

**SCHOOL DISTRICT**  
**OF**  
**BLOOMSBURY BOROUGH**

**Bloomsbury Borough School District**  
**Board of Education**  
**Bloomsbury, Hunterdon County**  
**New Jersey**

**Comprehensive Annual Financial Report**  
**For The Fiscal Year Ended June 30, 2015**

# **Comprehensive Annual**

## **Financial Report**

**of the**

**Bloomsbury Borough School District**

**Board of Education**

**Bloomsbury, New Jersey**

**For the Fiscal Year Ending June 30, 2015**

**Prepared by**

**Bloomsbury Borough School District**

**Board of Education**

**Finance Department**

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# Introductory Section





# Bloomsbury Elementary School

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Website: [www.bburies.com](http://www.bburies.com)



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Maria Eppolite  
Superintendent

Tim Mantz  
Business Administrator/Board Secretary

Honorable President and  
Members of the Board of Education  
Borough of Bloomsbury School District  
County of Hunterdon, New Jersey

Dear Board of Education Members:

The comprehensive annual financial report of the Borough of Bloomsbury School District for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Bloomsbury 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 the 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 District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, 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 of Budget Circular Letter 04-04, "Single Audit policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to the single audit, including the auditor's report on the internal structure in compliance with applicable laws, regulations and findings and recommendations, is included in the single audit section of this report.

**REPORTING ENTITY AND ITS SERVICES:** Borough of Bloomsbury school district is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No 3. All funds and account groups of the Bloomsbury Board of education and all its schools constitute the District's reporting entity.

**ECONOMIC CONDITION AND OUTLOOK:** Bloomsbury Borough continues to be predominantly residential in nature with a few small businesses and one larger enterprise remaining (Union 76 Truck Stop) within its political boundaries. While surrounding townships are experiencing growth, prospects are slight for significant expansion of either residential or commercial development in Bloomsbury due to the Borough's small land area of .56 square miles. Thus the tax base for both municipal and school purposes remains relatively constant with the bulk of the taxes being paid by local residential property owners. Both the Board of Education and the municipal government have struggled over the past several years with providing quality services with limited fiscal resources.

**MAJOR INITIATIVES:**

During the 2014-2015 year, we continued to make opportunities available for community and family members to participate during the school day through various programs such as our Apple Core Program, fun runs, student/parent luncheons, concerts, talent shows, PTO events, PARCC Pep Rallies, as well as opportunities to share student academic achievements through academic carnivals, mock trials, biography presentations, showcases, career presentations by parents, and Board of Education meetings. We also focused on the new teacher evaluation system, writing strong Student Growth Objectives that raise the bar of expectations for students, creating benchmark assessments highlighting student growth and progress, as well as writing curriculum aligned with the Common Core standards. In terms of technology, the school continued to utilize our voice blast system to provide better communication to parents regarding updates, emergencies, and outreach messages. We have also purchased 25 new laptops and a laptop cart for all students and used the FM systems as a means of support in classrooms. We have also created a guest network for our students to use in the classroom, provided the opportunity to "Bring Your Own Device", and implemented the use of Google Docs, Google Mail, and Google Classroom. Students continued to prepare for PARCC testing through online testing, LinkIt, and ST Math. The school continued with an all virtual school year doing away with excess paper and copies. Parents have embraced the virtual backpack and using OnCourse Connect as a means of staying up to date with their child's progress in school.

The Board continued to revise and update its regulations and policies as a matter of priority.

Programs/Activities:

- Grades 5-8 completed their second year in a completely departmentalized environment. What I Need (WIN) periods continued to provide academic success classes, Writer's Workshop, Science Explorers, Gifted and Talented classes, and Archaeology providing students the opportunity to take part in an archaeological dig within the Bloomsbury town limits.
-

Week of Respect, Violence Awareness Week and Red Ribbon Week took place in October.

- Total inclusion of students in classrooms was practiced.
- It was the fifteenth year for School Choice students and the fifteenth year for the Choice Student application process.
- Our enrollment was bolstered significantly through our participation with the Choice program
- Professional development opportunities were designed around goals set forth by Professional Development Plan and our District Goals
- Professional learning communities focused specifically on teacher evaluation, Student Growth Objectives, and articulation between grades.
- Both short term and long term strategies were designed to address the needs of all students and how to set SGO's and SGP's that would benefit our students.

FINANCIAL INFORMATION AT FISCAL YEAR END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet the responsibility of sound financial management.

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

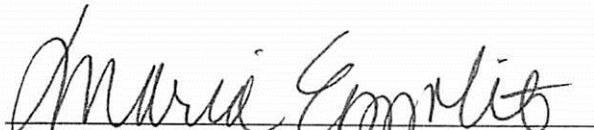
RISK MANAGEMENT: The Board carried various forms of insurance including, but not limited to general liability, automotive liability, and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

OTHER INFORMATION: Independent audit – State Statutes requires an annual audit by independent certified accountants or registered municipal accountants. The accounting firm of Ardito and Company was selected by the Board’s finance committee. In addition to meeting the requirements set forth in State Statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04. The auditor’s report on the

general purpose financial statements and combining and individual fund statements related specifically to the Single Audit are included in the Single Audit section of this report.

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

Respectfully submitted,



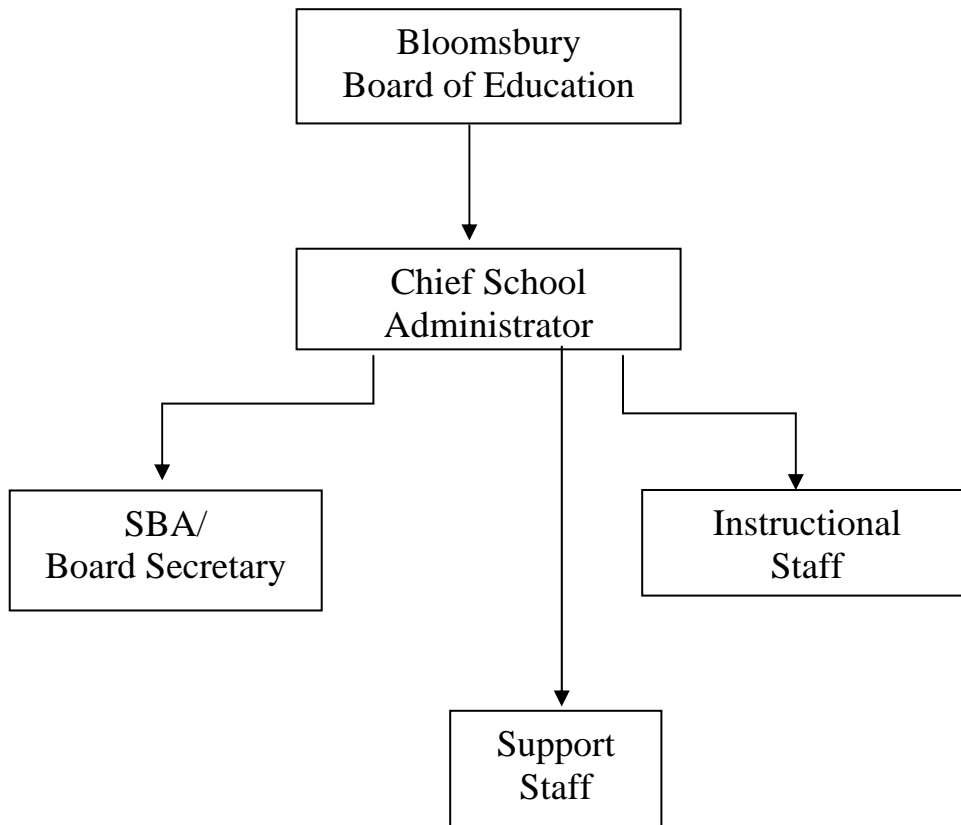
Maria Eppolite, Superintendent



Tim Mantz  
Business Administrator/Board Secretary

# Bloomsbury Board of Education

## Organization Chart 2014-15





**BLOOMSBURY BOROUGH SCHOOL DISTRICT  
BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2015**

**Members of the Board of Education**

**Term Expires**

Kevin Kerfoot, <i>President</i>	2016
Craig Levesque, <i>Vice-President</i>	2015
Peggy Shelton	2016
Sara Dickinson	2017
Rebecca Petri	2015

**Other Officials**

Maria Eppolite, *Chief School Administrator*  
Tim Mantz, *School Business Administrator/Board Secretary*  
Patti Fischer, *Treasurer*

**BLOOMSBURY BOROUGH SCHOOL DISTRICT  
BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Ardito & Co., LLP**  
1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825

**BOARD ATTORNEY**

**Comegno Law Group P.C.**  
Tall Oaks Corp. Ctr. 11  
Maple Shade, New Jersey 08052

**OFFICIAL DEPOSITORIES**

**PNC Bank**  
Bloomsbury, New Jersey 08804



# Financial Section

# Independent Auditor's Report



## **ARDITO & Co., LLP**

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908-996-4711 Fax: 908-996-4688  
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Anthony Ardito, CPA, RMA, CMFO, PSA  
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Anthony F. Ardito, PA, RMA, PSA

### **Independent Auditor's Report**

The Honorable President and  
Members of the Board of Education  
Bloomsbury Borough School District  
County of Hunterdon  
Bloomsbury Borough, New Jersey 07830

#### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the government activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bloomsbury Borough School District Board of Education, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Bloomsbury Borough School District Board of Education, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension trend information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bloomsbury Borough School District Board of Education's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules, statistical section, and schedule of state financial assistance, as required by New Jersey OMB's Circulars 04-04 and 15-08, ***Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid***, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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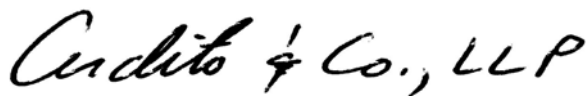
The combining and individual fund financial statement information, long-term debt schedules, and the schedule of state financial assistance, as required by New Jersey OMB's Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statement information, long-term debt schedules, and schedule of state financial assistance, as required by New Jersey OMB's Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are fairly stated in all material respects in relation to the basic financial statements as a whole.

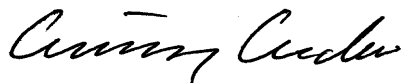
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2015, on our consideration of the Bloomsbury Borough School District Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



ARDITO & CO., LLP  
November 16, 2015



Licensed Public School Accountant No. 2369

**Required Supplementary Information -  
Part I**

**Management's Discussion and Analysis**

BLOOMSBURY BOROUGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

The discussion and analysis of Bloomsbury Borough School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2015 are as follows:

- ◆ In total, Net Position decreased \$123,130 which represents a 18.7% decrease from 2014.
- ◆ General revenues accounted for \$1,594,337 in revenue or 46.0% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,868,997 or 54.0% of total revenues of \$3,463,334.
- ◆ Total assets of governmental activities decreased by \$111,045, as cash and cash equivalents decreased by \$165,847, receivables increased by \$20,021, and capital assets increased by \$34,781.
- ◆ The School District had \$3,586,464 in expenses; only \$1,868,997 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$1,594,337 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$3,131,080 in revenues and \$3,274,327 in expenditures. The General Fund's surplus balance decreased \$143,247 over 2014, which compares favorably to the budgeted decrease of \$291,443.

**Using this Generally Accepted Accounting Principals Report (GAAP)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Bloomsbury Borough 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. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Bloomsbury Borough School District, the General Fund is by far the most significant fund.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

**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 2015?" The Statement of Net Position and the Statement of Activities 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. Nonfinancial 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 instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service 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 funds begins on page 11. 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, and Capital Projects Fund.



BLOOMSBURY BOROUGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

**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.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District’s Net Position for 2015 compared to 2014.

	<u>2015</u>	<u>2014</u>
<b>Table 1 Net Position</b>		
<b>Assets</b>		
Current and Other Assets	\$ 734,930	\$ 880,756
Capital Assets	<u>349,946</u>	<u>315,165</u>
<b>Total Assets</b>	<u>1,084,876</u>	<u>1,195,921</u>
<b>Deferred Outflows of Resources</b>	<u>39,297</u>	<u>21,965</u>
<b>Liabilities</b>		
Long-Term Liabilities	541,823	549,020
Other Liabilities	<u>18,925</u>	<u>12,026</u>
<b>Total Liabilities</b>	<u>560,748</u>	<u>561,046</u>
<b>Deferred Inflows of Resources</b>	<u>29,715</u>	<u>-</u>
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	349,946	315,165
Restricted	568,523	645,701
Unrestricted	<u>(384,759)</u>	<u>(304,026)</u>
<b>Total Net Position</b>	<u>\$ 533,710</u>	<u>\$ 656,840</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

Total assets of governmental activities decreased by \$111,045, as cash and cash equivalents decreased by \$165,847, receivables increased by \$20,021, and capital assets increased by \$34,781.

