)	(515.11)	(249,321.79)
Net Cash Provided by (used for) Operating Activities	<u>(229,335.03)</u>	<u>5,519.22</u>	<u>(223,815.81)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Federal Sources	281,657.70		281,657.70
State Sources	5,715.41		5,715.41
Subsidies and Transfers	62,272.86		62,272.86
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>349,645.97</u>	<u>-</u>	<u>349,645.97</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	(32,856.00)		(32,856.00)
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(32,856.00)</u>	<u>-</u>	<u>(32,856.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest	344.54	8.53	353.07
Net Cash Provided by (used for) Investing Activities	<u>344.54</u>	<u>8.53</u>	<u>353.07</u>
Net Increase (Decrease) in Cash and Cash Equivalents	87,799.48	5,527.75	93,327.23
Cash and Cash Equivalents, July 1	50,304.27	-	50,304.27
Cash and Cash Equivalents, June 30	<u>\$ 138,103.75</u>	<u>\$ 5,527.75</u>	<u>\$ 143,631.50</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(267,108.04)	546.41	(266,561.63)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation	10,718.96		10,718.96
Food Distribution Program	27,555.73		27,555.73
(Increase) Decrease in Accounts Receivable	366.55	(209.69)	156.86
(Increase) Decrease in Inventory	756.08		756.08
Increase (Decrease) in Interfund Payable	5,405.53		5,405.53
Increase (Decrease) in Accounts Payable	(7,029.84)	5,182.50	(1,847.34)
Total Adjustments	<u>37,773.01</u>	<u>4,972.81</u>	<u>42,745.82</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (229,335.03)</u>	<u>\$ 5,519.22</u>	<u>\$ (223,815.81)</u>

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2014

	<u>Trust Funds</u>			<u>Agency Funds</u>	
	Mary E. Hare Memorial Scholarship <u>Fund</u>	Betty Sheppard Memorial <u>Fund</u>	Unemployment Compensation Trust <u>Fund</u>	Student <u>Activity</u>	<u>Payroll</u>
ASSETS:					
Cash and Cash Equivalents	\$ 4,087.73	\$ 6,785.74	\$ 96,558.43	\$ 48,059.74	\$ 3,489.79
Due from FSA (Employees)					706.64
Intrafund Accounts Receivable - Payroll Agency Fund			4,148.65		
Total Assets	<u>4,087.73</u>	<u>6,785.74</u>	<u>100,707.08</u>	<u>\$ 48,059.74</u>	<u>\$ 4,196.43</u>
LIABILITIES:					
Interfund Accounts Payable - General Fund					\$ 47.78
Intrafund Accounts Payable - Unemployment					4,148.65
Intergovernmental Accounts Payable - State			7,472.91		
Payable to Student Groups				\$ 48,059.74	
Total Liabilities	<u>-</u>	<u>-</u>	<u>7,472.91</u>	<u>\$ 48,059.74</u>	<u>\$ 4,196.43</u>
NET POSITION:					
Held in Trust for Unemployment Claims and Other Purposes			93,234.17		
Reserve for Program Expenditures		6,785.74			
Reserved for Scholarships	<u>4,087.73</u>				
Total Net Position	<u>\$ 4,087.73</u>	<u>\$ 6,785.74</u>	<u>\$ 93,234.17</u>		

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 For the Fiscal Year Ended June 30, 2014

	Mary E. Hare Memorial Scholarship <u>Fund</u>	Betty Sheppard Memorial <u>Fund</u>	Unemployment Compensation Trust <u>Fund</u>
ADDITIONS:			
Contributions:			
Donations		\$ 8,421.00	
Board Contribution			\$ 379,024.50
Employee Salary Deductions			17,212.59
Investment Earnings:			
Interest	\$ 13.99	15.78	285.80
	<u>13.99</u>	<u>8,436.78</u>	<u>396,522.89</u>
Total Additions			
	<u>13.99</u>	<u>8,436.78</u>	<u>396,522.89</u>
DEDUCTIONS:			
Unemployment Claims Paid			401,145.26
Program Expenditures		8,078.87	
Scholarships Awarded	1,500.00		
	<u>1,500.00</u>	<u>8,078.87</u>	<u>401,145.26</u>
Total Deductions			
	<u>1,500.00</u>	<u>8,078.87</u>	<u>401,145.26</u>
Change in Net Position	(1,486.01)	357.91	(4,622.37)
Net Position, July 1	5,573.74	6,427.83	97,856.54
	<u>5,573.74</u>	<u>6,427.83</u>	<u>97,856.54</u>
Net Position, June 30	\$ 4,087.73	\$ 6,785.74	\$ 93,234.17
	<u><u>4,087.73</u></u>	<u><u>6,785.74</u></u>	<u><u>93,234.17</u></u>

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of Bellmawr School District (the "School District") have been prepared to conform 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 following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades PK through 8th grade at its three schools. The School District has an approximate enrollment at June 30, 2014 of 1,138.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Component Units (Cont'd)**

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the School District has no component units, and is not a component unit of another governmental agency.

Government-wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Permanent Fund - The permanent fund is used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the School District's programs, that is, for the benefit of the School District or its students as a whole. The School District does not maintain a permanent fund.

Proprietary Funds

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

The School District maintains the following enterprise funds:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Before and After Care Fund - This fund accounts for the financial activity related to providing daycare services for the School District students before and after school.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The School District maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

Private-Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The School District maintains the following private-purpose trust funds:

Mary E. Hare Memorial Scholarship Fund - Revenues consist of donations and interest income. Expenditures represent scholarships graduating 8th grade students, which are awarded in accordance with the trust requirements.

Betty Sheppard Memorial Fund - Revenues consist of donations and interest income. Expenditures represent the costs of maintaining the Betty Sheppard Special Education Summer Camp and for the constructing and maintaining of the Betty Sheppard Memorial Park in the courtyard at Bell Oaks School.

New Jersey Unemployment Compensation Insurance Trust Fund - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. 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 budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on exhibit C-1, exhibit C-2, and exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Encumbrances (Cont'd)**

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

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

Cash, Cash Equivalents and Investments

Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. 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. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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 Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 amount of their deposits to the governmental units.

Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Tuition Receivable

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at fair market value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 - 20 Years
Motor Vehicles	5 - 10 Years
Buildings and Improvements	5 - 50 Years
Land Improvements	20 Years

The School District does not possess any infrastructure assets.

Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. At June 30, 2014, the School District does not have a deferred loss on refunding of debt.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2014 and 2013 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2014, the amounts earned by these employees were disbursed to the employees' own individual financial institution.

Compensated Absences

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

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

Bond Discounts / Premiums

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

Accounting 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

In March 2012, the GASB issued Statement 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. GASBS 66 is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. This Statement is effective for periods beginning after December 15, 2012. The adoption of GASBS 66, however, does not have a material impact on the School District's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Recently Issued and Adopted Accounting Pronouncements (Cont'd)**

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. GASBS 70 is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This Statement is effective for periods beginning after June 15, 2013. The adoption of GASBS 70, however, does not have any impact on the School District's financial statements.

Recently Issued Accounting Pronouncements

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. GASBS 67 is to improve the usefulness of pension information included in the general purpose external financial reports (financial reports) of state and local governmental pension plans for making decisions and assessing accountability. This Statement is effective for periods beginning after June 15, 2013. The School District does not administer any state or local pension plans; therefore, the adoption of GASBS 67 will not have any impact on the School District's financial statements.

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

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. GASBS 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Recently Issued Accounting Pronouncements (Cont'd)**

In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. GASBS 71 is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements and expects the impact to be material when considered in conjunction with the adoption of Statement No. 68.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2014, the School District's bank balances of \$2,031,687.91 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 97,900.23</u>
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Note 3: INVENTORY

Inventory recorded at June 30, 2014 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 10,590.44
Supplies	<u>2,001.98</u>
	<u>\$ 12,592.42</u>

Note 4: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance July 1, 2013		\$ 1,601,384.02
Increased by:		
Interest Earnings	\$4,008.05	
Deposits:		
Board Resolution (June 23, 2014)	144,287.58	
Transfer Excess Local Share from Capital Projects Fund	<u>4,608.58</u>	
		<u>152,904.21</u>
		1,754,288.23
Decreased by:		
Withdrawals:		
Transfer to Capital Projects Fund - Additional Local Share		<u>217.00</u>
Ending Balance June 30, 2014		<u><u>\$1,754,071.23</u></u>

The June 30, 2014 LRFP balance of local support costs of uncompleted projects at June 30, 2014 is 2,135,673.60. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2014 consisted of accounts (fees for services), intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

Governmental Funds					
<u>Description</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Activities</u>	
Federal Awards		\$ 126,273.00	\$ 397,065.00	\$ 523,338.00	
State Awards	\$ 30,890.00			30,890.00	
Other LEA					
Tuition Charges	7,813.66			7,813.66	
	<u>\$ 38,703.66</u>	<u>\$ 126,273.00</u>	<u>\$ 397,065.00</u>	<u>\$ 562,041.66</u>	
Proprietary Funds					
<u>Description</u>	<u>Food Service Fund</u>	<u>Before and After Care Fund</u>	<u>Total Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total All Funds</u>
Federal Awards	\$ 26,008.16		\$ 26,008.16		\$ 549,346.16
State Awards	778.11		778.11		31,668.11
Other LEA	16,646.00		16,646.00		16,646.00
Tuition Charges					7,813.66
Other		\$ 209.69	209.69	\$ 706.64	916.33
	<u>\$ 43,432.27</u>	<u>\$ 209.69</u>	<u>\$ 43,641.96</u>	<u>\$ 706.64</u>	<u>\$ 606,390.26</u>

Note 6: CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2013</u> <u>(Restated)</u>	<u>Additions</u>	<u>Retirements</u> <u>and Transfers</u>	<u>Balance</u> <u>June 30, 2014</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 841,418.00			\$ 841,418.00
Construction in Progress	515,543.50		\$ (515,543.50)	
Total Capital Assets, not being Depreciated	<u>1,356,961.50</u>	<u>-</u>	<u>(515,543.50)</u>	<u>841,418.00</u>
Capital Assets, being Depreciated:				
Land Improvements	919,540.91			919,540.91
Buildings and Improvements	6,119,341.36	\$ 3,159,695.00		9,279,036.36
Equipment	981,289.27	289,518.81		1,270,808.08
Total Capital Assets, being Depreciated	<u>8,020,171.54</u>	<u>3,449,213.81</u>	<u>-</u>	<u>11,469,385.35</u>
Total Capital Assets, Cost	<u>9,377,133.04</u>	<u>3,449,213.81</u>	<u>(515,543.50)</u>	<u>12,310,803.35</u>
Less Accumulated Depreciation for:				
Land Improvements	(661,139.93)	(62,036.65)		(723,176.58)
Buildings and Improvements	(2,509,315.98)	(296,670.43)		(2,805,986.41)
Equipment	(645,225.81)	(150,421.90)		(795,647.71)
Total Accumulated Depreciation	<u>(3,815,681.72)</u>	<u>(509,128.98)</u>	<u>-</u>	<u>(4,324,810.70)</u>
Total Capital Assets, being Depreciated, Net	<u>4,204,489.82</u>	<u>2,940,084.83</u>	<u>-</u>	<u>7,144,574.65</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,561,451.32</u>	<u>\$ 2,940,084.83</u>	<u>\$ (515,543.50)</u>	<u>\$ 7,985,992.65</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Equipment	\$ 139,701.72	\$ 32,856.00		\$ 172,557.72
Less Accumulated Depreciation for:				
Equipment	(81,929.07)	(10,718.97)		(92,648.04)
Business-Type Activities Capital Assets, Net	<u>\$ 57,772.65</u>	<u>\$ 22,137.03</u>	<u>-</u>	<u>\$ 79,909.68</u>

Note 6: CAPITAL ASSETS (CONT'D)

Depreciation expense was charged to functions / programs of the School District as follows:

Governmental Activities:

Instruction	\$ 77,981.83
General and Business Administrative Services	22,177.95
Plant Operations and Maintenance	<u>408,969.20</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 509,128.98</u>

Business-Type Activities:

Food Service	<u>\$ 10,718.97</u>
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Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2014, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2014</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 292,898.00	\$ 3,093,000.00	\$ (155,000.00)	\$ 3,230,898.00	\$ 175,000.00
Add Amount:					
Issuance Premium		96,954.59	(4,847.73)	92,106.86	
Total Bonds Payable	<u>292,898.00</u>	<u>3,189,954.59</u>	<u>(159,847.73)</u>	<u>3,323,004.86</u>	<u>175,000.00</u>
Other Liabilities:					
Obligations under Capital Lease		211,110.87	(50,264.70)	160,846.17	46,674.33
Compensated Absences	1,013,707.74	150,775.38	(175,803.99)	988,679.13	95,716.66
Total Other Liabilities	<u>1,013,707.74</u>	<u>361,886.25</u>	<u>(226,068.69)</u>	<u>1,149,525.30</u>	<u>142,390.99</u>
Governmental Activity					
Long-Term Liabilities	<u>\$ 1,306,605.74</u>	<u>\$ 3,551,840.84</u>	<u>\$ (385,916.42)</u>	<u>\$ 4,472,530.16</u>	<u>\$ 317,390.99</u>

The bonds payable is generally liquidated by the debt service fund, while the capital lease and compensated absences are liquidated by the general fund.

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

On January 15, 1994, the School District issued \$1,400,000.00 general obligation bonds at interest rate varying to 5.20% for renovation projects. The final maturity of these bonds was January 15, 2014.

On August 15, 2005, the School District issued \$492,898.00 general obligation bonds at interest rates varying to 3.9% for local share of renovation projects partially funded by grants from the State of New Jersey. The final maturity of these bonds is August 1, 2015.

Note 7: LONG-TERM LIABILITIES (CONT'D)

On July 2, 2013, the School District issued \$3,093,000.00 general obligation bonds at interest rates varying to 4.0% to replace the roofs at the School District's three schools. The final maturity of these bonds is January 15, 2033.

Principal and interest due on bonds outstanding is as follows:

Fiscal Year				
<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2015	\$ 175,000.00	\$ 164,263.53	\$ 339,263.53	
2016	202,898.00	102,519.01	305,417.01	
2017	140,000.00	97,145.00	237,145.00	
2018	140,000.00	92,945.00	232,945.00	
2019	140,000.00	88,745.00	228,745.00	
2020-2024	760,000.00	378,175.00	1,138,175.00	
2025-2029	875,000.00	253,475.00	1,128,475.00	
2030-2033	798,000.00	81,080.00	879,080.00	
Total	<u>\$ 3,230,898.00</u>	<u>\$ 1,258,347.54</u>	<u>\$ 4,489,245.54</u>	

Bonds Authorized but not Issued - As of June 30, 2014, the School District had no authorizations to issue additional bonded debt.

Obligations under Capital Lease - The School District is leasing copiers and laptop computers totaling \$211,110.87 under capital leases. All capital leases are for terms of four to five years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2014.

Fiscal Year				
<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2015	\$ 46,674.33	\$ 6,276.03	\$ 52,950.36	
2016	48,572.34	4,378.02	52,950.36	
2017	50,547.62	2,402.74	52,950.36	
2018	15,051.88	347.00	15,398.88	
Total	<u>\$ 160,846.17</u>	<u>\$ 13,403.79</u>	<u>\$ 174,249.96</u>	

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

Note 8: OPERATING LEASES

At June 30, 2014, the School District had an operating lease agreement in effect for a mail machine. The present value of the future minimum rental payments under the operating lease agreement is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2015	\$ 2,760.00
2016	2,760.00
2017	<u>690.00</u>
	<u>\$ 6,210.00</u>

Rental payments under operating leases for the fiscal year ended June 30, 2014 were \$2,580.00.

Note 9: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. In addition, a few School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund ("TPAF") is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years, which began July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the district has been required over several preceding fiscal years.

Note 9: PENSION PLANS (CONT'D)

Public Employees' Retirement System - The Public Employees' Retirement System ("PERS") is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Regular Pension Contributions</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Paid by School District</u>
2014	\$ 20,970.00	\$ 92,195.00	\$ 113,165.00	\$ 1,925.00	\$ 115,090.00
2013	34,490.00	82,466.00	116,956.00	6,961.00	123,917.00
2012	39,015.00	78,030.00	117,045.00	7,457.00	124,502.00

Defined Contribution Retirement Program - The Defined Contribution Retirement Program ("DCRP") is a single-employer defined contribution pension fund which was established on 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.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial. 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. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2014	\$ 1,179.34	\$ 1,179.34
2013	120.00	120.00
2012	None	None

Note 10: STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving postemployment medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums 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 free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in fiscal year 2013.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

At June 30, 2014, the School District does not offer postemployment benefits.

Note 12: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2014, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$262,876.00 and \$431,018.00, respectively.

Note 13: RISK MANAGEMENT

The School 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 School 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 School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

Note 13: RISK MANAGEMENT (CONT'D)**New Jersey Unemployment Compensation Insurance (Cont'd)**

The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Claims Incurred</u>	<u>Ending Balance</u>
2014	\$ 379,024.50	\$ 17,212.59	\$ 285.80	\$ 401,145.26 ⁽¹⁾	\$ 93,334.17
2013	-	8,575.20	568.72	-	97,956.54
2012	-	15,338.48	546.99	-	88,812.62

(1) During the fiscal year ended June 30, 2014, the School District was notified that there were unpaid claims for unemployment against the School District's account with the New Jersey Department of Labor. The state garnished the School District's state aid for these outstanding claims. This amount represents those garnishments and additional obligations for the current fiscal year including an amount payable for the second quarter of 2014 in the amount of \$7,472.91 which has been paid subsequent to June 30, 2014.

