SCHOOL DISTRICT

OF

BELMAR

BELMAR BOARD OF EDUCATION
BELMAR, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

BELMAR BOARD OF EDUCATION

BELMAR, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

PREPARED BY

BELMAR BOARD OF EDUCATION
BUSINESS ADMINISTRATOR/BOARD SECRETARY
LORETTA HILL

BELMAR SCHOOL DISTRICT

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INTRODUCTORY SECTION

BELMAR BOARD OF EDUCATION

1101 MAIN STREET, BELMAR, NEW JERSEY 07719

DAVID R. HALLMAN
SUPERINTENDENT
732-681-8888

LORETTA HILL
BUSINESS ADMINISTRATOR/
BOARD SECRETARY
732-681-8888

September 25, 2014

Honorable President and
Members of the Board of Education
Borough of Belmar School District
County of Monmouth
Belmar, New Jersey 07719

Dear Board Members:

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

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

1) REPORTING ENTITY AND ITS' SERVICES - Borough of Belmar School District is an independent reporting entity within the criteria adopted by GASB as established by NCGA Statement No.3. All funds and account groups for the district are included in this report. The Belmar Board of Education and the Belmar Elementary School constitute the district's reporting entity.

The district provides a full range of educational services appropriate to grade levels Pre-K through eight. Students in grades nine through twelve are assigned by board policy to Manasquan, Asbury Park, Red Bank Regional, Marine Academy of Science and Technology, High Tech High School, Allied Health and Science Academy, Class Academy, Communications High School and the Academy High School Charter School. The district provides a comprehensive special education program for all preschool through eighth grade students. The district also provides for the educational needs of all resident students of Lake Como in grades Pre-K through eight and in the area of special education. The district completed the 2013/14 fiscal year with an average enrollment of 568, which is slightly higher than the previous year's average enrollment. The following details the changes in student enrollment of the district over the last ten years:

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2013/2014	552	(2.8)
2012/2013	568	2.1
2011/2012	556	0.7
2010/2011	560	0.2
2009/2010	559	4.8
2008/2009	533	1.9
2007/2008	523	(2.0)
2006/2007	534	(1.7)
2005/2006	543	(3.4)
2004/2005	562	1.0

2) ECONOMIC CONDITIONS AND OUTLOOK: Belmar is a seashore community that has been undergoing a transformation on the oceanfront. Longstanding business properties have been sold and are currently being redeveloped as single family homes. Many of these homes are valued at over two million dollars. This transition will further limit the availability of housing for low income families as the other properties in Belmar continue to increase in value exceeding what low income families can afford. Belmar has a shopping area made up of independent stores and restaurants. The town is in the process of starting a redevelopment of the downtown area and redeveloping the seaport area. Some older structures are being replaced with mixed business/residential use buildings. With the new homes being built on the oceanfront and the rise of real estate prices in the town, the tax base for the community has increased. There are no major industries located in Belmar, therefore, the majority of the residents work outside the community. The largest employers are the Board of Education and Municipal government.

3) MAJOR INITIATIVES: During the 2013/14 SY, we move into Year 3 of the district's independent reading program, Action 100, which uses a readers' workshop instructional standard grounded in a response to intervention model. This research-based literacy program differentiates instruction through leveled texts, self-selected reading, and daily individual student/teacher conferencing to ensure that all students master the intended learning objectives. An internal leadership team, developed and trained during

the past year, provides Tier 3 intervention for those students who fail to respond to in-class supports, and facilitates consistent teacher-modeling and staff development to ensure that teachers are implementing the program with fidelity. Electronic benchmarking for ELA and Math will continue to be administered three times per year to monitor student progress and assist teachers in planning for instruction.

Students will become proficient in taking the electronic assessments through a variety of digital media, including mobile devices such as ChromeBooks. In this way, the district continues to prepare itself for the transition to the PARCCC assessments, which will ultimately be delivered in an electronic format. Teachers will also receive focused staff development in utilizing a component of the program which allows teachers to create customized, common assessments. Curriculum for ELA and Math has been rewritten and aligned with the Common Core State Standards, with teachers working in professional learning communities twice per week to build out curricular frameworks of differentiated activities, resources, and meaningful technology integration.

4) INTERNAL ACCOUNTING CONTROLS: Management of the district is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonably, 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 require estimates and judgments by management.

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the district maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital project's 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 a year end are canceled or included as reappropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

6) ACCOUNTING SYSTEM AND REPORTS: The district's accounting records reflect generally accepted accounting principles, are promulgated by the Government Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

7) DEBT ADMINISTRATION: As of June 30, 2014, the district's outstanding debt was $2,560,000. The debt is currently comprised of two funding sources. The District's two loans to provide funds for the 17,000 square foot addition to the Belmar Elementary School in 1993 were paid in full during the 2103/14 school year. In July, 2003 the Board of Education retired the present value of an unfunded liability to the Teachers' Pension and Annuity fund for an early retirement incentive by issuing refunding bonds in the amount of $540,000. The refinancing of this debt saved the district $239,348 in interest expense. Also, bonds in the amount of $3,370,000 were issued in August, 2003 to fund the local share of the capital project that was passed by referendum in March, 2003 and partially funded by the State of New Jersey, Economic Development Authority. The proceeds of the bonds along with the grant from the State of New Jersey was used to complete $5,600,000 in renovations to the Belmar Elementary School. These bonds were refunded in 2012 saving the district 7.65% net present value or $193,192 over the remaining life of the refunded bonds.

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

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

10) OTHER INFORMATION: Independent Audit-State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart & Company, CPAs and Registered Municipal Accountants conducted the annual audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and

combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit report of this report.

11) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Belmar Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contribute their full support to the development and maintenance of our financial operation. Please refer to the Management's Discussion and Analysis for the Fiscal Year for a review of the financial status of the district.

Respectfully submitted,

David Hallman
Superintendent/Principal

Loretta Hill
Board Secretary/School
Business Administrator

BELMAR BOARD OF EDUCATION

BELMAR, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2014

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Cherie Adams, President	2016
Mark Walsifer, Vice-President	2014
Karen Barry	2016
Richard Brand	2015
Aileen Byrne-Fahy	2016
Mark Furey	2014
Joanne Gray	2015
Rebecca Herbert	2014
Christine Kurzweil	2015
Deborah Hilliard (Sending district representative)	2014

Other Officials

David Hallman, Superintendent/Principal

Loretta Hill, School Business Administrator/Board Secretary

Eileen F. Ertle, Treasurer of School Monies

Michael Gross, Board Attorney

BELMAR BOARD OF EDUCATION

CONSULTANT AND OFFICIALS

JUNE 30, 2014

AUDIT FIRM
Robert A. Hulsart and Company
2807 Hurley Pond Road
P.O. Box 1409
Wall, New Jersey 07719

ATTORNEY
Michael Gross
Kenney, Gross, Kovats and Parton
130 Maple Avenue
Red Bank, N.J. 07701

OFFICIAL DEPOSITORIES
Ocean First Bank
Sovereign Bank

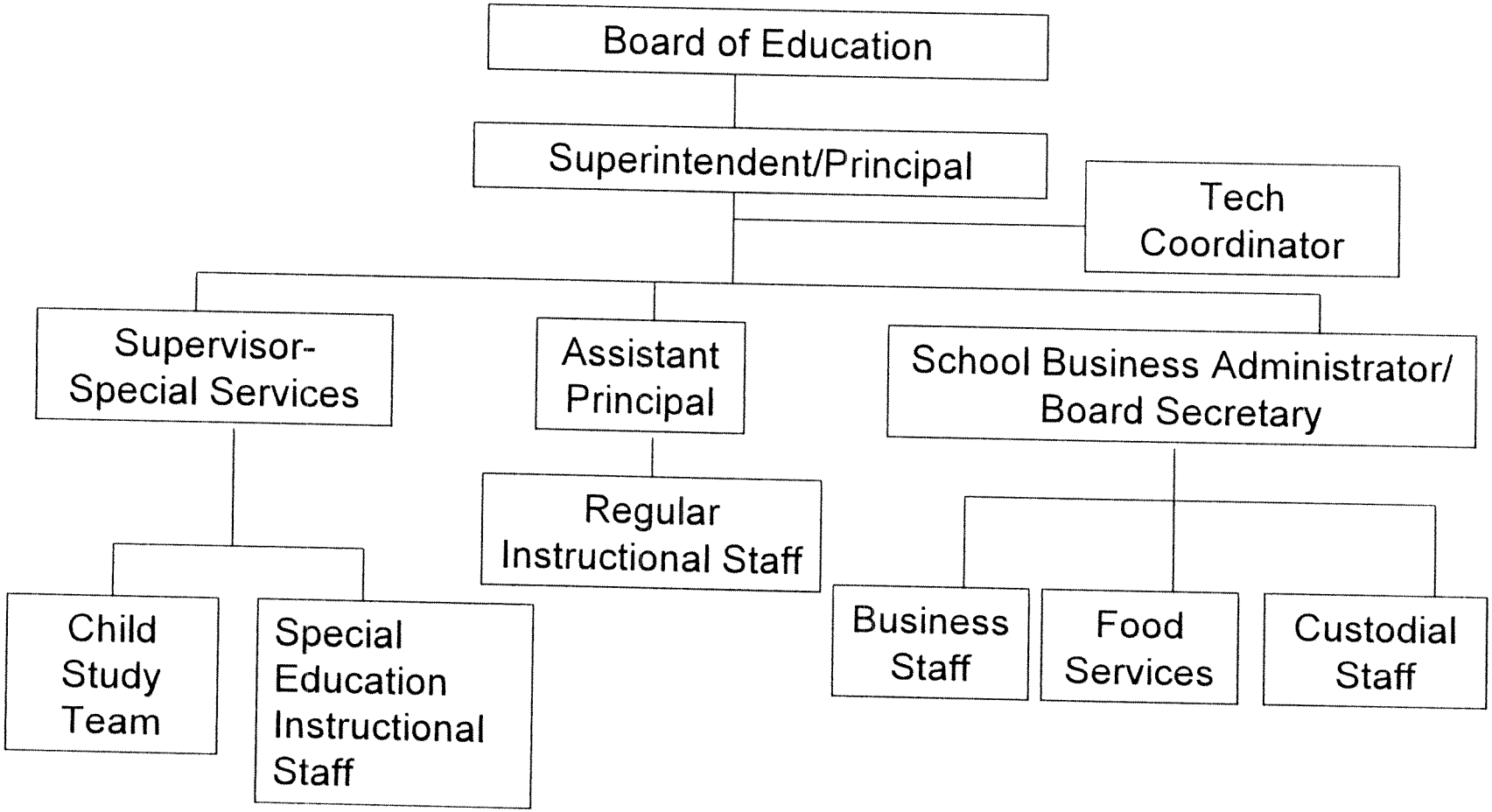
INSURERS
Boynton and Boynton
P.O. Box 887
Red Bank, New Jersey 07701

ARCHITECT
Tomaino, Tomaino, and Iamello
136 Brighton Avenue
Deal, New Jersey 07723

BELMAR BOARD OF EDUCATION

ORGANIZATIONAL CHART

(UNIT CONTROL)



adopted August 23, 2007

FINANCIAL SECTION

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR.,C.P.A., P.S.A.

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

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 presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2014 on our consideration of the Belmar's Board of Education internal control over financial reporting and 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 Belmar Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

_____

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey

September 25, 2014

REQUIRED SUPPLEMENTARY INFORMATION
PART I

BELMAR PUBLIC SCHOOL DISTRICT

BOROUGH OF BELMAR

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The discussion and analysis of Belmar Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

The MD & A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – "Basic Financial Statement - and Management's Discussion and Analysis – for State and Local Governments" issued in June 1999. The new reporting model contains necessary comparative information of the previous year.

Financial Highlights

Key Financial highlights for the 2013-2014 fiscal year are as follows:

- General revenues accounted for $9,955,321 in revenue or 75% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $3,270,316 or 25% percent to total revenues of $13,225,637.

- Total assets of governmental activities decreased by $413,762 as cash and cash equivalents decreased by $144,916, receivables decreased by $27,983 and capital assets decreased by $240,893.

- The School District had $13,111,692 in expenses; only $3,270,316 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes, tuition and state aid) of $9,955,321 plus designated surplus and withdrawals from tuition reserve and maintenance reserve of $402,008 were adequate to provide for these programs.

- The General Fund had $11,463,803 in revenues and $11,321,968 in expenditures. The General Fund's balance increased $141,835 over 2013. This increase was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a

longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Belmar Public School District, the General Fund is the most significant fund, with the Special Revenue Fund and Capital Project's Fund also having significance.

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the 2013-2014 fiscal year?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- Governmental activities – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

- Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins with exhibit B-1. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

The School District as a Whole

Table 1 provides a summary of the School District's Net Position for fiscal year 2013 and 2014.

Table 1
Net Position

	2013	2014
Assets		
Current and Other Assets	$ 1,850,538	$ 1,693,254
Capital Assets. Met	5,206,932	4,968,318
Total Assets	$ 7,057,470	$ 6,661,572
Liabilities		
Long-Term Liabilities	$ 2,775,578	$ 2,503,390
Other Liabilities	489,161	441,810
Total Liabilities	$ 3,264,739	$ 2,945,200
Net Assets		
Invested in Capital Assets, Net of Debt	$ 2,759,186	$ 2,656,228
Restricted	1,803,111	1,866,109
Unrestricted	78,768	289,688
Total Net Assets	$ 4,641,065	$ 4,812,025

Table 2 shows the changes in Net Position for fiscal year 2013 and 2014.

