

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**

New Gretna, New Jersey  
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**

**NEW GRETNA, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Prepared by**

**Bass River Township School District  
Business Administrator's Office**



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**INTRODUCTORY SECTION**

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# BASS RIVER TOWNSHIP ELEMENTARY SCHOOL

*Business Office:*  
520 Nugentown Road  
P.O. Box 248  
Little Egg Harbor, NJ  
08087

Telephone (609) 296-3106  
FAX (609) 294-9519



Mr. LARRY MATHIS  
*Superintendent*

Mr. STEPHEN J. BRENNAN, M.B.A., C.P.A.  
*Business Administrator/  
Board Secretary*

November 14, 2016

Honorable President and  
Members of the Board of Education of the  
Bass River School District

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Bass River School District for the fiscal year ended June 30, 2016 is hereby submitted. Responsibility for both the accuracy of the data, the completeness and fairness of the presentation, including all disclosures, rests with the Superintendent and Business Administrator of the district. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report hereon. The statistical section includes selected financial and demographic information generally presented on a two or three year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)" and the New Jersey State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 6. This includes regular as well as special education for handicapped students. The New Jersey Department of Education monitored the Bass River School District during the 2013-2014 school year, The Department of Education determined that the District met or exceeded the criteria stated in the evaluation, with the exception of Curriculum and Instruction. The District implemented a corrective action plan to address the areas of deficiency. The district completed the 2015-2016 fiscal year with an average enrollment of 111 students, which is an increase of 1 student from the previous year's enrollment of 110. The following details the changes in the student average daily enrollment of the district over the last ten years:

## AVERAGE DAILY ENROLLMENT (TEN-YEAR HISTORY)

FISCAL YEAR	ENROLLMENT
2006-07	129.0
2007-08	127.0
2008-09	107.0
2009-10	127.7
2010-11	120.3
2011-12	123.5
2012-13	126.0

2013-14	113.0
2014-15	110.1
2015-16	111.0

Management of the district is responsible for established and maintaining an internal control structure designed to insure that the assets of the district are protected from loss, theft, or misuse, and to insure that the adequate accounting data is compiled to allow for the preparation of financial statements in conformity with General Accepted Accounting Principles (GAAP).

As a recipient of federal and state financial assistance, the district also is responsible for insuring that an adequate internal control structure is in place to insure compliance with applicable laws and regulations related to those programs.

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

In addition to internal accounting controls, the district maintains budgetary controls. The object of these budgetary controls is to insure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality.

Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund and the Debt Service Fund. Project-length budgets are approved for Capital Improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

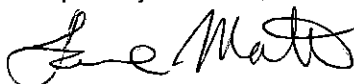
As demonstrated by the various statements and schedules included in the financial section of this report, the district continues to meet its responsibility for sound financial management. The following schedule represents a summary of the general fund and debt service fund revenues for the 2015-2016 and 2014-2015 school years:

FISCAL YEAR	SCHOOL BUDGET	GENERAL FUND	DEBT SERVICE	TOTAL TAX LEVY
2015-2016	\$2,376,242	\$2,346,915	\$-0-	\$1,427,055
2014-2015	\$2,403,403	\$2,308,963	\$-0-	\$1,346,565

The Board carries insurance, including but not limited to, General Liability, Professional Liability, Property, Commercial Automobile, Worker's Compensation, Worker's Compensation Supplement, Inland Marine, Umbrella Excess, Commercial Crime Policy, General Liability PTO, and a Fidelity Bond for the Treasurer of School Moneys.