Joint Insurance Pool - The School District is a member of the School Alliance Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
 Liability other than Motor Vehicles
 Property Damage other than Motor Vehicles
 Motor Vehicles
 Employee Dishonesty Coverage
 School District Legal Liability
 Commercial Excess/ Umbrella Coverage

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The School District's agreement with the Fund provides that the Fund will be self-sustaining through member premiums. The Fund self-insures some coverage and purchases reinsurance for many excess losses. Some coverage is group purchased from insurance carriers. See Exhibit J-20 in the statistical section for a detailed schedule of the School District's insurance coverage.

The Fund publishes its own financial report for the fiscal year ended June 30, 2014, which can be obtained from:

School Alliance Insurance Fund
 51 Everett Drive, Suite B-40
 West Windsor, New Jersey 08550

Note 14: DEFERRED COMPENSATION

The School District offers its employees a choice of four deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning, Inc.
The Equitable Life Assurance Company
Met Life
Oppenheimer Funds

Note 15: COMPENSATED ABSENCES

The School 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.

School District employees who are employed for ten months are entitled to eleven paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. The accumulation of sick leave for part-time employees is based on hours not days. The method of calculation of accumulated sick leave for part-time employees is detailed in the School District's policies. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2014, the liability for compensated absences reported on the government-wide statement of net position was \$988,679.13. There is no liability for compensated absences in the proprietary funds.

Note 16: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2014 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 10,635.81	
Food Service		\$ 5,405.53
Before & After Care		5,182.50
Fiduciary		47.78
	<u>\$ 10,635.81</u>	<u>\$ 10,635.81</u>

Note 16: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONT'D)

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2015, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

	<u>Transfer In:</u>	
	<u>General Fund</u>	<u>Capital Projects Fund</u>
<u>Transfer Out:</u>		
General Fund		\$ 217.00
Capital Projects Fund	\$ 4,608.58	
Total Transfers	<u>\$ 4,608.58</u>	<u>\$ 217.00</u>

Note 17: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$59,020.50 in the special revenue fund as of June 30, 2014 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Note 18: DEFICIT IN UNRESTRICTED NET POSITION

The School District has a deficit in unrestricted net position in the governmental activities of \$912,706.67. This deficit is largely due to the deficit in fund balance in the Special Revenue Fund of \$59,020.50 (Note 17) and the balance of compensated absences of \$988,679.13.

Note 19: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund -

For Capital Reserve Account - As of June 30, 2014, the balance in the capital reserve account is \$1,754,071.23. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Debt Service Fund - There is a balance of \$.23 in the Debt Service Fund. This restricted balance can be utilized in a future budget.

ASSIGNED

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund -

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2015 \$249,455.97 of general fund balance at June 30, 2014.

UNASSIGNED

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

Special Revenue Fund - As of June 30, 2014, the fund balance of the special revenue fund was a deficit of \$50,020.50, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$59,020.50 is less than the last state aid payment.

Note 20: RESTATEMENT OF NET POSITION

In the Statement of Activities for the fiscal year ended June 30, 2014, beginning net position for Governmental Activities has been restated. Net position has been increased by prior fiscal year Capital Project Fund expenditures in the amount of \$182,540.00 which should have been recorded as construction in progress. In addition, net position has been decreased for the preliminary deposit of bond proceeds received in the fiscal year ended June 30, 2013 which should not have increased net position. As a result, beginning net position had a net increase of \$120,680.00.

Net Position, June 30, 2013	\$ 5,859,522.73
Fiscal Year 2013 Expenses Capitalized in Fiscal Year 2014	<u>182,540.00</u>
	6,042,062.73
Bond Proceeds Collected in Fiscal Year 2013	<u>(61,860.00)</u>
Net Position, June 30, 2013 (Restated)	<u>\$ 5,980,202.73</u>

Note 21: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Note 22: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 23: SUBSEQUENT EVENTS

On July 3, 2014, the School District entered into a lease purchase agreement with MRA International for the purchase of 130 laptop computers. The lease requires the principal of \$163,280.00 to be paid over four annual payments of \$42,689.56 each which includes total interest for the term of the lease of \$7,478.24.

The School District has entered into an agreement under the Educational Facilities Construction and Financing Act, P.L. 2000, c.72 for the construction of an early childhood addition to the Bellmawr Park Elementary School. The total cost of the project is approximately \$2,755,896.00. The project will be funded by grant funds from the New Jersey Economic Development Authority under the Regular Operating District (ROD 4) grant funding in the amount of \$725,737.00, utilization of the School District's capital reserve in the amount of \$1,630,159.00 and a capital lease in an amount not to exceed \$400,000.00.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 8,063,489.00		\$ 8,063,489.00	\$ 8,063,489.00	
Interest Income	14,000.00		14,000.00	4,265.21	\$ (9,734.79)
Interest Earned on Capital Reserve Funds	7,380.00		7,380.00	4,008.05	(3,371.95)
Tuition				73,718.38	73,718.38
Unrestricted Miscellaneous Revenues	5,000.00		5,000.00	79,952.33	74,952.33
Total - Local Sources	8,089,869.00	-	8,089,869.00	8,225,432.97	135,563.97
State Sources:					
Equalization Aid	4,175,821.00		4,175,821.00	4,175,821.00	
School Choice Aid	150,135.00		150,135.00	150,135.00	
Categorical Special Education Aid	602,816.00		602,816.00	602,816.00	
Categorical Security Aid	56,414.00		56,414.00	56,414.00	
Categorical Transportation Aid	9,872.00		9,872.00	9,872.00	
Under Adequacy Aid	104,103.00		104,103.00	104,103.00	
Extraordinary Aid	40,000.00		40,000.00	19,903.00	(20,097.00)
Harrassment, Intimidation and Bullying (HIB)				25,521.00	25,521.00
Additional Non-Public Transportation Aid				10,987.00	10,987.00
Payment for Institutionalized Children-Unknown District of Residence				9,397.45	9,397.45
On - behalf TPAF Pension Contributions				262,876.00	262,876.00
On - behalf TPAF Pension Contributions-Post Retirement Medical				431,018.00	431,018.00
Reimbursed TPAF Social Security Contributions				502,700.49	502,700.49
Total - State Sources	5,139,161.00	-	5,139,161.00	6,361,563.94	1,222,402.94
Federal Sources:					
SEMI Medicaid	18,122.00		18,122.00	27,364.53	9,242.53
Total - Federal Sources	18,122.00	-	18,122.00	27,364.53	9,242.53
Total Revenues	13,247,152.00	-	13,247,152.00	14,614,361.44	1,367,209.44

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES					
General Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 364,174.00	\$ (42,664.00)	\$ 321,510.00	\$ 321,510.00	
Grades 1-5	1,970,502.00	(11,055.04)	1,959,446.96	1,959,303.54	\$ 143.42
Grades 6-8	1,302,385.00	(26,657.25)	1,275,727.75	1,274,649.84	1,077.91
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000.00	(1,800.23)	3,199.77	3,199.77	
Purchased Professional Educational Services	5,000.00	(2,199.77)	2,800.23	2,748.80	51.43
Regular Programs - Undistributed					
Instruction:					
Other Salaries for Instruction		32,056.64	32,056.64	32,056.64	
Purchased Professional - Educational Services	120,671.00	81,957.08	202,628.08	202,628.08	
Purchased Professional and Technical Services	13,272.00	16,462.87	29,734.87	29,734.87	
Other Purchased Services (400-500 series)	68,429.00	27,110.64	95,539.64	93,355.15	2,184.49
General Supplies	218,241.00	(54,026.02)	164,214.98	159,081.23	5,133.75
Textbooks		1,262.10	1,262.10	1,249.76	12.34
Other Objects	4,200.00	1,176.00	5,376.00	5,376.00	
Total Regular Programs - Instruction	4,071,874.00	21,623.02	4,093,497.02	4,084,893.68	8,603.34
Special Education Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	148,377.00	(9,508.00)	138,869.00	138,569.00	300.00
Other Salaries for Instruction	67,171.00	(911.06)	66,259.94	66,259.94	
General Supplies	2,843.00	(1,000.00)	1,843.00	891.31	951.69
Total Learning and/or Language Disabilities	218,391.00	(11,419.06)	206,971.94	205,720.25	1,251.69

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D)					
General Current Expense (Cont'd):					
Special Education Instruction (Cont'd):					
Multiple Disabilities:					
Salaries of Teachers	\$ 235,424.00	\$ (462.00)	\$ 234,962.00	\$ 234,662.00	\$ 300.00
Other Salaries for Instruction	152,131.00	(47,075.30)	105,055.70	105,003.29	52.41
General Supplies	7,812.00	2,000.00	9,812.00	9,262.94	549.06
Other Objects	425.00	2,000.00	2,425.00	412.40	2,012.60
Total Multiple Disabilities	395,792.00	(43,537.30)	352,254.70	349,340.63	2,914.07
Resource Room / Resource Center:					
Salaries of Teachers	727,991.00	(96,911.41)	631,079.59	614,799.37	16280.22
Other Salaries for Instruction	109,965.00	(41,910.18)	68,054.82	64,099.78	3955.04
General Supplies	5,376.00	(2,000.00)	3,376.00	3,019.66	356.34
Total Resource Room / Resource Center	843,332.00	(140,821.59)	702,510.41	681,918.81	20,591.60
Preschool Disabilities - Full Time:					
Salaries of Teachers	49,818.00	5,398.00	55,216.00	55,216.00	
Other Salaries for Instruction	41,509.00	20,737.80	62,246.80	62,246.80	
General Supplies	2,351.00	500.00	2,851.00	2,732.46	118.54
Total Preschool Disabilities - Full Time	93,678.00	26,635.80	120,313.80	120,195.26	118.54
Home Instruction:					
Salaries of Teachers	3,000.00	(1,000.00)	2,000.00	923.43	1,076.57
Purchased Professional - Educational Services	2,000.00	4,000.00	6,000.00	4,982.20	1,017.80
Total Home Instruction	5,000.00	3,000.00	8,000.00	5,905.63	2,094.37
Total Special Education - Instruction	1,556,193.00	(166,142.15)	1,390,050.85	1,363,080.58	26,970.27

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D)					
General Current Expense (Cont'd):					
Basic Skills/ Remedial - Instruction:					
Salaries of Teachers	\$ 168,272.00	\$ (11,095.05)	\$ 157,176.95	\$ 65,707.00	\$ 91,469.95
Purchased Professional - Educational Services		1,595.00	1,595.00	784.68	810.32
General Supplies	750.00		750.00	723.81	26.19
Total Basic Skills/ Remedial - Instruction	169,022.00	(9,500.05)	159,521.95	67,215.49	92,306.46
Bilingual Education - Instruction:					
Salaries of Teachers	161,280.00	(48,552.00)	112,728.00	81,230.96	31,497.04
General Supplies	1,806.00		1,806.00	1,791.15	14.85
Total Bilingual Education - Instruction	163,086.00	(48,552.00)	114,534.00	83,022.11	31,511.89
School - Sponsored Cocurricular Activities - Instruction:					
Salaries	39,655.00	(3,899.95)	35,755.05	35,755.05	
Purchased Services	6,000.00	(1,940.75)	4,059.25	4,000.00	59.25
Supplies and Materials	2,539.00	141.53	2,680.53	1,881.29	799.24
Other Objects	500.00		500.00	321.00	179.00
Total School - Sponsored Cocurricular Activities - Instruction	48,694.00	(5,699.17)	42,994.83	41,957.34	1,037.49
School - Sponsored Athletics - Instruction:					
Salaries	26,476.00	3,943.00	30,419.00	30,419.00	
Purchased Services	4,000.00	375.00	4,375.00	4,375.00	
Supplies and Materials	386.00	2,641.62	3,027.62	3,027.62	
Total School - Sponsored Athletics - Instruction	30,862.00	6,959.62	37,821.62	37,821.62	-

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D)					
General Current Expense (Cont'd):					
Before/ After School Programs - Instruction:					
Salaries of Teachers	\$ 25,000.00	\$ 8,537.88	\$ 33,537.88	\$ 33,537.88	
Other Purchased Services	378.00	(378.00)			
Supplies and Materials	2,000.00	(2,000.00)			
Total Before/ After School Programs - Instruction	27,378.00	6,159.88	33,537.88	33,537.88	-
Summer School - Instruction:					
Salaries of Teachers	10,500.00	6,811.79	17,311.79	17,311.79	
Other Salaries for Instruction	12,000.00	300.00	12,300.00	12,300.00	
General Supplies	450.00	(300.00)	150.00	103.34	\$ 46.66
Total Summer School Instruction	22,950.00	6,811.79	29,761.79	29,715.13	46.66
Summer School - Support Services:					
Salaries	2,297.00	(2,297.00)			
Purchased Professional and Technical Services	2,400.00	(2,400.00)			
Total Summer School - Support Services	4,697.00	(4,697.00)	-	-	-
Total Summer School	27,647.00	2,114.79	29,761.79	29,715.13	46.66
Other Supplemental / At Risk Programs - Instruction:					
Salaries of Reading Specialist	75,034.00	918.00	75,952.00	75,952.00	
General Supplies	150.00		150.00	132.38	17.62
Total Other Supplemental/ At Risk Programs	75,184.00	918.00	76,102.00	76,084.38	17.62
Community Service Programs					
Community Service Family Center	-	500.78	500.78	267.50	233.28
Total Instruction	6,169,940.00	(191,617.28)	5,978,322.72	5,817,595.71	160,727.01

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
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 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D)					
General Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Regular	\$ 30,000.00	\$ 38,732.88	\$ 68,732.88	\$ 68,732.88	
Tuition to Other LEA's Within the State - Special	85,615.00	(14,558.46)	71,056.54	57,100.11	\$ 13,956.43
Tuition to County Special Services School Districts and Regional Day Schools	337,968.00	(85,471.22)	252,496.78	242,491.07	10,005.71
Tuition to Private Schools for the Handicapped - Within State	364,499.00	(22,316.74)	342,182.26	339,121.21	3,061.05
Tuition - Other	50,759.00	(3,264.00)	47,495.00	47,495.00	
Total Undistributed Expenditures - Instruction	868,841.00	(86,877.54)	781,963.46	754,940.27	27,023.19
Undistributed Expenditures - Attendance and Social Work:					
Purchased Professional and Technical Services	2,000.00		2,000.00	2,000.00	
Other Purchased Services (400-500 Series)	17,000.00	(110.00)	16,890.00	16,890.00	
Total Undistributed Expenditures - Attendance and Social Work	19,000.00	(110.00)	18,890.00	18,890.00	-
Undistributed Expenditures - Health Services:					
Salaries	7,210.00	(7,210.00)			
Purchased Professional and Technical Services	227,000.00	20,000.00	247,000.00	234,838.31	12,161.69
Other Purchased Services (400-500 series)	250.00		250.00		250.00
Supplies and Materials	3,370.00	947.42	4,317.42	3,687.82	629.60
Total Undistributed Expenditures - Health Services	237,830.00	13,737.42	251,567.42	238,526.13	13,041.29
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	114,206.00	2,716.00	116,922.00	116,422.00	500.00
Purchased Professional - Educational Services	147,000.00		147,000.00	105,543.50	41,456.50
Other Objects	1,016.00	1,047.34	2,063.34	1,987.12	76.22
Total Undistributed Expenditures - Speech, OT, PT and Related Services	262,222.00	3,763.34	265,985.34	223,952.62	42,032.72