Table 2
Changes in Net Position

Revenues		2013		2014
Program Revenues				
Charges for Services	$	2,072,068	$	1,968,284
Operating Grants and Contributions		1,228,415		1,302,032
General Revenues				
Property Taxes		7,861,911		7,998,552
Grants and Entitlements		1,886,431		1,782,045
Other		14,768		174,732
Total Revenues	$	13,063,593	$	13,225,645
Program Expenses				
Instruction	$	4,591,325	$	4,392,490
Support Services				
Pupils and Instructional Staff		3,357,411		4,031,618
General Administration, School Administration, Business Services, Unalloc. Benefits		3,299,884		3,308,104
Operations and Maintenance of Facilities		729,180		591,461
Pupil Transportation		355,929		390,153
Special Schools/Charter School		49,116		26,058
Interest on Debt		104,402		94,510
Food Service		260,337		277,298
Total Expenses	$	12,747,584	$	13,111,692
Increase/(Decrease) in Net Assets	$	316,009	$	113,953

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 60% percent of revenues and tuition from other school districts made up 15% of revenues for governmental activities for the Belmar Public School District for fiscal year 2013. The District's total revenues were $13,225,645 for the fiscal year ended June 30, 2014. Federal and state grants, as well as miscellaneous revenue accounted for 25%.

Business-Type Activities

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

- Food service revenues exceeded expenditures by $15,918 and for the 7th year in a row, the Board did not subsidize the food services operation. The food service program shows an increase of $15,918 change in Net Position.

- Charges for services represent $94,563 of revenue. This represents amounts paid by patrons for daily food services.

- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was $198,653.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

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

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

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

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

Other includes unallocated depreciation and amortization.

The School District's Funds

The School District uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Borough of Belmar's taxpayer's and other entities, including the State of New Jersey and the Federal Government. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2014, it reported a combined net asset balance of $4,812,025. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in Net Position.

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

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the CAFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

The General Fund finished the fiscal year with approximately $529,336 less in expenditures than budgeted. The General Fund generated $163,589 more in Revenues than budgeted. The additional revenue over expenditures will be carried forward to the following year beginning fund balance. In June, 2014 the Board approved $575,000 increase in reserves for capital projects, maintenance, and tuition for the upcoming years. The balance of unreserved surplus at July 1, 2013 is $188,231.

Capital Assets

At June 30, 2014, the School Board had approximately $4,968,318 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2013 and 2014 fiscal year.

Table II

	2013	2014
Capital Assets		
Governmental Activities		
Land	$ 481,300	$ 481,300
Construction in Progress	-	-
Buildings & Machinery and Equipment	5,647,500	5,406,607
Total Governmental Activities	$ 6,128,800	$ 5,887,907
Business Type Activities		
Machinery & Equipment	$ 40,732.00	$ 43,011.00
Total Capital Assets	$ 6,169,532	$ 5,930,918

Debt Administration

At June 30, 2014, the School District had $2,793,390 as outstanding debt. Of this amount $143,390 is for compensated absences, and the balance $2,650,000 is for bonds for school construction. On March 11, 2003 the voters of the Borough of Belmar approved the renovation to the Elementary

school in the amount of $5,616,977. The state of New Jersey funded 40% or $2,246,791 and Bonds were issued for the remaining $3,370,000. During 2012 the District took advantage of favorable rates and refunded these bonds for a NPV savings of 7.65%.

Economic Factors and Next Year's Budget

The Belmar Public School District is in very good financial condition presently. The Borough of Belmar is primarily a residential community, with few commercial ratables. The majority of revenues needed to operate the District is derived from homeowners through property tax assessments and collections, which is voted by the residents annually.

The district has a net position of $4,812,025 for all governmental activities representing the accumulated results of all past years' operations. The unrestricted portion of the net position is $289,688. This means that if the School Board had to pay off all bills today, including all of the School Board's noncurrent liabilities such as compensated absences, the School Board would have a surplus of $289,688. The district also has $678,643 in capital reserve monies and $225,000 in Tuition Reserve, $110,005 in Emergency Reserve, and $207,450 in Maintenance Reserve, as well as the fair market value of the capital assets.

Total State Aid decreased in 2013/14 to $1,074,912 a decrease of $34,479 over 2012/13 State Aid. Over the past six years the amount of state aid to the District has decreased significantly. In 2008/2009 the District received $1,383,388 in State Aid. This amount decreased to $1,018,000 in 2009/2010, $966,613 in 2010/2011, and $1,089,794 in 2011/12. The district supplemented the loss of state aid with surplus funds and cost savings through salary negotiations and a minimal reduction in staff. The student population has remained relatively constant over the past for years. In the future, the tax levy will be the area that will need to absorb any increase in budget obligations and that is limited to a 2% cap.

The School Board anticipates that enrollment for the 2014-2015 school year will remain stable. The School Board cannot accurately forecast future enrollment, but many school Districts in Monmouth County faced decreased enrollments over the past few years while the enrollment in Belmar has increased.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact: Ms. Loretta Hill, School Business Administrator/Board Secretary at Belmar Board of Education, 1101 Main St, Belmar, NJ 07719.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

BELMAR SCHOOL DISTRICT

STATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2014

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 250,879	32,166	283,045
Receivables, Net	145,591	14,002	159,593
Inventory		1,861	1,861
Restricted Assets:			
Cash and Cash Equivalents	767,455		767,455
Cash-Capital Reserve	1,098,653		
Capital Assets Not Being Depreciated	481,300		481,300
Capital Assets, Net	4,925,307	43,011	4,968,318
Total Assets	7,669,185	91,040	6,661,572
Liabilities			
Deferred Revenue	14,319		14,319
Accounts Payable	137,951	2,540	140,491
Noncurrent Liabilities:			
Due Within One Year	290,000		290,000
Due Beyond One Year	2,503,390		2,503,390
Total Liabilities	2,945,660	2,540	2,948,200
Net Position			
Invested in Capital Assets, Net of Related Debt	2,613,217	43,011	2,656,228
Restricted For:			
Debt Service	1		1
Other Purposes	1,866,108		1,866,108
Unrestricted	244,199	45,489	289,688
Total Net Position	$ 4,723,525	88,500	4,812,025

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

BELMAR SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental Activities:						
Instruction:						
Regular	$ 2,855,239			(2,855,239)		(2,855,239)
Special Education	1,294,347		661,033	(633,314)		(633,314)
Other Special Instruction	135,205			(135,205)		(135,205)
Other Instruction	107,699			(107,699)		(107,699)
Support Services:						
Tuition	2,817,103	1,873,721		(943,382)		(943,382)
Student & Instruction Related Services	1,214,515		442,354	(772,161)		(772,161)
General Administrative Services	228,059			(228,059)		(228,059)
School Administrative Services	442,216			(442,216)		(442,216)
Plant Operations and Maintenance	591,461			(591,461)		(591,461)
Pupil Transportation	390,153			(390,153)		(390,153)
Unallocated Employee Benefits	2,283,802			(2,283,802)		(2,283,802)
Unallocated Depreciation	354,027			(354,027)		(354,027)
Interest on Long-Term Debt	94,510			(94,510)		(94,510)
Special Schools	26,058			(26,058)		(26,058)
Total Government Activities	12,834,394	1,873,721	1,103,387	(9,857,286)	-	(9,857,286)
Business-Type Activities:						
Food Service	277,298	94,563	198,645		15,910	15,910
Total Business-Type Activities	277,298	94,563	198,645	-	15,910	15,910
Total Primary Government	13,111,692	1,968,284	1,302,032	(9,857,286)	15,910	(9,841,376)

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

BELMAR SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purpose, Net	7,633,313		7,633,313
Taxes Levied for Debt Service	365,239		365,239
Federal and State Aid Not Restricted	1,782,045		1,782,045
Investment Earnings and Miscellaneous Income	174,724	8	174,732
Total General Revenues	9,955,321	8	9,955,329
Change in Net Position	98,035	15,918	113,953
			-
Net Position - Beginning	4,625,490	72,582	4,698,072
Net Position - Ending	$ 4,723,525	88,500	4,812,025

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

FUND FINANCIAL STATEMENTS – B

Exhibit B-1

BELMAR SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2014

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Assets				
Cash and Cash Equivalents	$ 2,022,603	94,383	1	2,116,987
Restricted Cash and Cash Equivalents				-
Receivables, Net	87,704	57,887		145,591
Total Assets	$ 2,110,307	152,270	1	2,262,578
Liabilities and Fund Balance				
Liabilities:				
Accounts Payable	$ -	137,951		137,951
Deferred Revenue		14,319		14,319
Total Liabilities	-	152,270	-	152,270
Fund Balance:				
Restricted for:				
Designated for Subsequent Years Expenditures - Tuition Reserve Budgeted Withdrawal	225,000			225,000
Tuition Reserve:				
2013-2014	225,000			225,000
Maintenance Reserve	207,450			207,450
Emergency Reserve	110,005			110,005
Capital Reserve Account	678,643			678,643
Designated for Subsequent Years Expenditures - Capital Reserve Budgeted Withdrawal	420,010			420,010
Assigned to:				
Other Purposes	87,672			87,672
Designated for Subsequent Years Expenditures - BOE	74,034			74,034
Unassigned:				
General Fund	82,493			82,493
Debt Service			1	1
Total Fund Balances	2,110,307	-	1	2,110,308
Total Liabilities and Fund Balance	$ 2,110,307	152,270	1	
Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $11,568,168 and the accumulated depreciation is $6,161,561.				5,406,607
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. (see Note 3)				(2,793,390)
Net Position of Governmental Activities				$ 4,723,525

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

BELMAR SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Revenues				
Local Sources:				
Local Tax Levy	$ 7,633,313		365,239	7,998,552
Tuition Charges	1,873,721			1,873,721
Miscellaneous	174,724	86,160		260,884
Total Local Sources	9,681,758	86,160	365,239	10,133,157
State Sources	1,771,895	424,105		2,196,000
Federal Sources	10,150	593,122		603,272
Total Revenues	11,463,803	1,103,387	365,239	12,932,429
Expenditures				
Current:				
Regular Instruction	2,855,239			2,855,239
Special Education Instruction	633,314	661,033		1,294,347
Other Special Instruction	135,205			135,205
Other Instruction	107,699			107,699
Support Services and Undistributed Costs:				
Tuition	2,817,103			2,817,103
Student and Instruction Related Services	772,161	442,354		1,214,515
General Administrative Services	228,059			228,059
School Administrative Services	442,216			442,216
Plant Operations and Maintenance	591,461			591,461
Pupil Transportation	390,153			390,153
Unallocated Benefits	2,301,614			2,301,614
Debt Service:				-
Principal			279,045	279,045
Interest and Other Charges			99,029	99,029
Capital Outlay	21,686			21,686
Special Schools	26,058			26,058
Total Expenditures	11,321,968	1,103,387	378,074	12,803,429

BELMAR SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	141,835	-	(12,835)	129,000
Net Change in Fund Balances	141,835	-	(12,835)	129,000
Fund Balance - July 1	1,968,472		12,836	1,981,308
Fund Balance - June 30	$ 2,110,307	-	1	2,110,308

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

BELMAR SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Exhibit B-3

FOR THE YEAR ENDED JUNE 30, 2014

Total Net Change in Fund Balances - Governmental Funds (From B-2)		$	129,000
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:			
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.			
Depreciation Expense	(354,027)		
Capital Outlays	21,686		
			(332,341)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.			279,045
In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).			17,812
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.			4,519
Change in Net Position of Governmental Activities		$	98,035

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

BELMAR SCHOOL DISTRICT

STATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDS

JUNE 30, 2014

	Enterprise Fund
Assets	
Current Assets:	
Cash and Cash Equivalents	$ 32,166
Accounts Receivable:	
State	258
Federal	13,744
Inventories	1,861
Total Current Assets	48,029
Noncurrent Assets:	
Equipment	58,097
Less: Accumulated Depreciation	(15,086)
Total Noncurrent Assets	43,011
Total Assets	$ 91,040
Liabilities	
Accounts Payable	$ 2,540
Total Liabilities	$ 2,540
Net Position	
Investment in Capital Assets	$ 43,011
Unrestricted	45,489
Total Net Position	$ 88,500

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

BELMAR SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Exhibit B-5

PROPRIETARY FUNDS

JUNE 30, 2014

	Enterprise Fund
Operating Revenues:	
Local Sources:	
Daily Sales Reimbursable Programs	$ 94,563
Total Operating Revenue	94,563
Operating Expenses:	
Cost of Food	125,314
Salaries	103,609
Management Fee	9,000
Insurance	15,453
Cost of Supplies	9,444
Depreciation	3,422
Audit	1,000
Miscellaneous	10,056
Total Operating Expenses	277,298
Operating (Loss)/Profit	(182,735)
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	3,514
Federal Sources:	
National School Lunch Program	152,827
HHFKA Lunch Program	4,134
Federal Breakfast Program	24,887
Food Distribution Program	13,283
Interest Revenue	8
Total Non-Operating Revenues	198,653
Change in Net Position	15,918
Adjustment for Fixed Assets	5,701
Net Position, July 1	66,881
Net Position, June 30	$ 88,500

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

BELMAR SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDS

JUNE 30, 2014

	Enterprise Fund
Cash Flows from Operating Activities:	
Receipts from Daily Sales	$ 94,563
Payments to Employees	(103,609)
Payments to Suppliers	(160,159)
Net Cash Used by Operating Activities	(169,205)
Cash Flows from Noncapital Financing Activities:	
State Sources	3,514
Federal Sources	181,848
Net Cash Provided by Noncapital Financing Activities	185,362
Cash Flows from Investing Activities:	
Interest Earned	8
Net Increase/(Decrease) in Cash and Cash Equivalents	16,165
Cash and Cash Equivalents July 1	16,001
Cash and Cash Equivalents June 30	$ 32,166
Cash Flows from Operating Activities:	
Operating (Loss)/Profit	$ (182,735)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Depreciation	3,422
Federal Commodities Consumed	13,283
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	1,161
Increase/(Decrease) in Accounts Payable	(3,755)
(Increase)/Decrease in Inventory	(581)
Net Cash Used by Operating Activities	$ (169,205)

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

BELMAR SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

FIDUCIARY FUNDS

JUNE 30, 2014

	Scholarship Fund	Unemployment Compensation Trust
Assets:		
Cash and Cash Equivalents	$ 860	28,535
Total Assets	$ 860	28,535
Net Position:		
Held in Trust for Unemployment Claims and Other Purposes	$ 860	28,535
Total Net Position	$ 860	28,535

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

BELMAR SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Exhibit B-8

FIDUCIARY FUNDS

JUNE 30, 2014

	Scholarship Fund	Unemployment Compensation Trust
Additions		
Investment Earnings:		
Interest	$ -	41
Net Investments Earnings	-	41
Deductions		
Fees	60	
Interest Transferred	-	34
Total Deductions	60	34
Change in Net Position	(60)	7
Net Position - Beginning of Year	920	28,528
Net Position - End of the Year	$ 860	28,535

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION

BELMAR SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Belmar School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Belmar School District had an approximate enrollment at June 30, 2014 of 549 students.