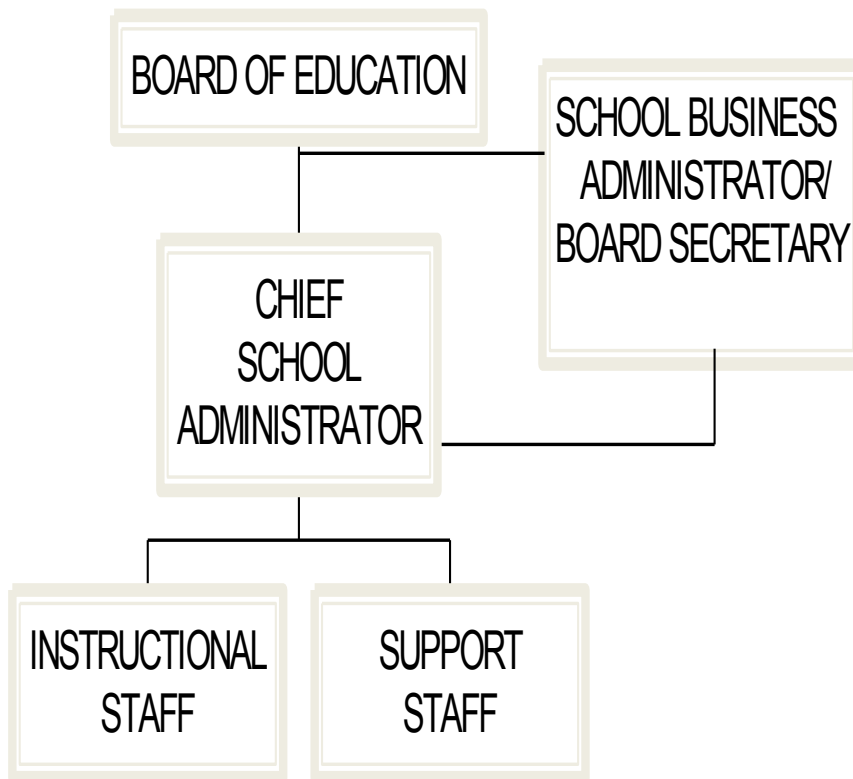
We would like to express our appreciation to the members of the Bass River Elementary School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without their support.

Respectfully submitted,



Lawrence Mathis  
Superintendent

# BASS RIVER SCHOOL DISTRICT ORGANIZATIONAL CHART



**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
11 North Maple Avenue  
New Gretna, New Jersey 08224

**ROSTER OF OFFICIALS**

**JUNE 30, 2016**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Mrs. Jacqueline Heinrichs, President	2018
Mrs. Bonnie Adams	2016
Mrs. Heather Duym	2017
Ms. Anastasia McGeoch	2018
Ms. Cindy Ruffo	2016

**OTHER OFFICIALS**

Dr. Larry Mathis, Superintendent of Schools

Mr. Stephen J. Brennan, MBA, CPA, Business Administrator/Board Secretary

Ms. Kimberly Sprague, CPA, Treasurer of School Monies

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**

11 North Maple Avenue  
New Gretna, New Jersey 08224

**CONSULTANTS AND ADVISORS**

**ATTORNEY**

Paul Kalac  
Schwartz Simon Edelstein & Celso, LLC  
100 South Jefferson Road  
Suite 200  
Whippany, New Jersey 07981

**AUDIT FIRM**

Rodney R. Haines, CPA, PSA  
Holman Frenia Allison, P.C.  
680 Hooper Avenue  
Building B, Suite 201  
Toms River, New Jersey 08753

**OFFICIAL DEPOSITORY**

Ocean First Bank  
975 Hooper Avenue  
Toms River, New Jersey 08753

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Bass River Township School District  
County of Burlington  
New Gretna, New Jersey 08087

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bass River Township Board of Education, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental 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 from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bass River Township Board of Education, County of Burlington, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **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 the schedules related to accounting and reporting for pensions, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bass River Township Board of Education's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are also not a required part of the basic financial statements.

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

combining statements and Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2016 on our consideration of the Bass River Township 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 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 Bass River Township Board of Education's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines  
Certified Public Accountant  
Public School Accountant, No. 2198

Toms River, New Jersey  
November 14, 2016

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**UNAUDITED**

The discussion and analysis of Bass River Township School District's financial performance provides an overall review of the School District's financial activities for the year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999.

**Financial Highlights**

Key financial highlights for 2016 are as follows:

- The State of New Jersey provided no increase in State Aid to fund operations.
- General revenues accounted for \$2,316,197 in revenue or 76.6% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$708,862 or 23.4% of total revenues of \$3,025,059.
- Cash and cash equivalents increased by \$72,127 and receivables decreased by \$1,714. Capital assets, net of depreciation, increased by \$71,682. Depreciation, the delay of state aid payments and the decrease in available grant funds caused most of the fluctuation in the aforementioned accounts.
- The School District had \$3,069,343 in expenses and charges; \$708,862 of these expenses was offset by program specific charges for services, grants or contributions. General revenues of \$2,316,197 and the utilization fund balance provided for these programs.
- Among governmental funds, the General Fund had \$2,730,382 in revenues, \$2,932,986 in expenditures and \$180,000 in other financing sources. The General Fund's fund balance decreased \$22,604 over 2015. The Board of Education anticipates a utilizing \$47,554 in fund balance for the fiscal year ended June 30, 2017.