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
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 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D)					
General Current Expense (Cont'd):					
Undistributed Expenditures - Other Support Services - Students - Extraordinary:					
Salaries	\$ 46,108.00	\$ (2,716.00)	\$ 43,392.00	\$ 20,816.00	\$ 22,576.00
Purchased Professional and Educational Services	40,480.00		40,480.00	15,911.25	24,568.75
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary	86,588.00	(2,716.00)	83,872.00	36,727.25	47,144.75
Undistributed Expenditures - Guidance Services:					
Purchased Professional - Educational Services	81,090.00	55,000.00	136,090.00	111,300.00	24,790.00
Other Purchased Services (400-500 series)	2,500.00		2,500.00		2,500.00
Supplies and Materials	1,611.00		1,611.00	1,169.44	441.56
Total Undistributes Expenditures - Guidance Services	85,201.00	55,000.00	140,201.00	112,469.44	27,731.56
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	422,847.00	(9,519.10)	413,327.90	413,327.90	
Salaries of Secretarial and Clerical Assistants	36,756.00	(11,367.00)	25,389.00	24,228.80	1,160.20
Purchased Professional - Educational Services	3,200.00	115.00	3,315.00	3,315.00	
Other Purchased Professional and Technical Services	6,550.00		6,550.00	4,500.51	2,049.49
Misc. Purchased Services	3,000.00	14,600.00	17,600.00	16,861.90	738.10
Supplies and Materials	1,924.00	4,500.00	6,424.00	2,801.78	3,622.22
Other Objects	2,200.00	860.00	3,060.00	2,060.00	1,000.00
Total Undistributed Expenditures - Child Study Teams	476,477.00	(811.10)	475,665.90	467,095.89	8,570.01
Undistributed Expenditures - Improvement of Instructional Services:					
Salary of Supervisor of Instruction	104,354.00	(0.08)	104,353.92	104,353.92	
Salaries of Other Professional Staff	12,000.00	(9,380.06)	2,619.94	2,619.94	
Salaries of Secretarial and Clerical Assistants	29,355.00	(700.80)	28,654.20	28,654.20	
Other Salaries	450.00	(450.00)			
Purchased Professional Educational Services		4,000.00	4,000.00	4,000.00	
Other Purchased Services (400-500 series)	19,795.00	(1,100.00)	18,695.00	18,274.97	420.03
Supplies and Materials	6,600.00	2,961.50	9,561.50	9,561.50	
Other Objects	1,300.00	(46.76)	1,253.24	1,239.00	14.24
					(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
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	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D)					
General Current Expense (Cont'd):					
Total Undistributed Expenditures - Improvement of Instructional Services	\$ 173,854.00	\$ (4,716.20)	\$ 169,137.80	\$ 168,703.53	\$ 434.27
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	211,937.00	(2,659.08)	209,277.92	209,277.92	
Salaries of Technology Coordinators	49,818.00	3,844.00	53,662.00	53,662.00	
Other Purchased Services (400-500 series)	4,773.00	1,149.50	5,922.50	5,610.42	312.08
Supplies and Materials	2,173.00	1.00	2,174.00	1,512.00	662.00
Total Undistributed Expenditures - Educational Media Services / School Library	268,701.00	2,335.42	271,036.42	270,062.34	974.08
Undistributed Expenditures - Instructional Staff Training Services:					
Other Salaries	7,800.00	1,906.70	9,706.70	9,706.70	
Purchased Professional Educational Services	30,400.00	(1,275.20)	29,124.80	10,498.00	18,626.80
Other Purchased Services (400-500 series)	5,800.00		5,800.00	5,218.82	581.18
Supplies and Materials	300.00		300.00		300.00
Total Undistributed Expenditures - Instructional Staff Training Services	44,300.00	631.50	44,931.50	25,423.52	19,507.98
Undistributed Expenditures - Support Services - General Administration:					
Salaries	181,644.00	4,702.08	186,346.08	186,346.08	
Legal Services	10,000.00	(2,370.23)	7,629.77	3,862.37	3,767.40
Audit Fees	55,000.00	(3,000.00)	52,000.00	52,000.00	
Architectural and Engineering Services	5,000.00	(5,000.00)			
Other Purchased Professional Services	4,540.00	297.92	4,837.92	4,204.60	633.32
Purchased Technical Services	6,785.00	50.00	6,835.00	6,835.00	
Communications / Telephone	40,070.00	10,569.68	50,639.68	50,639.68	
BOE Other Purchased Services	1,500.00	1,228.50	2,728.50	2,728.50	
Miscellaneous Purchased Services (400-500 series)	29,553.00	(1,126.38)	28,426.62	28,063.67	362.95
General Supplies	2,300.00	(50.85)	2,249.15	2,024.24	224.91
Miscellaneous Expenditures	4,650.00	3,067.11	7,717.11	7,717.11	
BOE Membership Dues and Fees	6,200.00	(98.15)	6,101.85	6,101.85	

(Continued)

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 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D)					
General Current Expense (Cont'd):					
Total Undistributed Expenditures - Support Services - General Administration	\$ 347,242.00	\$ 8,269.68	\$ 355,511.68	\$ 350,523.10	\$ 4,988.58
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals/ Program Directors	284,872.00	5,443.99	290,315.99	290,315.99	
Salaries of Secretarial and Clerical Assistants	144,032.00	(21,548.95)	122,483.05	121,847.20	635.85
Other Purchased Services	1,500.00		1,500.00	933.50	566.50
Supplies and Materials	4,664.00	2,301.25	6,965.25	2,337.18	4,628.07
Other Objects	4,500.00	(450.00)	4,050.00	4,050.00	
Total Undistributed Expenditures - Support Services - School Administration	439,568.00	(14,253.71)	425,314.29	419,483.87	5,830.42
Undistributed Expenditures - Central Services:					
Salaries	208,888.00	3,610.21	212,498.21	212,498.21	
Purchased Professional Services	13,700.00	(1,235.21)	12,464.79	10,725.64	1,739.15
Purchased Technical Services	13,525.00	2,260.00	15,785.00	14,775.00	1,010.00
Miscellaneous Purchased Services	1,200.00		1,200.00	1,191.73	8.27
Supplies and Materials	1,000.00	1,000.00	2,000.00	1,202.92	797.08
Miscellaneous Expenditures	2,121.00	400.00	2,521.00	1,821.39	699.61
Total Undistributed Expenditures - Central Services	240,434.00	6,035.00	246,469.00	242,214.89	4,254.11
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	36,192.00	2,100.00	38,292.00	35,290.26	3,001.74
Cleaning, Repair and Maintenance Services	362,979.08	(7,280.46)	355,698.62	330,159.51	25,539.11
General Supplies	43,994.62		43,994.62	29,882.47	14,112.15
Total Undistributed Expenditures - Required Maintenance for School Facilities	443,165.70	(5,180.46)	437,985.24	395,332.24	42,653.00

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D)					
General Current Expense (Cont'd):					
Undistributed Expenditures - Custodial Services:					
Salaries	\$ 371,519.00	\$ 4,397.54	\$ 375,916.54	\$ 375,916.54	
Salaries of Non-Instructional Aides	12,000.00	(2,491.61)	9,508.39	8,836.23	\$ 672.16
Purchased Professional and Technical Services	3,000.00	2,275.00	5,275.00	5,025.00	250.00
Cleaning, Repair and Maintenance Services	72,154.00	(1,608.47)	70,545.53	69,154.81	1,390.72
Other Purchased Property Services	15,000.00	4,848.78	19,848.78	19,848.78	
Insurance	38,120.00	3,672.00	41,792.00	41,792.00	
Miscellaneous Purchased Services	100.00		100.00	8.00	92.00
General Supplies	49,369.61	3,000.00	52,369.61	52,183.21	186.40
Energy - Natural Gas	100,000.00	(9,736.72)	90,263.28	90,111.63	151.65
Energy - Electricity	200,000.00	9,736.72	209,736.72	209,736.72	
Energy - Gasoline	2,500.00	1,036.76	3,536.76	3,536.76	
Other Objects	2,100.00		2,100.00	2,018.00	82.00
Total Undistributed Expenditures - Custodial Services	865,862.61	15,130.00	880,992.61	878,167.68	2,824.93
Undistributed Expenditures - Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	31,400.00	(14,533.73)	16,866.27	11,869.12	4,997.15
General Supplies	14,411.06	4,420.64	18,831.70	18,831.70	
Total Undistributed Expenditures - Care and Upkeep of Grounds	45,811.06	(10,113.09)	35,697.97	30,700.82	4,997.15
Undistributed Expenditures - Security:					
Security Services	30,150.00	(20,933.76)	9,216.24	9,216.24	
General Supplies	400.00		400.00		400.00
Total Undistributed Expenditures - Security	30,550.00	(20,933.76)	9,616.24	9,216.24	400.00
Total Undistributed Expenditures - Operation and Maintenance of Plant	1,385,389.37	(21,097.31)	1,364,292.06	1,313,416.98	50,875.08

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D)					
General Current Expense (Cont'd):					
Undistributed Expenditures - Student Transportation Services:					
Management Fee - ESC and CTSA Transportation Program		\$ 14,470.20	\$ 14,470.20	\$ 14,470.20	
Contracted Services - Aid in Lieu Payments - Nonpublic Schools	\$ 55,000.00	1,326.76	56,326.76	56,248.79	\$ 77.97
Contracted Services - Aid in Lieu Payments - Charter School Students		884.00	884.00	442.00	442.00
Contracted Services - Aid in Lieu Payments - Choice Students	4,420.00	(325.69)	4,094.31	3,536.00	558.31
Contracted Services (Other than Between Home and School) - Vendors	6,275.00	189.00	6,464.00	6,464.00	
Contracted Services (Special Education Students) - Vendors	108,614.00	(104,233.10)	4,380.90	4,360.27	20.63
Contracted Services (Regular Education Students) - ESC		3,366.32	3,366.32	3,366.32	
Contracted Services (Special Education Students) - ESC's and CTSA's	184,003.00	102,034.16	286,037.16	286,037.16	
Total Undistributed Expenditures - Student Transportation Services	358,312.00	17,711.65	376,023.65	374,924.74	1,098.91
Unallocated Benefits - Employee Benefits:					
Group Life Insurance		370.44	370.44	370.44	
Social Security Contributions	140,000.00	(3,993.88)	136,006.12	135,006.25	999.87
Other Retirement Contributions - PERS	141,420.00	(25,029.88)	116,390.12	116,269.34	120.78
Unemployment Compensation		379,024.50	379,024.50	379,024.50	
Workers' Compensation	86,059.00	405.00	86,464.00	86,464.00	
Health Benefits	2,009,642.00	(230,313.12)	1,779,328.88	1,764,234.76	15,094.12
Tuition Reimbursement	30,000.00	(10,396.00)	19,604.00	19,104.00	500.00
Other Employee Benefits	112,040.00	38,154.38	150,194.38	150,178.38	16.00
Total Unallocated Benefits - Employee Benefits	2,519,161.00	148,221.44	2,667,382.44	2,650,651.67	16,730.77
On - behalf TPAF Pension Contributions				262,876.00	(262,876.00)
On - behalf TPAF Pension Contributions-Post Retirement Medical				431,018.00	(431,018.00)
Reimbursed TPAF Social Security Contributions				502,700.49	(502,700.49)
	-	-	-	1,196,594.49	(1,196,594.49)
Total Undistributed Expenditures	7,813,120.37	125,123.59	7,938,243.96	8,864,600.73	(926,356.77)

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D)					
General Current Expense (Cont'd):					
Total General Current Expense	\$ 13,983,060.37	\$ (66,493.69)	\$ 13,916,566.68	\$ 14,682,196.44	\$ (765,629.76)
Capital Outlay:					
Increase in Capital Reserve	7,380.00	-	7,380.00	4,008.05	3,371.95
Equipment:					
Preschool		9,773.49	9,773.49	9,773.49	
Multiple Disabilities		6,174.05	6,174.05	6,174.05	
Undistributed Expenditures - Instruction	32,472.25	(2,915.85)	29,556.40	29,556.40	
Undistributed Expenditures - Admin Info Tech		3,323.00	3,323.00	3,323.00	
Undistributed Expenditures - Care and Upkeep of Grounds		3,744.00	3,744.00	3,744.00	
Undistributed Expenditures - Security		23,200.00	23,200.00	23,200.00	
Total Equipment	32,472.25	43,298.69	75,770.94	75,770.94	-
Facilities Acquisition and Construction Services:					
Construction Services	66,695.60		66,695.60	66,695.60	
Assessment for Debt Service on SDA Funding	7,699.00		7,699.00	7,699.00	
Total Facilities Acquisition and Construction Services	74,394.60	-	74,394.60	74,394.60	-
Assets Acquired Under Capital Lease (Non-Budgeted):					
Copiers				69,289.42	(69,289.42)
Laptop Computers				141,821.45	(141,821.45)
Total Assets Acquired Under Capital Lease (Non-Budgeted)	-	-	-	211,110.87	(211,110.87)
Total Capital Outlay	114,246.85	43,298.69	157,545.54	365,284.46	(207,738.92)
Transfer of Funds to Charter Schools	23,086.00	23,195.00	46,281.00	46,281.00	-
Total Expenditures	14,120,393.22	-	14,120,393.22	15,093,761.90	(973,368.68)

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (873,241.22)	-	\$ (873,241.22)	\$ (479,400.46)	\$ 393,840.76
Other Financing Sources (Uses):					
Assets Acquired by Capital Lease				211,110.87	211,110.87
Capital Outlay Transferred to Capital Reserve				(144,081.58)	(144,081.58)
Capital Reserve Transferred from Capital Outlay				144,081.58	144,081.58
Interest Deposited in Capital Reserve				4,008.05	4,008.05
Capital Projects Fund Transferred to Capital Reserve				4,608.58	4,608.58
Capital Reserve Transferred to Capital Projects Fund				(217.00)	(217.00)
Total Other Financing Sources (Uses)	-	-	-	219,510.50	219,510.50
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(873,241.22)	-	(873,241.22)	(259,889.96)	174,330.26
Fund Balances, July 1	2,739,135.66	-	2,739,135.66	2,739,135.66	-
Fund Balances, June 30	\$ 1,865,894.44	-	\$ 1,865,894.44	\$ 2,479,245.70	\$ 174,330.26
Recapitulation:					
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 1,754,071.23	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				440,462.00	
Unassigned Fund Balance				284,712.47	
				2,479,245.70	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(475,718.50)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,003,527.20	

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original <u>Budget</u>	Budget Transfers / <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Federal Sources:					
Title I	\$ 171,605.00	\$ 144,176.00	\$ 315,781.00	\$ 305,781.00	\$ (10,000.00)
Title II - A	26,663.00	11,089.00	37,752.00	37,752.00	
Title III	8,618.00	13,059.20	21,677.20	21,677.20	
I.D.E.I.A., Part B	231,578.00	34,164.00	265,742.00	265,742.00	
I.D.E.I.A., Part B, Preschool	10,214.00	1,268.00	11,482.00	11,482.00	
Total - Federal Sources	448,678.00	203,756.20	652,434.20	642,434.20	(10,000.00)
State Sources:					
PreSchool Education Aid	643,966.00		643,966.00	633,938.11	(10,027.89)
Total - State Sources	643,966.00	-	643,966.00	633,938.11	(10,027.89)
Total Revenues	1,092,644.00	203,756.20	1,296,400.20	1,276,372.31	(20,027.89)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	489,025.00	115,308.94	604,333.94	604,333.94	
Other Salaries for Instruction	114,308.00	(584.00)	113,724.00	110,416.11	3,307.89
Purchased Professional and Technical Services	26,663.00	(16,663.00)	10,000.00	10,000.00	10,000.00
Other Purchased Services (400-500 series)	241,792.00	35,432.00	277,224.00	277,224.00	
Instructional Supplies	15,000.00	11,737.15	26,737.15	26,737.15	
Other Objects		2,199.00	2,199.00	2,199.00	
	886,788.00	147,430.09	1,034,218.09	1,020,910.20	13,307.89
Support Services:					
Salaries of Program Directors	69,000.00	6,434.34	75,434.34	75,434.34	
Salaries of Secretarial and Clerical Assistants	42,678.00	(24,164.00)	18,514.00	18,514.00	
Salaries of Parent Community Specialist	20,000.00	(20,000.00)			
Personal Services - Employee Benefits	63,178.00	54,577.73	117,755.73	117,755.73	
Purchased Professional and Technical Services		38,612.00	38,612.00	38,612.00	
Other Purchased Professional Services	10,000.00		10,000.00	4,280.00	5,720.00
Other Purchased Services	500.00		500.00	500.00	500.00
Supplies and Materials		866.04	866.04	866.04	
Other Objects	500.00		500.00	500.00	500.00
Total Support Services	205,856.00	56,326.11	262,182.11	255,462.11	6,720.00
Total Expenditures	1,092,644.00	203,756.20	1,296,400.20	1,276,372.31	20,027.89
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2014

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	\$ 14,614,361.44	\$ 1,276,372.31
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes, and State aid payment recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(11,854.70)</u>	<u>(20,333.30)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 14,602,506.74</u>	<u>\$ 1,256,039.01</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<u>\$ 15,093,761.90</u>	<u>\$ 1,276,372.31</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 15,093,761.90</u>	<u>\$ 1,276,372.31</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

BOROUGH OF BELLMAWR SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedules of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	<u>Total</u>	<u>Title I</u>	<u>NCLB Title II - A</u>	<u>Title III</u>	<u>Total Brought Forward</u>
REVENUES:					
Federal Sources	\$ 642,434.20	\$ 305,781.00	\$ 37,752.00	\$ 21,677.20	\$ 277,224.00
State Sources	633,938.11				633,938.11
Total Revenues	1,276,372.31	305,781.00	37,752.00	21,677.20	911,162.11
EXPENDITURES:					
Instruction:					
Salaries of Teachers	604,333.94	238,439.27		8,939.67	356,955.00
Other Salaries for Instruction	110,416.11				110,416.11
Other Purchased Services (400-500 series)	277,224.00				277,224.00
Instructional Supplies	26,737.15	6,928.00		4,809.15	15,000.00
Other Objects	2,199.00			2,199.00	
Total Instruction	1,020,910.20	245,367.27	-	15,947.82	759,595.11
Support Services:					
Salaries of Program Directors	75,434.34	500.00		4,198.34	70,736.00
Salaries of Secretarial and Clerical Assistants	18,514.00				18,514.00
Personal Services - Employee Benefits	117,755.73	59,718.73			58,037.00
Other Purchased Professional Education Services	4,280.00				4,280.00
Purchased Professional and Technical Services	38,612.00	195.00	37,752.00	665.00	
Supplies and Materials	866.04			866.04	
Total Support Services	255,462.11	60,413.73	37,752.00	5,729.38	151,567.00
Total Expenditures	1,276,372.31	305,781.00	37,752.00	21,677.20	911,162.11
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedules of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Total Carried Forward	I.D.E.I.A. Part B		Preschool Educator Aid
		Basic	Preschool	
REVENUES:				
Federal Sources	\$ 277,224.00	\$ 265,742.00	\$ 11,482.00	
State Sources	633,938.11			\$ 633,938.11
Total Revenues	911,162.11	265,742.00	11,482.00	633,938.11
EXPENDITURES:				
Instruction:				
Salaries of Teachers	356,955.00			356,955.00
Other Salaries for Instruction	110,416.11			110,416.11
Other Purchased Services (400-500 series)	277,224.00	265,742.00	11,482.00	
Instructional Supplies	15,000.00			15,000.00
Other Objects				
Total Instruction	759,595.11	265,742.00	11,482.00	482,371.11
Support Services:				
Salaries of Program Directors	70,736.00			70,736.00
Salaries of Secretarial and Clerical Assistants	18,514.00			18,514.00
Personal Services - Employee Benefits	58,037.00			58,037.00
Other Purchased Professional Education Services	4,280.00			4,280.00
Purchased Professional and Technical Services				
Supplies and Materials				
Total Support Services	151,567.00	-	-	151,567.00
Total Expenditures	911,162.11	265,742.00	11,482.00	633,938.11
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-