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

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

B. Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county tax levies, from business-type activities generally financed in whole or in part with fees charged to external parties.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary and fiduciary funds. The New Jersey Department of Education (the "Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

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

Capital Projects Fund: the capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Proprietary Fund Type

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Fiduciary Fund Types

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

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

Expendable Trust Fund: An expendable trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent. Expendable trust funds include Unemployment Compensation Insurance and the following scholarship funds:

Stoner Scholarship Fund

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

E. Basis of Accounting:

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

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

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

NOTE 1: **Summary of Significant Accounting Policies (Continued)**

F. **Budgets/Budgetary Control**:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2014 included withdrawals from the emergency reserve in August 2014 of $91,000 for tuition and extraordinary services and $25,000 from maintenance reserve in October 2014 for playground surface replacement.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

G. **Encumbrances**:

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

H. Short-Term Interfund Receivables/Payables:

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

I. Inventories and Prepaid Expenses

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

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

J. Capital Assets and Depreciation

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District contracted with an outside service company to provide a report with a comprehensive detail of capital assets and depreciation during 2003-2004. Accumulated depreciation for fiscal year 2014, fiscal year 2014 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

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

NOTE 1: **Summary of Significant Accounting Policies (Continued)**

J. **Capital Assets and Depreciation (Continued)**

	Balance July 1, 2013	Additions	Adjustments	Balance June 30, 2014
Governmental Activities:				
Capital Assets that are Not Being Depreciated:				
Land	$ 481,300			481,300
Site Improvements and Buildings	10,653,185	20,233		10,673,418
Machinery and Equipment	344,910	68,540		413,450
Totals	10,998,095	88,773		11,086,868
Less: Accumulated Depreciation for:				
Sites and Buildings	5,696,491	325,640		6,022,131
Equipment	135,404	28,387	(24,361)	139,430
Total Accumulated Depreciation	5,831,895	354,027	(24,361)	6,161,561
Net Depreciable Assets	5,166,200	(265,254)	(24,361)	4,925,307
Governmental Activities Capital Assets, Net	$ 5,647,500	(265,254)	(24,361)	5,406,607
Business-Type Activities:				
Equipment	$ 53,932	4,165		58,097
Less: Accumulated Depreciation for:				
Equipment	13,200	3,422	(1,536)	15,086
Business-Type Activities Capital Assets, Net	$ 40,732	743	(1,536)	43,011

The fixed asset listing is updated each year by Acclaim inventory on-site, and assets are tagged, or deleted, as appropriate. The GASB 34 summaries are required to determine activity to be reported in the CAFR, as the additions and removals contain items for insurance purposes that are not capitalized for GASB 34 purposes.

NOTE 1: Summary of Significant Accounting Policies (Continued)

K. Accrued Salaries and Wages

Certain District employees, who provide services to the 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.

L. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group. The current portion of the compensated absence balance is not considered material to the applicable fund total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

M. Deferred Revenue

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

N. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

O. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Grants, entitlements, or shared revenues which are restricted for the acquisition or construction of capital assets are also recorded as contributed capital. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

NOTE 1: Summary of Significant Accounting Policies (Continued)

P. Tuition Receivable

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

Q. Tuition Payable

Tuition charges for the fiscal year 2013-2014 was based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined. The District has elected to reserve $225,000.00 for future tuition adjustment liabilities, which is within the 10% ceiling allowed by the Department of Education, State of New Jersey.

2013-2014 School Year	$ 225,000
2014-2015 School Year	225,000
Balance June 30, 2014	450,000
To be Utilized in 2014-2015	225,000
Available for Future Years	$ 225,000

NOTE 2: Cash and Cash Equivalents and Investments

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

Investments are stated at cost or amortized cost, which approximates market. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits

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

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

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

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

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000.000.

NOTE 2: Cash and Cash Equivalents and Investments

Investments

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

a. Bonds or other obligations of the United States or obligations guaranteed by the United States.

b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank of Cooperatives which have a maturity date not greater than twelve months from the date of purchase.

c. Bonds or other obligations of the school district.

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

As of June 30, 2014, the District's deposits and investments are summarized as follows:

FDIC	$ 250,860
GUPDA	2,630,572
	$ 2,881,432

As of June 30, 2014, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents
Interest Bearing Checking Accounts	$ 2,228,585

The carrying amount of the Board's cash, cash equivalents and investments at June 30, 2014 was $2,228,585 and the bank balance was $2,881,432. Of the bank balance $250,860 was covered by federal depository insurance and $2,630,572 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

The District had no uninsured deposits.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2014, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Long-Term Portion	2014-15 Payment
Compensated Absences Payable	$ 125,578	17,812		143,390	143,390	
Loans Payable	114,045		114,045			
Bonds Payable	2,815,000		165,000	2,650,000	2,360,000	290,000
	$ 3,054,623	17,812	279,045	2,793,390	2,503,390	290,000

A. Loans Payable

The Board had two loan programs, a low-interest facilities program loan issued on August 18, 1993, and a small project program loan, also issued on August 18, 1993. The interest rates are 1.500% and 5.288%, respectively, and both loans were paid in full during 2013. These loans were issued by the New Jersey Economic Development Authority.

B. Bonds Authorized But Not Issued

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

C. Bonds Payable

	Principal	Interest	Total
Year Ending June 30,			
2015	$ 290,000	89,688	379,688
2016	300,000	80,937	380,937
2017	305,000	70,738	375,738
2018	315,000	60,250	375,250
2019	270,000	50,850	320,850
2020-2023	1,170,000	95,200	1,265,200
	$ 2,650,000	447,663	3,097,663

Bonds issued 7/8/03 for $540,000 at interest from 5.00% to 5.50% maturing 10/1/2017 with a balance of $185,000 at June 30, 2014.

Bonds Issued 2/1/12 for $2,490,000 at interest from 2% to 4% maturing 8/1/22 with a balance of $2,465,000 at June 30, 2014. These bonds refunded the bonds issued at 8/1/03.

NOTE 4: Pension Plans

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

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

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

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other that the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

NOTE 4: **Pension Plans (Continued)**

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements – The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5 ½% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/14	$ 50,500	100%	$ 0
6/30/13	52,531	100%	0
6/30/12	61,065	100%	0

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/14	$ 432,659	100%	0
6/30/13	530,635	100%	0
6/30/12	373,481	100%	0

During the fiscal year ended June 30, 2014, the State of New Jersey contributed $432,659 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District $293,074 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenue and expenditure in accordance with GASB 24.

NOTE 5: Post-Retirement Benefits

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

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

NOTE 6: Contingent Liabilities

It is the opinion of the school board officials that there is no litigation threatened or pending that would materially affect the financial position of the school district.

NOTE 7: Equity Balance

At June 30, 2014, the General Fund equity balance was as follows:

Recapitulations:	
Restricted for:	
Emergency Reserve	$ 110,005
Maintenance Reserve	207,450
Capital Reserve	678,643
Reserve for Tuition	225,000
Designated for Subsequent Year's Expenditures – Tuition Reserve Budgeted Withdrawal	225,000
Capital Reserve Budgeted Withdrawal	420,010
Committed to:	
Other Purposes	87,672
Assigned to:	
Designated for Subsequent Years Expenditures – Excess Surplus	32,650
Designated for Subsequent Year's Expenditures – BOE	41,384
Unassigned	188,231
	$ 2,216,045

NOTE 7: Equity Balance (Continued)

Reserved for encumbrances represents outstanding purchase orders which will be rolled into the 2014-2015 budget and expended therefrom.

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget.

2% Calculation of Excess Surplus	
2013-14 Total General Fund Expenditures Per the CAFR	$ 11,321,968
Decreased by:	
On-Behalf TPAF Pension and Social Security	(725,733)
Adjusted 13-14 General Fund Expenditures	$ 10,596,235
2% of Adjusted 2013-14 General Fund Expenditures	$ 211,925
Enter Greater of Above or $250,000	$ 250,000
Increased by Allowable Adjustment	23,591
Maximum Unassigned Fund Balance	$ 273,591
Section 2	
Total General Fund – Fund Balance @ 6-30-14	$ 2,216,045
Decreased by:	
Reserved for Encumbrances	(87,672)
Designated for Subsequent Year's Expenditures – Tuition Reserve Budgeted Withdrawal	(225,000)
Capital Reserve	(420,010)
Designated for Subsequent Years Expenditures	(74,034)
Other Reserves	(1,221,098)
Total Unassigned Fund Balance	$ 188,231
Restricted Fund Balance – Excess Surplus	$ 0
Section 3	
Reserved Fund Balance - Excess Surplus – Designated for Subsequent Year's Expenditures	$ 32,650
Excess Surplus	0
	$ 32,650
Detail of Allowable Adjustments	
Extraordinary Aid	$ 22,086
Nonpublic Transportation	1,505
Total Adjustments	$ 23,591

NOTE 7: Equity Balance (Continued)

Detail of Other Restricted Fund Balance	
Tuition Reserve	$ 225,000
Maintenance Reserve	207,450
Emergency Reserve	110,005
Capital Reserve	678,643
Total Other Restricted Fund Balance	$ 1,221,098

NOTE 8: Risk Management

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current year:

Fiscal Year	District Contributions	Employee Contributions	Reimbursed	Ending Balance
2011-2012	$ 50,000	8,432	80,624	67,232
2012-2013	0	7,874	46,578	28,528
2013-2014	41	0	34	28,353

NOTE 9: Capital Reserve Account

A Capital Reserve account was established by the Borough of Belmar Board of Education by inclusion of $100 on September 1, 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.

Fund placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

NOTE 9: Capital Reserve Account (Continued)

During the fiscal year ended June 30, 2014, the District had actual interest earnings of $319.

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	$ 848,334
Transfer by Resolution June 28, 2014	250,000
Interest Earned	319
Balance June 30, 2014	$ 1,098,653 *

*In July 2014 the Board transferred $420,010 to the General Fund which was budgeted in the 2014-2015 District budget.

"A board of education may, by resolution of the board: transfer undesignated general fund balance or excess undesignated general fund balance to the capital reserve account at any time during the budget year; transfer funds from the capital reserve account to the appropriate line item account for the funding of capital projects as contained in the district's long-range facilities plan; and transfer funds from the capital reserve account to the debt service account for the purpose of offsetting principal and interest payments for bonded projects which are included in the district's long-range facilities plan." (N.J.S.A. 18A:7G-31c)

Withdrawals may not be used for current expense. Only funds in a capital reserve account in existence prior to July 18, 2000 can be withdrawn before receiving approval of the district's LRFP and such withdrawals must be for the original purpose deposited. (N.J.A.C. 6:23A-5.1(f)1).

"Any capital reserve account in existence as of July 18, 2000 shall be subject to EFCFA and these regulations." (N.J.A.C. 6:23A-5.1(j)).

NOTE 10: Fair Values of Financial Instruments

The following methods and assumptions were used by the Belmar Board of Education in estimating its fair value disclosures for financial instruments.

Cash and Cash Equivalents: The carrying amounts reported in the combined balance sheet for cash and cash equivalents are the fair values of those assets.

NOTE 11: Fund Balance Appropriated

General Fund – Of the $2,216,045 General Fund balance at June 30, 2014, $87,672 is reserve for encumbrances; $225,000 is designated for subsequent years expenditures – tuition reserve; $420,010 is designated for subsequent years expenditures – capital reserve; $41,384 is designated for subsequent years expenditures by the Board of Education; $110,005 is emergency reserve; $678,643 is capital reserve; $207,450 is maintenance reserve; $225,000 is tuition reserve; $32,650 is designated for subsequent years expenditures – excess surplus; and $188,231 is unassigned at June 30, 2014.

NOTE 12: Economic Dependency

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

NOTE 13: General Fund Emergency Reserve Account

The reserve account is to be used to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonable unforeseeable. The emergency reserve balance may not exceed $250,000 or 1% of the District's general fund budget up to a maximum of $100,000 whichever is greater. Withdrawals require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health costs greater than four percent. Belmar's emergency reserve balance as of June 30, 2014 is $110,005.