The cash decrease was mainly due budget operations, which although was better than planned surplus drain, returned results of expenditures exceeding revenues. Capital addition spending also contributed to the cash decrease.

Table 2 shows the changes in Net Position from fiscal year 2014.

**Table 2**  
**Changes in Net Position**

	<u>2015</u>	<u>2014</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 36,947	\$ 38,338
Operating Grants and Contributions	1,832,050	1,638,047
General Revenues:		
Property Taxes	1,588,454	1,557,308
Federal & State Aid on Capital Asset Projects	-	-
Investment Earnings	621	919
Other	<u>5,262</u>	<u>470</u>
<b>Total Revenues</b>	<u>3,463,334</u>	<u>3,235,082</u>
<b>Program Expenses</b>		
Instruction	1,823,712	1,626,189
Support Services:		
Tuition	801,414	793,659
Pupils and Instructional Staff	326,895	491,115
General Administration, School Administration, Business	307,593	164,287
Operations and Maintenance of Facilities	201,087	195,903
Pupil Transportation	80,318	58,606
Business-Type Activities	44,907	45,055
Interest and Fiscal Charges	<u>538</u>	<u>538</u>
<b>Total Expenses</b>	<u>3,586,464</u>	<u>3,375,352</u>
Increase in Net Position	<u>\$ (123,130)</u>	<u>\$ (140,270)</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

**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 45.9% percent of revenues for governmental activities for the Bloomsbury Borough School District for the fiscal year 2015.

Instruction comprises 50.8% of district expenses. Support services expenses make up 47.9% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2014. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**

	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2015</u>	<u>Total Cost of Services 2014</u>	<u>Net Cost of Services 2014</u>
Instruction	\$ 1,823,712	\$ 871,431	\$ 1,626,189	\$ 795,774
Support Services:				
Tuition	801,414	391,852	793,659	414,429
Pupils and Instructional Staff	326,895	145,039	491,115	183,630
General Admin., School Admin., Business	307,593	156,215	164,287	157,857
Operation and Maintenance of Facilities	201,087	102,124	195,903	106,443
Pupil Transportation	80,318	40,790	58,606	31,843
Business-Type Activities	44,907	9,478	45,055	8,453
Interest and Fiscal Charges	538	538	538	538
<b>Total Expenses</b>	<u>\$ 3,586,464</u>	<u>\$ 1,717,467</u>	<u>\$ 3,375,352</u>	<u>\$ 1,698,967</u>

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

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

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.

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.

BLOOMSBURY BOROUGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service.

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

The dependence upon tax revenues is apparent. Over 47.8% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 48.7%. The community, as a whole, is the primary support for the Bloomsbury Borough School District.

### **The School District's Funds**

Information about the School District's major funds starts on page 11. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$3,208,554 and expenditures of \$3,351,801. The General Fund's surplus balance decreased \$143,247 over 2014, which compares favorably to the budgeted decrease of \$291,443.

### **General Fund Budgeting Highlights**

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

During the course of the fiscal 2015 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$2,900,921, \$10,812 over original budgeted estimates of \$2,890,109. This difference was due primarily to an increases in tuition based programs.

General fund revenues fell short of expenditures by \$157,418. Again this deficit compares to a budgeted deficit of \$291,443, which was due to the budgeted use of surplus needed to balance the 2014-2015 budget. The budgeted deficit was reduced due revenue increases and cost savings in the areas of instruction and maintenance.

Overall general fund balance (budget basis) was \$839,082, and amounts ear-marked and reserved for future purposes were \$588,569, creating a surplus in unreserved fund balance of \$250,513. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

**Capital Assets**

At the end of the fiscal year 2015, the School District had \$349,946 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2015 balances compared to 2014.

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

	<u>2015</u>	<u>2014</u>
Land	\$ 79,200	\$ 79,200
Land Improvements		
Buildings and Improvements	143,348	107,207
Machinery and Equipment	<u>127,398</u>	<u>128,758</u>
Totals	<u>\$ 349,946</u>	<u>\$ 315,165</u>

Overall capital assets increased \$34,781 from fiscal year 2014 to fiscal year 2015. The increase in capital assets was due to capital additions, net of depreciation expense for the year.

Capital improvements of \$56,982 were purchased during fiscal year 2015.

**Debt Administration**

At June 30, 2015, the School District had \$43,200 as outstanding long term debt. Of this amount, \$43,200 is for compensated absences.

At June 30, 2015, the School District's overall legal debt margin was \$2,971,889 and the unvoted debt margin was the same.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

**For the Future**

The Bloomsbury Borough School District is in very good financial condition presently. A major concern is declining property valuations coupled with heavy reliance on local property taxes to fund the school's operations.

In conclusion, the Bloomsbury Borough 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 Tim Mantz, School Business Administrator/ Board Secretary at Bloomsbury Borough School District, 20 Main Street, Bloomsbury, NJ 08804.

# Basic Financial Statements

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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



BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2015

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 511,335	\$ 523	\$ 511,858
Receivables, Net	12,250		12,250
Receivables from Other Governments	24,461	1,920	26,381
Interfund Receivables		3,057	3,057
Inventory		2,200	2,200
Restricted Assets:			
Capital and Emergency Reserve Cash	179,184		179,184
Capital Assets, Net (Note 4):	349,946		349,946
<b>Total Assets</b>	<u>1,077,176</u>	<u>7,700</u>	<u>1,084,876</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferred Outflows	<u>39,297</u>		<u>39,297</u>
<b>LIABILITIES</b>			
Interfund Payables	3,057		3,057
Accounts Payable			
Net Pension Liability	498,623		498,623
Unearned Revenue	14,300	1,568	15,868
Noncurrent Liabilities (Note 5):			
Due Within One Year	-		-
Due Beyond One Year	43,200		43,200
<b>Total Liabilities</b>	<u>559,180</u>	<u>1,568</u>	<u>560,748</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows	<u>29,715</u>		<u>29,715</u>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	349,946		349,946
Restricted for:			
Other Purposes	568,523		568,523
Unrestricted	<u>(390,891)</u>	<u>6,132</u>	<u>(384,759)</u>
<b>Total Net Position</b>	<u>\$ 527,578</u>	<u>\$ 6,132</u>	<u>\$ 533,710</u>

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit A-2

**STATEMENT OF ACTIVITIES**  
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	PROGRAM REVENUES				NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
	EXPENSES	OPERATING		CAPITAL	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
		CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS			
Governmental Activities:							
Instruction:							
Regular	\$ 1,483,330		\$ 784,765		\$ (698,565)		\$ (698,565)
Special Education	334,612		164,676		(169,936)		(169,936)
Other Special Instruction	5,770		2,840		(2,930)		(2,930)
Support Services:							
Tuition	801,414	\$ 15,154	394,408		(391,852)		(391,852)
Student & Instruction Related Serv.	326,895		181,856		(145,039)		(145,039)
School Administrative Services	138,484		68,153		(70,331)		(70,331)
General and Business Admin. Serv.	169,109		83,225		(85,884)		(85,884)
Plant Operations and Maintenance	201,087		98,963		(102,124)		(102,124)
Pupil Transportation	80,318		39,528		(40,790)		(40,790)
Interest and Other Fiscal Charges	538				(538)		(538)
Total Governmental Activities	3,541,557	15,154	1,818,414	-	(1,707,989)	-	(1,707,989)
Business-Type Activities:							
Food Service	44,907	\$ 21,793	13,636			\$ (9,478)	(9,478)
Total Business-Type Activities	44,907	21,793	13,636			(9,478)	(9,478)
Total Primary Government	\$ 3,586,464	\$ 36,947	\$ 1,832,050	-	\$ (1,707,989)	\$ (9,478)	\$ (1,717,467)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				\$ 1,588,454			\$ 1,588,454
Investment Earnings				621			621
Miscellaneous Income				5,262			5,262
Transfers				(9,930)		9,930	
Total General Revenues, Special Items, Extraor. Items and Transfers				1,584,407		9,930	1,594,337
Change in Net Position				(123,582)		452	(123,130)
Net Position—Beginning (As Restated)				651,160		5,680	656,840
Net Position—Ending				\$ 527,578	\$ 6,132	\$ 533,710	

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

## **FUND FINANCIAL STATEMENTS**

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



BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET  
**GOVERNMENTAL FUNDS**  
 JUNE 30, 2015

	<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUND</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 690,519		\$ 690,519
Receivables from Other Governments	4,764	19,697	24,461
Interfund Receivable	7,621	2,224	9,845
Other Accounts Receivable	12,250		12,250
<b>TOTAL ASSETS</b>	<b>\$ 715,154</b>	<b>\$ 21,921</b>	<b>\$ 737,075</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Interfund Payable	\$ 5,281	\$ 7,621	\$ 12,902
Accounts Payable			-
Deferred Revenue		14,300	14,300
<b>Total Liabilities</b>	<b>5,281</b>	<b>21,921</b>	<b>27,202</b>
<b>Fund Balances:</b>			
<u>Restricted for:</u>			
Capital Reserve Account	3,445		3,445
Emergency Reserve	175,739		175,739
Excess Surplus	147,846		147,846
Excess Surplus - Designated for Subsequent Year's Expenditures	239,877		239,877
<u>Assigned to:</u>			
Year-End Encumbrances	20,046		20,046
Designated for Subsequent Year's Expenditures	1,616		1,616
<u>Unassigned:</u>			
General Fund	121,304		121,304
<b>Total Fund Balances</b>	<b>709,873</b>	<b>-</b>	<b>709,873</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 715,154</b>	<b>\$ 21,921</b>	<b>\$ 737,075</b>

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 \$529,672 and the accumulated depreciation is \$179,726.	\$	349,946
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 6)		39,297
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 6)		(29,715)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)		(498,623)
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 5)		(43,200)
Net Position of governmental activities	\$	<u>527,578</u>

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
<b>Local sources:</b>			
Local Tax Levy	\$ 1,588,454		\$ 1,588,454
Tuition	15,154		15,154
Miscellaneous	4,145	\$ 1,738	5,883
<b>Total - Local Sources</b>	<u>1,607,753</u>	<u>1,738</u>	<u>1,609,491</u>
<b>State Sources</b>	1,523,327		1,523,327
<b>Federal Sources</b>		75,736	75,736
<b>Total Revenues</b>	<u>3,131,080</u>	<u>77,474</u>	<u>3,208,554</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Regular Instruction	1,217,801	56,496	1,274,297
Special Education Instruction	292,159		292,159
Other Special Instruction	5,038		5,038
Support services and undistributed costs:			
Tuition	699,737		699,737
Student and Instruction Related Services	264,443	20,978	285,421
School Administrative Services	118,354		118,354
Other Administrative Services	147,654		147,654
Plant Operations and Maintenance	175,575		175,575
Pupil Transportation	70,128		70,128
Unallocated Benefits	225,918		225,918
<b>Capital Outlay</b>	57,520		57,520
<b>Total Expenditures</b>	<u>3,274,327</u>	<u>77,474</u>	<u>3,351,801</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(143,247)</u>		<u>(143,247)</u>
<b>Other Financing Sources and (Uses):</b>			
Transfers - Food Service Fund	(9,930)		(9,930)
<b>Total Other Financing Sources and (Uses)</b>	<u>(9,930)</u>	<u>-</u>	<u>(9,930)</u>
Net Change in Fund Balances	(153,177)		(153,177)
Fund Balance—July 1	863,050		863,050
<b>Fund Balance—June 30</b>	<u>\$ 709,873</u>		<u>\$ 709,873</u>

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit B-3

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

FOR THE YEAR ENDED JUNE 30, 2015

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** \$ (153,177)

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	\$ (22,201)	
Capital Outlays	<u>56,982</u>	34,781

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. (3,986)

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This is the amount by which the current year's compensated absence payments exceed the current year's amount earned. (1,200)

**Change in Net Position of Governmental Activities** \$ (123,582)

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

STATEMENT OF PROPRIETARY NET POSITION  
 PROPRIETARY FUNDS

JUNE 30, 2015

		<b>Business-Type Activities- Enterprise Funds</b>	
		<b>Food</b>	
		<b><u>Service</u></b>	<b><u>Totals</u></b>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and Cash Equivalents		\$ 523	\$ 523
Accounts Receivable		1,920	1,920
Interfund Receivable		3,057	3,057
Inventories		2,200	2,200
<b>Total Current Assets</b>		<u>7,700</u>	<u>7,700</u>
<b>Noncurrent Assets:</b>			
Furniture, Machinery and Equipment		27,908	27,908
Less Accumulated Depreciation		(27,908)	(27,908)
<b>Total Noncurrent Assets</b>		<u>          </u>	<u>          </u>
	<b>Total Assets</b>	<u>7,700</u>	<u>7,700</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Deferred Revenue		1,568	1,568
<b>Total Current Liabilities</b>		<u>1,568</u>	<u>1,568</u>
	<b>Total Liabilities</b>	<u>1,568</u>	<u>1,568</u>
<b>NET POSITION</b>			
Invested in Capital Assets Net of Related Debt		6,132	6,132
Unrestricted		<u>          </u>	<u>          </u>
	<b>Total Net Position</b>	<u>\$ 6,132</u>	<u>\$ 6,132</u>