BOROUGH OF BELLMAWR SCHOOL DISTRICT
SPECIAL REVENUE FUND
Statement of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 356,955.00	\$ 356,955.00	
Other Salaries for Instruction	113,723.67	110,416.11	\$ 3,307.56
Supplies and Materials	15,000.00	15,000.00	
Total Instruction	<u>485,678.67</u>	<u>482,371.11</u>	<u>3,307.56</u>
Support Services:			
Salaries of Program Directors	70,736.00	70,736.00	
Salaries of Secretarial and Clerical Assistants	18,514.00	18,514.00	
Personal Services - Employee Benefits	58,037.00	58,037.00	
Other Purchased Professional Education Services	10,000.00	4,280.00	5,720.00
Contract Services - Transportation for Field Trips	500.00		500.00
Other Objects	500.00		500.00
Total Support Services	<u>158,287.00</u>	<u>151,567.00</u>	<u>6,720.00</u>
Total Expenditures	<u>\$ 643,965.67</u>	<u>\$ 633,938.11</u>	<u>\$ 10,027.56</u>
<u>Calculation of Budget and Carryover</u>			
Total revised 2013-14 Preschool Education Aid Allocation			\$ 590,205.00
Add: Actual ECPA/PEA Carryover (June 30, 2013)			53,760.67
Add: Budgeted Transfer from General Fund 2013-14			<u> </u>
Total Preschool Education Funds Available for 2013-14 Budget			643,965.67
Less: 2013-14 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)			<u>643,965.67</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2014			-
Add: June 30, 2014 Unexpended Preschool Education Aid			<u>10,027.56</u>
2013-14 Carryover - Preschool Education Aid/Preschool			<u>\$ 10,027.56</u>
2013-14 Preschool Education Aid Carryover Budgeted for Preschool Programs 2014-15			<u> </u>

CAPITAL PROJECTS FUND

BOROUGH OF BELLMAWR SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2014

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Apropiations</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Unexpended Balance June 30, 2014</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Bellmawr Park Elementary School Electrical New Electrical System	8/30/2010	\$ 362,500.00	\$ 352,840.02		\$ 9,659.98	
Bellmawr Park Elementary School New Windows	8/30/2010	370,031.34	370,034.34			
2013 Bond Referendum - School Roof Replacement Project	12/11/2012	<u>3,093,000.00</u>	<u>515,543.50</u>	<u>\$ 2,577,456.50</u>		
		<u>\$ 3,825,531.34</u>	<u>\$ 1,238,417.86</u>	2,577,456.50	<u>\$ 9,659.98</u>	<u>-</u>
Bond Issuance Costs - Underwriters Discount				<u>96,954.59</u>		
Total Current Year Expenditures				<u>\$ 2,674,411.09</u>		

BOROUGH OF BELLMAWR SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
 For the Fiscal Year Ended June 30, 2014

Revenues and Other Financing Sources

Local Sources - Bond Proceeds	\$ 3,031,140.00
Local Sources - Premium on Issuance of Bonds	96,954.59
Capital Reserve Transfer to Capital Projects Fund	<u>217.00</u>
	<u>3,128,311.59</u>

Expenditures and Other Financing Uses

Expenditures:

Bond Issuance Costs - Underwriters Discount	96,954.59
Architecture	34,560.00
Legal	49,610.00
Other Purchased Professional Services	77,000.00
Construction Services	<u>2,416,286.50</u>
Total Expenditures	<u>2,674,411.09</u>

Other Financing Uses:

Excess Local Sources Transfer to Capital Reserve	4,608.58
Cancel State Share Receivable	<u>5,268.40</u>
	<u>9,876.98</u>

Total Expenditures and Other Financing Uses	<u>2,684,288.07</u>
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Excess (Deficiency) of Revenues Over (Under) Expenditures	444,023.52
Fund Balance, July 1	<u>(444,023.52)</u>
Fund Balance, June 30	<u><u>-</u></u>

BOROUGH OF BELLMAWR SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Schedule of Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Bellmawr Park Elementary School New Electrical System
 From Inception and for the Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - Educational Facilities Grant	\$ 189,534.00	\$ (5,051.40)	\$ 184,482.60	\$ 184,482.60
Capital Reserve Transfer to Capital Projects Fund	172,966.00	(4,608.58)	168,357.42	168,357.42
Total Revenues	362,500.00	(9,659.98)	352,840.02	352,840.02
Expenditures and Other Financing Uses				
Architecture	31,900.02		31,900.02	31,900.02
Construction Services	320,940.00		320,940.00	320,940.00
Total Expenditures	352,840.02	-	352,840.02	352,840.02
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 9,659.98	(9,659.98)	\$ -	\$ -

Additional Project Information

Project Number	0260-020-09-1004
Grant Date	8/30/2010
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 362,500.00
Additional Authorized Cost	(9,659.98)
Revised Authorized Cost	352,840.02
Percentage Increase over Original Authorized Cost	-
Percentage Completion	100%
Original Target Completion Date	9/30/2011
Revised Target Completion Date	N/A

BOROUGH OF BELLMAWR SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Bellmawr Park Elementary School New Windows
 From Inception and for the Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - Educational Facilities Grant	\$ 205,611.00	\$ (217.00)	\$ 205,394.00	\$ 205,394.00
Capital Reserve Transfer to Capital Projects Fund	164,420.34	217.00	164,637.34	164,637.34
Total Revenues	370,031.34	-	370,031.34	370,031.34
Expenditures and Other Financing Uses				
Architecture	29,128.14		29,128.14	29,128.14
Construction Services	340,903.20		340,903.20	340,903.20
Total Expenditures	370,031.34	-	370,031.34	370,031.34
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-

Additional Project Information

Project Number	0260-020-09-1004
Grant Date	8/30/2010
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 362,500.00
Additional Authorized Cost	7,531.34
Revised Authorized Cost	370,031.34
Percentage Increase over Original Authorized Cost	-
Percentage Completion	100%
Original Target Completion Date	9/30/2011
Revised Target Completion Date	N/A

BOROUGH OF BELLMAWR SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Schedule of Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis

2013 Bond Referendum School Roof Replacement Project

From Inception and for the Fiscal Year Ended June 30, 2014

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 61,860.00	\$ 3,031,140.00	\$ 3,093,000.00	\$ 3,093,000.00
Total Revenues	61,860.00	3,031,140.00	3,093,000.00	3,093,000.00
Expenditures and Other Financing Uses				
Architecture	182,540.00	34,560.00	217,100.00	217,100.00
Legal		49,610.00	49,610.00	49,610.00
Other Purchased Professional Services		77,000.00	77,000.00	77,000.00
Construction Services	333,003.50	2,416,286.50	2,749,290.00	2,749,290.00
Total Expenditures	515,543.50	2,577,456.50	3,093,000.00	3,093,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	(453,683.50)	\$ 453,683.50	-	-

Additional Project Information

Project Number	NA
Grant Date	NA
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 3,093,000.00
Additional Authorized Cost	-
Revised Authorized Cost	3,093,000.00
Percentage Increase over Original Authorized Cost	-
Percentage Completion	100%
Original Target Completion Date	9/1/2013
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Position
June 30, 2014

	<u>Food Service</u>	<u>Before and After Care Program</u>	<u>Totals</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 138,103.75	\$ 5,527.75	\$ 143,631.50
Accounts Receivable:			
Federal	26,008.16		26,008.16
State	778.12		778.12
Other	16,646.00	209.69	16,855.69
Inventories	<u>12,592.42</u>		<u>12,592.42</u>
Total Current Assets	<u>194,128.45</u>	<u>5,737.44</u>	<u>199,865.89</u>
Noncurrent Assets:			
Equipment	172,557.72		172,557.72
Less: Accumulated Depreciation	<u>(92,648.04)</u>		<u>(92,648.04)</u>
Total Noncurrent Assets	<u>79,909.68</u>	<u>-</u>	<u>79,909.68</u>
Total Assets	<u>274,038.13</u>	<u>5,737.44</u>	<u>279,775.57</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable			
Interfund payable -- General Fund	<u>5,405.53</u>	<u>5,182.50</u>	<u>10,588.03</u>
Total Liabilities	<u>5,405.53</u>	<u>5,182.50</u>	<u>10,588.03</u>
NET POSITION:			
Invested in Capital Assets Net of Related Debt	79,909.68		79,909.68
Unrestricted	<u>188,722.92</u>	<u>554.94</u>	<u>189,277.86</u>
Total Net Position	<u>\$ 268,632.60</u>	<u>\$ 554.94</u>	<u>\$ 269,187.54</u>

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2014

	<u>Food Service</u>	<u>Before and After Care Program</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable and Non-Reimbursable Programs	\$ 134,486.42		\$ 134,486.42
Daily Sales - Vending	5,900.77		5,900.77
Rebates	235.00		235.00
Other School District	77,269.08		77,269.08
Special Functions	1,312.95		1,312.95
Tuition and Fees		\$ 13,595.27	13,595.27
Total Operating Revenues	<u>219,204.22</u>	<u>13,595.27</u>	<u>232,799.49</u>
OPERATING EXPENSES:			
Cost of Sales	207,801.28		207,801.28
Salaries	164,486.88	12,533.75	177,020.63
Employee Benefits	35,612.24		35,612.24
Purchased Professional Services	30,913.32		30,913.32
Other Purchased Services	18,459.86		18,459.86
Supplies and Materials	18,211.97	515.11	18,727.08
Miscellaneous	107.75		107.75
Depreciation	10,718.96		10,718.96
Total Operating Expenses	<u>486,312.26</u>	<u>13,048.86</u>	<u>499,361.12</u>
Operating Income (Loss)	<u>(267,108.04)</u>	<u>546.41</u>	<u>(266,561.63)</u>
NONOPERATING REVENUES:			
State Sources:			
State School Lunch Program	6,163.95		6,163.95
Federal Sources:			
National School Lunch Program	230,019.02		230,019.02
National School Breakfast Program	60,667.88		60,667.88
Food Distribution Program	27,555.73		27,555.73
Interest	344.54	8.53	353.07
Total Nonoperating Revenues	<u>324,751.12</u>	<u>8.53</u>	<u>324,759.65</u>
Change in Net Position	57,643.08	554.94	58,198.02
Net Position, July 1	<u>210,989.52</u>	<u>-</u>	<u>210,989.52</u>
Net Position, June 30	<u>\$ 268,632.60</u>	<u>\$ 554.94</u>	<u>\$ 269,187.54</u>

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014

	<u>Food Service</u>	<u>Before and After Care Program</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 219,570.77	\$ 13,385.58	\$ 232,956.35
Payments to Employees	(164,486.88)	(7,351.25)	(171,838.13)
Payments for Employee Benefits	(35,612.24)		(35,612.24)
Payments to Suppliers	(248,806.68)	(515.11)	(249,321.79)
Net Cash Provided by (used for) Operating Activities	<u>(229,335.03)</u>	<u>5,519.22</u>	<u>(223,815.81)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Federal Sources	281,657.70		281,657.70
State Sources	5,715.41		5,715.41
Subsidies and Transfers	62,272.86		62,272.86
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>349,645.97</u>	<u>-</u>	<u>349,645.97</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	(32,856.00)		(32,856.00)
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(32,856.00)</u>	<u>-</u>	<u>(32,856.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest	344.54	8.53	353.07
Net Cash Provided by (used for) Investing Activities	<u>344.54</u>	<u>8.53</u>	<u>353.07</u>
Net Increase (Decrease) in Cash and Cash Equivalents	87,799.48	5,527.75	93,327.23
Cash and Cash Equivalents, July 1	50,304.27	-	50,304.27
Cash and Cash Equivalents, June 30	<u>\$ 138,103.75</u>	<u>\$ 5,527.75</u>	<u>\$ 143,631.50</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (267,108.04)	\$ 546.41	\$ (266,561.63)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation	10,718.96		10,718.96
Food Distribution Program	27,555.73		27,555.73
(Increase) Decrease in Accounts Receivable	366.55	(209.69)	156.86
(Increase) Decrease in Inventory	756.08		756.08
Increase (Decrease) in Interfund Payable	5,405.53		5,405.53
Increase (Decrease) in Accounts Payable	(7,029.84)	5,182.50	(1,847.34)
Total Adjustments	<u>37,773.01</u>	<u>4,972.81</u>	<u>42,745.82</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (229,335.03)</u>	<u>\$ 5,519.22</u>	<u>\$ (223,815.81)</u>

FIDUCIARY FUNDS

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2014

	<u>Trust Funds</u>			<u>Agency Funds</u>		<u>Total</u>
	<u>Mary E. Hare Memorial Scholarship Fund</u>	<u>Betty Sheppard Memorial Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Student Activity</u>	<u>Payroll</u>	
ASSETS:						
Cash and Cash Equivalents	\$ 4,087.73	\$ 6,785.74	\$ 96,558.43	\$ 48,059.74	\$ 3,489.79	\$ 158,981.43
Due from FSA (Employees)					706.64	706.64
Intrafund Accounts Receivable:						
Payroll Agency Fund			4,148.65			4,148.65
Total Assets	<u>4,087.73</u>	<u>6,785.74</u>	<u>100,707.08</u>	<u>\$ 48,059.74</u>	<u>\$ 4,196.43</u>	<u>163,836.72</u>
LIABILITIES:						
Interfund Accounts Payable:						
General Fund					\$ 47.78	47.78
Intrafund Accounts Payable:						
Unemployment Fund					4,148.65	4,148.65
Intergovernmental Accounts Payable - State			7,472.91			7,472.91
Payable to Student Groups				\$ 48,059.74		48,059.74
Total Liabilities	<u>-</u>	<u>-</u>	<u>7,472.91</u>	<u>\$ 48,059.74</u>	<u>\$ 4,196.43</u>	<u>59,729.08</u>
NET POSITION:						
Held in Trust for Unemployment						
Claims and Other Purposes			93,234.17			93,234.17
Reserved for Program Expenditures		6,785.74				6,785.74
Reserved for Scholarships	4,087.73					4,087.73
Total Net Position	<u>\$ 4,087.73</u>	<u>\$ 6,785.74</u>	<u>\$ 93,234.17</u>			<u>\$ 104,107.64</u>

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2014

	Mary E. Hare Memorial Scholarship Fund	Betty Sheppard Memorial Fund	Unemployment Compensation Trust Fund	Total
ADDITIONS:				
Contributions:				
Donations		\$ 8,421.00		\$ 8,421.00
Board Contribution			\$ 379,024.50	
Employee Salary Deductions			17,212.59	17,212.59
Investment Earnings:				
Interest	\$ 13.99	15.78	285.80	315.57
Total Additions	<u>13.99</u>	<u>8,436.78</u>	<u>396,522.89</u>	<u>25,949.16</u>
DEDUCTIONS:				
Unemployment Claims Paid			401,145.26	401,145.26
Program Expenditures		8,078.87		8,078.87
Scholarships Awarded	1,500.00			1,500.00
Total Deductions	<u>1,500.00</u>	<u>8,078.87</u>	<u>401,145.26</u>	<u>9,578.87</u>
Change in Net Position	(1,486.01)	357.91	(4,622.37)	16,370.29
Net Position, July 1	<u>5,573.74</u>	<u>6,427.83</u>	<u>97,856.54</u>	<u>109,858.11</u>
Net Position, June 30	<u>\$ 4,087.73</u>	<u>\$ 6,785.74</u>	<u>\$ 93,234.17</u>	<u>\$ 126,228.40</u>

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2014

	<u>Balance June 30, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2014</u>
ELEMENTARY SCHOOLS:				
Ethel M. Burke	\$ 2,165.05	\$ 11,397.18	\$ 11,547.56	\$ 2,014.67
Bellmawr Park	<u>9,691.30</u>	<u>25,200.10</u>	<u>30,924.85</u>	<u>3,966.55</u>
Total Elementary Schools	<u>11,856.35</u>	<u>36,597.28</u>	<u>42,472.41</u>	<u>5,981.22</u>
JUNIOR HIGH SCHOOLS:				
Bell Oaks	<u>35,967.27</u>	<u>77,131.00</u>	<u>71,019.75</u>	<u>42,078.52</u>
Total Junior High School	<u>35,967.27</u>	<u>77,131.00</u>	<u>71,019.75</u>	<u>42,078.52</u>
Total All Schools	<u><u>\$ 47,823.62</u></u>	<u><u>\$ 113,728.28</u></u>	<u><u>\$ 113,492.16</u></u>	<u><u>\$ 48,059.74</u></u>