NOTE 14: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2014. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2014 through September 25, 2014.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES – C

BELMAR SCHOOL DISTRICT

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	$ 7,633,313		7,633,313	7,633,313	-
Tuition	1,894,490		1,894,490	1,873,721	(20,769)
Interest Earned on Investments			-	3,531	3,531
Miscellaneous	14,000		14,000	171,193	157,193
Total Local Sources	9,541,803	-	9,541,803	9,681,758	139,955
State Sources:					
Categorical Special Education Aid	314,554		314,554	314,554	-
Categorical Transportation Aid	122,321		122,321	122,321	-
Extraordinary Aid	50,000		50,000	72,086	22,086
Categorical Security Aid	135,146		135,146	135,146	-
Adjustment Aid	397,649		397,649	397,649	-
Non-Public Transportation Aid				1,505	1,505
TPAF Pension (On Behalf-Non-Budgeted)			-	432,659	432,659
TPAF Social Security (Reimbursed - Non-Budgeted)			-	293,074	293,074
Total State Sources	1,019,670	-	1,019,670	1,768,994	749,324
Federal Sources:					
Medical Assistance Program	10,107		10,107	10,150	43
Total Federal Sources	10,107	-	10,107	10,150	43
Total Revenues	10,571,580	-	10,571,580	11,460,902	889,322

BELMAR SCHOOL DISTRICT

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Pre-School - Salaries of Teachers	24,531	5,163	29,694	29,580	114
Kindergarten - Salaries of Teachers	233,665	8,412	242,077	238,473	3,604
Grades 1-5 - Salaries of Teachers	1,508,516	98,408	1,606,924	1,605,999	925
Grades 6-8 - Salaries of Teachers	646,370	39,856	686,226	672,635	13,591
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	17,750	994	18,744	17,454	1,290
Instructional Supplies	109,400	357	109,757	109,756	1
General Supplies	26,000	15,153	41,153	41,010	143
Textbooks	19,000	53,000	72,000	57,419	14,581
Miscellaneous Expenditures	64,700	22,811	87,511	82,283	5,228
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000		5,000	630	4,370
Total Regular Programs - Instruction	2,654,932	244,154	2,899,086	2,855,239	43,847
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	154,450	3,176	157,626	157,626	-
Other Salaries for Instruction	42,512	(7,449)	35,063	31,924	3,139
Purchased Professional Educational Services	10,000	(10,000)	-		-
General Supplies	600		600	517	83
Total Learning and/or Language Disabilities	207,562	(14,273)	193,289	190,067	3,222

BELMAR SCHOOL DISTRICT

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	274,062	33,900	307,962	307,131	831
Other Salaries for Instruction	2,500	21,013	23,513	20,202	3,311
Purchased Professional-Educational Services	10,000	(3,000)	7,000		7,000
General Supplies	1,500		1,500	1,162	338
Total Resource Room/Resource Center	288,062	51,913	339,975	328,495	11,480
Preschool Disabilities:					
Salaries of Teachers	62,140	1,500	63,640	63,205	435
Other Salaries for Instruction	53,921	(3,500)	50,421	45,307	5,114
Purchase Professional Educational Services	15,000	(4,563)	10,437	6,032	4,405
Other Purchased Services (400-500)	500		500		500
General Supplies	1,000		1,000	208	792
Total Preschool Disabilities	132,561	(6,563)	125,998	114,752	11,246
Total Special Education - Instruction	628,185	31,077	659,262	633,314	25,948
Basic Skills/Remedial Instruction					
Salaries of Teachers	70,000	(70,000)	-		-
General Supplies	300		300		300
Total Basic Skills/Remedial - Instruction	70,300	(70,000)	300	-	300
Bilingual Education-Instruction					
Salaries of Teachers	105,000	65	105,065	105,061	4
General Supplies	600		600		600
Total Bilingual Education-Instruction	105,600	65	105,665	105,061	604

BELMAR SCHOOL DISTRICT

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	33,131		33,131	30,144	2,987
Total School Sponsored Co-Curricular Activities - Instruction	33,131	-	33,131	30,144	2,987
School Sponsored Athletics - Instruction:					
Salaries	42,016	770	42,786	42,786	-
Supplies and Materials	8,000	3,008	11,008	8,070	2,938
Other Objects	2,000		2,000	1,843	157
Transfer to Cover Deficit	4,000		4,000	4,000	-
Total School Sponsored Athletics - Instruction	56,016	3,778	59,794	56,699	3,095
Other Supplemental /At-Risk Programs - Instruction:					
Salaries of Reading Specialists	49,900	1,125	51,025	51,000	25
Total Other Supplemental /At-Risk Programs - Instruction	49,900	1,125	51,025	51,000	25
Total Instruction	3,598,064	210,199	3,808,263	3,731,457	76,806
Undistributed Expenditures-Instruction:					
Tuition to Other LEAs in State - Regular	1,605,768	(20,000)	1,585,768	1,585,406	362
Tuition to Other LEAs in State - Special	241,616	(6,000)	235,616	235,594	22
Tuition to County Vocational School:					
Regular	70,860	5,040	75,900	75,320	580
Special	73,600	(17,040)	56,560	56,355	205
Tuition to Private School for Handicapped within State	743,726	138,000	881,726	864,428	17,298
Total Undistributed Expenditures-Instruction	2,735,570	100,000	2,835,570	2,817,103	18,467

BELMAR SCHOOL DISTRICT

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures-Health:					
Salaries	71,575	1,425	73,000	71,815	1,185
Purchased Professional and Technical Services	10,500		10,500	9,210	1,290
Supplies and Materials	2,000		2,000	1,069	931
Total Undistributed Expenditures-Health:	84,075	1,425	85,500	82,094	3,406
Undistributed Expenditures-Other Sup. Serv.					
Students-Related Serv.:					
Salaries of Teachers	87,100		87,100	84,587	2,513
Purchased Professional Educational Services	4,000		4,000	3,498	502
Supplies and Materials	500		500	446	54
Total Undistributed Expenditures-Other Sup. Serv. Students-Related Serv.	91,600	-	91,600	88,531	3,069
Undistributed Expenditures-Extraordinary Sup. Serv.					
Purchased Professional Educational Services	5,000	11,175	16,175	8,767	7,408
Supplies and Materials	2,500		2,500	624	1,876
Total Undistributed Expenditures-Extraordinary Sup. Serv.	7,500	11,175	18,675	9,391	9,284
Undistributed Expenditures-Other Supp. Serv.					
Students - Reg.:					
Salaries of Other Professional Staff	77,300	1,425	78,725	75,730	2,995
Supplies and Materials	500		500	194	306
Other Objects	500		500		500
Total Undistributed Expenditures-Other Supp. Serv.	78,300	1,425	79,725	75,924	3,801

BELMAR SCHOOL DISTRICT

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures-Other Sup. Serv.					
Students-Spec. Serv.:					
Salaries of Other Professional Staff	252,900	17,188	270,088	268,382	1,706
Salaries of Secretarial and Clerical Assts.	41,905	1,000	42,905	42,883	22
Other Purchased Professional Services	30,000	(1,500)	28,500	22,355	6,145
Other Purchased Services	1,000		1,000	1,000	-
Supplies and Materials	7,200	(320)	6,880	4,804	2,076
Other Objects	1,000	4,820	5,820	820	5,000
Total Undistributed Expenditures-Other Sup. Serv. Students-Spec. Serv.	334,005	21,188	355,193	340,244	14,949
Undistributed Expenditures - Imp. of Instructional Services:					
Salaries of Supervisors of Instruction		8,100	8,100	6,158	1,942
Undistributed Expenditures - Edu. Media Serv./Sch. Library:					
Salaries	52,770	2,100	54,870	54,826	44
Salaries of Technology Coordinators	75,000	11,000	86,000	85,944	56
Purchased Professional and Technical Services	7,000		7,000	2,298	4,702
Supplies and Materials	7,500		7,500	4,426	3,074
Total Undistributed Expenditures - Edu. Media Serv./ School Library	142,270	13,100	155,370	147,494	7,876
Undistributed Expenditures - Instr. Staff Training Serv:					
Purchased Professional-Educational Services	15,500	4,900	20,400	20,001	399
Other Purchased Services	3,750	(1,000)	2,750	2,324	426
Total Undistributed Expenditures - Instructional Staff Training Serv.	19,250	3,900	23,150	22,325	825

BELMAR SCHOOL DISTRICT

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Supp. Serv. - General Administration:					
Salaries	171,240	3,604	174,844	172,771	2,073
Legal Services	17,000		17,000	7,792	9,208
Audit Fees	13,500		13,500	13,500	-
Other Purchased Professional Services	8,385	(750)	7,635	6,630	1,005
Communications/Telephone	16,500	(14,400)	2,100	(380)	2,480
Other Purchased Services BOE	3,000	(1,400)	1,600	1,582	18
Other Purchased Services (400-500)	7,600	(6,500)	1,100		1,100
General Supplies	5,000	4,180	9,180	6,663	2,517
Miscellaneous Expenditures	16,250	(230)	16,020	13,871	2,149
BOE Membership Dues and Fees	6,000		6,000	5,630	370
Total Undistributed Expenditures - Supp. Serv. General Administration	264,475	(15,496)	248,979	228,059	20,920
Undistributed Expenditures-Support Serv.-School Admin.					
Salaries of Principals/Assistant Principals	100,000	10,001	110,001	110,000	1
Salaries of Secretarial/Clerical Assistants	52,750	9,775	62,525	62,511	14
Other Purchased Services	1,000	(1,000)	-		-
Supplies and Materials	3,000	(2,101)	899	858	41
Other Objects	2,000	(809)	1,191	1,191	-
Total Undistributed Expend.-Supp. Serv.-School Admin.	158,750	15,866	174,616	174,560	56

BELMAR SCHOOL DISTRICT

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Undistributed Expenditures-Central Services					
Salaries	213,279	10,275	223,554	218,110	5,444
Purchased Professional Services	27,335	12,560	39,895	39,895	-
Other Purchased Services	5,000	1,000	6,000	5,746	254
Supplies and Materials	2,750	1,925	4,675	3,389	1,286
Other Objects	3,500	(2,700)	800	516	284
Total Undistributed Expend.-Central Services	251,864	23,060	274,924	267,656	7,268
Undistributed Expenditures-Allow. Maint. School Facilities:					
Cleaning, Repair and Maintenance Services	51,400	28,149	79,549	60,575	18,974
Total Undistributed Expenditures-Allow. Maint. School Facilities	51,400	28,149	79,549	60,575	18,974
Undistributed Expenditures-Other Oper. & Maint. Of Plant:					
Salaries of Non-Instructional Aides	12,900	20,500	33,400	28,026	5,374
Purchased Professional and Technical Services	22,600	18,475	41,075	21,859	19,216
Cleaning, Repair, and Maintenance Services	287,000	22,550	309,550	273,979	35,571
Other Purchased Property Services	10,000		10,000	8,694	1,306
Insurance	62,200	(1,100)	61,100	61,100	-
Misc. Purchased Services	8,100		8,100	7,218	882
General Supplies	16,500		16,500	16,310	190
Energy - Heat	80,000	(44,400)	35,600	35,547	53
Energy - Electricity	139,000	(53,957)	85,043	78,153	6,890
Total Undistributed Expenditures-Other Oper. & Maint. of Plant	638,300	(37,932)	600,368	530,886	69,482

BELMAR SCHOOL DISTRICT

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Undistributed Expenditures - Operation & Maintenance of Plant Services	689,700	(9,783)	679,917	591,461	88,456
Undistributed Expenditures - Student Transportation Serv:					
Contr. Serv. (Other Than Bet. Home & Sch.)-Vendors	21,000	5,000	26,000	24,667	1,333
Contr. Serv. (Bet. Home & Sch.)-Joint Agreements.	25,000	4,175	29,175	29,174	1
Contr. Serv.(Sp Ed Stds)-Vendors	500		500		500
Contr. Serv. (Reg. Students) ESC & CTSA	165,000	(16,668)	148,332	132,246	16,086
Contr. Serv. (Sp. Ed. Stds.) ESC & CTSA	225,000		225,000	200,972	24,028
Contr. Serv. Aid in Lieu	5,000		5,000	3,094	1,906
Total Undistributed Expenditures - Student Transportation Serv.	441,500	(7,493)	434,007	390,153	43,854
Unallocated Benefits:					
Social Security Contributions	82,000	11,000	93,000	92,695	305
TPAF Contributions - ERIP	2,500		2,500		2,500
Other Retirement Contributions - PERS	68,000		68,000	50,500	17,500
Unemployment	50,000	(8,000)	42,000	18,779	23,221
Tuition Reimbursement	25,000	(9,200)	15,800	14,284	1,516
Other Employee Benefits	12,000	20,000	32,000	29,122	2,878
Workmen's Compensation	60,000	(10,740)	49,260	49,197	63
Health Benefits	1,575,672	(166,510)	1,409,162	1,321,304	87,858
Total Unallocated Benefits	1,875,172	(163,450)	1,711,722	1,575,881	135,841