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



**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
 FOR THE YEAR ENDED JUNE 30, 2015

	<b>Business-type Activities -</b>	
	<b>Enterprise Fund</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>Operating Revenues:</b>		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 17,421	\$ 17,421
Daily Sales - Non-Reimb Programs	3,884	3,884
Miscellaneous	488	488
<b>Total Operating Revenues</b>	<u>21,793</u>	<u>21,793</u>
<b>Operating Expenses:</b>		
Cost of Sales	21,475	21,475
Salaries	10,734	10,734
Benefits	3,055	3,055
Management Fee	7,282	7,282
Other Purchased Professional Services	2,361	2,361
<b>Total Operating Expenses</b>	<u>44,907</u>	<u>44,907</u>
Operating Income (Loss)	<u>(23,114)</u>	<u>(23,114)</u>
<b>Nonoperating Revenues (Expenses):</b>		
State Sources:		
State School Lunch Program	360	360
Federal Sources:		
National School Lunch Program	8,967	8,967
Food Distribution Program	4,309	4,309
<b>Total Nonoperating Revenues (Expenses)</b>	<u>13,636</u>	<u>13,636</u>
Income (Loss) Before Contributions and Transfers	(9,478)	(9,478)
Transfers In (Out)	<u>9,930</u>	<u>9,930</u>
Total Net Position—Beginning	5,680	5,680
<b>Total Net Position—Ending</b>	<u>\$ 6,132</u>	<u>\$ 6,132</u>

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

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Year Ended June 30, 2015

	<b>Business-Type Activities- Enterprise Funds</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 21,793	\$ 21,793
Payments to Employees	(10,734)	(10,734)
Payments for Employee Benefits	(3,055)	(3,055)
Payments to Suppliers	(28,224)	(28,224)
<b>Net Cash Provided by (used for) Operating Activities</b>	<b>(20,220)</b>	<b>(20,220)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	308	308
Federal Sources	9,455	9,455
Operating Subsidies and Transfers to Other Funds	9,930	9,930
<b>Net Cash Provided by (used for) Non-Capital Financing Activities</b>	<b>19,693</b>	<b>19,693</b>
Net Increase (Decrease) in Cash and Cash Equivalents	(527)	(527)
Balances—Beginning of Year	1,050	1,050
<b>Balances—End of Year</b>	<b>\$ 523</b>	<b>\$ 523</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:</b>		
Operating Income (Loss)	\$ (23,114)	\$ (23,114)
Provided by (used for) Operating Activities:		
Depreciation and Net Amortization		
Federal Commodities	4,309	4,309
(Increase) Decrease in Accounts Receivable	(1,295)	(1,295)
(Increase) Decrease in Inventories	(120)	(120)
Total Adjustments	2,894	2,894
Net Cash Provided by (used for) Operating Activities	\$ (20,220)	\$ (20,220)

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit B-7

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

JUNE 30, 2015

	<b>Agency Fund</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ <u>120,054</u>
<b>Total Assets</b>	<b>\$ <u>120,054</u></b>
<b>LIABILITIES</b>	
Accounts Payable	\$ 932
Summer Pay Plan	109,398
Payable to Student Groups	<u>9,724</u>
<b>Total Liabilities</b>	<b>\$ <u>120,054</u></b>
<b>NET POSITION</b>	
Held in Trust for Other Purposes	<u><u>                    </u></u>

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

# Notes to Financial Statements

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (Board) of the Bloomsbury Borough 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.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provides for the most significant change in financial reporting in over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the CAFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, and GAASB No. 68, Accounting for Pensions, and amendment of GASB No. 27. The implementation of these statements effected net position balances as previously reported for the fiscal year ended June 30, 2014 as noted in Note 17.

**A. Reporting Entity:**

The Bloomsbury Borough School District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Bloomsbury Borough School District had an approximate enrollment at June 30, 2015, of 125 students.

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

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

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting:**

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

**Basis of Presentation**

*District-wide Statements:* The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

*Fund Financial Statements:* During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No.34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

**GOVERNMENTAL FUNDS**

The District reports the following governmental funds:

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting (Continued):**

**GOVERNMENTAL FUNDS (Continued)**

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

**PROPRIETARY FUNDS**

The District reports the following proprietary fund:

**Enterprise (Food Service) Fund** - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

**Fiduciary Funds** - The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, and Payroll Agency Fund.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting (Continued):**

**Basis of Accounting**

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

*District-wide, Proprietary, and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year.

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the 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 recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.



BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval 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, except for the special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. In addition, transfers are also covered by changes in N.J.A.C. 6A:23A-2.3 that can require approval through the state department. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

**D. Encumbrance Accounting:**

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.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity:**

**Cash and Cash Equivalents:**

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

**Interfund Transactions:**

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

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

**Inventories:**

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

**Allowance for Uncollectible Accounts:**

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

**Capital Assets:**

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset</u>	<u>Estimated Useful Lives</u>
School	50
Building Improvements	20
Vehicles	5
Office and Computer Equipment	5
Instructional Equipment	5
Grounds Equipment	5

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

**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 vacation and sick leave in varying amounts under the District's personnel policies. Accumulated vacation time must be used within the fiscal period and does not accrue. Sick leave benefits provide for ordinary sick pay that has been accumulated during employment by the board.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Deferred Revenue:**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance fiscal year 2016 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

**Accrued Liabilities and Long-Term Obligations:**

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Net Position:**

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

**Fund Balance Reserves:**

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

**Revenues—Exchange and Nonexchange Transactions**

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

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

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

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Operating Revenues and Expenses:**

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

**Allocation of Indirect Expenses:**

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

**Extraordinary and Special Items:**

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

**Management Estimates:**

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

**NOTE 2: CASH AND CASH EQUIVALENTS**

**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.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 2: CASH AND CASH EQUIVALENTS (Continued)**

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.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2015, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2015, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents(A-1)</u>	<u>Cash and Cash Equivalents(B-7)</u>	<u>Total</u>
Checking Accounts	<u>\$691,042</u>	<u>\$120,054</u>	<u>\$811,096</u>
	<u>\$691,042</u>	<u>\$120,054</u>	<u>\$811,096</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2015, was \$811,096 and the bank balance was \$894,700. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$644,700 was covered by collateral pool.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 3: RECEIVABLES**

Receivables at June 30, 2015, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Government-Wide Financial <u>Statements</u>
State Aid	\$4,764	\$4,838
Federal Aid	19,697	21,543
Other	12,250	12,250
Gross Receivable	<u>\$36,711</u>	<u>\$38,631</u>
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	<u><u>\$36,711</u></u>	<u><u>\$38,631</u></u>

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
<b>Governmental Activities:</b>				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 79,200			\$ 79,200
Total Capital Assets Not Being Depreciated	<u>79,200</u>	-	-	<u>79,200</u>
<i>Capital Assets Being Depreciated:</i>				
Buildings and Building Improvements	261,214	\$ 56,982		318,196
Machinery and Equipment	132,276			132,276
Total at Historical Cost	<u>393,490</u>	<u>56,982</u>	-	<u>450,472</u>
Less Accumulated Depreciation for:				
Building and Improvements	(154,007)	(20,841)		(174,848)
Equipment	(3,518)	(1,360)		(4,878)
Total Accumulated Depreciation	<u>(157,525)</u>	<u>(22,201)</u>		<u>(179,726)</u>
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	<u>(157,525)</u>	<u>(22,201)</u>	-	<u>(179,726)</u>
<b>Government Activity Capital Assets, Net</b>	<u><b>\$ 315,165</b></u>	<u><b>\$ 34,781</b></u>	<u><b>-</b></u>	<u><b>\$ 349,946</b></u>

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 20,841
School Administration	<u>1,360</u>
Total	<u><u>\$ 22,201</u></u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 5: LONG-TERM OBLIGATIONS**

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

**A. Long-Term Obligation Activity:**

Changes in long-term obligations for the year ended June 30, 2015, are as follows:

	Balance			Balance	Amounts
	<u>7/1/14</u>	<u>Increases</u>	<u>Decreases</u>	<u>6/30/15</u>	<u>Due Within</u>
					<u>One Year</u>
<b>Governmental Activities:</b>					
Other Liabilities:					
Compensated Absences Payable	\$ 42,000	\$ 1,200		\$ 43,200	-
<b>Total Other Liabilities</b>	<b>\$ 42,000</b>	<b>1,200</b>	<b>-</b>	<b>\$ 43,200</b>	<b>-</b>

Compensated absences and capital leases have been liquidated in the General Fund.

As of June 30, 2015, the District had no authorized but not issued bonds.

**NOTE 6: 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 Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

*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, 100% of 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.

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



BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 6: PENSION PLANS (Continued)**

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$5,085,000 as measured on June 30, 2014 and \$5,371,792 as measured on June 30, 2013.

*For the year ended June 30, 2015, the District recognized pension expense of \$273,621 and revenue of \$273,621 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2015 is based upon changes in the collective net pension liability with a measurement period of June 30, 2013 through June 30, 2014. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2013 and June 30, 2014.*

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

	<u>6/30/2013</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	-	\$2,306,623,861
Collective deferred inflows of resources	-	\$1,763,205,593
Collective net pension liability (Nonemployer-State of New Jersey)	\$50,539,213,484	\$53,446,745,367
State's portion of the net pension liability that was associated with the district	\$5,371,792	\$5,085,000
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.010629%	0.009514%

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

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 6: PENSION PLANS (Continued)**

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds / Absolute Re	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 6: PENSION PLANS (Continued)**

*Discount rate.* The discount rate used to measure the State's total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determinir

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

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

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

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 6: PENSION PLANS (Continued)**

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2015, the District reported a liability of \$498,623 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. At June 30, 2014, the District's proportion was 0.00266%, which was an increase of 0.00001% from its proportion measured as of June 30, 2013.

*For the year ended June 30, 2015, the District recognized pension expense of \$25,941. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:*

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	-	-
Changes of assumptions	\$ 15,679	
Net difference between projected and actual earnings on pension plan investments		\$ 29,715
Changes in proportion and differences between District contributions and proportionate share of contributions	1,663	
District contributions subsequent to the measurement date	21,955	
Total	<u>\$ 39,297</u>	<u>\$ 29,715</u>

\$21,955 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability measured as of June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2015	(\$4,008)
2016	(\$4,008)
2017	(\$4,008)
2018	(\$4,008)
2019	\$2,541
Thereafter	<u>\$1,118</u>
Total	<u>(\$12,373)</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 6: PENSION PLANS (Continued)**

	<u>6/30/2013</u>	<u>6/30/2014</u>
Collective deferred outflows of resources		- \$ 952,194,675
Collective deferred inflows of resources		- 1,479,224,662
Collective net pension liability (Non State - Local Group)	\$19,111,986,911	\$18,722,735,003
District's portion of net pension liability	\$507,020	\$498,623
District's proportion %	0.00265289%	0.00266320%

*Actuarial assumptions* . The total pension liability in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.01%
Salary Increases:	
2012-2012	2.15%-4.40% based on age
Therafter	3.15%-5.40% based on age
Investment Rate of Return:	7.90%

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30,2011.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds / Absolute	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 6: PENSION PLANS (Continued)**

*Discount rate.* The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions.

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

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the District's proportionate share of the net pension liability measured as of June 30, 2014, calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(4.39%)</u>	<u>(5.39%)</u>	<u>(6.39%)</u>
District's proportionate share of the net pension liability	\$ 627,285	\$ 498,623	\$ 390,580

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

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

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 6: PENSION PLANS (Continued)**

**PERS and TPAF Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service 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.

**Significant Legislation** - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

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

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

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

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 6: PENSION PLANS (Continued)**

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2015	\$21,955	100 %	-0-
6/30/2014	\$19,989	100	-0-
6/30/2013	\$18,625	100	-0-

<u>Three-Year Trend Information for TPAF (Paid by the District)</u>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2015	\$54,270	100 %	-0-
6/30/2014	\$40,250	100	-0-
6/30/2013	\$68,679	100	-0-

During the fiscal year ended June 30, 2015, the State of New Jersey did contribute \$140,425 to the TPAF for 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 \$85,493 during the year ended June 30, 2015, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.



BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 7: 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, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

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

**NOTE 8: DEFERRED COMPENSATION**

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

Lincoln Investment Planning  
AXA Equitable Equi-vest

**NOTE 9: 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 vacation and sick leave in varying amounts under the District's personnel policies. Accumulated vacation time must be used within the fiscal period and does not accrue. Sick leave benefits provide for ordinary sick pay that has been accumulated during employment by the board.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 9: COMPENSATED ABSENCES-(Continued)**

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the proprietary fund types.

**NOTE 10: RISK MANAGEMENT**

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

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

**NOTE 11: CONTINGENT LIABILITIES**

**GRANT PROGRAMS**

The Board participates in state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Board is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**LITIGATION**

The Board is not involved in claims and lawsuits incidental to its operations

**NOTE 12: FUND BALANCE APPROPRIATED**

General Fund (Exhibit B-1) - Of the \$709,873 General Fund fund balance at June 30, 2015, \$387,723 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7 (\$239,877 of the total reserve for excess surplus will be appropriated and included as anticipated revenue for the year ending June 30, 2016); \$175,739 is reserved in the Emergency Reserve Account; \$3,445 is reserved in the Capital Reserve Account; \$20,046 is reserved for encumbrances; \$1,616 will be appropriated and included as anticipated revenue for the year ending June 30, 2016 and \$121,304 is unreserved and undesignated.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 13: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Bloomsbury Borough School District Board of Education by inclusion in prior budgets, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The Capital Reserve had no activity for the July 1, 2014 to June 30, 2015 fiscal year.

**NOTE 14: EMERGENCY RESERVE ACCOUNT**

An emergency reserve account was established by the Bloomsbury Borough School District Board of Education in fiscal year 2014, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the emergency reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance July 1, 2014	\$ 175,441
Interest earnings/Adjustment	<u>(2)</u>
Ending balance June 30, 2015	<u>\$ 175,439</u>

**NOTE 15: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2015 (Exhibit B-1):

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		\$ 5,281
Special Revenue Fund	\$ 2,224	
Enterprise Fund	<u>3,057</u>	
	<u>\$ 5,281</u>	<u>\$ 5,281</u>

The general fund owes the enterprise fund for state and federal lunch reimbursements not yet transferred over to the enterprise fund. The general fund owes the special revenue fund for general fund expenses paid by the special revenue fund.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**NOTE 16: CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$147,846.

**NOTE 17: RETROACTIVE RESTATEMENT OF NET POSITION**

**Restatement of Prior Period:**

The District adopted GASB No. 68 -*Accounting and Financial Reporting for Pensions - An amendment of GASB No. 27* during the 2015 fiscal year as required by the pronouncement. The pronouncement requires the district to record its proportional share of the State of New Jersey's net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the measurement date of the net pension liability is June 30, 2014 (as described in Note 8), the restatement adjustments to Net Position relate to the *beginning* net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71 -*Pension Transition for Contributions Made Subsequent to the Measurement Date*, The district restated its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

<u>Governmental Activities Net Position:</u>	
Net Position (per A-1), June 30, 2014	\$ 1,136,215
Restatement of Net Pension Liability	(507,020)
Restatement of Deferred Outflows-Pension	<u>21,965</u>
Net Position (per A-1), June 30, 2015, as Restated	<u>\$ 651,160</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 1,588,454		\$ 1,588,454	\$ 1,588,454	
Tuition	8,000		8,000	15,154	\$ 7,154
Miscellaneous	1,000		1,000	4,145	3,145
<b>Total - Local Sources</b>	<b>1,597,454</b>	<b>-</b>	<b>1,597,454</b>	<b>1,607,753</b>	<b>10,299</b>
<b>State Sources:</b>					
Equalization Aid	766,421		766,421	766,421	
School Choice Aid	285,665		285,665	285,665	
Transportation Aid	8,512		8,512	8,512	
Special Education Aid	105,121		105,121	105,121	
Security Aid	6,556		6,556	6,556	
Under Adequacy Aid	2,558		2,558	2,558	
Add'l Adjustment Aid	114,202		114,202	114,202	
PARCC Readiness Aid	1,810		1,810	1,810	
Per Pupil Growth Aid	1,810		1,810	1,810	
Other State Aid			-	513	513
TPAF Pension (On-Behalf - Non-Budgeted)				54,270	54,270
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				86,155	86,155
TPAF Social Security (Reimbursed - Non-Budgeted)				85,493	85,493
<b>Total State Sources</b>	<b>1,292,655</b>	<b>-</b>	<b>1,292,655</b>	<b>1,519,086</b>	<b>226,431</b>
<b>TOTAL REVENUES</b>	<b>2,890,109</b>	<b>-</b>	<b>2,890,109</b>	<b>3,126,839</b>	<b>236,730</b>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
Preschool - Salaries of Teachers	51,610	440	52,050	51,283	767
Kindergarten - Salaries of Teachers	73,941	-	73,941	73,604	337
Grades 1-5 - Salaries of Teachers	425,988	1,676	427,664	424,868	2,796
Grades 6-8 - Salaries of Teachers	236,822	3,065	239,887	239,258	629
<b>Regular Programs - Undistributed Instruction:</b>					
Other Salaries for Instruction	138,351	(1,421)	136,930	135,089	1,841
Social Security Contributions	17,000	-	17,000	8,711	8,289
Other Retirement Contributions - Regular	9,500	-	9,500	9,500	
Unemployment Compensation	5,000	-	5,000	5,000	
Workmen's Compensation	9,330	-	9,330	5,727	3,603
Health Benefits	163,251	(35,960)	127,291	124,594	2,697
Tuition Reimbursement	7,500	(156)	7,344	-	7,344
Other Employee Benefits	2,500	473	2,973	2,931	42
Purchased Professional-Educational Services	33,500	(347)	33,153	31,529	1,624
Purchased Technical Services	18,500	(7,480)	11,020	9,640	1,380
Other Purchased Services (400-500 series)	12,425	1,449	13,874	13,874	
General Supplies	49,418	5,865	55,283	51,637	3,646
Textbooks	5,000	22,898	27,898	27,796	102
Other Objects	2,150	610	2,760	2,760	-
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>1,261,786</b>	<b>(8,888)</b>	<b>1,252,898</b>	<b>1,217,801</b>	<b>35,097</b>



BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	231,694	252	231,946	231,946	
Unemployment Compensation	300	(69)	231	179	52
Workmen's Compensation	2,302	-	2,302	2,302	
Health Benefits	57,732	-	57,732	57,732	
<b>Total Resource Room/Resource Center</b>	<b>292,028</b>	<b>183</b>	<b>292,211</b>	<b>292,159</b>	<b>52</b>
<hr/>					
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>292,028</b>	<b>183</b>	<b>292,211</b>	<b>292,159</b>	<b>52</b>
<hr/>					
<b>School Sponsored Co/Extra Curricular Activities-Inst.:</b>					
Salaries	6,600	-	6,600	5,038	1,562
<b>Total School Sponsored Co/Extra Curricular Activities-Inst.</b>	<b>6,600</b>	<b>-</b>	<b>6,600</b>	<b>5,038</b>	<b>1,562</b>
<hr/>					
<b>TOTAL INSTRUCTION</b>	<b>1,560,414</b>	<b>(8,705)</b>	<b>1,551,709</b>	<b>1,514,998</b>	<b>36,711</b>
<hr/>					
<b>UNDISTRIBUTED EXPENDITURES</b>					
<b>Instruction:</b>					
Tuition to Other LEAs Within the State-Regular	625,000	(14,500)	610,500	610,500	-
Tuition to Other LEAs Within the State-Special	6,000	9,340	15,340	14,723	
Tuition to County Voc. District - Regular	3,000	-	3,000	3,000	
Tuition to CSSD & Regional Day Schools	3,100	-	3,100	3,000	
Tuition to Priv. Sch. For the Disabled W/I State	78,563	-	78,563	68,514	10,049
<b>Total Instruction</b>	<b>715,663</b>	<b>(5,160)</b>	<b>710,503</b>	<b>699,737</b>	<b>10,766</b>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2015