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2014

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS:				
Cash and Cash Equivalents	\$ 34,252.38	\$ 9,252,268.99	\$ 9,283,031.58	\$ 3,489.79
Due from FSA (Employees)		706.64		706.64
Total Assets	<u>\$ 34,252.38</u>	<u>\$ 9,252,975.63</u>	<u>\$ 9,283,031.58</u>	<u>\$ 4,196.43</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 8,245.10	\$ 3,998,510.84	\$ 4,006,755.94	
Net Payroll		5,249,817.01	5,249,817.01	
Interfund Accounts Payable:				
Due Unemployment Fund		4,148.65		\$ 4,148.65
Due General Fund	26,007.28	499.13	26,458.63	47.78
Total Liabilities	<u>\$ 34,252.38</u>	<u>\$ 9,252,975.63</u>	<u>\$ 9,283,031.58</u>	<u>\$ 4,196.43</u>

LONG-TERM DEBT

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2014

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2013	Issued	Retired	Balance June 30, 2014
			Date	Amount					
Serial Bonds:									
School District Bonds, Series of 1994	1/15/94	\$ 1,400,000.00			5.20%	\$ 90,000.00		\$ 90,000.00	
School District Bonds, Series of 2005	8/1/05	492,898.00	8/1/2014	\$ 70,000.00	3.80%	202,898.00		65,000.00	\$ 137,898.00
			8/1/2015	67,898.00	3.90%				
School District Bonds, Series of 2013	7/2/13	3,093,000.00	1/15/2015	105,000.00	3.00%				
			1/15/2016	135,000.00	3.00%				
			1/15/2017-19	140,000.00	3.00%				
			1/15/2020	145,000.00	3.00%				
			1/15/2021-22	150,000.00	3.00%				
			1/15/2023	155,000.00	3.00%				
			1/15/2024	160,000.00	3.00%				
			1/15/2025	165,000.00	3.25%				
			1/15/2026	170,000.00	3.25%				
			1/15/2027	175,000.00	3.25%				
			1/15/2028	180,000.00	3.25%				
			1/15/2029	185,000.00	4.00%				
			1/15/2030	190,000.00	4.00%				
			1/15/2031	195,000.00	4.00%				
			1/15/2032	205,000.00	4.00%				
			1/15/2033	208,000.00	4.00%				
							\$ 3,093,000.00		3,093,000.00
						\$ 292,898.00	\$ 3,093,000.00	\$ 155,000.00	\$ 3,230,898.00

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Schedule of Obligation Under Capital Lease
 For the Fiscal Year Ended June 30, 2014

<u>Lease</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>		<u>Balance June 30, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2014</u>
				<u>Principal</u>	<u>Interest</u>				
Copiers	7/1/2013	60 Months	4.23%	\$ 69,289.42	\$ 7,704.98		\$ 69,289.42	\$ 12,713.22	\$ 56,576.20
Laptop Computers	7/18/2013	4 Years	3.57%	141,821.45	8,384.47		141,821.45	37,551.48	104,269.97
						-	\$ 211,110.87	\$ 50,264.70	\$ 160,846.17

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 146,500.00	-	\$ 146,500.00	\$ 146,500.00	-
State Sources:					
Debt Service Aid Type II	19,673.00	-	19,673.00	19,673.00	-
Total - State Sources	19,673.00	-	19,673.00	19,673.00	-
Total Revenues	166,173.00	-	166,173.00	166,173.00	-
EXPENDITURES:					
Regular Debt Service:					
Redemption of Principal	155,000.00		155,000.00	155,000.00	
Interest	11,174.00		11,174.00	11,174.00	
Total Regular Debt Service	166,174.00	-	166,174.00	166,174.00	-
Total Expenditures	166,174.00	-	166,174.00	166,174.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1.00)		(1.00)	(1.00)	
Fund Balance, July 1	1.23		1.23	1.23	
Fund Balance, June 30	0.23	-	0.23	0.23	-
Recapitulation:					
Restricted Fund Balance				\$ 0.23	

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities										
Net Investment in Capital Assets	\$ 4,502,141.62	\$ 5,086,013.32	\$ 4,629,329.10	\$ 4,230,246.05	\$ 3,699,786.03	\$ 3,601,902.51	\$ 3,423,941.72	\$ 3,460,935.38	\$ 3,328,264.53	\$ 3,190,404.60
Restricted	1,754,071.23	1,682,197.63	1,232,316.83	1,160,438.05	560,977.17	35,160.80	290,330.21	180,403.99	668,727.68	675,859.79
Unrestricted	(912,706.67)	(908,688.22)	(396,024.27)	(873,630.78)	(828,816.81)	(627,455.36)	(1,062,594.29)	(979,300.34)	(1,613,863.54)	(1,476,771.95)
Total Governmental Activities Net Position	\$ 5,343,506.18	\$ 5,859,522.73	\$ 5,465,621.65	\$ 4,517,053.32	\$ 3,431,946.39	\$ 3,009,607.95	\$ 2,651,677.64	\$ 2,662,039.03	\$ 2,383,128.67	\$ 2,389,492.44
Business-type Activities										
Net Investment in Capital Assets	\$ 79,909.68	\$ 57,772.65	\$ 57,213.82	\$ 26,761.29	\$ 21,449.31	\$ 2,808.22	\$ 3,873.42	\$ 5,112.62	18,711.25	19,950.25
Unrestricted	189,277.86	153,216.87	87,170.61	93,212.54	72,137.55	65,930.71	69,846.08	78,640.39	82,492.88	79,213.09
Total Business-type Activities Position	\$ 269,187.54	\$ 210,989.52	\$ 144,384.43	\$ 119,973.83	\$ 93,586.86	\$ 68,738.93	\$ 73,719.50	\$ 83,753.01	\$ 101,204.13	\$ 99,163.34
District-wide										
Net Investment in Capital Assets	\$ 4,582,051.30	\$ 5,143,785.97	\$ 4,686,542.92	\$ 4,257,007.34	\$ 3,721,235.34	\$ 3,604,710.73	\$ 3,427,815.14	\$ 3,466,048.00	\$ 3,346,975.78	\$ 3,210,354.85
Restricted	1,754,071.23	1,682,197.63	1,232,316.83	1,160,438.05	560,977.17	35,160.80	290,330.21	180,403.99	668,727.68	675,859.79
Unrestricted	(723,428.81)	(755,471.35)	(308,853.66)	(780,418.24)	(756,679.26)	(561,524.65)	(992,748.21)	(900,659.95)	(1,531,370.66)	(1,397,558.86)
Total District-wide Net Position	\$ 5,612,693.72	\$ 6,070,512.25	\$ 5,610,006.08	\$ 4,637,027.15	\$ 3,525,533.25	\$ 3,078,346.88	\$ 2,725,397.14	\$ 2,745,792.04	\$ 2,484,332.80	\$ 2,488,655.78

Source: District Records

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ending June 30,</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>	<u>2005</u>
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 5,117,185.35	\$ 4,874,039.61	\$ 4,998,761.37	\$ 5,129,290.93	\$ 5,241,432.33	\$ 4,877,512.45	\$ 4,640,402.70	\$ 4,860,980.99	\$ 4,762,934.17	\$ 4,643,032.05
Special Education	1,377,980.58	1,434,329.67	1,378,011.33	1,326,955.97	1,330,485.79	1,268,916.31	1,042,056.45	764,783.93	685,979.05	825,153.03
Other Special Education	150,037.60	101,875.43	116,783.75	76,190.14	104,993.73	115,408.05	65,999.94	62,805.15	11,670.26	10,562.03
Other Instruction	220,083.85	201,185.49	74,704.42	73,067.43	69,815.47	70,512.59	69,097.18	68,154.75	65,192.35	62,754.77
Support Services:										
Tuition	754,940.27	654,035.54	605,678.16	616,387.21	636,621.00	749,854.53	917,190.22	746,552.40	726,504.71	524,106.74
Student & Instruction Related Services	1,691,307.10	1,638,036.64	1,437,959.14	1,427,507.78	1,551,926.97	1,329,130.12	1,306,492.80	1,338,677.45	1,347,268.02	1,103,043.57
School Administrative Services	423,733.87	386,045.19	412,123.13	403,143.86	456,772.46	501,159.73	305,709.71	408,705.57	364,577.23	371,003.15
General and Business Administrative Services	718,620.53	580,715.32	571,091.68	554,520.72	514,627.83	551,218.40	570,382.99	562,728.37	466,783.92	492,159.69
Plant Operations and Maintenance	1,743,605.18	1,423,585.76	1,041,246.33	1,247,031.77	1,176,342.39	1,137,806.32	958,769.77	959,866.04	872,560.73	729,941.36
Pupil Transportation	374,924.74	288,071.10	261,704.72	212,323.96	264,519.34	343,684.74	428,241.75	335,107.21	319,968.45	243,012.16
Unallocated Benefits	3,927,223.28	3,826,906.61	3,048,964.44	2,741,012.04	2,780,023.00	2,466,661.29	3,084,676.40	3,060,534.86	2,437,306.39	2,242,930.05
Transfer to Charter School	46,281.00	40,240.00								2,360.00
Interest on Long-term Debt	118,129.95	15,202.19	25,288.96	32,753.85	45,831.35	51,889.48	59,214.49	66,131.75	62,563.77	60,609.16
Unallocated Depreciation and Amortization			10,018.00	10,018.00	10,018.00	10,018.00	10,018.00	10,018.00	9,851.33	8,018.00
Total Governmental Activities Expenses	<u>16,664,053.30</u>	<u>15,464,268.55</u>	<u>13,982,335.43</u>	<u>13,850,203.66</u>	<u>14,183,409.66</u>	<u>13,473,772.01</u>	<u>13,458,252.40</u>	<u>13,245,046.47</u>	<u>12,133,160.38</u>	<u>11,318,685.76</u>
Business-type Activities:										
Food Service	486,312.26	454,442.51	449,797.87	444,801.52	467,958.47	378,899.92	379,081.85	369,472.95	332,330.33	329,271.74
Before and After Care Program	13,048.86									
Total Business-type Activities Expense	<u>499,361.12</u>	<u>454,442.51</u>	<u>449,797.87</u>	<u>444,801.52</u>	<u>467,958.47</u>	<u>378,899.92</u>	<u>379,081.85</u>	<u>369,472.95</u>	<u>332,330.33</u>	<u>329,271.74</u>
Total District Expenses	<u>\$ 17,163,414.42</u>	<u>\$ 15,918,711.06</u>	<u>\$ 14,432,133.30</u>	<u>\$ 14,295,005.18</u>	<u>\$ 14,651,368.13</u>	<u>\$ 13,852,671.93</u>	<u>\$ 13,837,334.25</u>	<u>\$ 13,614,519.42</u>	<u>\$ 12,465,490.71</u>	<u>\$ 11,647,957.50</u>

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ending June 30,</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>	<u>2005</u>
Program Revenues										
Governmental Activities:										
Operating Grants and Contributions										
Instruction:										
Regular	\$ 1,000,576.90	\$ 823,062.75	\$ 900,988.81	\$ 933,991.43	\$ 902,783.80	\$ 817,396.94	\$ 1,131,532.45	\$ 1,118,577.59	\$ 1,126,987.49	\$ 1,222,305.63
Support Services:										
Student and Instruction Related Services	137,706.38	171,895.00	141,822.52	130,447.00	156,217.02	49,849.00	233,028.18	233,783.74	287,378.59	230,954.85
School Administrative Services						8,266.00	24,902.69	31,800.00	30,434.00	29,234.00
Plan Operations and Maintenance		3,878.34	112,346.66							
Unallocated Benefits	1,314,350.22	1,440,606.89	1,233,175.85	994,402.81	1,000,777.41	99,256.00	1,771,239.57	1,723,647.09	1,238,099.23	1,079,277.43
Interest on Long-Term Debt	1,377.11	1,858.14	2,810.34	3,837.22	5,549.62	6,442.85	7,313.20	8,463.07	9,046.73	9,939.93
	<u>2,454,010.61</u>	<u>2,441,301.12</u>	<u>2,391,144.18</u>	<u>2,062,678.46</u>	<u>2,065,327.85</u>	<u>981,210.79</u>	<u>3,168,016.09</u>	<u>3,116,271.49</u>	<u>2,691,946.04</u>	<u>2,571,711.84</u>
Capital Grants and Contributions	-	198,581.00	32,800.00	586,816.00	60,540.00	114,576.00		2,212.66	3,186.53	-
Total Governmental Activities Program Revenues	<u>2,454,010.61</u>	<u>2,639,882.12</u>	<u>2,423,944.18</u>	<u>2,649,494.46</u>	<u>2,125,867.85</u>	<u>1,095,786.79</u>	<u>3,168,016.09</u>	<u>3,118,484.15</u>	<u>2,695,132.57</u>	<u>2,571,711.84</u>
Business-type activities:										
Charges for services	232,799.49	228,174.76	235,540.28	243,778.93	252,803.19	165,598.04	168,322.48	169,778.28	161,419.43	169,713.79
Operating Grants and Contributions	324,406.58	291,723.34	238,236.18	227,210.51	239,655.37	207,489.69	198,686.71	180,077.00	171,363.24	154,905.95
Total Business-type Activities Program Revenues	<u>557,206.07</u>	<u>519,898.10</u>	<u>473,776.46</u>	<u>470,989.44</u>	<u>492,458.56</u>	<u>373,087.73</u>	<u>367,009.19</u>	<u>349,855.28</u>	<u>332,782.67</u>	<u>324,619.74</u>
Total District Program Revenues	<u>\$ 3,011,216.68</u>	<u>\$ 3,159,780.22</u>	<u>\$ 2,897,720.64</u>	<u>\$ 3,120,483.90</u>	<u>\$ 2,618,326.41</u>	<u>\$ 1,468,874.52</u>	<u>\$ 3,535,025.28</u>	<u>\$ 3,468,339.43</u>	<u>\$ 3,027,915.24</u>	<u>\$ 2,896,331.58</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (14,210,042.69)	\$ (12,824,386.43)	\$ (11,558,391.25)	\$ (11,200,709.20)	\$ (12,057,541.81)	\$ (12,377,985.22)	\$ (10,290,236.31)	\$ (10,126,562.32)	\$ (9,438,027.81)	\$ (8,746,973.92)
Business-type Activities	57,844.95	65,455.59	23,978.59	26,187.92	24,500.09	(5,812.19)	(12,072.66)	(19,617.67)	452.34	(4,652.00)
Total District-wide Net Expense	<u>\$ (14,152,197.74)</u>	<u>\$ (12,758,930.84)</u>	<u>\$ (11,534,412.66)</u>	<u>\$ (11,174,521.28)</u>	<u>\$ (12,033,041.72)</u>	<u>\$ (12,383,797.41)</u>	<u>\$ (10,302,308.97)</u>	<u>\$ (10,146,179.99)</u>	<u>\$ (9,437,575.47)</u>	<u>\$ (8,751,625.92)</u>

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ending June 30.</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>	<u>2005</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 8,063,489.00	\$ 7,727,386.00	\$ 7,582,611.26	\$ 7,331,358.00	\$ 7,068,613.00	\$ 6,878,474.00	\$ 7,035,727.00	\$ 6,105,709.00	\$ 6,190,202.00	\$ 5,993,805.00
Taxes Levied for Debt Service	146,500.00	209,112.00	206,287.74	203,744.00	205,047.00	52,013.00	204,856.00	151,376.00	133,010.00	157,788.00
Unrestricted Grants and Contributions	5,180,479.28	4,925,504.64	4,392,181.14	4,903,977.60	5,334,080.43	3,258,893.00	3,025,090.60	3,036,890.00	3,353,560.65	2,926,444.27
Restricted Grants and Contributions	18,295.89	18,787.86	18,752.78	22,171.38	19,831.15	19,938.80	20,719.93	20,136.27	20,181.27	
Investment Income	8,273.26	13,185.04	3,284.25	10,348.12	12,832.17	45,884.13	76,846.19	60,916.19	31,742.72	7,517.00
Contributions - Capital Assets	2,638.00						6,277.03			
Miscellaneous Income	153,670.71	343,496.81	82,698.96	8,281.15	95,511.78	24,671.99	35,956.02	56,636.58	4,695.99	8,198.68
Total Governmental Activities	<u>13,573,346.14</u>	<u>13,237,472.35</u>	<u>12,285,816.13</u>	<u>12,479,880.25</u>	<u>12,735,915.53</u>	<u>10,279,874.92</u>	<u>10,405,472.77</u>	<u>9,431,664.04</u>	<u>9,733,392.63</u>	<u>8,953,752.95</u>
Business-type Activities:										
Investment Earnings	353.07	1,149.50	199.05	347.84	831.62	2,039.15	2,166.55	1,588.45	806.84	223.83
Total Business-type Activities	<u>353.07</u>	<u>1,149.50</u>	<u>199.05</u>	<u>347.84</u>	<u>831.62</u>	<u>2,039.15</u>	<u>2,166.55</u>	<u>1,588.45</u>	<u>806.84</u>	<u>223.83</u>
Total District-wide	<u>\$ 13,573,699.21</u>	<u>\$ 13,238,621.85</u>	<u>\$ 12,286,015.18</u>	<u>\$ 12,480,228.09</u>	<u>\$ 12,736,747.15</u>	<u>\$ 10,281,914.07</u>	<u>\$ 10,407,639.32</u>	<u>\$ 9,433,252.49</u>	<u>\$ 9,734,199.47</u>	<u>\$ 8,953,976.78</u>
Change in Net Position										
Governmental Activities	\$ (636,696.55)	\$ 413,085.92	\$ 1,085,106.93	\$ 422,338.44	\$ 357,930.31	\$ (2,098,110.30)	\$ 115,236.46	\$ (694,898.28)	\$ 295,364.82	\$ 206,779.03
Business-type Activities	58,198.02	66,605.09	26,386.97	24,847.93	(4,980.57)	(3,773.04)	(9,906.11)	(18,029.22)	1,259.18	(4,428.17)
Total District	<u>\$ (578,498.53)</u>	<u>\$ 479,691.01</u>	<u>\$ 1,111,493.90</u>	<u>\$ 447,186.37</u>	<u>\$ 352,949.74</u>	<u>\$ (2,101,883.34)</u>	<u>\$ 105,330.35</u>	<u>\$ (712,927.50)</u>	<u>\$ 296,624.00</u>	<u>\$ 202,350.86</u>