BELMAR SCHOOL DISTRICT

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
On-Behalf TPAF Pension Contributions (Non-Budgeted)	-	-	-	432,659	(432,659)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	293,074	(293,074)
Total On-Behalf Contributions	-	-	-	725,733	(725,733)
Total Undistributed Expenditures	7,174,031	3,017	7,177,048	7,542,767	(365,719)
Total Current Expense	10,772,095	213,216	10,985,311	11,274,224	(288,913)
Capital Outlay:					
Undistributed Expenditures:					
Equipment:					
Plant Maintenance		2,250	2,250	2,245	5
Facilitates Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	29,976	(10,535)	19,441	19,441	-
Total Capital Outlay	29,976	(8,285)	21,691	21,686	5
Special Schools:					
Salaries of Teachers	15,835		15,835	15,835	-
Other Salaries for Instruction	9,165	1,100	10,265	10,223	42
Total Special Schools	25,000	1,100	26,100	26,058	42
Transfer of Funds to Charter Schools	30,000	(25,203)	4,797		4,797
Total Expenditures	10,857,071	180,828	11,037,899	11,321,968	(284,069)

BELMAR SCHOOL DISTRICT

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(285,491)	(180,828)	(466,319)	138,934	605,253
Fund Balance July 1	2,077,111		2,077,111	2,077,111	
Fund Balance June 30	$ 1,791,620	(180,828)	1,610,792	2,216,045	605,253

Recapitulation:	
Restricted Fund Balance:	
Emergency Reserve	$ 110,005
Maintenance Reserve	207,450
Capital Reserve	678,643
Tuition Reserve	225,000
Designated for Subsequent Year's Expenditures - Excess Surplus	32,650
Designated for Subsequent Year's Expenditures - Tuition Reserve Budgeted Withdrawal	225,000
Designated for Subsequent Year's Expenditures - Capital Reserve Budgeted Withdrawal	420,010
Assigned Fund Balance:	
Year-End Encumbrances	87,672
Designated for Subsequent Year's Expenditures - BOE	41,384
Unassigned Fund Balance	188,231
	2,216,045
Reconciliation to Governmental Funds Statement (GAAP):	
Final State Aid Payments not Recognized on GAAP Basis	(105,738)
Fund Balance Per Governmental Funds (GAAP)	$ 2,110,307

Exhibit C-2

BELMAR SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources	$ 98,000		98,000	86,160	11,840
State Sources	511,110	50,916	562,026	424,075	137,951
Federal Sources	585,093	29,152	614,245	580,051	34,194
Total Revenues	$1,194,203	80,068	1,274,271	1,090,286	183,985
Expenditures:					
Instruction:					
Salaries of Teachers	$ 335,506		335,506	322,071	13,435
Other Salaries for Instruction	90,070		90,070	91,570	(1,500)
Purchased Professional and Technical Services	131,542	50,916	182,458	128,327	54,131
Textbooks	43,386		43,386	38,845	4,541
General Supplies	68,792	(123)	68,669	67,119	1,550
Total Instruction	669,296	50,793	720,089	647,932	72,157
Support Services:					
Personal Services - Employee Benefits	82,792	537	83,329	82,717	612
Purchased Professional and Technical Services	426,516	28,738	455,254	345,185	110,069
Contracted Services	1,504		1,504	1,504	
General Supplies	14,095		14,095	12,948	1,147
Total Support Services	524,907	29,275	554,182	442,354	111,828
Total Expenditures	$1,194,203	80,068	1,274,271	1,090,286	183,985

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BELMAR SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

BUDGET TO GAAP RECONCILIATION

NOTE TO RSI

JUNE 30, 2014

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	$ 11,460,902	1,090,286
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		13,101
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	108,639	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(105,738)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	$ 11,463,803	1,103,387
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$ 11,321,968	1,090,286
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		13,101
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$ 11,321,968	1,103,387

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

BELMAR SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Exhibit E-1
Sheet 1 of 2

	Chapter 192			Chapter 193					
	Home Instruction	Compensatory Education	Transportation	Examination & Classification	Corrective Speech	Supplementary Instruction	Non-Public Technology	Non-Public Textbooks	Non-Public Nursing
Revenues:									
Federal Sources	$ -	-							
State Sources	419	56,495	21,215	52,558	18,749	35,386	15,615	38,845	60,110
Local Sources									
Total Revenue	$ 419	56,495	21,215	52,558	18,749	35,386	15,615	38,845	60,110
Expenditures:									
Instruction:									
Salaries of Teachers	$ -	-							
Other Salaries for Instruction									
General Supplies									
Purchased Professional & Technical Services	419		21,215	52,558	18,749	35,386			
Textbooks								38,845	
Total Instruction	419	-	21,215	52,558	18,749	35,386	-	38,845	-
Support Services:									
Personal Services - Employee Benefits									
Purchased Professional and Technical Services		56,495					15,615		60,110
Contracted Services									
General Supplies									
Total Support Services	-	56,495	-	-	-	-		-	60,110
Total Expenditures	$ 419	56,495	21,215	52,558	18,749	35,386	15,615	38,845	60,110

BELMAR SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Title I	Title IIA	Title III	I.D.E.A. Part B Basic	I.D.E.A. Part B Pre-School	Race To The Top	Preschool Education Aid	Sandy Relief Grant	Totals June 30, 2014
Revenues:									
Federal Sources	232,981	43,248	12,245	280,456	7,871	3,250			580,051
State Sources							124,683		424,075
Local Sources								86,160	86,160
Total Revenue	232,981	43,248	12,245	280,456	7,871	3,250	124,683	86,160	1,090,286
Expenditures:									
Instruction:									
Salaries of Teachers	184,406	30,000					107,665		322,071
Other Salaries for Instruction				77,030			14,540		91,570
General Supplies	965	409	11,645	1,500				52,600	67,119
Purchased Professional & Technical Services									128,327
Textbooks									38,845
Total Instruction	185,371	30,409	11,645	78,530	-	-	122,205	52,600	647,932
Support Services:									
Personal Services - Employee Benefits	43,148	7,437		32,132					82,717
Purchased Professional and Technical Services	3,542	5,402		168,293	7,871	3,250		24,607	345,185
Contracted Services							1,504		1,504
General Supplies	920		600	1,501			974	8,953	12,948
Other Objects									-
Total Support Services	47,610	12,839	600	201,926	7,871	3,250	2,478	33,560	442,354
Total Expenditures	232,981	43,248	12,245	280,456	7,871	3,250	124,683	86,160	1,090,286

BELMAR SCHOOL DISTRICT

SPECIAL REVENUE FUND

Exhibit E-2

PRESCHOOL EDUCATION AID

SCHEDULE OF EXPENDITURES

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted	Actual	Variance Favorable (Unfavorable)
Expenditures:			
Instruction:			
Salaries of Teachers	$ 107,665	107,665	
Other Salaries for Instruction	14,540	14,540	
Total Instruction	122,205	122,205	-
Support Services:			
Contracted Services	1,504	1,504	
General Supplies	974	974	
Total Support Services	2,478	2,478	-
Total Expenditures	$ 124,683	124,683	-

Calculation of Budget and Carryover

Total 2013-2014 Budget Preschool Education Aid	$ 124,683
Less: Budgeted 2013-2014 Preschool Education Aid	124,683
Available and Unbudgeted at June 30, 2014 Preschool Education Aid	$ -
2013-2014 Carryover Budgeted in 2014-2015 Preschool Education Aid	$ -

CAPITAL PROJECTS FUND – F

N/A

PROPRIETARY FUNDS – G

N/A

FIDUCIARY FUND – H

BELMAR SCHOOL DISTRICT

TRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2014

	Agency			Expendable Trusts		
	Student Activity	Agency Account	Net Salary Account	Scholarship Fund	Unemployment Compensation	Totals 2014
Assets:						
Cash and Cash Equivalents	$ 49,565	2,237	319	860	28,535	81,516
Total Assets	$ 49,565	2,237	319	860	28,535	81,516
Liabilities and Net Position:						
Liabilities:						
Due to Student Groups	$ 49,565					49,565
Payroll Withholdings		2,237	319			2,556
Total Liabilities	49,565	2,237	319	-	-	52,121
Net Position:						
Unreserved				860	28,535	29,395
Total Net Position	-	-	-	860	28,535	29,395
Total Liabilities and Net Position	$ 49,565	2,237	319	860	28,535	81,516

BELMAR SCHOOL DISTRICT

EXPENDABLE TRUST FUNDS

Exhibit H-2

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Scholarships	Unemployment Compensation Insurance Trust Fund	Totals 2014
Additions:			
Local Sources:			
Interest	$ -	41	41
Total Additions	-	41	41
Deductions:			
Fees	60		60
Interest Transferred		34	34
Total Deductions	60	34	94
Change in Net Position	(60)	7	(53)
Net Position, July 1	920	28,528	29,448
Net Position, June 30	$ 860	28,535	29,395

BELMAR SCHOOL DISTRICT

STUDENT ACTIVITY AGENCY FUND

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Cash Receipts	Cash Disbursements	Balance June 30, 2014
Elementary School:				
Belmar Elementary	$ 42,315	30,942	27,702	45,555
Referee Account	5,472	4,001	5,463	4,010
Total All Schools	$ 47,787	34,943	33,165	49,565

BELMAR SCHOOL DISTRICT

PAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Assets:				
Cash and Cash Equivalents	$ 102	2,416,899	2,414,764	2,237
Total Assets	$ 102	2,416,899	2,414,764	2,237
Liabilities:				
Payroll Deductions and Withholdings	$ 102	2,416,899	2,414,764	2,237
Total Liabilities	$ 102	2,416,899	2,414,764	2,237

LONG-TERM DEBT – I

BELMAR SCHOOL DISTRICT

GENERAL LONG-TERM DEBT ACCOUNT GROUP

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2014

Issue	Date of Issue	Amount of Original Issue	Annual Date	Maturities Amount	Interest Rate	Beginning Balance July 1, 2013	Retired	Ending Balance June 30, 2014
ERIP Refunding	7/8/03	$ 540,000	10-1-14-16	$ 45,000	5.500%	$ 225,000	40,000	185,000
			10-1-17	50,000				
Elementary School Construction/Repairs	8/1/03	3,370,000	8/1/13	115,000	4.150%	115,000	115,000	-
2012 Refunding Bonds	2/1/12	2,490,000	8/1/14	245,000	2.000%	2,475,000	10,000	2,465,000
			8/1/15	255,000	3.000%			
			8/1/16	260,000				
			8/1/17	265,000				
			8/1/18	270,000				
			8/1/19	280,000	4.000%			
			8/1/20	290,000				
			8/1/21	295,000				
			8/1/22	305,000				
						$ 2,815,000	165,000	2,650,000

BELMAR SCHOOL DISTRICT

LONG-TERM LIABILITIES

Exhibit I-1a

SCHEDULE OF LOANS PAYABLE

JUNE 30, 2014

Issue	Date of Issue	Amount of Original Issue	Annual Date	Maturities Amount	Interest Rate	Beginning Balance July 1, 2013	Paid	Ending Balance June 30, 2014
NJEDA School Facilities Loan Fund	8-18-93	$ 900,000	7/15/13	$ 47,369	1.50%	$ 47,369	47,369	-
MCIA Pooled Governmental Loan Fund	8-18-93	900,000	7/15/13	66,677	5.50%	$ 66,677	66,677	-

BELMAR SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

Exhibit I-3

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	$ 365,239		365,239	365,239	
Total Revenues	365,239	-	365,239	365,239	-
Expenditures:					
Regular Debt Service:					
Interest	99,030		99,030	99,029	1
Redemption of Principal	279,045		279,045	279,045	
Total Expenditures	378,075	-	378,075	378,074	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,836)	-	(12,836)	(12,835)	1
Fund Balance July 1	12,836	-	12,836	12,836	-
Fund Balance June 30	$ -	-	-	1	1

STATISTICAL SECTION

(Unaudited)

Belmar Board of Education
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

EXHIBIT J-1

	For Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Invested in capital assets, net of related debt	$ (1,250,300)	$ 2,816,034	$ 3,750,672	$ 2,990,560	$ 2,978,400	$ 2,844,200	$ 2,633,014	$ 2,731,882	$ 2,718,454	$ 2,613,217
Restricted	4,802,538	4,068,554	988,106	1,235,415	1,330,557	1,418,992	1,395,164	1,532,442	1,803,111	1,866,109
Unrestricted	(189,233)	126,278	459,169	252,320	154,858	(116,942)	112,321	(8,920)	52,619	244,199
Total governmental activities net position	$ 3,363,005	$ 7,010,866	$ 5,197,947	$ 4,478,295	$ 4,463,815	$ 4,146,250	$ 4,140,499	$ 4,255,404	$ 4,574,184	$ 4,723,525
Business-type activities										
Invested in capital assets, net of related debt	$ 3,268	$ 5,809	$ 5,171	$ 4,534	$ 8,557	$ 7,448	$ 19,199	$ 38,057	$ 40,732	$ 43,011
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(7,139)	10,058	10,858	15,254	21,034	31,698	29,024	14,905	26,149	45,489
Total business-type activities net position	$ (3,871)	$ 15,867	$ 16,029	$ 19,788	$ 29,591	$ 39,146	$ 48,223	$ 52,962	$ 66,881	$ 88,500
District-wide										
Invested in capital assets, net of related debt	$ (1,247,032)	$ 2,821,843	$ 3,755,843	$ 2,995,094	$ 2,986,957	$ 2,851,648	$ 2,652,213	$ 2,769,939	$ 2,759,186	$ 2,656,228
Restricted	4,802,538	4,068,554	988,106	1,235,415	1,330,557	1,418,992	1,395,164	1,532,442	1,803,111	1,866,109
Unrestricted	(196,372)	136,336	470,027	267,574	175,892	(85,244)	141,345	5,985	78,768	289,688
Total district net position	$ 3,359,134	$ 7,026,733	$ 5,213,976	$ 4,498,083	$ 4,493,406	$ 4,185,396	$ 4,188,722	$ 4,308,366	$ 4,641,065	$ 4,812,025