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Health Services:</b>					
Salaries	55,181	-	55,181	48,701	6,480
Unemployment Compensation	1,500	-	1,500	284	1,216
Workmen's Compensation	1,153	-	1,153	1,153	-
Health Benefits	28,866	-	28,866	28,866	-
Purchased Professional and Technical Services	1,500	-	1,500	1,100	400
Supplies and Materials	3,000	-	3,000	1,226	1,774
<b>Total Health Services</b>	<b>91,200</b>	<b>-</b>	<b>91,200</b>	<b>81,330</b>	<b>9,870</b>
<b>Other Supp. Services Students-Related Services:</b>					
Purchased Professional - Educational Services	100,000	(48,183)	51,817	47,705	4,112
<b>Total Other Supp. Services Students-Related Services</b>	<b>100,000</b>	<b>(48,183)</b>	<b>51,817</b>	<b>47,705</b>	<b>4,112</b>
<b>Undist. Expend. - Other Supp. Serv. Students - Reg.</b>					
Salaries of Other Professional Staff	56,704	1,275	57,979	57,979	
Social Security Contributions	200	-	200	19	181
<b>Total Undist. Expend. - Other Supp. Serv. Students - Reg.</b>	<b>56,904</b>	<b>1,275</b>	<b>58,179</b>	<b>57,998</b>	<b>181</b>
<b>Other Supp. Services Students-Special:</b>					
Salaries of Secretarial and Clerical Assistants	32,749	-	32,749	32,280	469
Social Security Contributions	8,500	-	8,500	5,439	3,061
Other Retirement Contributions - Regular	5,000	-	5,000	4,455	545
Unemployment Compensation	750	-	750	316	434
Workmen's Compensation	2,404	-	2,404	2,404	
Health Benefits	11,388	-	11,388	11,388	
Purchased Professional - Educational Services	26,000	(11,275)	14,725	10,753	3,972
Other Purchased Prof. and Tech. Services	2,500	1,094	3,594	2,231	1,363
Supplies and Materials	2,000	(226)	1,774	1,000	774
<b>Total Other Supp. Services Students-Regular</b>	<b>91,291</b>	<b>(10,407)</b>	<b>80,884</b>	<b>70,266</b>	<b>10,618</b>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Undist. Expend. - Improvement of Inst. Serv.</b>					
Supplies and Materials	2,500	2,500	5,000	2,597	2,403
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<u>2,500</u>	<u>2,500</u>	<u>5,000</u>	<u>2,597</u>	<u>2,403</u>
<b>Educational Media Services/School Library:</b>					
Purchased Prof. and Tech. Services	250	-	250	-	250
Supplies and Materials	1,000	-	1,000	425	575
<b>Total Educational Media Services/School Library</b>	<u>1,250</u>	<u>-</u>	<u>1,250</u>	<u>425</u>	<u>825</u>
<b>Instructional Staff Training Services:</b>					
Purchased Professional - Educational Services	5,000		5,000	4,122	878
<b>Total Instructional Staff Training Services</b>	<u>5,000</u>		<u>5,000</u>	<u>4,122</u>	<u>878</u>
<b>Supp. Services - General Administration:</b>					
Salaries	2,481	4	2,485	2,485	
Unemployment Compensation	500	-	500	286	214
Legal Services	7,500	(380)	7,120	1,753	5,367
Audit Fees	8,500	44	8,544	8,544	
Other Purchased Professional Services	56,000	-	56,000	56,000	
Other Purchased Services (400-500 series)	7,000	332	7,332	6,836	496
General Supplies	-	237	237	219	18
Miscellaneous Expenditures	500	-	500	375	125
BOE Membership Dues and Fees	2,300	-	2,300	2,204	96
<b>Total Supp. Services - General Administration</b>	<u>84,781</u>	<u>237</u>	<u>85,018</u>	<u>78,702</u>	<u>6,316</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Support Services - School Administration:</b>					
Salaries of Principals/Asst Principals/Prog. Dir.	75,850	-	75,850	75,850	-
Salaries of Secretarial and Clerical Assistants	12,321	-	12,321	12,040	281
Health Benefits	28,864	-	28,864	28,864	-
Other Objects	1,600	-	1,600	1,600	-
<b>Total Support Services - School Administration</b>	<b>118,635</b>	<b>-</b>	<b>118,635</b>	<b>118,354</b>	<b>281</b>
<b>Central Services:</b>					
Purchased Technical Services	68,952	-	68,952	68,952	-
<b>Total Central Services</b>	<b>68,952</b>	<b>-</b>	<b>68,952</b>	<b>68,952</b>	<b>-</b>
<b>Required Maintenance for School Facilities:</b>					
Cleaning, Repair and Maintenance Services	48,000	12,041	60,041	25,837	34,204
General Supplies	5,000	-	5,000	494	4,506
<b>Total Required Maintenance for School Facilities</b>	<b>53,000</b>	<b>12,041</b>	<b>65,041</b>	<b>26,331</b>	<b>38,710</b>
<b>Other Operations and Maintenance of Plant:</b>					
Social Security Contributions	15,000	-	15,000	10,312	4,688
Other Retirement Contributions - Regular	8,000	-	8,000	8,000	-
Unemployment Compensation	500	-	500	500	-
Workmen's Compensation	1,461	-	1,461	-	1,461
Salaries	80,272	833	81,105	77,151	3,954
Purchased Professional and Technical Services	1,225	99	1,324	1,034	290
Cleaning, Repair and Maintenance Services	12,500	(2,041)	10,459	1,961	8,498
Other Purchased Property Services	3,000	410	3,410	3,410	-
Insurance	13,902	-	13,902	13,902	-
Miscellaneous Purchased Services	1,200	(1,000)	200	85	115
General Supplies	12,500	2,969	15,469	11,767	3,702
Energy (Natural Gas)	8,000	1,458	9,458	9,458	-
Energy (Electricity)	15,000	-	15,000	11,164	3,836
Other Objects	500	-	500	500	-
<b>Total Other Operations and Maintenance of Plant</b>	<b>173,060</b>	<b>2,728</b>	<b>175,788</b>	<b>149,244</b>	<b>26,544</b>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Student Transportation Services</b>					
Contracted Services-Aid in Lieu of Payments-Non Public Sch.	8,100	5,160	13,260	13,260	
Contracted Services (Between Home and School)-Vendors	15,233	-	15,233	15,232	1
Contracted Services (Other than Bet.Home & School)-Vendors	3,500	658	4,158	4,158	-
Contracted Services (Between Home and School)-Joint Agrmts.	-	3,838	3,838	3,838	-
Contracted Services (Special Education Students)-Vendors	26,531	3,182	29,713	29,713	-
Contracted Services (Reg. Students)-ESCs & CTSA's	5,000	(1,073)	3,927	3,927	-
<b>Total Student Transportation Services</b>	<b>58,364</b>	<b>11,765</b>	<b>70,129</b>	<b>70,128</b>	<b>1</b>
<b>UNALLOCATED BENEFITS</b>					
On-behalf TPAF pension Contrib. (non-budgeted)				54,270	(54,270)
On-behalf TPAF PRM Contrib. (non-budgeted)				86,155	(86,155)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				85,493	(85,493)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>225,918</b>	<b>(225,918)</b>
<b>TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225,918</b>	<b>(225,918)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>1,620,600</b>	<b>(33,204)</b>	<b>1,587,396</b>	<b>1,701,809</b>	<b>(114,413)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>3,181,014</b>	<b>(41,909)</b>	<b>3,139,105</b>	<b>3,216,807</b>	<b>(77,702)</b>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment:</b>					
Undistributed Expenditures-Non Instruct. Services			-		
<b>Total Equipment</b>					
<b>Facilities Acquisition and Construction:</b>					
Architectual/Engineering Services		4,675	4,675		4,675
Construction Services		61,982	61,982	56,982	5,000
Assessment for Debt Service on SDA Funding	538	-	538	538	
<b>Total Facilities Acquisition and Construction</b>	<b>538</b>	<b>66,657</b>	<b>67,195</b>	<b>57,520</b>	<b>9,675</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>538</b>	<b>66,657</b>	<b>67,195</b>	<b>57,520</b>	<b>9,675</b>
<b>TOTAL EXPENDITURES</b>	<b>3,181,552</b>	<b>24,748</b>	<b>3,206,300</b>	<b>3,274,327</b>	<b>(68,027)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(291,443)</b>	<b>(24,748)</b>	<b>(316,191)</b>	<b>(147,488)</b>	<b>168,703</b>
<b>Other Financing Sources:</b>					
<b>Operating Transfer (In)/Out:</b>					
Transfer to Food Service Fund		9,930	9,930	9,930	-
<b>Total Other Financing Sources:</b>	<b>-</b>	<b>9,930</b>	<b>9,930</b>	<b>9,930</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>(291,443)</b>	<b>(34,678)</b>	<b>(326,121)</b>	<b>(157,418)</b>	<b>168,703</b>
<b>Fund Balance, July 1</b>	<b>996,500</b>		<b>996,500</b>	<b>996,500</b>	
<b>Fund Balance, June 30</b>	<b>\$ 705,057</b>	<b>\$ (34,678)</b>	<b>\$ 670,379</b>	<b>\$ 839,082</b>	<b>\$ 168,703</b>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Recapitulation:</b>					
<b>Restricted for:</b>					
Capital Reserve				\$ 3,445	
Emergency Reserve				175,739	
Excess Surplus				147,846	
Excess Surplus - Designated for Subsequent Year's Expenditures				239,877	
<b>Assigned to:</b>					
Year-End Encumbrances				20,046	
Designated for Subsequent Year's Expenditures				1,616	
<b>Unassigned:</b>					
Unrestricted Fund Balance				<u>250,513</u>	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				839,082	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis				<u>(129,209)</u>	
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>				<u>\$ 709,873</u>	





BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2015

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
Local Sources	\$ 2,800	\$ 8,199	\$ 10,999	\$ 698	\$ (10,301)
Federal Sources	100,824	(25,088)	75,736	75,736	-
<b>Total Revenues</b>	<b>103,624</b>	<b>(16,889)</b>	<b>86,735</b>	<b>76,434</b>	<b>(10,301)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Tuition	34,475		34,475	34,475	
General Supplies	23,083	8,199	31,282	20,981	10,301
<b>Total Instruction</b>	<b>57,558</b>	<b>8,199</b>	<b>65,757</b>	<b>55,456</b>	<b>10,301</b>
<b>Support Services</b>					
Salaries of Supervisors of Instruction	17,623		17,623	17,623	
Purchased Profess.-Ed. Serv.	430		430	430	
Other Purchased Services	2,925		2,925	2,925	
<b>Total Support Services</b>	<b>20,978</b>		<b>20,978</b>	<b>20,978</b>	
Total Expenditures	78,536	8,199	86,735	76,434	10,301
<b>Total Outflows</b>	<b>\$ 78,536</b>	<b>\$ 8,199</b>	<b>\$ 86,735</b>	<b>\$ 76,434</b>	<b>\$ 10,301</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>					
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				None	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis				None	
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>				None	

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE**

For the Fiscal Year Ended June 30, 2015

**Explanation of Differences between Budgetary Inflows and Outflows and  
GAAP Revenues and Expenditures**

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 3,126,839	\$ 76,434
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	1,040
Current Year Encumbrances	N/A	
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	133,450	N/A
Adjustment for: Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(129,209)</u>	<u>N/A</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 3,131,080</u>	<u>\$ 77,474</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 3,274,327	\$ 76,434
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	1,040
Current Year Encumbrances	N/A	
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 3,274,327</u>	<u>\$ 77,474</u>

**Bloomsbury School District  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Last Ten Fiscal Years \***

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
District's proportion of the net pension liability (asset) **	N/A	N/A								
District's proportionate share of the net pension liability (asset) **	N/A	N/A								
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 5,085,000</u>	<u>\$ 5,371,792</u>								
Total	<u>\$ 5,085,000</u>	<u>\$ 5,371,792</u>								
District's covered employee payroll	\$ 1,090,901	\$ 991,486								
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A								
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%								

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

**Public Employees' Retirement System (PERS)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
District's proportion of the net pension liability (asset)	0.0026663%	0.0026529%								
District's proportionate share of the net pension liability (asset)	<u>\$ 498,623</u>	<u>\$ 807,020</u>								
District's covered employee payroll	\$ 368,661	\$ 489,365								
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	135.25%	164.91%								
Plan fiduciary net position as a percentage of the total pension liability (Local)	52.08%	48.72%								

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

**Bloomsbury School District  
Schedule of District Contributions  
Last Ten Fiscal Years \***

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Contractually required contribution **	N/A	N/A								
Contributions in relation to the contractually required contribution **	N/A	N/A								
Contribution deficiency (excess)	N/A	N/A								
District's covered employee payroll	\$ 1,090,901	\$ 991,486								
Contributions as a percentage of covered-employee payroll	N/A	N/A								

\*\* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

**Public Employees' Retirement System (PERS)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Contractually required contribution	\$ 19,989	\$ 18,625								
Contributions in relation to the contractually required contribution	<u>(19,989)</u>	<u>(18,625)</u>								
Contribution deficiency (excess)	<u>-</u>	<u>-</u>								
District's covered employee payroll	\$ 368,661	\$ 489,365								
Contributions as a percentage of covered-employee payroll	5.42%	3.81%								

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**Pension Schedules**

For the Fiscal Year Ended June 30, 2015

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

*Changes of benefit terms.* The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

**Public Employees' Retirement System (PERS)**

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

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



**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.



BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit E-1

**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2015

	<b>Title I</b>	<b>Title II Part A</b>	<b>IDEA Basic</b>	<b>IDEA Preschool</b>	<b>REAP</b>	<b>PTO DONATION</b>	<b>Totals</b>
<b>REVENUES</b>							
Local Sources						\$ 698	\$ 698
Federal Sources	\$ 18,053	\$ 2,925	\$ 34,475	\$ 624	\$ 19,659		75,736
<b>TOTAL REVENUES</b>	<b>18,053</b>	<b>2,925</b>	<b>34,475</b>	<b>624</b>	<b>19,659</b>	<b>698</b>	<b>76,434</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers							-
Tuition			34,475				34,475
General Supplies				624	19,659	698	20,981
<b>Total Instruction</b>			<b>34,475</b>	<b>624</b>	<b>19,659</b>	<b>698</b>	<b>55,456</b>
<b>Support Services:</b>							
Salaries of Supervisors of Instruction	17,623						17,623
Purchased Profess.-Ed. Serv.	430						430
Other Purchased Services		2,925					2,925
Supplies and Materials							-
<b>Total Support Services</b>	<b>18,053</b>	<b>2,925</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,978</b>
<b>TOTAL EXPENDITURES</b>	<b>18,053</b>	<b>2,925</b>	<b>34,475</b>	<b>624</b>	<b>19,659</b>	<b>698</b>	<b>76,434</b>
<b>Total Outflows</b>	<b>18,053</b>	<b>2,925</b>	<b>34,475</b>	<b>624</b>	<b>19,659</b>	<b>698</b>	<b>76,434</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>							

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

N/A

<p style="text-align: center;"><b>PROPRIETARY FUND DETAIL STATEMENTS</b></p>
--

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

**Food Services Fund** - This fund provides for the operation of food services in all schools within the school district.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.**

<p style="text-align: center;"><b>FIDUCIARY FUND DETAIL STATEMENTS</b></p>
--

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

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

**Student Activity Fund** - This agency fund is used to account for student funds held at the schools.

**Payroll Fund** - This agency fund is used to account for the payroll transactions of the school district.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit H-1

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2015**

	<u>AGENCY FUNDS</u>		
	<u>STUDENT</u>	<u>PAYROLL</u>	
	<u>ACTIVITY</u>	<u>AGENCY</u>	<u>TOTALS</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$9,724	\$110,330	\$120,054
<b>TOTAL ASSETS</b>	<u>\$9,724</u>	<u>\$110,330</u>	<u>\$120,054</u>
<b>LIABILITIES:</b>			
Liabilities:			
Payroll Deductions		\$932	\$932
Payable to Student Groups	\$9,724		9,724
Summer Pay Plan		109,398	109,398
<b>Total Liabilities</b>	<u>9,724</u>	<u>110,330</u>	<u>120,054</u>
<b>NET POSITION</b>			
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$9,724</u>	<u>\$110,330</u>	<u>\$120,054</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit H-3

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
STUDENT ACTIVITY AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>ACTIVITY</u>	<u>BALANCE JUNE 30, 2014</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE JUNE 30, 2015</u>
School Activity Funds	\$ 8,084	\$ 14,660	\$ 13,020	\$ 9,724
	<u>\$ 8,084</u>	<u>\$ 14,660</u>	<u>\$ 13,020</u>	<u>\$ 9,724</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit H-4

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
PAYROLL AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>BALANCE</u> <u>JUNE 30, 2014</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 102,490	\$ 1,745,621	\$ 1,737,781	\$ 110,330
<b>Total Assets</b>	<u>\$ 102,490</u>	<u>\$ 1,745,621</u>	<u>\$ 1,737,781</u>	<u>\$ 110,330</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 307	\$ 869,831	\$ 870,019	\$ 119
Accrued Salaries and Wages	815	766,359	766,361	813
Summer Pay Plan	101,368	109,431	101,401	109,398
<b>Total Liabilities</b>	<u>\$ 102,490</u>	<u>\$ 1,745,621</u>	<u>\$ 1,737,781</u>	<u>\$ 110,330</u>

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases. The district currently has no long-term liabilities.