Source: District Records

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

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011(a)	2010	2009	2008	2007	2006	2005
General Fund										
Restricted	\$ 1,754,071.23	\$ 1,601,384.02	\$ 1,222,655.62	\$ 457,593.89	\$ 940,151.19	\$ 588,987.66	\$ 461,488.83	\$ 37,701.87	\$ 376,123.55	\$ 379,160.69
Committed		203,893.85		22,395.57						
Assigned	249,455.97	469,993.99	658,680.83	522,468.58						
Unassigned										
Unreserved					54,467.36	99,327.82	175,087.80	609,272.69	336,505.14	499,987.47
Total General Fund	<u>\$ 2,003,527.20</u>	<u>\$ 2,275,271.86</u>	<u>\$ 1,881,336.45</u>	<u>\$ 1,002,458.04</u>	<u>\$ 994,618.55</u>	<u>\$ 688,315.48</u>	<u>\$ 636,576.63</u>	<u>\$ 646,974.56</u>	<u>\$ 712,628.69</u>	<u>\$ 879,148.16</u>
All Other Governmental Funds										
Restricted	\$ 0.23	\$ 9,661.21	\$ 9,661.21	\$ 504,248.28						
Reserved										\$ 529,075.00
Unreserved, Reported in:										
Special Revenue Fund	(59,020.50)	(38,687.20)	(43,100.40)	(42,074.20)	\$ (40,021.80)	\$ (14,694.80)	\$ (35,488.80)	\$ (39,367.80)	\$ (39,367.80)	(39,367.80)
Capital Projects Fund		(453,683.50)			29,067.50	29,067.50			166,945.38	(232,375.90)
Debt Service Fund					0.28	6,093.30		153,090.84	1.00	7,317.00
Total All Other Governmental Funds	<u>\$ (59,020.27)</u>	<u>\$ (482,709.49)</u>	<u>\$ (33,439.19)</u>	<u>\$ 462,174.08</u>	<u>\$ (10,954.02)</u>	<u>\$ 20,466.00</u>	<u>\$ (35,488.80)</u>	<u>\$ 113,723.04</u>	<u>\$ 127,578.58</u>	<u>\$ 264,648.30</u>

(a) Beginning for the fiscal year ended June 30, 2011, the School District began reporting fund balances under GASB 54.

Source: District Records

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Tax levy	\$ 8,209,989.00	\$ 7,936,498.00	\$ 7,788,899.00	\$ 7,788,899.00	\$ 7,535,102.00	\$ 7,273,660.00	\$ 6,930,487.00	\$ 7,240,583.00	\$ 6,257,085.00	6,323,212.00
Interest on Capital Reserve Funds	4,008.05									
Interest on Investments	4,265.21	18,787.86	10,921.54	3,284.25	10,348.12	12,832.17	45,884.13	76,846.19	60,916.19	31,742.72
Miscellaneous	153,670.71	288,815.99	43,648.29	97,897.96	8,281.15	74,717.78	10,417.99	35,956.02	56,448.91	4,695.99
Local Sources - Restricted		25,000.00			25,000.00	16,105.00	14,254.00			
State sources	6,982,987.05	6,710,012.27	6,186,192.63	6,285,247.49	5,470,928.87	5,887,287.96	5,937,892.96	5,532,393.18	5,146,808.04	5,274,576.37
Federal sources	669,798.73	849,162.35	901,242.30	775,180.89	1,556,087.98	567,099.41	508,954.93	631,901.50	605,350.80	670,877.19
Total Revenue	16,024,718.75	15,828,276.47	14,930,903.76	14,950,509.59	14,605,748.12	13,831,702.32	13,447,891.01	13,517,679.89	12,126,608.94	12,305,104.27
Expenditures										
Instruction										
Regular Instruction	5,105,803.88	4,805,019.86	5,046,949.91	5,105,628.36	5,253,576.86	4,881,058.89	4,712,326.12	4,945,105.58	4,826,063.44	4,673,851.23
Special Education Instruction	1,363,080.58	1,434,329.67	1,378,011.33	1,326,955.97	1,330,485.79	1,268,916.31	1,042,056.45	764,783.93	685,979.05	825,153.03
Other Special Instruction	150,237.60	101,875.43	116,783.75	76,190.14	104,993.73	115,408.05	65,999.94	62,805.24	11,670.26	10,562.15
Other Instruction	219,383.85	201,185.49	74,704.42	73,067.43	69,815.47	70,512.59	69,097.18	68,154.75	65,192.35	62,754.77
Support Services:										
Tuition	754,940.27	640,745.76	605,678.16	616,387.21	636,621.00	749,854.53	917,190.22	746,552.40	726,504.71	524,106.74
Student and Instruction Related Services	1,699,557.10	1,632,886.64	1,438,464.14	1,443,024.44	1,559,028.65	1,335,951.13	1,300,375.30	1,370,084.95	1,319,180.52	1,097,356.07
School administrative services	419,483.87	417,245.19	411,323.13	403,443.86	452,102.46	485,754.66	301,597.21	398,814.66	394,924.06	361,253.15
Other Admin Services	592,737.99	569,280.41	527,876.83	547,896.42	511,730.20	546,158.40	614,198.82	495,070.52	496,672.25	473,336.39
Plant operations and maintenance	1,313,416.98	945,582.99	765,401.41	882,727.90	900,295.12	940,141.50	769,077.90	801,138.46	727,146.82	696,831.88
Pupil transportation	374,924.74	288,071.10	261,704.72	218,748.96	273,369.34	343,684.74	428,241.75	335,107.21	319,968.45	243,012.16
Unallocated benefits	3,965,001.89	3,710,652.39	3,048,964.44	2,741,012.04	2,780,023.00	2,466,661.29	3,084,676.40	3,060,534.86	2,437,306.39	2,242,930.05
Capital outlay	2,942,740.96	862,631.82	585,144.58	790,382.25	221,265.21	294,679.08	70,307.65	215,255.30	724,800.50	196,001.83
Transfer to Charter School	46,281.00	40,240.00								2,360.00
Debt service:										
Principal	155,000.00	210,000.00	205,000.00	190,000.00	190,000.00	170,000.00	170,000.00	165,000.00	130,000.00	130,000.00
Interest and other charges	11,174.00	19,758.00	29,646.77	38,878.02	47,558.02	55,230.52	62,353.02	69,038.02	62,827.50	62,827.50
Total Expenditures	19,113,764.71	15,879,504.75	14,495,653.59	14,454,343.00	14,330,864.85	13,724,011.69	13,607,497.96	13,497,445.88	12,928,236.30	11,602,336.95
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(3,089,045.96)	(51,228.28)	435,250.17	496,166.59	274,883.27	107,690.63	(159,606.95)	20,234.01	(801,627.36)	702,767.32
Other Financing Sources (Uses)										
Capital Leases (Non-budgeted)	211,110.87									
Budgeted Increase in Capital Reserve	(144,081.58)	(378,728.40)	(767,297.03)	(400,000.00)					(162,861.00)	
Increase in Capital Reserve	144,081.58	378,728.40	767,297.03	400,000.00					162,861.00	
Bond Proceeds	3,031,140.00	61,860.00							492,898.00	
Prior Year Bills		(13,289.78)	(51,985.03)					(52,349.66)		
Accrued Interest									187.67	
Interest Deposited into Capital Reserve	4,008.05									
Canceled Receivables	(5,268.40)	(52,676.83)		(15,199.00)				(47,394.02)		
Transfers In	4,825.58					81,115.00	372,284.00	525,372.86	344,741.00	293,306.00
Transfers Out	(4,825.58)					(81,115.00)	(372,284.00)	(525,372.86)	(344,741.00)	(293,306.00)
Total Other Financing Sources (Uses)	3,240,990.52	(4,106.61)	(51,985.03)	(15,199.00)	-	-	-	(99,743.68)	493,085.67	-
Net Change in Fund Balances	\$ 151,944.56	\$ (55,334.89)	\$ 383,265.14	\$ 480,967.59	\$ 274,883.27	\$ 107,690.63	\$ (159,606.95)	\$ (79,509.67)	\$ (308,541.69)	\$ 702,767.32
Debt Service as a Percentage of										
Noncapital Expenditures	1.0%	1.5%	1.7%	1.7%	1.7%	1.7%	1.7%	1.8%	1.6%	1.7%

Source: District Records

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	<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>	<u>2005</u>
Book Reimbursements	\$ 418.51	\$ 654.29	\$ 299.21		\$ 278.11	\$ 606.45	\$ 678.85	\$ 2,541.13	\$ 3,954.27	\$ 276.14
Class Refunds										
Cobra Refunds									1,122.65	
Donations		3,300.00				3,150.00		155.76		
E-Rate Reimbursements									4,355.99	
Facilities Use	2,325.00	5,750.00	3,865.91	\$ 8,351.00						
Insurance Refunds									8,908.23	
Jury Duty Reimbursements	5.00	5.00	74.10				9.00	11.00		
Miscellaneous	2,979.00	579.40		14,693.61	2,282.20	7,331.98	8,199.17	31,708.99	5,860.65	1,693.42
Proceeds From Sale of Assets	269.18	150,000.00							1,174.00	
Refunds of Prior Year Expenses	64,243.74	35,846.95		0.20		63,461.04			18,865.04	
Tuition & Tuition Refunds	83,430.28	98,283.17	39,409.07	74,852.95	5,720.84	91.49	1,339.58	1,329.00	11,617.08	
Vendor Rebates						77.02	191.39	210.14	591.00	2,726.43
	<u>\$ 153,670.71</u>	<u>\$ 294,418.81</u>	<u>\$ 43,648.29</u>	<u>\$ 97,897.76</u>	<u>\$ 8,281.15</u>	<u>\$ 74,717.98</u>	<u>\$ 10,417.99</u>	<u>\$ 35,956.02</u>	<u>\$ 56,448.91</u>	<u>\$ 4,695.99</u>

Source: District Records.

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Year Ended Dec. 31,	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Public Utilities (1)</u>	<u>Net Valuation Taxable</u>	<u>Tax Exempt Property</u>	<u>Estimated Actual (County Equalized) Value</u>	<u>Total Direct School Tax Rate (2)</u>
2014	\$ 8,431,200.00	\$ 575,853,700.00	\$ 71,734,800.00	\$ 92,182,900.00	\$ 58,073,700.00	\$ 806,276,300.00	\$ 1,148,357.00	\$ 807,424,657.00	\$ 127,172,200.00	\$ 769,783,984.00	\$ 1.059
2013	8,622,900.00	577,200,200.00	74,489,900.00	94,217,500.00	58,655,700.00	813,186,200.00	983,907.00	814,170,107.00	126,992,600.00	795,123,885.00	0.992
2012	8,623,100.00	578,828,500.00	78,980,400.00	91,645,100.00	65,648,200.00	823,725,300.00	1,068,074.00	824,793,374.00	126,622,600.00	859,545,615.00	0.953
2011	8,763,100.00	578,671,900.00	80,294,900.00	99,163,600.00	65,702,600.00	832,596,100.00	1,147,259.00	833,743,359.00	126,285,800.00	858,904,057.00	0.920
2010	8,439,300.00	577,285,300.00	83,073,000.00	99,602,300.00	65,702,600.00	834,102,500.00	1,337,997.00	835,440,497.00	126,273,500.00	855,123,775.00	1.651
2009 (3)	8,672,800.00	576,086,300.00	84,801,500.00	106,056,000.00	66,014,700.00	841,631,300.00	1,380,914.00	843,012,214.00	123,216,600.00	848,773,063.00	1.651
2008	4,030,800.00	297,552,200.00	40,861,800.00	58,522,900.00	28,582,600.00	429,550,300.00	659,045.00	430,209,345.00	53,829,800.00	865,270,803.00	1.648
2007	4,180,700.00	296,793,900.00	41,060,700.00	58,522,900.00	28,553,300.00	429,111,500.00	695,909.00	429,807,409.00	53,653,500.00	784,806,639.00	1.573
2006	4,209,600.00	296,354,500.00	40,121,500.00	58,816,900.00	28,584,700.00	428,087,200.00	808,116.00	428,895,316.00	50,735,200.00	676,241,841.00	1.475
2005	3,893,600.00	295,053,800.00	39,445,400.00	58,431,100.00	28,561,500.00	425,385,400.00	1,024,390.00	426,409,790.00	50,742,700.00	567,366,344.00	1.462

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

(2) Tax Rates are per \$100.00 of Assessed Valuation

(3) Revaluation

Source: Municipal Tax Assessor

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten (Fiscal) Years

(rate per \$100 of assessed value)

Unaudited

Year Ended Dec. 31	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Regional School District	Borough of Bellmawr	County of Camden	
2014	\$ 1.040	\$ 0.019	\$ 1.059	\$ 0.517	\$ 1.087	\$ 0.792	\$ 3.454
2013	0.965	0.026	0.992	0.529	1.038	0.812	3.371
2012	0.928	0.025	0.953	0.509	0.990	0.799	3.251
2011	0.897	0.025	0.920	0.464	0.934	0.665	2.982
2010	0.895	0.024	0.878	0.464	0.934	0.665	2.941
2009 (3)	0.854	0.024	1.651	0.433	0.858	0.625	3.567
2008	1.621	0.030	1.648	0.877	1.608	1.280	5.413
2007	1.618	0.030	1.648	0.885	1.435	1.283	5.251
2006	1.532	0.041	1.573	0.858	1.310	1.278	5.019
2005	1.441	0.034	1.475	0.842	1.231	1.103	4.651

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

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

(3) Revaluation

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2,5 percent, whichever is greater, plus any growth adjustments.

Source: Municipal Tax Collector

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Mutual Housing Corp.	\$ 27,639,100.00	1	3.42%	\$ 13,177,200.00	2	3.09%
The Korman Co.	14,692,200.00	2	1.82%	16,604,400.00	1	3.89%
East Coast Hyde Park Apts. LLC	a 12,000,000.00	3	1.49%	5,929,900.00	5	1.39%
South Penn Associates	8,500,000.00	4	1.05%	N/A	N/A	N/A
International Paper Company	7,104,200.00	5	0.88%	N/A	N/A	N/A
151 Partners LLC	b 4,940,000.00	6	0.61%	6,762,800.00	4	1.59%
J&J Snack Foods Corp. of N.J.	4,873,700.00	7	0.60%	N/A	N/A	N/A
Interstate Holding Corp.	4,827,100.00	8	0.60%	7,129,000.00	3	1.67%
Spruce Manor Enterprises LLC	4,687,500.00	9	0.58%	N/A	N/A	N/A
Two Cent Stamp Properties LLC	4,669,700.00	10	0.58%	N/A	N/A	N/A
Williamette Industries				4,679,000.00	6	1.10%
Bellmawr Manor LLC				4,269,700.00	7	1.00%
45 Heller Road, LLC				2,350,000.00	8	0.55%
Walgreens/Barnard Co.				2,300,000.00	9	0.54%
Browning Square Inc.				2,189,700.00	10	0.51%
Total	\$ 93,933,500.00		11.63%	\$ 65,391,700.00		15.34%

a. Nine years ago, this property was reported as Hyde Park Apts LLC

b. Nine years ago, this property was owned by Holt, Reinhart & Winston. In recent years it was owned by Houghton Mifflin Harcourt Publishing.

Source: Municipal Tax Assessor

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 Unaudited

Fiscal Year <u>Ended June 30,</u>	School Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2014	\$ 8,209,989.00	\$ 8,209,989.00	100.00%	
2013	7,936,498.00	7,936,498.00	100.00%	
2012	7,788,899.00	7,788,899.00	100.00%	
2011	7,788,899.00	7,683,271.00	98.64%	\$ 105,628.00
2010	7,535,102.00	7,535,102.00	100.00%	
2009	7,273,660.00	7,273,660.00	100.00%	
2008	6,930,487.00	6,930,487.00	100.00%	
2007	7,240,583.00	7,240,583.00	100.00%	
2006	6,257,085.00	6,257,085.00	100.00%	
2005	6,323,212.00	6,323,212.00	100.00%	

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

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

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		<u>Total District</u>	Percentage of Personal Income (2)	<u>Per Capita (3)</u>
	<u>General Obligation Bonds (1)</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Bond Anticipation Notes (BANs)</u>	<u>Capital Leases</u>			
2014	\$ 3,230,898.00		\$ 160,846.17			\$ 3,391,744.17	Unavailable	Unavailable
2013	292,898.00					292,898.00	Unavailable	\$ 25.38
2012	502,898.00					502,898.00	0.10%	43.55
2011	707,898.00				\$ 3,051.43	710,949.43	0.14%	61.44
2010	897,898.00				14,666.56	912,564.56	0.19%	78.79
2009	1,087,898.00					1,087,898.00	0.22%	97.05
2008	1,257,898.00					1,257,898.00	0.27%	112.43
2007	1,422,898.00					1,422,898.00	0.31%	127.07
2006	1,592,898.00					1,592,898.00	0.36%	142.34
2005	1,230,000.00		4,078.77			1,234,078.77	0.30%	111.00

Sources:

- (1) District's Records. Includes Early Retirement Incentive Plan (ERIP) refunding
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per capita personal income by municipality-estimated based upon 2010 census published

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

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

<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value of Property</u>	<u>Per Capita (2)</u>
2014	\$ 3,230,898.00		\$ 3,230,898.00	0.40%	Unavailable
2013	292,898.00		292,898.00	0.04%	25.38
2012	502,898.00		502,898.00	0.06%	43.55
2011	707,898.00		707,898.00	0.08%	61.17
2010	897,898.00		897,898.00	0.11%	77.53
2009	1,087,898.00		1,087,898.00	0.13%	97.05
2008	1,257,898.00		1,257,898.00	0.29%	112.43
2007	1,422,898.00		1,422,898.00	0.33%	127.07
2006	1,592,898.00		1,592,898.00	0.37%	142.34
2005	1,230,000.00		1,230,000.00	0.29%	110.63

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

- (1) See Exhibit J-6 for property tax data.
- (2) Population data can be found in Exhibit J-14.