Source: CAFR Scehdule A-1

Belmar Board of Education
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

EXHIBIT J-2

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
Instruction										
Regular	$ 1,629,646	$ 1,880,233	$ 2,018,002	$ 2,128,393	$ 2,478,495	$ 2,786,212	$ 2,597,886	$ 2,480,640	$ 2,744,611	$ 2,855,239
Special education	448,754	464,629	550,235	1,301,062	1,374,393	1,464,121	1,467,198	1,285,685	1,569,455	1,294,347
Other special education	755,609	694,436	691,442	149,400	159,570	77,139	104,200	102,740	140,785	135,205
Other instruction	62,260	67,964	74,993	105,542	89,320	201,512	187,545	202,831	136,474	107,699
Support Services:										
Tuition	2,334,537	2,562,051	2,303,413	2,460,262	2,643,976	2,596,165	2,923,359	2,831,999	2,539,348	2,817,103
Student & instruction related services	962,484	976,778	1,196,579	1,016,954	950,653	791,098	1,017,343	1,277,444	818,063	1,214,515
School administrative services	433,067	426,757	295,838	237,748	245,302	328,678	395,442	387,154	372,774	442,216
General & Business administrative services	163,668	177,163	376,389	387,608	401,563	410,033	232,809	224,583	247,032	228,059
Plant operations and maintenance	421,882	484,320	794,047	1,059,709	913,722	727,404	668,888	687,800	729,180	591,461
Pupil transportation	407,590	411,846	452,399	466,068	407,439	435,044	430,071	426,596	355,929	390,153
Special Schools	1,152	308	1,340	2,860	6,100	5,063	4,703	46,767	49,116	26,058
Charter Schools	29,214	30,920	4,779	-	-	-	-	-	-	-
Interest on long-term debt	206,576	193,316	203,812	181,754	173,166	164,020	154,264	170,361	104,402	94,510
Unallocated Employee Benefits	1,776,317	1,831,124	1,981,175	2,156,627	1,926,432	2,054,717	1,942,439	1,983,487	2,326,910	2,283,802
Unallocated depreciation	-	-	15,387	369,257	329,806	345,931	356,430	353,262	353,168	354,027
Total governmental activities expenses	9,632,756	10,201,845	10,959,830	12,023,244	12,099,937	12,387,137	12,482,577	12,461,349	12,487,247	12,834,394
Business-type activities:										
Food service	203,521	211,827	193,322	189,037	208,825	235,735	250,727	244,193	260,337	277,298
Total business-type activities expense	203,521	211,827	193,322	189,037	208,825	235,735	250,727	244,193	260,337	277,298
Total district expenses	$ 9,836,277	$ 10,413,672	$ 11,153,152	$ 12,212,281	$ 12,308,762	$ 12,622,872	$ 12,733,304	$ 12,705,542	$ 12,747,584	$ 13,111,692
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,987,540	$ 1,873,721
Operating grants and contributions	1,234,597	1,224,588	1,343,542	1,435,919	1,166,721	1,261,119	1,322,626	1,227,044	1,038,687	1,103,387
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	1,234,597	1,224,588	1,343,542	1,435,919	1,166,721	1,261,119	1,322,626	1,227,044	3,026,227	2,977,108
Business-type activities:										
Charges for services										
Food service	75,679	78,879	83,225	75,130	83,819	86,131	96,083	88,797	84,528	94,563
Operating grants and contributions	94,017	105,844	110,024	117,185	130,058	159,383	151,075	160,075	189,728	198,645
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	169,696	184,723	193,249	192,315	213,877	245,514	247,158	248,872	274,256	293,208
Total district program revenues	$ 1,404,293	$ 1,409,311	$ 1,536,791	$ 1,628,234	$ 1,380,598	$ 1,506,633	$ 1,569,784	$ 1,475,916	$ 3,300,483	$ 3,270,316
Net (Expense)/Revenue										
Governmental activities	$ (8,398,159)	$ (8,977,257)	$ (9,616,288)	$ (10,587,325)	$ (10,933,216)	$ (11,126,018)	$ (11,159,951)	$ (11,234,305)	$ (9,461,020)	$ (9,857,286)
Business-type activities	(33,825)	(27,104)	(73)	3,278	5,052	9,779	(3,569)	4,679	13,919	15,910
Total district-wide net expense	$ (8,431,984)	$ (9,004,361)	$ (9,616,361)	$ (10,584,047)	$ (10,928,164)	$ (11,116,239)	$ (11,163,520)	$ (11,229,626)	$ (9,447,101)	$ (9,841,376)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	$ 5,531,029	$ 6,436,938	$ 6,454,116	$ 6,712,280	$ 6,980,770	$ 7,124,926	$ 7,206,020	$ 7,278,080	$ 7,483,641	$ 7,633,313
Taxes levied for debt service	336,108	$ 373,580	$ 356,402	$ 331,264	$ 371,956	$ 396,279	$ 399,148	$ 396,701	$ 378,270	$ 365,239
Unrestricted grants and contributions	1,210,221	1,291,435	1,601,393	1,667,145	1,744,410	1,453,351	1,426,091	1,711,499	1,886,431	1,782,045
Tuition Received	1,597,885	1,619,891	1,635,091	1,723,733	1,834,281	1,984,333	2,161,851	2,046,099	*	*
Investment earnings & Miscelllaneous Earnings	58,259	127,176	91,890	49,656	19,357	63,967	65,619	29,891	14,768	174,724
Adjustment for prior debt adjustment	(379,383)	-	-	-	-	-	-	-	-	-
Transfers	(24,000)	(35,000)								
Total governmental activities	8,330,119	9,814,020	10,138,892	10,484,078	10,950,774	11,022,856	11,258,729	11,462,270	9,763,110	9,955,321
Business-type activities:										
Investment earnings	66	135	235	481	181	82	81	60	-	8
Adjustment for cancellation of APP		8,547	-	-	-	-	-	-	-	-
Transfers	24,000	35,000	-	-	-	-	-	-	-	-
Total business-type activities	24,066	43,682	235	481	181	82	81	60	-	8
Total district-wide	$ 8,354,185	$ 9,857,702	$ 10,139,127	$ 10,484,559	$ 10,950,955	$ 11,022,938	$ 11,258,810	$ 11,462,330	$ 9,763,110	$ 9,955,329
Change in Net Assets										
Governmental activities	$ (68,040)	$ 836,763	$ 522,604	$ (103,247)	$ 17,558	$ (103,162)	$ 98,778	$ 227,965	$ 302,090	$ 98,035
Business-type activities	(9,759)	16,578	162	3,759	5,233	9,861	(3,488)	4,739	13,919	15,918
Total district	$ (77,799)	$ 853,341	$ 522,766	$ (99,488)	$ 22,791	$ (93,301)	$ 95,290	$ 232,704	$ 316,009	$ 113,953

* tuition reported as charge for services

Source: CAFR Schedule A-2

Belmar Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

EXHIBIT J-3

	For Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	$ 526,158	$ 877,798	$ 1,198,461	$ 1,240,488	$ 1,318,738	$ 1,323,301	$ 1,362,766	$ 1,532,442	$ 1,790,275	$ 2,027,814
Unreserved	166,563	197,721	215,360	290,493	217,097	175,614	163,063	140,195	178,197	82,493
Total general fund	$ 692,721	$ 1,075,519	$ 1,413,821	$ 1,530,981	$ 1,535,835	$ 1,498,915	$ 1,525,829	$ 1,672,637	$ 1,968,472	$ 2,110,307
All Other Governmental Funds										
Reserved	$ 4,232,210	$ 3,190,756	$ 89,080	$ 21,022	$ -	$ -	$ -	$ -	$ 188,403	$ 137,951
Unreserved, reported in:										
Special revenue fund	-	-	(20,398)	(26,095)	(11,540)	(10,865)	(18,344)	52,672	15,417	14,319
Capital projects fund		-	-	-	-	-	-	-	-	-
Debt service fund	44,170									
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 4,276,380	$ 3,190,756	$ 68,682	$ (5,073)	$ (11,540)	$ (10,865)	$ (18,344)	$ 52,672	$ 203,820	$ 152,270

Source: CAFR Schedule B-1

Belmar Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

EXHIBIT J-4

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues											
Tax levy	$ 5,533,293	$ 5,867,137	$ 6,810,518	$ 6,810,518	$ 7,043,544	$ 7,352,726	$ 7,521,205	$ 7,605,168	$ 7,674,781	$ 7,861,911	$ 7,998,552
Tuition charges	1,461,974	1,597,885	1,619,891	1,635,091	1,723,733	1,834,281	1,984,333	2,161,851	2,046,099	1,987,540	1,873,721
Interest Earnings/Miscellaneous	44,759	58,259	127,176	92,579	53,567	19,357	64,967	65,619	29,891	14,768	260,884
State sources	2,003,131	2,033,770	2,092,235	2,461,290	2,624,465	2,359,488	1,857,450	2,043,649	2,192,207	2,321,807	2,196,000
Federal sources	389,670	411,048	425,776	503,354	474,688	551,643	856,020	705,068	746,336	603,311	603,272
Total revenue	9,432,827	9,968,099	11,075,596	11,502,832	11,919,997	12,117,495	12,283,975	12,581,355	12,689,314	12,789,337	12,932,429
Expenditures											
Instruction											
Regular Instruction	1,903,098	1,785,262	2,044,442	2,054,217	2,125,448	2,476,609	2,808,252	2,597,886	2,480,640	2,768,148	2,855,239
Special education instruction	308,531	448,754	464,629	550,235	1,301,062	1,374,393	1,464,121	1,467,198	1,285,685	1,569,455	1,294,347
Other special instruction	108,756	817,869	762,400	766,435	254,942	248,890	278,651	291,745	305,571	277,259	242,904
Support Services:											
Tuition	2,370,894	2,334,537	2,562,051	2,303,413	2,460,262	2,643,976	2,596,165	2,923,359	2,831,999	2,539,348	2,817,103
Student & instruction related services	280,696	962,484	976,778	1,196,579	1,016,954	934,896	791,098	1,017,343	1,277,444	818,063	1,214,515
School Administrative services	280,321	179,743	159,631	295,838	237,748	245,302	328,678	395,442	387,154	372,774	442,216
Other administrative services	306,062	416,992	444,289	376,389	387,608	401,563	410,033	232,809	224,583	247,032	228,059
Plant operations and maintenance	432,624	421,882	484,320	794,047	1,059,709	913,722	727,404	668,888	687,800	729,180	591,461
Pupil transportation	407,140	407,590	411,846	452,399	466,068	407,439	435,044	430,071	426,596	355,929	390,153
Food Services		24,000	43,546								
Unallocated employee benefits	1,567,034	1,748,796	1,831,124	1,981,175	2,156,627	1,926,432	2,054,717	1,942,439	2,132,602	2,326,910	2,301,614
Special Schools	1,100	1,152	308	1,340	2,860	6,100	5,063	4,703	46,767	49,116	26,058
Charter Schools	21,149	29,214	30,920	4,779	-	-	-	-	-	-	-
Capital outlay	41,718	351,098	4,002,272	136,327	7,982	146,808	24,715	190,890	27,784	61,609	21,686
Debt service:	-	-	-	-	-	-	-	-	-	-	-
Principal		97,628	195,098	193,484	214,156	216,347	228,571	240,966	148,215	276,198	279,045
Interest and other charges		263,859	201,362	207,088	185,166	176,631	167,708	158,182	248,485	102,072	99,029
Total expenditures	8,029,123	10,290,860	14,615,016	11,313,745	11,876,592	12,119,108	12,320,220	12,561,921	12,511,325	12,493,093	12,803,429
Excess (Deficiency) of revenues over (under) expenditures	1,403,704	(322,761)	(3,539,420)	189,087	43,405	(1,613)	(36,245)	19,434	177,989	296,244	129,000
Other Financing sources (uses)											
Capital leases (non-budgeted)	440,137										
Bond proceeds	-	-									
Proceeds of refunding debt	-	-									
Payment to refunded debt escrow agent	-	-									
Par amount of bonds	-		-	-	-	-	-	-	-	-	-
Original issue premium	-		-	-	-	-	-	-	-	-	-
Accrued interest	-		-	-	-	-	-	-	-	-	-
Deposit to escrow fund	-										
Costs of issuance	-										
Accrued interest	-										
Transfers in	35,052	93,549	68,057	21,022	-	-	-	-	-	-	-
Transfers out	(35,052)	(93,549)	(68,057)	(21,022)	-	-	-	-	-	-	-
Total other financing sources (uses)	440,137	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	$ 1,843,841	$ (322,761)	$ (3,539,420)	$ 189,087	$ 43,405	$ (1,613)	$ (36,245)	$ 19,434	$ 177,989	$ 296,244	$ 129,000
Debt service as a percentage of noncapital expenditures	0.0%	3.6%	3.7%	3.6%	3.4%	3.3%	3.2%	3.2%	3.2%	3.0%	3.0%

This schedule does not contain ten years of information as GASB #44 was implemented during fiscal year ending June 30, 2006.
Source: CAFR Schedule B-2

EXHIBIT J-5

BELMAR BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Misc.	Total
2005	13,083	1,597,885	1,541	1,612,509
2006	30,465	1,619,891	28,654	1,679,010
2007	34,740	1,635,091	36,128	1,705,959
2008	48,605	1,723,733	4,962	1,777,300
2009	14,210	1,834,281	5,147	1,853,638
2010	4,842	1,984,334	59,122	2,048,298
2011	3,100	2,161,851	62,159	2,227,110
2012	3,424	2,046,099	26,467	2,075,990
2013		1,987,540	14,768	2,002,308
2014	3,531	1,873,721	171,193	2,048,445

Source: District Records

Belmar Board of Education
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

EXHIBIT J-6

Year Ended December 31,	Vacant Land	Building	Commercial	Apartment	Estimated Full Cash Valuations	Less: Tax-Exempt Property	Public Utilities [a]	Net Valuation Taxable	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2004					1,144,169,345	0	0	982,889,788	0.582	85.90%
2005	14,956,800	832,791,500	108,677,600	35,692,500	992,118,400		396,629	992,515,029	0.641	85.86%
2006	17,463,300	839,667,700	108,494,500	33,659,900	999,285,400		300,699	999,586,099	0.981	72.06%
2007	21,349,400	847,873,700	104,438,700	31,242,500	1,004,904,300		265,063	1,005,169,363	0.688	61.62%
2008	22,038,100	865,626,900	103,311,200	27,629,400	1,018,605,600		265,245	1,018,870,845	0.709	57.46%
2009	21,222,200	878,124,800	101,268,200	27,629,400	1,028,244,600		494,262	1,028,738,862	0.725	57.24%
2010	18,692,000	884,986,200	101,542,800	26,250,400	1,031,471,400		406,348	1,031,877,748	0.734	58.25%
2011	16,704,900	888,603,800	99,798,100	27,100,400	1,032,207,200		0	1,032,207,200	0.741	59.51%
2012	19,031,200	887,856,100	98,983,200	26,350,400	1,032,220,900		0	1,032,220,900	0.754	62.05%
2013	15,894,000	886,040,765	98,027,600	26,073,500	1,026,035,865		0	1,026,035,865	0.773	

Source: Monmouth County Tax Assessor (Assessed Value by property class;Net Valuation Taxable; Certified Tax Rates)

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. In 2003 the Borough was reassessed and the tax rate adjusted accordingly.