Bloomsbury Borough School District  
**Statistical Section**

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends (J-1 thru J-5)</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	82-87
<b>Revenue Capacity (J-6 thru J-9)</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	88-91
<b>Debt Capacity (J-10 thru J-13)</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	92-95
<b>Demographic and Economic Information (J-14 and J-15)</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	96-97
<b>Operating Information (J-16 thru J-20)</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	98-102

**Sources:**

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

**Bloomsbury Borough School District**  
**Net Position by Component,**  
**Last Ten Fiscal Years**

**Exhibit J-1**

*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 236,423	\$ 285,786	\$ 295,573	\$ 312,371	\$ 327,808	\$ 390,863	\$ 274,231	\$ 259,141	\$ 315,165	\$ 349,946
Restricted	42,472	18,403	6,853	57,649	54,127	178,445	767,512	879,516	645,701	568,523
Unrestricted	112,704	33,510	60,179	131,903	470,201	575,790	190,311	138,509	175,349	(390,891)
<b>Total governmental activities net position</b>	<b>\$ 391,599</b>	<b>\$ 337,699</b>	<b>\$ 362,605</b>	<b>\$ 501,923</b>	<b>\$ 852,136</b>	<b>\$ 1,145,098</b>	<b>\$ 1,232,054</b>	<b>\$ 1,277,166</b>	<b>\$ 1,136,215</b>	<b>\$ 527,578</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt				\$ 1,903	\$ 1,730	\$ 1,557	\$ 1,038	\$ 519	-	-
Unrestricted	21,822	31,322	45,868	35,291	32,232	17,199	10,989	4,480	5,680	6,132
<b>Total business-type activities net position</b>	<b>\$ 21,822</b>	<b>\$ 31,322</b>	<b>\$ 45,868</b>	<b>\$ 37,194</b>	<b>\$ 33,962</b>	<b>\$ 18,756</b>	<b>\$ 12,027</b>	<b>\$ 4,999</b>	<b>\$ 5,680</b>	<b>\$ 6,132</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 236,423	\$ 285,786	\$ 295,573	\$ 314,274	\$ 329,538	\$ 392,420	\$ 275,269	\$ 259,660	\$ 315,165	\$ 349,946
Restricted	42,472	18,403	6,853	57,649	54,127	178,445	767,512	879,516	645,701	568,523
Unrestricted	134,526	64,832	106,047	167,194	502,433	592,989	201,300	142,989	181,029	(384,759)
<b>Total district net position</b>	<b>\$ 413,421</b>	<b>\$ 369,021</b>	<b>\$ 408,473</b>	<b>\$ 539,117</b>	<b>\$ 886,098</b>	<b>\$ 1,163,854</b>	<b>\$ 1,244,081</b>	<b>\$ 1,282,165</b>	<b>\$ 1,141,895</b>	<b>\$ 533,710</b>

Source: CAFR Schedule A-1

**Bloomsbury Borough School District**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

**Exhibit J-2**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 1,038,051	\$ 1,110,674	\$ 1,062,637	\$ 1,141,882	\$ 1,167,093	\$ 1,111,022	\$ 1,272,748	\$ 1,420,092	\$ 1,338,644	\$ 1,483,330
Special education	172,900	265,754	220,202	206,617	139,276	225,381	112,836	189,671	284,285	334,612
Other special education	11,466	13,858	11,905	14,618	22,309	23,673	5,272	4,119	3,260	5,770
Support Services:										
Tuition	415,579	405,697	527,153	526,430	412,176	439,934	564,358	594,803	793,659	801,414
Student & instruction related services	237,765	261,852	238,978	225,068	189,938	251,082	264,615	341,257	364,872	326,895
General administrative services	195,684	207,448	206,392	180,501	194,047	195,234	189,928	197,930	164,287	169,109
School administrative services	74,621	79,769	92,584	90,445	94,318	84,871	84,430	67,524	126,243	138,484
Plant operations and maintenance	157,547	143,380	139,213	173,874	163,732	159,305	229,704	254,577	195,903	201,087
Pupil transportation	54,479	67,078	57,923	100,695	87,583	68,276	42,551	49,612	58,606	80,318
Interest Expense			1,362	1,815	1,395	1,627	488	538	538	538
Total governmental activities expenses	<u>2,358,092</u>	<u>2,555,510</u>	<u>2,558,349</u>	<u>2,661,945</u>	<u>2,471,867</u>	<u>2,560,405</u>	<u>2,766,930</u>	<u>3,120,123</u>	<u>3,330,297</u>	<u>3,541,557</u>
Business-type activities:										
Food service	53,081	56,728	55,619	50,157	48,323	57,806	49,808	51,982	45,055	44,907
Total business-type activities expense	<u>53,081</u>	<u>56,728</u>	<u>55,619</u>	<u>50,157</u>	<u>48,323</u>	<u>57,806</u>	<u>49,808</u>	<u>51,982</u>	<u>45,055</u>	<u>44,907</u>
Total district expenses	<u>\$ 2,411,173</u>	<u>\$ 2,612,238</u>	<u>\$ 2,613,968</u>	<u>\$ 2,712,102</u>	<u>\$ 2,520,190</u>	<u>\$ 2,618,211</u>	<u>\$ 2,816,738</u>	<u>\$ 3,172,105</u>	<u>\$ 3,375,352</u>	<u>\$ 3,586,464</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Regular	1,380	10,420	17,070	21,853	13,050	19,200				
Special Education						15,000				
Transportation						20,332	\$ 8,000	\$ 7,156	\$ 16,799	\$ 15,154
Operating grants and contributions	81,301	76,636	69,103	82,759	55,730	141,538	1,460,857	1,626,154	1,622,984	1,818,414
Capital grants and contributions	32,831	32,831			(3,536)					
Total governmental activities program revenues	<u>115,512</u>	<u>119,887</u>	<u>86,173</u>	<u>104,612</u>	<u>65,244</u>	<u>196,070</u>	<u>1,468,857</u>	<u>1,633,310</u>	<u>1,639,783</u>	<u>1,833,568</u>
Business-type activities:										
Charges for services										
Food service	28,821	30,117	31,393	31,843	30,997	27,970	28,182	25,643	21,539	21,793
Operating grants and contributions	6,005	8,194	8,451	9,577	14,049	14,619	14,897	18,311	15,063	13,636
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>34,826</u>	<u>38,311</u>	<u>39,844</u>	<u>41,420</u>	<u>45,046</u>	<u>42,589</u>	<u>43,079</u>	<u>43,954</u>	<u>36,602</u>	<u>35,429</u>
Total district program revenues	<u>\$ 150,338</u>	<u>\$ 158,198</u>	<u>\$ 126,017</u>	<u>\$ 146,032</u>	<u>\$ 110,290</u>	<u>\$ 238,659</u>	<u>\$ 1,511,936</u>	<u>\$ 1,677,264</u>	<u>\$ 1,676,385</u>	<u>\$ 1,868,997</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (2,242,580)	\$ (2,435,623)	\$ (2,472,176)	\$ (2,557,333)	\$ (2,406,623)	\$ (2,364,335)	\$ (1,298,073)	\$ (1,486,813)	\$ (1,690,514)	\$ (1,707,989)
Business-type activities	(18,255)	(18,417)	(15,775)	(8,737)	(3,277)	(15,217)	(6,729)	(8,028)	(8,453)	(9,478)
Total district-wide net expense	<u>\$ (2,260,835)</u>	<u>\$ (2,454,040)</u>	<u>\$ (2,487,951)</u>	<u>\$ (2,566,070)</u>	<u>\$ (2,409,900)</u>	<u>\$ (2,379,552)</u>	<u>\$ (1,304,802)</u>	<u>\$ (1,494,841)</u>	<u>\$ (1,698,967)</u>	<u>\$ (1,717,467)</u>

Continued

**Bloomsbury Borough School District**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

**Exhibit J-2**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, \$	1,371,065	\$ 1,460,000	\$ 1,547,229	\$ 1,547,229	\$ 1,526,773	\$ 1,526,773	\$ 1,526,773	\$ 1,526,773	\$ 1,557,308	\$ 1,588,454
Unrestricted grants and contributions	914,523	935,695	971,144	1,144,145	1,226,325	1,121,215	-	-	-	-
Investment earnings	13,013	12,913	8,918	5,059	2,036	1,319	883	743	919	621
Miscellaneous income	16,534	992	56	218	1,702	7,990	200	5,409	470	5,262
Operating Transfer	(24,447)	(27,877)	(30,265)						(9,134)	(9,134)
Total governmental activities	<u>2,290,688</u>	<u>2,381,723</u>	<u>2,497,082</u>	<u>2,696,651</u>	<u>2,756,836</u>	<u>2,657,297</u>	<u>1,527,856</u>	<u>1,532,925</u>	<u>1,549,563</u>	<u>1,585,203</u>
Business-type activities:										
Investment earnings	28	40	56	63	45	11	-	-	-	-
Transfers	24,447	27,877	30,265						9,134	9,134
Total business-type activities	<u>24,475</u>	<u>27,917</u>	<u>30,321</u>	<u>63</u>	<u>45</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>9,134</u>	<u>9,134</u>
Total district-wide	<u>\$ 2,315,163</u>	<u>\$ 2,409,640</u>	<u>\$ 2,527,403</u>	<u>\$ 2,696,714</u>	<u>\$ 2,756,881</u>	<u>\$ 2,657,308</u>	<u>\$ 1,527,856</u>	<u>\$ 1,532,925</u>	<u>\$ 1,558,697</u>	<u>\$ 1,594,337</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 48,108	\$ (53,900)	\$ 24,906	\$ 139,318	\$ 350,213	\$ 292,962	\$ 229,783	\$ 46,112	\$ (140,951)	\$ (122,786)
Business-type activities	6,220	9,500	14,546	(8,674)	(3,232)	(15,206)	(6,729)	(8,028)	681	(344)
Total district	<u>\$ 54,328</u>	<u>\$ (44,400)</u>	<u>\$ 39,452</u>	<u>\$ 130,644</u>	<u>\$ 346,981</u>	<u>\$ 277,756</u>	<u>\$ 223,054</u>	<u>\$ 38,084</u>	<u>\$ (140,270)</u>	<u>\$ (123,130)</u>

Source: CAFR Schedule A-2

**Bloomsbury Borough School District  
Fund Balances, Governmental Funds,  
Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

**Exhibit J-3**

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 21,535	\$ 6,128	\$ 6,230	\$ 104,052	\$ 439,562	\$ 674,794	\$ 879,729	\$ 942,654	\$ 744,884	\$ 588,569
Unreserved	147,483	89,682	121,969	141,245	144,449	158,639	106,094	117,371	118,166	121,304
Total general fund	<u>\$ 169,018</u>	<u>\$ 95,810</u>	<u>\$ 128,199</u>	<u>\$ 245,297</u>	<u>\$ 584,011</u>	<u>\$ 833,433</u>	<u>\$ 985,823</u>	<u>\$ 1,060,025</u>	<u>\$ 863,050</u>	<u>\$ 709,873</u>
All Other Governmental Funds										
Unreserved, reported in:										
Capital projects fund	\$ 40,131	\$ 15,962	\$ 4,312	\$ 4,312						
Total all other governmental funds	<u>\$ 40,131</u>	<u>\$ 15,962</u>	<u>\$ 4,312</u>	<u>\$ 4,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Source: CAFR Schedule B-1