Source: District Records.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2013
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Borough of Bellmawr</u>
Municipal Debt: (1)				
Borough of Bellmawr School District	\$ 3,265,898.00	\$ 3,265,898.00		
Black Horse Pike Regional School District	2,821,331.52	2,821,331.52		
Borough of Bellmawr Water & Sewer Utility	902,217.19	902,217.19		
Borough of Bellmawr	<u>14,477,019.27</u>		\$ 14,477,019.27	\$ 14,477,019.27
	<u>21,466,465.98</u>	<u>6,989,446.71</u>	<u>14,477,019.27</u>	<u>14,477,019.27</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: (2)				
General:				
Bonds	42,085,352.00	13,774,588.00 (3)	28,310,764.00	601,930.53 (5)
Loan Agreement	191,780,000.00		191,780,000.00	4,077,538.76 (5)
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>689,242,784.00</u>	<u>689,242,784.00 (4)</u>		
	<u>923,108,136.00</u>	<u>703,017,372.00</u>	<u>220,090,764.00</u>	<u>4,679,469.29</u>
	<u>\$ 944,574,601.98</u>	<u>\$ 710,006,818.71</u>	<u>\$ 234,567,783.27</u>	<u>\$ 19,156,488.56</u>

Sources:

- (1) 2013 Annual Debt Statement as revised
- (2) County's 2013 Audit Report
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Borough's share of the total 2013 Equalized Value, which is 2.13%.

The source for this computation was the 2013 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized valuation basis (1)
	2013 \$ 772,183,268
	2012 \$ 801,055,431
	2011 864,226,801
	[A] \$ 2,437,465,500
Average equalized valuation of taxable property	[A/3] \$ 812,488,500
Debt limit (3 % of average equalization value) (2)	[B] 24,374,655
Total Net Debt Applicable to Limit	[C] 3,230,898
Legal Debt Margin	[B-C] \$ 21,143,757

	Fiscal Year									
	<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>	<u>2005</u>
Debt limit	\$ 24,374,655.00	\$ 25,201,582.18	\$ 25,758,993.87	\$ 25,534,329.23	\$ 25,586,721.91	\$ 24,803,574.97	\$ 23,068,117.37	\$ 20,106,269.28	\$ 17,306,929.93	\$ 15,457,738.86
Total net debt applicable to limit (3)	<u>3,230,898.00</u>	<u>3,385,898.00</u>	<u>502,898.00</u>	<u>707,898.00</u>	<u>897,898.00</u>	<u>1,087,898.00</u>	<u>1,257,898.00</u>	<u>1,422,898.00</u>	<u>1,592,898.00</u>	<u>1,230,000.00</u>
Legal debt margin	<u>\$ 21,143,757.00</u>	<u>\$ 21,815,684.18</u>	<u>\$ 25,256,095.87</u>	<u>\$ 23,715,676.97</u>	<u>\$ 21,645,219.37</u>	<u>\$ 18,683,371.28</u>	<u>\$ 15,714,031.93</u>	<u>\$ 14,227,738.86</u>	<u>\$ 13,142,521.19</u>	<u>\$ 12,469,909.00</u>
Total net debt applicable to the limit as a percentage of debt limit	13.26%	13.44%	3.51%	6.17%	7.08%	9.20%	7.96%	9.38%	10.58%	7.19%

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2014	Unavailable	Unavailable	Unavailable	Unavailable
2013	11,540	Unavailable	Unavailable	9.00%
2012	11,547	\$ 525,850,380.00	\$ 45,540.00	9.10%
2011	11,572	513,322,348.00	44,359.00	9.00%
2010	11,582	491,736,974.00	42,457.00	9.10%
2009	11,210	473,532,820.00	42,242.00	8.70%
2008	11,188	472,804,880.00	42,260.00	5.50%
2007	11,198	459,073,208.00	40,996.00	4.20%
2006	11,191	442,727,151.00	39,561.00	4.50%
2005	11,118	414,857,052.00	37,314.00	4.20%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development (July 1)
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income by municipality-estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Principal Employers
Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2014</u>			<u>2005 (1)</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
Country Home Bakers, LLC	250	1	4.44%	N/A	N/A	N/A
Vertis Mailing LLC	160	2	2.84%	N/A	N/A	N/A
J&J Snack Foods Corp.	150	3	2.67%	N/A	N/A	N/A
Green Force Media LLC (Evergreen Printing Co.)	141	4	2.51%	N/A	N/A	N/A
International Paper Company	137	5	2.43%	N/A	N/A	N/A
Houghton Mifflin Harcourt Publishing Co.	125	6	2.22%	N/A	N/A	N/A
Red Line Officials	124	7	2.20%	N/A	N/A	N/A
Senior Choice Inc.	115	8	2.04%	N/A	N/A	N/A
U.S. Logistics, Inc	105	9	1.87%	N/A	N/A	N/A
Camden Iron & Metal LLC	100	10	1.78%	N/A	N/A	N/A
D'Orazio Foods Inc.	75	11	1.33%	N/A	N/A	N/A
	<u>1,482</u>		<u>26.33%</u>	<u>-</u>		<u>-</u>

Source: D&B Regional Business Directory published by Dun & Bradstreet, Inc.

(1) The data for 9 years ago was not available from resources contacted.

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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

<u>Function/Program</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>	<u>2005</u>
Instruction										
Regular	74	63.5	70	69	68	69	67	66	69	69
Special education	31	33	23	21	20	21	21	20	19	19
Other special education										
Vocational										
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition										
Student & instruction related services	13.5	14								
General administrative services	2	2	1	1	1	1	2	2	2	2
School administrative services	7	7	10.5	10.5	10.5	10.5	10.5	9.5	5	5
Business administrative services	3	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	9.5	9.5	8.5	8.5	8.5	8.5	8.5	8.5	8	8
Pupil transportation										
Special Schools										
Food Service										
Child Care										
Total	140	132	116	113	111	113	112	109	106	106

Source: District Personnel Records

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Fiscal Year	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2014	1,133	\$ 16,004,849.75	\$ 14,126.08	6.42%	86	1:14	1:12	1,139.1	1,075.7	2.67%	94.43%
2013	1,114	14,787,114.93	13,273.89	10.16%	80.5	1:15	1:12	1,093.7	1,047.7	-2.43%	95.79%
2012	1,135	13,675,862.24	12,049.22	2.60%	93	1:13	1:12	1,122.3	1,073.8	-0.73%	95.68%
2011	1,144	13,435,082.73	11,743.95	-5.27%	90	1:13	1:12	1,139.1	1,081.7	3.12%	94.96%
2010	1,119	13,872,041.62	12,396.82	6.84%	88	1:13	1:12	1,116.6	1,049.0	1.69%	93.95%
2009	1,138	13,204,102.09	11,602.90	-8.34%	90	1:12	1:13	1,088.0	1,031.6	3.57%	94.82%
2008	1,051	13,304,837.29	12,659.22	2.74%	88	1:10	1:11	1,054.0	996.0	-1.81%	94.50%
2007	1,059	13,048,152.56	12,321.20	6.48%	86	1:13	1:12	1,059.4	1,014.4	1.70%	95.75%
2006	1,038	12,010,608.30	11,570.91	11.34%	76	1:14	1:14	1,038.7	997.4	-1.24%	96.02%
2005	1,079	11,213,507.62	10,392.50	2.06%	76	1:15	1:14	1,081.2	1,009.9	1.50%	93.41%

Sources: District records

Note: Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	<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>	<u>2005</u>
<u>District Building</u>										
<u>Middle School</u>										
Bell Oaks School (1969)										
Square Feet	61,855	61,855	61,855	61,855	61,855	61,855	61,855	61,855	61,855	61,855
Capacity (students)	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057
Enrollment	428	435	461	482	482	502	456	455	458	467
<u>Elementary Schools</u>										
Bellmawr Park School (1943)										
Square Feet	37,415	37,415	37,415	37,415	37,415	37,415	37,415	37,415	37,415	37,415
Capacity (students)	762	762	762	762	762	762	762	762	762	762
Enrollment	390	375	291	362	362	365	332	361	348	380
Ethel M. Burke School (1889)										
Square Feet	27,279	27,279	27,279	27,279	27,279	27,279	27,279	27,279	27,279	27,279
Capacity (students)	451	451	451	451	451	451	451	451	451	451
Enrollment	315	304	383	275	275	271	263	262	232	232
Number of Schools at June 30, 2014										
Elementary = 2										
Middle School = 1										

Source: District records, ASSA

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

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

<u>School Facilities</u>	<u>Project #(s)</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>	<u>2005</u>
Bell Oaks School	N/A	\$ 196,473.84	\$ 52,768.90	\$ 126,851.72	\$ 106,136.21	\$ 98,479.15	\$ 114,536.25	\$ 51,549.33	\$ 63,850.41	\$ 63,273.26	\$ 37,769.36
Bellmawr Park School	N/A	89,053.56	33,630.20	14,509.00	36,728.79	42,344.63	47,248.61	20,679.01	27,090.13	15,128.51	22,143.33
Ethel M. Burke School	N/A	109,804.84	46,989.45	14,508.00	36,157.16	37,818.34	30,858.27	22,366.62	33,773.37	18,814.17	20,654.81
Total School Facilities		<u>395,332.24</u>	<u>133,388.55</u>	<u>155,868.72</u>	<u>179,022.16</u>	<u>192,643.13</u>	<u>94,594.96</u>	<u>94,594.96</u>	<u>124,713.91</u>	<u>97,215.94</u>	<u>80,567.50</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 395,332.24</u>	<u>\$ 133,388.55</u>	<u>\$ 155,868.72</u>	<u>\$ 179,022.16</u>	<u>192,643.13</u>	<u>\$ 94,594.96</u>	<u>\$ 94,594.96</u>	<u>\$ 124,713.91</u>	<u>\$ 97,215.94</u>	<u>\$ 80,567.50</u>

* 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

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Insurance Schedule
June 30, 2014
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy (School Alliance Insurance Fund)		
Property Section:		
Blanket Building & Business Personal Property	\$ 21,313,621.00	\$ 1,000.00
General Liability Section:		
Personal and Advertising Injury Limit	5,000,000.00	
Bodily Injury and Property Damage Limit (Each Occurrence)	5,000,000.00	
Products and Completed Operations Limit (Annual Aggregate)	5,000,000.00	
Premises Pollution Section:		
Per Claim including Remediation Costs or Legal Defense	1,000,000.00	
Self Insured Retention	10,000.00	
Commercial Crime Section:		
Employee Dishonesty Coverage (per employee)	500,000.00	1,000.00
Business Auto Section		
Auto Liability Limit	5,000,000.00	
Commercial Excess/ Umbrella Section:		
Liability Limit (Each occurrence)	5,000,000.00	
School District Legal Liability Policy (School Alliance Insurance Fund)		
Limit of Liability each policy period. Deductible each claim.	5,000,000.00	5,000.00
Workers Compensation Policy (School Alliance Insurance Fund)		
Bodily Injury by Accident (each)	100,000.00	
Bodily Injury by Disease (aggregate limit)	100,000.00	
Bodily Injury by Disease (each employee)	100,000.00	
Student Accident Policies (National Union Fire Ins./ McCloskey Ins. Co)		
Compulsory Student Accident Coverage		
Full Excess - Maximum Benefit (per accident/ no deductible)	1,000,000.00	
Surety Bonds (Selective Insurance Company)		
School Business Administrator/ Board Secretary, Amy Capriotti	200,000.00	

Source: District Records

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Bellmawr School District
Bellmawr, New Jersey 08031

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Bellmawr School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2014. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Bellmawr School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and New Jersey Circular 04-04-OMB and which are described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as findings no.: 2014-1 and 2014-2. Our opinion on each major federal and state program is not modified with respect to these matters.

The School District's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Borough of Bellmawr School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or 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 or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, 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 School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as findings no.: 2014-1 and 2014-2 that we consider to be a significant deficiency.

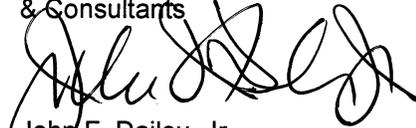
The Borough of Bellmawr School District's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



John F. Dailey, Jr.
Certified Public Accountant
Public School Accountant No. CS 00140

Voorhees, New Jersey
October 21, 2014

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2014

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2013
				From	To	
General Fund						
U.S. Department of Health and Human Services: Medical Assistance Program	93.778	N/A	\$ 27,364.53	07/01/13	06/30/14	-
Total General Fund						-
Special Revenue Fund:						
U.S. Department of Education: Passed-through State Department of Education: No Child Left Behind (NCLB):						
Title I, Part A: Title I, Part A	84.010	NCLB026013	291,255.00	09/01/12	08/31/13	\$ (72,223.00)
Title I, Part A	84.010	NCLB026014	315,781.00	07/01/13	06/30/14	
Total Title I, Part A Cluster						<u>(72,223.00)</u>
Title II, Part A, Improving Teacher Quality, Carryover	84.367	NCLB026009	48,066.00	09/01/08	08/31/09	39,779.00
Title II, Part A, Improving Teacher Quality	84.367	NCLB026010	48,101.00	09/01/09	08/31/10	2,242.91
Title II, Part A, Improving Teacher Quality	84.367	NCLB026013	35,550.00	09/01/12	08/31/13	(5,200.00)
Title II, Part A, Improving Teacher Quality	84.367	NCLB026014	37,752.00	07/01/13	06/30/14	
Total Title II, Part A						<u>36,821.91</u>
Title III, Part A, English Language	84.365	NCLB026013	11,491.00	09/01/12	08/31/13	(3,008.80)
Title III, Part A, English Language	84.365	NCLB026014	14,681.00	07/01/13	06/30/14	
Total Title III, Part A						<u>(3,008.80)</u>
Title IV, Part A, Safe and Drug-Free Schools, Carryover	84.186	NCLB026009	5,116.00	09/01/08	08/31/09	4,738.52
Title IV, Part A, Safe and Drug-Free Schools	84.186	NCLB026010	5,018.00	09/01/09	08/31/10	4,233.00
Total Title IV, Part A						<u>8,971.52</u>
Total No Child Left Behind (NCLB)						<u>(29,438.37)</u>
I.D.E.I.A. Part B:						
Basic	84.027	IDEA026013	272,445.00	09/01/12	08/31/13	(9,517.00)
Basic	84.027	IDEA026014	265,742.00	07/01/13	06/30/14	
Preschool Incentive, Carryover	84.173	IDEA026009	11,643.00	09/01/08	08/31/09	72.78
Preschool Incentive	84.173	IDEA026014	11,482.00	07/01/13	06/30/14	
Total I.D.E.I.A. Part B Cluster						<u>(9,444.22)</u>
Total U.S. Department of Education						<u>(38,882.59)</u>
Total Special Revenue Fund						<u>(38,882.59)</u>

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2014		
					(Accounts Receivable)	Unearned Revenue	Due to Grantor at June 30, 2014
-	\$ 27,364.53	\$ (27,364.53)	-	-	-	-	-
-	27,364.53	(27,364.53)	-	-	-	-	-
	72,223.00						
	219,485.00	(305,781.00)			\$ (86,296.00)		
-	291,708.00	(305,781.00)	-	-	(86,296.00)	-	-
				\$ (39,779.00)			
				(2,242.91)			
	5,200.00						
	28,252.00	(37,752.00)			(9,500.00)		
-	33,452.00	(37,752.00)	-	(42,021.91)	(9,500.00)	-	-
	10,005.00	(6,996.20)					
	8,949.00	(14,681.00)			(5,732.00)	-	
-	18,954.00	(21,677.20)	-	-	(5,732.00)	-	-
				(4,738.52)			-
				(4,233.00)			-
-	-	-	-	(8,971.52)	-	-	-
-	344,114.00	(365,210.20)	-	(50,993.43)	(101,528.00)	-	-
	9,517.00						
	240,997.00	(265,742.00)			(24,745.00)		
	11,482.00	(11,482.00)		(72.78)			
-	261,996.00	(277,224.00)	-	(72.78)	(24,745.00)	-	-
-	606,110.00	(642,434.20)	-	(51,066.21)	(126,273.00)	-	-
-	606,110.00	(642,434.20)	-	(51,066.21)	(126,273.00)	-	-