Reassessment occurs when ordered by the County Board of Taxation

b Tax rates are per $100

Belmar Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

(rate per $100 of assessed value)

EXHIBIT J-7

Year Ended December 31,	Belmar Board of Education					Total Direct and Overlapping Tax Rate
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Borough of Belmar	Monmouth County	
2004	0.557	0.025	0.582	0.532	0.346	1.460
2005	0.603	0.038	0.641	0.571	0.377	1.589
2006	0.645	0.036	0.681	0.587	0.398	1.666
2007	0.655	0.033	0.688	0.612	0.424	1.724
2008	0.672	0.037	0.709	0.655	0.427	1.791
2009	0.685	0.040	0.725	0.685	0.435	1.845
2010	0.697	0.039	0.736	0.703	0.423	1.862
2011	0.702	0.039	0.741	0.703	0.452	1.896
2012	0.715	0.039	0.754	0.703	0.452	1.909
2013	0.737	0.036	0.773	0.702	0.454	1.929

Source: District Records and Monmouth County Taxation (Assessed Value by Property Class)
*In 2003 the Borough was reassessed and the tax rate adjusted accordingly.

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 calcu

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

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

Belmar Board of Education
Principal Property Tax Payers,
Current Year and ten Years Ago

EXHIBIT J-8

	2012		2002		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
BMIA, LLC	$ 4,507,200	0.44%	$ 2,845,100	4	0.73%
River Ridge Apartments	3,542,700	0.34%			
Pat's Motel Inc	3,084,300	0.30%	2,000,000	3	0.51%
Private Homeowner #1	2,800,000	0.27%	-		
LCS, Inc.	2,704,300	0.26%	1,105,000	10	0.28%
Ocean Breeze at Belmar	2,623,100	0.25%			
GSK LLC	1,979,200	0.19%	-		
Anza Inc.	1,970,900	0.19%	1,230,000	8	0.31%
Private Homeowner #4	1,878,700	0.18%			
Ocean Harbor Apartments LLC	1,800,000	0.17%	1,540,000	5	0.39%
GGB Assoc	-		2,313,100	2	0.59%
Private Homeowner #3	-		1,370,000	6	0.35%
Repetti, Anthony & Paul	-		1,283,100	7	
Belmar Terrace Apts	-		1,148,000	9	0.29%
Total	$ 26,890,400	2.61%	$ 14,834,300		3.45%

Net Valuation Taxable $ 1,032,220,900

Source: Borough CAFR & Municipal Tax Assessor

Belmar Board of Education
Property Tax Levies and Collections,
Last Ten Fiscal Years

EXHIBIT J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	5,867,137	5,867,137	100.00%	-
2006	6,810,518	6,810,518	100.00%	-
2007	6,810,518	6,810,518	100.00%	-
2008	7,043,545	7,043,545	100.00%	
2009	7,352,726	7,352,726	100.00%	
2010	7,521,205	7,521,205	100.00%	
2011	7,605,169	7,605,169	100.00%	
2012	7,674,781	7,674,781	100.00%	
2013	7,861,911	7,861,911	100.00%	
2014	7,998,552	7,998,552	100.00%	

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

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

Belmar Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

EXHIBIT J-10

	Governmental Activities				Business-Type Activities			
Fiscal Year Ended June 30,	General Obligation Bonds [b]	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income [a]	Per Capita [a]
2004	4,888,583	-	34,658	-	-	4,923,241	0.88%	43,387
2005	4,790,955	-	23,632	-	-	4,814,587	0.91%	43,634
2006	4,595,856	-	12,087	-	-	4,607,943	1.01%	46,545
2007	4,388,768	-	-	-	-	4,388,768	1.10%	48,072
2008	4,174,612					4,174,612	1.26%	52,499
2009	3,958,267					3,958,267	1.41%	55,826
2010	3,719,694					3,719,694	1.53%	56,755
2011	3,488,728					3,488,728	1.57%	54,771
2012	3,205,243					3,205,243	1.78%	56,955
2013	2,929,046					2,929,046	1.99%	58,355
2014	2,650,000					2,650,000	2.32%	61,426

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

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

a See Exhibit NJ J-13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding and low interest and small project loans

Belmar Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

EXHIBIT J-11

	General Bonded Debt Outstanding				
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2004	4,888,583	-	4,888,583	0.50%	43,427
2005	4,790,955	-	4,790,955	0.48%	44,005
2006	4,595,856	-	4,595,856	0.46%	44,591
2007	4,388,768	-	4,388,768	0.44%	48,072
2008	4,174,612	-	4,174,612	0.42%	52,499
2009	3,958,267		3,958,267	0.39%	55,826
2010	3,719,694		3,719,694	0.36%	56,755
2011	3,488,728		3,488,728	0.34%	54,771
2012	3,205,243		3,205,243	0.31%	56,955
2013	2,929,046		2,929,046	0.28%	58,355
2014	2,650,000		2,650,000	0.26%	61,426

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
a See Exhibit NJ J-6 for property tax data.
b Population data can be found in Exhibit NJ J-13.

Belmar Board of Education
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2013

EXHIBIT J-12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
(Net) Debt repaid with property taxes			
Borough of Belmar (as of December 31, 2013)	20,473,549	100.000%	20,473,549
Other debt			
*** Belmar Water - Sewer Authority and Beach Utility	29,059,554	100.000%	29,059,554
Monmouth County (as of December 31, 2012)	6,566,109	100.000%	6,566,109
Subtotal, overlapping debt			56,099,212
Borough of Belmar School District Direct Debt-December 31, 2013			2,650,000
Total direct and overlapping debt			$ 58,749,212

Sources: Information obtained from Annual Debt Statement Borough of Belmar & Exhibit H11 from Borough of Belmar 2012 Financial Statement

*** Includes Beach Utility

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

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

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized valuation basis

2011		1,032,207,200
2012		1,032,220,900
2012		1,026,035,865
	[A]	$ 3,090,463,965
Average equalized valuation of taxable property	[A/3]	$ 1,030,154,655
Debt limit (3 % of average equalization	[B]	30,904,640 a
Net bonded school debt	[C]	2,650,000
Legal debt margin	[B-C]	$ 28,254,640

Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	$ 20,866,276	$ 24,018,741	$ 29,808,990	$ 36,964,281	$ 32,247,770	$ 31,411,920	30,227,953	30,517,545	30,787,279	30,923,295	30,963,058	30,904,640
Total net debt applicable to limit	1,210,617	1,120,780	4,888,583	4,790,955	4,595,856	4,388,768	4,174,612	3,958,267	3,958,267	3,719,694	2,929,046	2,650,000
Legal debt margin	$ 19,655,659	$ 22,897,961	$ 24,920,407	$ 32,173,326	$ 27,651,914	$ 27,023,152	$ 26,053,341	$ 26,559,278	$ 26,829,012	$ 27,203,601	$ 28,034,012	$ 28,254,640
Total net debt applicable to the limit as a percentage of debt limit	5.80%	4.67%	16.40%	12.96%	14.25%	13.97%	13.81%	12.97%	12.86%	12.03%	9.46%	8.57%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

Belmar Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years

EXHIBIT J-14

Year	Population [a]	Personal Income [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2004	6,071	$ 260,840,515	42,965	4.4%
2005	5,962	$ 274,663,378	46,069	4.8%
2006	5,923	$ 282,491,562	47,694	4.9%
2007	5,927	$ 304,867,099	51,437	4.5%
2008	5,908	$ 323,764,308	54,801	5.8%
2009	5,897	$ 334,684,235	56,755	9.4%
2010	5,799	$ 317,269,089	54,711	9.6%
2011	5,775	$ 328,915,125	56,955	9.6%
2012	5,751	$ 335,599,605	58,355	10.0%
2013	5,736	$ 352,339,536	61,426	7.8%

Source:
[a] Population information provided by the NJ Dept of Labor and Workforce Development
b Personal income__Per Capita Income * Population
[c] Per Capita_For Monmouth County
[d] Unemployment data provided by the NJ Dept of Labor and Workforce Development
http://www.wnjpin.net/OneStopCareerCenter/LaborMarketInformation/lmi11/index.html
http://www.wnjpin.net/OneStopCareerCenter/LaborMarketInformation/lmi02/mcd/monest06.htm

Belmar Board of Education
Principal Employers,

EXHIBIT J-15

	2006			1997		
Employer	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
NO INFORMATION AVAILABLE						
	-		0.00%	-		0.00%

Source:

Belmar Board of Education
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

EXHIBIT J-16

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction										
Regular	40	41	41	39	40	40	42	44	45	45
Special education	7	7	7	10	11	10	10	10	11	10
Other special education	5	5	5	4	4	4	4	4	4	4
Vocational	-									
Other instruction	-									
Nonpublic school programs	-									
Adult/continuing education programs	-									
Support Services:										
Tuition	-									
Student & instruction related services	9	11	11	13	15	15	15	15	17	16
General adminsitrative services	4	2	2	2	2	2	2	2	2	2
School administrative services	3	3	3	3	3	3	3	3	3	4
Business adminsitrative services	3	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	4	4	3	3	2	1	1	1	1	1
Pupil transportation	2	2	-	-	-	-	-	-	-	-
Special Schools	-				-	-	-	-	-	-
Food Service	3	3	-	-	-	-	-	-	-	-
Child Care					-	-	-	-	-	-
Total	80	81	75	77	80	78	80	82	86	85

Source: District Personnel Records

Belmar Board of Education
Operating Statistics
Last Eight Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio K-8	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2005	561	6,654,839	11,862		55	1:12	561	529		94.18%
2006	543	7,003,404	12,898	8.73%	53	1:10	543	513	-3.28%	94.48%
2007	534	7,980,040	14,944	15.87%	53	1:10	534	508	-1.66%	95.13%
2008	523	8,545,903	16,340	9.34%	53	1:10	523	499	-2.06%	95.41%
2009	533	8,618,453	16,170	-1.04%	55	1:10	533	509	1.91%	95.50%
2010	559	8,845,977	15,825	-2.13%	55	1:10	559	532	4.88%	95.17%
2011	560	8,618,453	15,390	-2.75%	54	1:10	560	532	0.18%	95.00%
2012	556	8,679,131	15,610	1.43%	54	1:10	556	533	-0.71%	95.86%
2013	568	9,134,400	16,082	3.02%	56	1:10	568	543	2.16%	95.60%
2014	552	9,178,601	16,628	3.40%	56	1:10	552	530	-2.82%	96.01%

Sources: District records, School Register Summary and Schedules J-2, J-16

Note: Enrollment based on Average Daily Enrollment in District

a Operating expenditures equal total expenditures less debt service, tuition & transportation paid of out of district students, and capital outlay; Schedule J-2
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Belmar Board of Education
School Building Information
Last Seven Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
District Building										
Belmar Elementary School										
Square Feet	85,841	85,841	85,841	85,841	85,841	85,841	85,841	85,841	85,841	85,841
Capacity (students)	704	704	704	704	704	704	704	704	704	704
Enrollment	561	543	534	523	533	559	560	556	568	552
Other										
Administration Building										
Square Feet	3,600	3,600	3,600	8,000	3,600	3,600	3,600	3,600	3,600	3,600

Number of Schools at June 30, 2014 - 1

Source: District records, LRFP

BELMAR BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

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

School Facilities	Project # (s)	2,014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Belmar Elementary School	N/A	79,913	74,908	111,510	86,450	82,677	126,297	$ 290,052	$ 209,761	$ 138,672	$ 49,676
Total School Facilities		79,913	74,908	111,510	86,450	82,677	126,297	290,052	209,761	138,672	49,676

Source: School Records, Schedule M-1

BELMAR BOARD OF EDUCATION
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED

Company	Type of Coverage	Coverage	Deductible
NJ School Boards Assoc Insurance Group (NSBAIG)	Property Blanket Building & Contents-Replacement Cost Values	$ 18,649,104	$ 2,500
NJ School Boards Assoc Insurance Group (NSBAIG)	Flood/Earthquake	50,000,000	10,000
Selective Insurance	Flood	10,000	1,000
NJ School Boards Assoc Insurance Group (NSBAIG)	Liability		
	-Each Occurrence	6,000,000	1,000
	Employee Benefits Liability	6,000,000	1,000
	Terrorism	1,000,000	1,000
	-Personal Injury	6,000,000	1,000
	Automotive Coverage	6,000,000	10,000
	Electronic Data Processing	367,290	1,000
	Boiler & Machinery	100,000,000	2,500
	Crime	100,000	500
NJ School Boards Assoc Insurance Group (NSBAIG)	Board of Education		
	-Liability Wrongful Acts Coverage		
	Each Loss	$ 1,000,000	$ 5,000
	Aggregate	1,000,000	5,000
NJ School Boards Assoc Insurance Group (NSBAIG)	Worker's Compensation		
	-Covered Payrolls-Professional	1,932,000	N/A
	-Covered Payrolls-Non-Professional	-	N/A
Selective Insurance	Fidelity Bonds		
	-Treasurer of School Monies	200,000	
	-School Business Administrator/ Board Secretary	25,000	
Peoples Benefit Life	Student Accident Insurance for all students per occurrence	1,000,000	

SINGLE AUDIT SECTION

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR.,C.P.A., P.S.A.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Belmar Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Belmar Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated September 25, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Belmar Board of Education, County of Monmouth, State of New Jersey'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 of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Belmar Board of Education, County of Monmouth, State of New Jersey's internal control. Accordingly, we do no express an opinion on the effectiveness of the Belmar Board of Education, County of Monmouth, State of New Jersey's internal control.