**Bloomsbury Borough School District  
Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years**

**Exhibit J-4**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues</b>										
Tax levy	\$ 1,371,065	\$ 1,460,000	\$ 1,547,229	\$ 1,547,229	\$ 1,526,773	\$ 1,526,773	\$ 1,526,773	\$ 1,526,773	\$ 1,557,308	\$ 1,588,454
Tuition charges	1,380	10,420	17,070	21,853	13,050	34,200	8,000	7,156	16,799	15,154
Interest earnings	13,013	12,913	8,918	5,059	2,036	1,319	-	-	-	-
Miscellaneous	34	992	56	218	5,015	7,990	1,083	6,152	1,389	5,883
State sources	950,010	974,618	971,144	1,144,145	1,090,477	1,121,215	1,314,226	1,564,354	1,520,560	1,523,327
Federal sources	78,645	70,544	69,103	82,759	188,041	141,538	146,631	61,800	102,424	75,736
<b>Total revenue</b>	<b>2,414,147</b>	<b>2,529,487</b>	<b>2,613,520</b>	<b>2,801,263</b>	<b>2,825,392</b>	<b>2,833,035</b>	<b>2,996,713</b>	<b>3,166,235</b>	<b>3,198,480</b>	<b>3,208,554</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	754,751	766,946	724,119	800,185	859,843	807,621	1,206,846	1,256,051	1,241,466	1,264,755
Special education instruction	119,779	177,539	145,784	144,691	96,246	131,559	105,874	176,461	268,590	292,159
Other special instruction	2,400	2,400	4,370	5,300	4,424	5,709	4,947	3,832	3,080	5,038
<b>Support Services:</b>										
Tuition	375,836	367,491	488,085	487,399	373,387	401,798	529,538	553,378	749,842	699,737
Student & instruction related services	192,755	215,236	191,529	189,460	159,788	211,989	248,289	317,490	344,728	285,421
General administrative services	90,185	93,200	94,508	93,228	86,792	98,747	-	-	-	-
School Administrative services	57,761	60,071	64,538	66,363	69,157	65,003	77,861	61,461	117,913	118,354
Business administrative services	64,455	64,923	66,833	69,167	83,055	71,743	178,210	184,145	155,217	147,654
Plant operations and maintenance	137,778	120,900	117,523	177,897	134,298	124,531	215,532	236,847	185,087	175,575
Pupil transportation	54,479	67,078	57,923	100,695	87,583	47,944	39,926	46,157	55,370	70,128
Unallocated employee benefits	398,848	518,121	510,381	449,537	437,263	430,594	170,683	217,264	183,834	225,918
Capital outlay	3,164	-	44,137	-	27,586	35,086	57,075	28,405	71,652	57,520
Special Schools	8,995	11,446	7,502	9,269	7,204	-	-	-	-	-
Special Revenue	81,301	76,636	69,103	82,759	55,729	141,538	-	-	-	-
Capital Projects	76,700	57,000	11,650	-	-	-	-	-	-	-
Debt service	-	-	8,668	8,215	8,635	9,751	9,542	9,542	9,542	9,542
<b>Total expenditures</b>	<b>2,419,187</b>	<b>2,598,987</b>	<b>2,606,653</b>	<b>2,684,165</b>	<b>2,490,990</b>	<b>2,583,613</b>	<b>2,844,323</b>	<b>3,091,033</b>	<b>3,386,321</b>	<b>3,351,801</b>
Excess (Deficiency) of revenues over (under) expenditures	(5,040)	(69,500)	6,867	117,098	334,402	249,422	152,390	75,202	(187,841)	(143,247)
<b>Other Financing Sources (uses)</b>										
Capital Leases (Non-Budget)	-	-	44,137	-	-	-	-	-	-	-
Transfers out	(24,447)	(27,877)	(30,265)	-	-	-	-	(1,000)	(9,134)	(9,930)
<b>Total other financing sources (uses)</b>	<b>(24,447)</b>	<b>(27,877)</b>	<b>13,872</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,000)</b>	<b>(9,134)</b>	<b>(9,930)</b>
<b>Net change in fund balances</b>	<b>\$ (29,487)</b>	<b>\$ (97,377)</b>	<b>\$ 20,739</b>	<b>\$ 117,098</b>	<b>\$ 334,402</b>	<b>\$ 249,422</b>	<b>\$ 152,390</b>	<b>\$ 74,202</b>	<b>\$ (196,975)</b>	<b>\$ (153,177)</b>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.3%	0.3%	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%

Source: CAFR Schedule B-2

BLOOMSBURY BOROUGH SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30.</u>	<u>Interest on</u> <u>Investments</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2006	13,013		1,380	34	14,427
2007	12,913	982	10,420	10	24,325
2008	8,918		17,070	56	26,044
2009	5,059		21,853	218	27,130
2010	2,036		13,050	5,015	20,101
2011	1,319	7,990	34,200		43,509
2012	883		8,000	200	9,083
2014	743	478	7,156	4,931	13,308
2014	919		16,799	470	18,188
2015	621		15,154	3,524	19,299

SOURCE: District Records

**Bloomsbury Borough School District  
Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years**

**Exhibit J-6**

<u>Fiscal Year Ended June 30.</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax- Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2006	\$386,100	\$46,506,100	\$426,400	\$115,700	\$8,559,300	\$2,450,100	\$724,300	\$68,905,122	\$9,598,100	\$139,022	\$59,307,022	\$2.310	\$99,036,703
2007	837,900	95,067,400	879,900	127,100	18,963,800	4,850,500	1,203,900	134,819,301	12,713,500	175,301	122,105,801	1.200	114,214,302
2008	832,600	95,540,300	432,100	124,400	18,905,700	4,850,500	1,203,900	134,784,627	12,713,500	181,627	122,071,127	1.270	119,307,311
2009	832,500	95,535,400	432,100	124,400	18,955,700	4,850,500	1,203,900	134,817,013	12,713,500	169,013	122,103,513	1.270	119,094,693
2010	774,700	95,335,700	432,100	124,400	19,016,100	4,850,500	1,203,900	134,360,129	12,490,300	132,429	121,869,829	1.250	112,862,682
2011	755,400	83,676,900	367,100	124,400	18,650,200	4,184,200	1,258,100	121,415,434	12,246,800	152,334	109,168,634	1.400	115,942,350
2012	777,900	84,031,300	367,100	124,400	18,539,300	4,232,300	1,258,100	121,386,240	11,899,400	156,440	109,486,840	1.394	116,376,318
2014	777,000	83,975,500	367,100	124,400	18,539,300	4,232,300	1,258,100	121,346,624	11,899,400	173,524	109,447,224	1.395	110,982,540
2014	777,000	83,903,600	367,100	124,400	18,598,400	4,232,300	1,258,100	121,268,333	11,840,300	167,133	109,428,033	1.409	101,563,046
2015	780,500	83,711,200	367,100	124,400	15,598,400	4,232,300	1,258,100	118,075,125	11,840,300	162,825	109,234,825	1.440	97,723,311

Source: District records Tax list summary & Municipal Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100



**Bloomsbury Borough School District  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

**Exhibit J-7**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	Bloomsbury Borough Board of Education					Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Bloomsbury Borough	Hunterdon County	
2006	\$2.310	\$0.000	\$2.310	\$0.430	\$0.630	\$3.370
2007	\$1.200	\$0.000	\$1.200	\$0.220	\$0.330	\$1.750
2008	\$1.270	\$0.000	\$1.270	\$0.230	\$0.320	\$1.820
2009	\$1.270	\$0.000	\$1.270	\$0.270	\$0.320	\$1.860
2010	\$1.250	\$0.000	\$1.250	\$0.270	\$0.320	\$1.840
2011	\$1.400	\$0.000	\$1.400	\$0.340	\$0.360	\$2.100
2012	\$1.394	\$0.000	\$1.394	\$0.440	\$0.367	\$2.201
2013	\$1.395	\$0.000	\$1.395	\$0.449	\$0.357	\$2.201
2014	\$1.409	\$0.000	\$1.409	\$0.468	\$0.336	\$2.213
2015	\$1.440	\$0.000	\$1.440	\$0.486	\$0.330	\$2.256

Source: District Records and Municipal Tax Collector

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

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

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

**Bloomsbury Borough School District  
Principal Property Tax Payers,  
Current Year and Nine Years Ago**

**Exhibit J-8**

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
HPT TA properties	\$ 5,821,800	1	5.33%	\$ 3,584,100	1	6.09%
Brown Holding LLC	4,139,400	2	3.79%			
Quovadis LLC	2,114,200	3	1.94%	2,239,100	2	3.80%
Pilot Travel Centers	1,962,100	4	1.80%	1,212,300	3	2.06%
Bloomsbury Mets LLC	1,634,000	5	1.50%	1,057,700	4	1.80%
AJB Residential Enterprises, Inc	1,226,400	6	1.12%	-		
Bloomsbury Assoc.	792,400	7	0.73%	624,000	5	1.06%
Individual Taxpayer #1	579,600	8	0.53%	-		
Growmark FS Inc	579,100	9	0.53%	342,600	9	0.58%
Individual Taxpayer #2	493,900	10	0.45%			
Individual Taxpayer #3				449,200	6	0.76%
Pro Investment				431,100	7	0.73%
Individual Taxpayer #4				351,200	8	0.60%
Individual Taxpayer #5				293,500	10	0.50%
<b>Total</b>	<b>\$ 19,342,900</b>		<b>17.71%</b>	<b>\$ 10,584,800</b>		<b>17.98%</b>

Source: District CAFR & Municipal Tax Assessor

**Bloomsbury Borough School District  
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	
2006	\$1,371,065	\$1,371,065	100.00%	-
2007	\$1,460,000	\$1,460,000	100.00%	-
2008	\$1,547,229	\$1,547,229	100.00%	-
2009	\$1,547,229	\$1,547,229	100.00%	-
2010	\$1,526,773	\$1,526,773	100.00%	-
2011	\$1,526,773	\$1,526,773	100.00%	-
2012	\$1,526,773	\$1,526,773	100.00%	-
2013	\$1,526,773	\$1,526,773	100.00%	-
2014	\$1,557,308	\$1,557,308	100.00%	-
2015	\$1,588,454	\$1,588,454	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 school year.

**Bloomsbury Borough School District  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years**

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2006	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2007	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2008	-0-	-0-	-0-	-0-	\$ 35,469	\$ 35,469	0.06%	\$ 40.82
2009	-0-	-0-	-0-	-0-	27,254	27,254	0.05%	31.51
2010	-0-	-0-	-0-	-0-	18,619	18,619	0.03%	21.57
2011	-0-	-0-	-0-	-0-	9,542	9,542	0.02%	10.97
2012	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2013	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2014	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2015	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

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-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

**Bloomsbury Borough School District  
 Ratios of Net General Bonded Debt Outstanding  
 Last Ten Fiscal Years**

**Exhibit J-11**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	-0-	-0-	-0-	-0-	-0-
2007	-0-	-0-	-0-	-0-	-0-
2008	-0-	-0-	-0-	-0-	-0-
2009	-0-	-0-	-0-	-0-	-0-
2010	-0-	-0-	-0-	-0-	-0-
2011	-0-	-0-	-0-	-0-	-0-
2012	-0-	-0-	-0-	-0-	-0-
2013	-0-	-0-	-0-	-0-	-0-
2014	-0-	-0-	-0-	-0-	-0-
2015	-0-	-0-	-0-	-0-	-0-

**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-14.

**Bloomsbury Borough School District  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2015**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b> Bloomsbury Borough	None	100.0%	None
<b>Other debt</b> Hunterdon County	70,347,424	0.470%	<u>\$ 330,597</u>
Subtotal, overlapping debt			330,597
<b>Bloomsbury Borough School District Direct Debt *</b>			<u>-</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 330,597</u></u>

**Sources:** Bloomsbury Borough Finance Officer, Hunterdon County Finance Office and Utility Authorities

**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 the district. 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.

**Bloomsbury Borough School District  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years**

**Exhibit J-13**

**Legal Debt Margin Calculation for Fiscal Year 2015**

	Equalized valuation basis
	2014 \$ 99,237,558
	2013 \$ 97,163,984
	2012 100,787,401
	<b>[A]</b> <u>\$ 297,188,943</u>
Average equalized valuation of taxable prop	<b>[A/3]</b> \$ 99,062,981
Debt limit (3 % of average equalization value)	<b>[B]</b> 2,971,889
Net bonded school debt *	<b>[C]</b> -
Legal debt margin	<b>[B-C]</b> <u>\$ 2,971,889</u>

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$2,668,452	\$2,983,501	\$2,341,165	\$3,437,071	\$3,500,237	\$3,477,900	\$3,419,955	\$3,268,757	\$3,081,635	2,971,889
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$2,668,452</u>	<u>\$2,983,501</u>	<u>\$2,341,165</u>	<u>\$3,437,071</u>	<u>\$3,500,237</u>	<u>\$3,477,900</u>	<u>\$3,419,955</u>	<u>\$3,268,757</u>	<u>\$3,081,635</u>	<u>\$2,971,889</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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  
 \* Includes authorized, but not issued

**Bloomsbury Borough School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

**Exhibit J-14**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2006	876	\$56,872,548	\$64,923 R	5.5%
2007	873	\$59,618,043	\$68,291 R	4.8%
2008	869	\$59,741,143	\$68,747 R	6.3%
2009	865	\$56,829,635	\$65,699 R	11.2%
2010	863	\$56,691,333	\$65,691 R	11.4%
2011	870	\$60,653,790	\$69,717 R	11.2%
2012	866	\$64,546,444	\$74,534 R	11.2%
2013	861	\$65,025,303	\$75,523 R	11.5%
2014	858	\$61,960,529	\$75,523 *	6.5%
2015	856	\$64,647,688	\$75,523 *	*

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal Income provided by US Dept of Commerce