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2014

Federal Grantor / Pass-through Grantor / Program Title Enterprise Fund:	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2013
				From	To	
U.S. Department of Agriculture:						
Passed-through State Department of Education:						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	10.555	N/A	\$ 23,889.59	07/01/12	06/30/13	\$ 4,582.19
National School Lunch Program	10.555	N/A	27,555.73	07/01/13	06/30/14	<u>4,582.19</u>
Non-Cash Assistance Subtotal						<u>4,582.19</u>
Cash Assistance:						
National School Lunch Program	10.555	N/A	212,818.03	07/01/12	06/30/13	(13,291.05)
National School Lunch Program	10.555	N/A	230,019.02	07/01/13	06/30/14	(5.37)
Special Milk Program	10.556	N/A	176.97	07/01/12	06/30/13	(3,682.54)
School Breakfast Program	10.553	N/A	49,464.21	07/01/12	06/30/13	60,667.88
School Breakfast Program	10.553	N/A	60,667.88	07/01/13	06/30/14	<u>(16,978.96)</u>
Cash Assistance Subtotal						<u>(16,978.96)</u>
Total U.S. Department of Agriculture						<u>(12,396.77)</u>
Total Enterprise Fund						<u>(12,396.77)</u>
Total Federal Financial Assistance						<u>\$ (51,279.36)</u>

(A) See Note 5 to the Schedules of Expenditures of Federal and State Financial Assistance (if applicable)

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

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2014		
					(Accounts Receivable)	Unearned Revenue	Due to Grantor at June 30, 2014
	\$ 26,233.45	\$ (4,582.19) (22,973.54)				\$ 3,259.91	
-	26,233.45	(27,555.73)	-	-	-	3,259.91	-
	13,291.05 210,244.16	(230,019.02)			\$ (19,774.86)		
	5.37						
	3,682.54 54,434.58	(60,667.88)			(6,233.30)		
-	281,657.70	(290,686.90)	-	-	(26,008.16)	-	-
-	307,891.15	(318,242.63)	-	-	(26,008.16)	3,259.91	-
-	307,891.15	(318,242.63)	-	-	(26,008.16)	3,259.91	-
\$ -	\$ 941,365.68	\$ (988,041.36)	\$ -	\$ (51,066.21)	\$ (152,281.16)	\$ 3,259.91	\$ -

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2014

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Unearned Revenue / (Accounts Receivable)	Due to Grantor
			From	To		
					<u>Balance June 30, 2013</u>	
General Fund:						
New Jersey Department of Education:						
Current Expense:						
State Aid - Public Cluster:						
Equalization Aid	13-495-034-5120-078	\$ 4,183,102.00	07/01/12	06/30/13	\$ (396,765.25)	
Equalization Aid	14-495-034-5120-078	4,175,821.00	07/01/13	06/30/14		
Choice Aid	13-495-034-5120-068	45,600.00	07/01/12	06/30/13	(4,325.14)	
Choice Aid	14-495-034-5120-068	150,135.00	07/01/13	06/30/14		
Security Aid	13-495-034-5120-084	51,182.00	07/01/12	06/30/13	(4,854.59)	
Security Aid	14-495-034-5120-084	56,414.00	07/01/13	06/30/14		
Special Education Categorical Aid	13-495-034-5120-089	597,832.00	07/01/12	06/30/13	(56,704.08)	
Special Education Categorical Aid	14-495-034-5120-089	602,816.00	07/01/13	06/30/14		
Under Adequacy Aid	14-495-034-5120-096	104,103.00	07/01/13	06/30/14		
Total State Aid - Public Cluster					<u>(462,649.06)</u>	-
Transportation Aid:						
Transportation Aid	13-495-034-5120-014	12,807.00	07/01/12	06/30/13	(1,214.74)	
Transportation Aid	14-495-034-5120-014	9,872.00	07/01/13	06/30/14		
Additional Non Public School Transportation Aid	13-495-034-5120-014	9,048.00	07/01/12	06/30/13	(9,048.00)	
Additional Non Public School Transportation Aid	14-495-034-5120-014	10,987.00	07/01/13	06/30/14		
Total Transportation Aid					<u>(10,262.74)</u>	-
Harrasment, Intimidation, Bullying (HIB)						
	14-100-034-5064-201	25,521.00	07/01/13	06/30/14	-	-
Extraordinary Special Education Costs Aid						
	13-100-034-5120-473	48,286.00	07/01/12	06/30/13	(48,286.00)	
	14-100-034-5120-473	19,903.00	07/01/13	06/30/14		
Total Extraordinary Special Education Costs Aid					<u>(48,286.00)</u>	-
Payment for Institutionalized Children -						
Unknown District of Residence	13-495-034-5120-005	1,333.00	07/01/12	06/30/13	(1,333.00)	
Payment for Institutionalized Children -						
Unknown District of Residence	14-495-034-5120-005	9,397.45	07/01/13	06/30/14		
Total Payment for Institutionalized Children -					<u>(1,333.00)</u>	-
Unknown District of Residence						
Reimbursed TPAF Social Security Contributions						
	13-495-034-5095-002	481,177.25	07/01/12	06/30/13	(23,855.88)	
	14-495-034-5095-002	502,700.47	07/01/13	06/30/14		
Total Reimbursed TPAF Social Security Contributions					<u>(23,855.88)</u>	-
Total General Fund					<u>(546,386.68)</u>	-
Special Revenue Fund:						
New Jersey Department of Education:						
Preschool Education Aid						
	10-495-034-5120-086	400,218.00	07/01/09	06/30/10	27,781.04	
	12-495-034-5120-086	431,004.00	07/01/11	06/30/12	25,979.63	
	13-495-034-5120-086	386,872.00	07/01/12	06/30/13	(38,687.20)	
	14-495-034-5120-086	643,965.67	07/01/13	06/30/14		
Total Special Revenue Fund					<u>15,073.47</u>	-
Capital Projects Fund:						
School Development Authority:						
Ethel Burke Elementary School New Windows	0260-030-10-1002	191,671.00	08/30/10	Completion	(191,671.00)	
Bellmawr Park Elementary School New Windows	0260-020-10-1001	205,394.00	08/30/10	Completion	(205,611.00)	
Bellmawr Park Elementary School New Electrical System	0260-020-09-1004	184,483.00	08/30/10	Completion	(33,517.62)	
Total Capital Projects Fund					<u>(430,799.62)</u>	-
Debt Service Fund:						
Debt Service Aid, Type II						
	14-495-034-5120-125	19,673.00	07/01/13	06/30/14		
Total Debt Service Fund					<u>-</u>	-

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2014			Memo	
					(Accounts Receivable)	Unearned Revenue/	Due to Grantor	Budgetary Receivable June 30, 2014	Cumulative Total Expenditures
	\$ 396,765.25								\$ (4,183,102.00)
	3,786,244.11	\$ (4,175,821.00)			\$ (389,576.89)			\$ (389,576.89)	(4,175,821.00)
	4,325.14								(45,600.00)
	136,128.38	(150,135.00)			(14,006.62)			(14,006.62)	(150,135.00)
	4,854.59								(51,182.00)
	51,150.94	(56,414.00)			(5,263.06)			(5,263.06)	(56,414.00)
	56,704.08								(597,832.00)
	546,577.19	(602,816.00)			(56,238.81)			(56,238.81)	(602,816.00)
	94,390.87	(104,103.00)			(9,712.13)			(9,712.13)	(104,103.00)
-	5,077,140.55	(5,089,289.00)	-	-	(474,797.51)	-	-	(474,797.51)	(9,967,005.00)
	1,214.74								(12,807.00)
	8,951.01	(9,872.00)			(920.99)			(920.99)	(9,872.00)
	9,048.00								(9,048.00)
		(10,987.00)			(10,987.00)			(10,987.00)	(10,987.00)
-	19,213.75	(20,859.00)	-	-	(11,907.99)	-	-	(11,907.99)	(42,714.00)
-	25,521.00	(25,521.00)	-	-	-	-	-	-	(25,521.00)
	48,286.00								(48,286.00)
		(19,903.00)			(19,903.00)			(19,903.00)	(19,903.00)
-	48,286.00	(19,903.00)	-	-	(19,903.00)	-	-	(19,903.00)	(68,189.00)
	1,333.00								(1,333.00)
	9,397.45	(9,397.45)							(9,397.45)
-	10,730.45	(9,397.45)	-	-	-	-	-	-	(10,730.45)
	23,855.90	(0.02)							(481,177.25)
	502,700.47	(502,700.47)							(502,700.47)
-	526,556.37	(502,700.49)	-	-	-	-	-	-	(983,877.72)
-	5,707,448.12	(5,667,669.94)	-	-	(506,608.50)	-	-	(506,608.50)	(11,098,037.17)
\$ (27,781.04) (25,979.63)									(372,436.96)
	38,687.20								(405,454.78)
53,760.67	531,184.50	(633,938.11)			(59,020.50)	\$ 10,027.56		(59,020.50)	(386,872.00)
-	569,871.70	(633,938.11)	-	-	(59,020.50)	10,027.56	-	(59,020.50)	(633,938.11)
	217.00				(191,671.00)			(191,671.00)	(344,703.95)
	38,126.20		\$ (4,608.58)		(205,394.00)			(205,394.00)	(370,031.34)
-	38,343.20	-	(4,608.58)	-	(397,065.00)	-	-	(397,065.00)	(352,840.02)
	19,673.00	(19,673.00)							(19,673.00)
-	19,673.00	(19,673.00)	-	-	-	-	-	-	(19,673.00)

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2014

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2013	
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor
Enterprise Fund:						
New Jersey Department of Agriculture:						
National School Lunch Program (State Share)	13-100-010-3350-023	\$ 5,731.09	07/01/12	06/30/13	\$ (329.58)	
National School Lunch Program (State Share)	14-100-010-3350-023	5,807.40	07/01/13	06/30/14		
Total Enterprise Fund					(329.58)	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					(962,442.41)	-
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:						
General Fund (Non-Cash Assistance):						
New Jersey Department of the Treasury:						
On-behalf T.P.A.F. Pension Contributions - Normal Cost	N/A	262,876.00	07/01/13	06/30/14		
On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	N/A	431,018.00	07/01/13	06/30/14		
Total General Fund (Non-Cash Assistance)					-	-
Total State Financial Assistance					\$ (962,442.41)	-

(A) See Note 5 to the Schedules of Expenditures of Federal and State Financial Assistance (if applicable)

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

Carryover / (Walkover) <u>Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Adjustments (A)</u>	<u>Repayment of Prior Years' Balances</u>	<u>Balance June 30, 2014</u>			<u>Memo</u>	
					<u>(Accounts Receivable)</u>	<u>Unearned Revenue/</u>	<u>Due to Grantor</u>	<u>Budgetary Receivable June 30, 2014</u>	<u>Cumulative Total Expenditures</u>
	\$ 686.13	\$ (356.55)							\$ (5,731.09)
	5,029.28	(5,807.40)			\$ (778.12)			\$ (778.12)	(5,807.40)
-	5,715.41	(6,163.95)	-	-	(778.12)	-	-	(778.12)	(11,538.49)
-	6,341,051.43	(6,327,445.00)	\$ (4,608.58)	-	(963,472.12)	\$ 10,027.56	-	(963,472.12)	(13,995,525.82)
	262,876.00	(262,876.00)							(262,876.00)
	431,018.00	(431,018.00)							(431,018.00)
-	693,894.00	(693,894.00)	-	-	-	-	-	-	(693,894.00)
-	\$ 7,034,945.43	\$ (7,021,339.00)	\$ (4,608.58)	-	\$ (963,472.12)	\$ 10,027.56	-	\$ (963,472.12)	\$ (14,689,419.82)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2014

Note 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Borough of Bellmawr School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

Note 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using 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 School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the 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 one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$11,854.70 for the general fund and \$20,333.30 for the special revenue fund. There is no net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis for both the general fund the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS (CONT'D)

Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 27,364.53	\$ 6,349,709.24	\$ 6,377,073.77
Special Revenue	642,434.20	613,604.81	1,256,039.01
Debt Service		19,673.00	19,673.00
Food Service	<u>318,242.63</u>	<u>6,163.94</u>	<u>324,406.57</u>
Total Awards and Financial Assistance	<u>\$ 669,798.73</u>	<u>\$ 6,982,987.05</u>	<u>\$ 7,652,785.78</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: ADJUSTMENTS

The amount reported in the column entitled "adjustments" represents the cancellation of excess local share on a completed capital project.

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2014, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the Federal Food Distribution Program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. 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 fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF members.

Note 7: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2014**

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? yes X no

 Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? yes X no

 Significant deficiency(ies) identified? X yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? X yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>Title I, Part A</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.555</u>	<u>National School Lunch Program - Food Distribution</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to determine Type A programs \$ 300,000.00

Auditee qualified as low-risk auditee? yes X no

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

Finding No. 2014-1

Information on the Federal Program

Title I, Part A (84.010).

Criteria or Specific Requirement

In accordance with EDGAR, PART 80-Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, Section 20, Standards for financial management systems and Section 36, Procurement, a School District must have the following formal written policies:

- Prevent contracting with disbarred vendors.
- Requesting reimbursement from the Electronic Web Enabled Grant System.

In accordance with EDGAR, PART 80-Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, Section 36, Procurement, a School District must follow 34 CFR Part 80.36 and use open and competitive procedures where possible when expending federal funds. Federal procurement regulations do not include all the exemptions allowed under New Jersey Public School Contracts Law (N.J.S.A. 18A:18A:10(a)).

In Title I schools, students receiving direct instruction must be taught by a highly qualified teacher (HQT) in core subjects. Such teachers must meet state qualifications and licensure requirements to be highly qualified.

Condition

Prior to adoption in April 2014, the School District did not have formal written policies for the prevention of contracting with disbarred vendors and for requesting reimbursement from the Electronic Web Enabled Grant System.

Until implementing corrective action after April 2014, the School District followed only New Jersey Public School Contracts Laws for procurement with federal funds.

There are some teachers assigned to departmentalized Grades 6-8 who do not meet the highly qualified teacher qualifications and licensure requirements for Title I schools.

Questioned Costs

None

Context

Prior to corrective action in April 2014, the School District did not have formal written policies for the prevention of contracting with disbarred vendors or for requesting reimbursement from the Electronic Web Enabled Grant System and followed only New Jersey Public School Contracts Laws for procurement with federal funds. Standard Highly Qualified Teacher forms were not always available and other documentation in the files did not substantiate Highly Qualified Teacher status for some teachers.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

Section 3- Schedule of Federal Award Findings and Questioned Costs (Cont'd)

Finding No. 2014-1 (Cont'd)

Information on the Federal Program (Cont'd)

Title I, Part A (84.010).

Effect

The School District violated a few regulations for Title I, Part A funding.

Cause

School District officials were unaware of the need for certain policies and that federal procurement regulations differed from Local Public Contracts Laws. The School District failed to obtain proper documentation to substantiate Highly Qualified Teacher status.

Recommendation

There is no recommendation necessary for the written policies and procurement with federal funds because corrective action has been implemented in April 2014. The School District should review the Highly Qualified Teacher documentation on file when teachers are being assigned to assure that highly qualified teachers are properly identified with appropriate supporting documentation.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

Section 3- Schedule of Federal Award Findings and Questioned Costs (Cont'd)

Finding No. 2014-2

Information on the Federal Program

National School Lunch Program (CFDA 10.555), Food Distribution Program (CFDA 10.555), School Breakfast Program (10.553).

Criteria or Specific Requirement

A School Food Authority is required to maintain a nonprofit School Food Service where by net cash resources may not exceed three months average expenditures. Good internal control practices to ensure that the recording and reporting of meal counts dictate that reconciliation should be made monthly between the source documentation for meal counts and the data check worksheets used for the electronic reporting in SNEARS.

Condition

Net cash resources exceeded three months average expenditures. Reconciliation between source documentation for meals served and data check worksheets for the electronic reporting of meal counts in SNEARS was not performed and as a result, the meal counts for the month of March 2014 were under reported.

Questioned Costs

None

Context

Net cash resources exceeded three months average expenditures as of June 30, 2014. Due to a computer error, the data check worksheets generated from the point-of-sale system for March 2014 dropped two serving days for one of the School District's schools. No reconciliation is being made between this document and the meal count reports and as a result, meal counts for the month of March were under reported.

Effect

Net cash resources exceeding three months average expenditures is an indication that the School District is not maintaining a nonprofit School Food Service. The failure to perform a monthly reconciliation between the source documentation for meal counts and the data check worksheets used for the electronic reporting in SNEARS can result in incorrect meal counts reported. Incorrect meal counts were reported for the month of March 2014.

Cause

The School District's food service program was providing meals for another School District and the efficiencies achieved by this shared service resulted in increased revenues rendering the program more profitable. With no reconciliation procedure in place to verify the accuracy of the data check worksheets used for the electronic reporting in SNEARS, it was not known that two serving days had been missed.

Recommendation

That the School District maintains a nonprofit School Food Service and not have net cash resources exceed three months expenditures. To ensure the proper reporting of meal counts, reconciliation between the source documentation for meal counts and the data check worksheets used for the electronic reporting in SNEARS should be made monthly.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

None.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2013-1

Condition

There is no procedure applied consistently for the reconciliation of pension deductions with the remitting and reporting to the New Jersey Division of Pension and Benefits. In addition, there is no procedure established to ensure that changes to employee base salaries are reported timely.

Current Status

This condition has been resolved.

Finding No. 2013-2

Condition

A ledger of cash receipts and disbursements was not maintained for the student activity fund at the Bellmawr Park School.

Current Status

This condition has been resolved.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