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

Our consideration of internal control was for the limited purposes 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 Belmar Board of Education, County of Monmouth, State of New Jersey's financial statements are free from material misstatement, we performed tests of it compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey

September 25, 2014

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's major federal and state programs for the year ended June 30, 2014. The Board of Education of the Belmar School District, County of Monmouth, State of New Jersey'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 programs.

Auditor's Responsibility

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

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's 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 Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's internal control over compliance.

A *deficiency in internal control* over compliance exits when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or, significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey

September 25, 2014

BELMAR SCHOOL DISTRICT

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDING JUNE 30, 2014

Schedule A
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Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Grant Period	Program or Award Amount	Balance June 30, 2013	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Adjustment	Balance at June 30, 2014 (Accounts Receivable)	Balance at June 30, 2014 Deferred Revenue	Balance at June 30, 2014 Due to Grantor
General Fund:												
Medical Assistance Program	93.778	9-1-13 to 8-31-14	$ 10,150	$ -		10,150	(10,150)					
					-	10,150	(10,150)	-	-	-	-	-
U.S. Department of Education:												
Passed Through State Department of Education:												
Title I	84.010	9-1-12 to 8-31-13	216,820			242	(242)					
Title I	84.010	9-1-13 to 8-31-14	236,674			232,028	(232,739)			(711)		
Title IIA	84.367A	9-1-13 to 8-31-14	42,289			36,894	(39,621)			(2,727)		
Title IIA	84.367A	9-1-12 to 8-31-13	39,070	(2,726)		6,353	(3,627)					
Title III	84.365A	9-1-13 to 8-31-14	20,857			12,245	(12,245)					
Title III	84.365A	9-1-12 to 8-31-13	14,625	(6,031)		6,031						
Special Education Cluster:												
I.D.E.A. Basic	84.027	9-1-11 to 8-31-12	301,475	(30,263)	35	30,228						
I.D.E.A. Basic	84.027	9-1-12 to 8-31-13	280,180	35	(35)		(22,033)			(22,033)		
I.D.E.A. Basic	84.027	9-1-13 to 8-31-14	277,402			243,174	(258,423)			(15,249)		
I.D.E.A. Preschool	84.173	9-1-13 to 8-31-14	7,871			7,871	(7,871)					
I.D.E.A. Preschool	84.173	9-1-12 to 8-31-13	8,798									
Race to The Top	84.413A	9-1-12 to 8-31-13	14,817	(14,817)		18,067	(3,250)					
				(53,802)	-	593,133	(580,051)	-	-	(40,720)	-	-
U.S. Department of Agriculture												
Passed Through State Department of Education:												
Child Nutrition Cluster:												
National School Lunch Program	10.555	7-1-12 to 6-30-13	147,593	(12,247)		12,247						
National School Lunch Program	10.555	7-1-13 to 6-30-14	152,827			141,502	(152,827)			(11,325)		
School Breakfast Program	10.553	7-1-12 to 6-30-13	23,648	(2,285)		2,285						
School Breakfast Program	10.553	7-1-13 to 6-30-14	24,887			22,771	(24,887)			(2,116)		
HHFKA Lunch Program	10.555	7-1-12 to 6-30-13	3,824	(341)		341						
HHFKA Lunch Program	10.555	7-1-13 to 6-30-14	4,134			3,831	(4,134)			(303)		
Food Distribution	10.550	7-1-13 to 6-30-14	13,283			13,283	(13,283)					
Total U.S. Department of Agriculture				(14,873)	-	196,260	(195,131)	-	-	(13,744)	-	-
				$ (68,675)	-	799,543	(785,332)	-	-	(54,464)	-	-

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

BELMAR SCHOOL DISTRICT

SCHEDULE OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Grantor/Program State Department of Education:	Grant or State Project Number	Grant Period	Program or Award Amount	Balance June 30, 2013	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Adjustment	Balance at June 30, 2014 (Accounts Receivable)	Balance at June 30, 2014 Deferred Revenue	Balance at June 30, 2014 Due to Grantor	MEMO Budgetary Receivable	MEMO Total Cumulative Expenditures
Transportation Aid	14-495-034-5120-014	7-1-13 to 6-30-14	$ 122,321	$ -		122,321	(122,321)						(13,339)	122,321
Special Education Aid	14-495-034-5120-089	7-1-13 to 6-30-14	314,554			314,554	(314,554)						(34,301)	314,554
Security Aid	14-495-034-5120-084	7-1-13 to 6-30-14	135,146			135,146	(135,146)						(14,736)	135,146
Adjustment Aid	14-495-034-5120-085	7-1-13 to 6-30-14	397,649			397,649	(397,649)						(43,362)	397,649
Non-Public Transportation Aid	14-495-034-5120-014	7-1-13 to 6-30-14	1,505				(1,505)			(1,505)				1,505
Non-Public Transportation Aid	13-495-034-5120-014	7-1-12 to 6-30-13	2,675	(2,675)		2,675								
Reimbursed TPAF Social Security Contributions	13-100-034-5095-002	7-1-12 to 6-30-13	290,255	(13,395)		13,395								
Reimbursed TPAF Social Security Contributions	14-100-034-5095-002	7-1-13 to 6-30-14	293,074			278,961	(293,074)			(114,113)				293,074
Extraordinary Aid	13-495-034-5120-044	7-1-12 to 6-30-13	84,161	(84,161)		84,161								
Extraordinary Aid	14-495-034-5120-044	7-1-13 to 6-30-14	72,086				(72,086)			(72,086)				72,086
				(100,231)	-	1,348,862	(1,336,335)	-	-	(187,704)	-	-	(105,738)	1,336,335
Special Revenue:														
Nonpublic Aid:														
Textbook Aid	13-100-034-5120-064	7-1-12 to 6-30-13	44,279	1,849				(1,849)						
Textbook Aid	14-100-034-5120-064	7-1-13 to 6-30-14	43,386			43,386	(38,845)					4,541		38,845
Home Instruction	14-100-034-5120-067	7-1-13 to 6-30-14	419				(419)			(419)				419
Nursing Services	13'-100-034-5120-070	7-1-12 to 6-30-13	61,019	304				(304)						
Nursing Services	14-100-034-5120-070	7-1-13 to 6-30-14	62,146			62,146	(60,110)					2,036		60,110
Technology	13-100-034-5120-373	7-1-12 to 6-30-13	16,342	668				(668)						
Technology	14-100-034-5120-373	7-1-13 to 6-30-14	15,820			15,820	(15,615)					205		15,615
Auxiliary Services:														
Compensatory Education	13-100-034-5120-067	7-1-12 to 6-30-13	198,151	136,280				(136,280)						
Compensatory Education	14-100-034-5120-067	7-1-13 to 6-30-14	133,533			133,533	(56,495)					77,038		56,495
Transportation	14-100-034-5120-067	7-1-13 to 6-30-14	21,215			21,215	(21,215)							21,215
Handicapped Services:														
Examination & Classification-Initial	13-100-034-5120-066	7-1-12 to 6-30-13	63,497	42,363				(42,363)						
Examination & Classification-Initial	14-100-034-5120-066	7-1-13 to 6-30-14	85,776			85,776	(37,875)					47,901		37,875
Examination & Classification-Annual	14-100-034-5120-066	7-1-13 to 6-30-14	18,833			18,833	(14,683)					4,150		14,683
Corrective Speech	14-100-034-5120-066	7-1-13 to 6-30-14	18,749			18,749	(18,749)							18,749
Supplementary Instruction	13-100-034-5120-066	7-1-12 to 6-30-13	43,712	6,938				(6,938)						
Supplementary Instruction	14-100-034-5120-066	7-1-13 to 6-30-14	37,467			37,467	(35,386)					2,081		35,386
Preschool Education Aid	14-495-034-5120-086	7-1-13 to 6-30-14	124,683			124,683	(124,683)							124,683
				188,402	-	561,608	(424,075)	(188,402)	-	(419)	-	137,952	-	424,075
Food Service:														
National School Lunch Program (State Share)	13-100-010-3360-067	7-1-12 to 6-30-13	3,548	(290)		290								
National School Lunch Program (State Share)	14-100-010-3360-067	7-1-13 to 6-30-14	3,514			3,255	(3,514)			(259)				3,514
				(290)	-	3,545	(3,514)	-	-	(259)	-	-	-	3,514
				$ 87,881	-	1,914,015	(1,763,924)	(188,402)	-	(188,382)	-	137,952	(105,738)	1,763,924

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

BOARD OF EDUCATION

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BELMAR SCHOOL DISTRICT

NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

JUNE 30, 2014

NOTE 1: General

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Belmar School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

NOTE 2: Basis of Accounting

The accompanying schedules of financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. Programs recorded in the food service fund include the National School Lunch Program, the School Breakfast Program, the U.S.D.A Commodities Program and the Special Milk Program. These bases of accounting are described in the Note 1(C) to the Board's general-purpose financial statements.

NOTE 3: Relationship to General Purpose Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

NOTE 3: **Relationship to General Purpose Financial Statements (Continued)**

	General Fund	Special Revenue Fund	Food Service	Total
State Assistance				
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of State Financial Assistance	$ 1,336,335	424,075	3,514	1,763,924
Difference – Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized		30		30
On Behalf Payments Recognized for GAAP Statements but Not Included in the Schedule of Expenditures of State Financial Assistance	432,659			432,659
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	2,901			2,901
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	$ 1,771,895	424,105	3,514	2,199,514

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	General Fund	Special Revenue Fund	Food Service	Total
Federal Assistance				
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of Federal Awards	$ 10,150	580,051	195,131	785,332
Difference – Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		13,071		13,071
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	$ 10,150	593,122	195,131	798,403

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state of behalf of the District for the year ended June 30, 2014. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

BELMAR SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Part 1 - Summary of Auditor's Results

Financial Statement Section — **Unmodified**

Type of auditor's report issued:

Internal control over financial reporting:

1) Material weakness(es) identified? ____ Yes ___x___ No

2) Reportable conditions(s) identified that are not considered to be material weaknesses? ____ Yes ___x___ None Reported

Noncompliance material to general purpose financial statements noted? ____ Yes ___x___ No

Federal Awards

Internal control over compliance:

1) Material weakness(es) identified? ____ Yes ___x___ No

2) Reportable condition(s) identified that are not considered to be material weaknesses? ____ Yes ___x___ None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? ____ Yes ___x___ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
Special Education Cluster:	
84.027	IDEA Basic (Special Education Cluster)
84.173	IDEA Preschool (Special Education Cluster)
84.010	Title I
10.550	Food Distribution Program (Child Nutrition Cluster)
10.553	School Breakfast Program (Child Nutrition Cluster)
10.555	School Lunch Program (Child Nutrition Cluster)

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

Auditee qualified as low-risk auditee? ___x___ Yes ____ No

BELMAR SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Part 1 - Summary of Auditor's Results (Continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: $300,000.00

Auditee qualified as low-risk auditee? x Yes ___ No

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

Internal Control over major programs:

(1) Material Weakness(es) identified? ___ Yes x No

(2) Reportable condition(s) identified that are not considered to material weaknesses? ___ Yes x None Reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 04-04? ___ Yes x No

Identification of major programs:

GMIS Number(s)	Name of State Program
State Cluster	
14-495-034-5120-011	Special Education Aid
14-495-034-5120-084	Security Aid
14-495-034-5120-085	Adjustment Aid

BELMAR SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Part 2 - Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards.*

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

BELMAR SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

FEDERAL AWARDS

Finding: NONE

Information on the Federal Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

STATE AWARDS

Finding: NONE

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

BELMAR SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs (Continued)

STATE AWARDS (Continued)

Cause: N/A

Recommendation: N/A

Management's response: N/A

BELMAR SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Prior Audit Findings:

None