<sup>c</sup> Per Capita provided by US Dept of Commerce

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

P =Projected

R =Revised

\* =Current data unavailable



**Bloomsbury Borough School District  
Principal Employers,  
Current Year and Nine Years Ago**

**Exhibit J-15**

**N/A**

<u>Employer</u>	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
		1	0.00%	-		0.00%
		2	0.00%	-		0.00%
		3	0.00%	-		0.00%
		4	0.00%	-		0.00%
		5	0.00%	-		0.00%
		6	0.00%	-		0.00%
		7	0.00%	-		0.00%
		8	0.00%	-		0.00%
		9	0.00%	-		0.00%
	<u>-</u>			<u>-</u>		
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

**Source:**  
No reliable information is available at the local or county level.

**Bloomsbury Borough School District  
Full-time Equivalent District Employees by Function/Program,  
Last Ten Fiscal Years**

**Exhibit J-16**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	12.9	12.9	11.9	11.2	11.6	12.6	14.2	13.2	13.2	13.2
Special education	4.0	4.0	3.0	4.0	4.0	3.0	1.0	3.2	3.2	3.2
Other	5.0	4.6	3.6	2.4	2.0	2.0	2.0	1.5	1.2	1.7
Support Services:										
Student & instruction related services	2.3	2.7	2.9	3.0	3.0	3.0	3.0	4.0	4.0	3.5
General administrative services	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.7	-	-
School administrative services	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.6	1.0	1.3
Business administrative services	1.0	1.0	1.0	-	-	-	-	-	-	-
Plant operations and maintenance	1.5	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Food Service	1.0	1.3	1.3	-	-	-	-	-	-	-
Total	<u>29.1</u>	<u>29.5</u>	<u>26.7</u>	<u>23.5</u>	<u>23.5</u>	<u>23.5</u>	<u>23.1</u>	<u>24.7</u>	<u>24.1</u>	<u>24.4</u>

**Source:** District Personnel Records

**Bloomsbury Borough School District  
Operating Statistics  
Last Ten Fiscal Years**

**Exhibit J-17**

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Teacher/Pupil Ratio	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary				
2006	165	2,339,323	14,178	-0.39%	22	1:7.9	163.7	157.5	8.41%	96.2%
2007	154	2,541,987	16,506	16.43%	24	1:7.9	154.1	148.2	-5.86%	96.2%
2008	146	2,542,198	17,412	5.49%	22	1:7.9	145.1	140.5	-5.84%	96.8%
2009	138	2,675,950	19,391	11.36%	21	1:8.4	138.9	132.9	-4.27%	95.7%
2010	134	2,454,769	18,319	-5.53%	21	1:8.7	133.1	127.6	-4.18%	95.9%
2011	140	2,496,786	17,834	-2.65%	21	1:8.7	140.0	134.4	5.18%	96.0%
2012	155	2,844,323	18,350	2.89%	17	1:9	153.0	146.8	9.29%	95.9%
2013	153	3,091,033	20,203	10.09%	25	1:6.4	149.1	144.3	-2.55%	96.8%
2014	119	3,386,321	28,456	40.85%	24	1:5	119.0	109.2	-20.19%	91.8%
2015	125	3,351,801	26,814	-5.77%	24	1:5	112.1	107.8	-5.80%	96.2%

**Sources:** District records, ASSA and Schedules J-12, J-14

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- 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)

**Bloomsbury Borough School District  
 School Building Information  
 Last Ten Fiscal Years**

**Exhibit J-18**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>District Building</u></b>										
<b><u>Elementary (1905)</u></b>										
Square Feet	18,651	18,651	18,651	18,651	18,651	18,651	18,651	18,651	18,651	18,651
Capacity (students)	200	200	200	200	200	200	200	200	200	200
Enrollment	165	154	146	138	125	140	155	153	119	125

Number of Schools at June 30, 2015

**Source:** District records, ASSA

Elementary = 1

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT  
 GENERAL FUND  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 Last Ten Fiscal Years Ending June 30, 2015

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2,013</u>	<u>2014</u>	<u>2015</u>	<u>Total</u>
Elementary School	N/A	\$ 24,805	\$ 15,705	\$ 19,992	\$ 56,715	\$ 31,598	\$ 17,347	\$ 36,924	\$ 70,110	\$ 29,744	\$ 26,331	\$ 304,466
Total School Facilities		<u>24,805</u>	<u>15,705</u>	<u>19,992</u>	<u>56,715</u>	<u>31,598</u>	<u>17,347</u>	<u>36,924</u>	<u>70,110</u>	<u>29,744</u>	<u>26,331</u>	<u>304,466</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>		<u>\$ 24,805</u>	<u>\$ 15,705</u>	<u>\$ 19,992</u>	<u>\$ 56,715</u>	<u>\$ 31,598</u>	<u>\$ 17,347</u>	<u>\$ 36,924</u>	<u>\$ 70,110</u>	<u>\$ 29,744</u>	<u>\$ 26,331</u>	<u>\$ 304,466</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2015

UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
<b>SCHOOL PACKAGE POLICY: NJSBA</b>		
Property-Blanket Building and Contents	\$ 500,000,000	\$ 1,000
Equipment Breakdown	100,000,000	1,000
Comprehensive General Liability	11,000,000	
Comprehensive Automobile Liability	11,000,000	
Blanket Position Bond	100,000	
Student Accedent Insurance	5,000,000	
<b>WORKER'S COMPENSATION-NJSBA</b>	2,000,000	
<b>SCHOOL BOARD LEGAL LIABILITY - NJSBA</b>		
Directors and Officers Policy-Limit each Loss	11,000,000	5,000
<b>PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE BLANKET POSITION BOND - Selective Insurance Company:</b>		
Business Administrator	130,000	
Treasurer	140,000	

SOURCE: District Records

# Single Audit Section







## **ARDITO & Co., LLP**

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 Douglas R. Williams, CPA, RMA, PSA

### **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

#### Independent Auditor's Report

Honorable President and  
 Members of the Board of Education  
 Bloomsbury Borough School District  
 County of Hunterdon  
 Phillipsburg, New Jersey 08865

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, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bloomsbury Borough School District Board of Education in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Bloomsbury Borough School District Board of Education's basic financial statements, and have issued our report thereon dated November 16, 2015.

#### **Internal Control Over Financial Reporting**

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

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

-Continued-

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under **Government Auditing Standards** or audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and for New Jersey Department of Education use, 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.

*Ardito & Co., LLP*

ARDITO & CO., LLP  
November 16, 2015

*Anthony Ardit*

Licensed Public School Accountant No.2369



## **ARDITO & Co., LLP**

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 Douglas R. Williams, CPA, RMA, PSA

### **Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by New Jersey OMB Circulars 04-04 and 15-08**

#### Independent Auditor's Report

Honorable President and  
 Members of the Board of Education  
 Bloomsbury Borough School District  
 County of Hunterdon  
 Phillipsburg, New Jersey 08865

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

We have audited the Bloomsbury Borough School District Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circulars 04-04 and 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2015. The Bloomsbury Borough School District Board of Education's major 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 state programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major 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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred.

An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

-Continued-

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

**Opinion on Each Major State Program**

In our opinion, the Bloomsbury Borough School District Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

**Report on Internal Control Over Compliance**

Management of the Bloomsbury Borough School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circulars 04-04 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Bloomsbury Borough School District Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circulars 04-04 and 15-08, and for New Jersey Department of Education use. Accordingly, this report is not suitable for any other purpose.

*ARDITO & Co., LLP*

ARDITO & CO., LLP  
November 16, 2015

*Cunning-Corder*

Licensed Public School Accountant No.2369

BLOOMSBURY BOROUGH SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2015

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2014	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2015			MEMO			
										(ACCTS. RECEIV.)	INTERFUND PAYABLE/ DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.		
<b>STATE DEPARTMENT OF EDUCATION</b>																
<b>General Fund:</b>																
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	\$ 766,421			\$ 766,421	\$ (766,421)							*	\$ 76,609	\$ 766,421
School Choice Aid	15-495-034-5120-068	7/1/14-6/30/15	285,665			285,665	(285,665)							*	28,554	285,665
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	8,512			8,512	(8,512)							*	10,507	8,512
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	105,121			105,121	(105,121)							*	655	105,121
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	6,556			6,556	(6,556)							*	851	6,556
Under Adequacy Aid	15-495-034-5120-096	7/1/14-6/30/15	2,558			2,558	(2,558)							*	256	2,558
Add'l Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	114,202			114,202	(114,202)							*	11,415	114,202
PARCC Readiness Aid	15-495-034-5120-097	7/1/14-6/30/15	1,810			1,810	(1,810)							*	181	1,810
Per Pupil Growth Aid	15-495-034-5120-098	7/1/14-6/30/15	1,810			1,810	(1,810)							*	181	1,810
Non-Public Transportation Aid	14-100-034-5120-068	7/1/13-6/30/14		\$ (1,616)		1,616								*		-
Non-Public Transportation Aid	15-100-034-5120-068	7/1/14-6/30/15	513				(513)			\$ (513)				*		513
On-behalf TPAF Pension Contrib.	15-495-034-5094-006	7/1/14-6/30/15	54,270			54,270	(54,270)							*		54,270
Reimbursed TPAF Soc.Sec.Contrib.	15-495-034-5094-003	7/1/14-6/30/15	85,493			85,008	(85,493)				(4,251)			*		85,493
<b>Total General Fund</b>				<b>(5,382)</b>		<b>1,433,549</b>	<b>(1,432,931)</b>				<b>(4,764)</b>	<b>-</b>		*	<b>129,209</b>	<b>1,432,931</b>
<b>Enterprise Fund:</b>																
Nat. School Lunch Prog. (State Share)	14-100-010-3350-023	7/1/13-6/30/14		(22)		22								*		
Nat. School Lunch Prog. (State Share)	15-100-010-3350-023	7/1/14-6/30/15	360			286	(360)				(74)			*		360
<b>Total Enterprise Fund</b>				<b>(22)</b>		<b>308</b>	<b>(360)</b>				<b>(74)</b>			*		<b>360</b>
<b>Total State Financial Assistance</b>				<b>\$ (5,404)</b>		<b>\$ 1,433,857</b>	<b>\$ (1,433,291)</b>				<b>\$ (4,838)</b>	<b>-</b>		*	<b>\$ 129,209</b>	<b>\$ 1,433,291</b>

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2015

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$4,241 for the general fund and \$1,040 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
 JUNE 30, 2015

**NOTE 3. (Continued)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	-	\$ 1,523,327	\$ 1,523,327
Special Revenue Fund	\$ 75,736	-	75,736
Food Service Fund	<u>13,276</u>	<u>360</u>	<u>13,636</u>
Total Financial Assistance	<u>\$ 89,012</u>	<u>\$ 1,523,687</u>	<u>\$ 1,612,699</u>

**NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related 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 on behalf of the district for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part I - Summary of Auditor's Results

**Financial Statement Section**

- A) Type of auditor's report issued: Unmodified
- B) Internal control over financial reporting:
  - 1) Material weakness(es) identified? \_\_\_ Yes x No
  - 2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_ Yes x None Reported
- C) Noncompliance material to financial statements noted? \_\_\_ Yes x No

**Federal Awards Section**

N/A

- D) Dollar threshold used to determine Type A programs: N/A
- E) Auditee qualified as low-risk auditee? \_\_\_ Yes \_\_\_ No
- F) Type of auditor's report on compliance for major programs: Unmodified
- G) Internal Control over compliance:
  - 1) Material weakness(es) identified? \_\_\_ Yes \_\_\_ No
  - 2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_ Yes \_\_\_ No
- H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133(Section .510(a))? \_\_\_ Yes \_\_\_ No
- I) Identification of major programs:

**CFDA NUMBER(S)**

**NAME OF FEDERAL PROGRAM OR CLUSTER**

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part I - Summary of Auditor's Results

**State Financial Assistance Section**

- J) Dollar threshold used to determine Type A programs: \$300,000
- K) Auditee qualified as low-risk auditee? (1) x yes    no    N/A
- L) Type of auditor's report on compliance for major programs: Unmodified
- M) Internal Control over compliance:
  - 1) Material weakness(es) identified?    yes x no
  - 2) Were significant deficiencies identified that were not considered to be material weaknesses?    yes x none reported
- N) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 04-04?    yes x no
- O) Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

\_\_\_\_\_  
 15-495-034-5120-078  
 \_\_\_\_\_  
 15-495-034-5120-089  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 Equalization Aid  
 \_\_\_\_\_  
 Special Education Aid  
 \_\_\_\_\_  
 \_\_\_\_\_

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**Section II-Financial Statement Findings**

There were no matters of noncompliance or reportable conditions noted, that are required to be reported in accordance with Government Auditing Standards.

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

**STATE FINANCIAL ASSISTANCE**-There were no federal or state financial assistance findings or questioned costs that are required to be reported in accordance with NJOMB Circulars 04-04 and 15-08.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. There were no prior year findings.