## **Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Bass River Township 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 Bass River Township School District, the General Fund is by far the most significant fund.

## **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 ask the question, "How did we do financially during 2016?" 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 businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

## **Reporting the School District's Most Significant Funds**

### Fund Financial Statements

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

## Reporting the School District's Most Significant Funds (Continued)

### Governmental Funds

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

### Enterprise Fund

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

### Notes to the Financial Statements

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

### The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The table below provides a summary of the School District's net position for 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Assets:		
Current and Other Assets	\$ 160,033	\$ 279,620
Capital Assets	<u>560,063</u>	<u>488,381</u>
Total Assets	<u>720,096</u>	<u>768,001</u>
Deferred Outflow of Resources	<u>104,329</u>	<u>36,169</u>
Liabilities:		
Long-Term Liabilities	793,708	765,742
Other Liabilities	<u>208,359</u>	<u>147,469</u>
Total Liabilities	<u>1,002,067</u>	<u>913,211</u>
Deferred Inflow of Resources	<u>40,014</u>	<u>64,331</u>
Net Position:		
Invested in Capital Assets, Net of Debt	318,673	146,507
Restricted	-	10,000
Unrestricted	<u>(536,329)</u>	<u>(329,879)</u>
Total Net Position	<u>\$ (217,656)</u>	<u>\$ (173,372)</u>

**The School District as a Whole (continued)**

The District's combined net position was (\$217,656) on June 30, 2016. This was a decrease of 26% from the prior year. Depreciation expense accounted for much of the decrease.

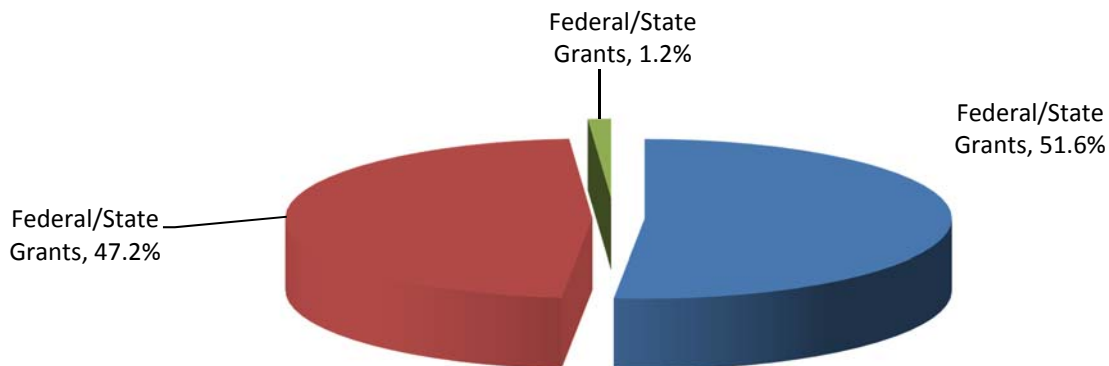
The table below shows changes in net position for year 2016. The District has prepared financial statements following GASB Statement 34, with revenue and expense comparisons to year 2015.

	<u>2016</u>	<u>2015</u>
<b>Revenues</b>		
Program Revenues:		
Operating Grants and Contributions	\$ 708,862	\$ 545,706
General Revenues:		
Property Taxes	1,427,055	1,346,565
Grants and Entitlements	852,404	880,075
Other	36,738	10,221
Total Revenues	<u>3,025,059</u>	<u>2,782,567</u>
<b>Program Expenses</b>		
Instruction	1,246,746	1,249,552
Support Services:		
Tuition	2,822	2,681
Pupils and Instructional Staff	283,001	329,639
General Administration, School Administration	211,908	199,929
Business Operations and Maintenance of Facilities	101,276	124,472
Pupil Transportation	84,454	74,716
Employee Benefits	1,020,818	891,360
Adjustment to Fixed Assets	68,716	-
Depreciation	49,602	49,880
Total Expenses	<u>3,069,343</u>	<u>2,922,229</u>
Decrease in Net Position	<u>\$ (44,284)</u>	<u>\$ (139,662)</u>

**Governmental Activities**

Current state regulation prohibit tax levy increases exceed 2%. Property taxes made up 47.2% of revenues for governmental activities for the Bass River Township School District for year 2016. The District's total revenues were \$3,025,059 for the year ended June 30, 2016. Federal, state, and local grants accounted for another 51.6% of revenue.

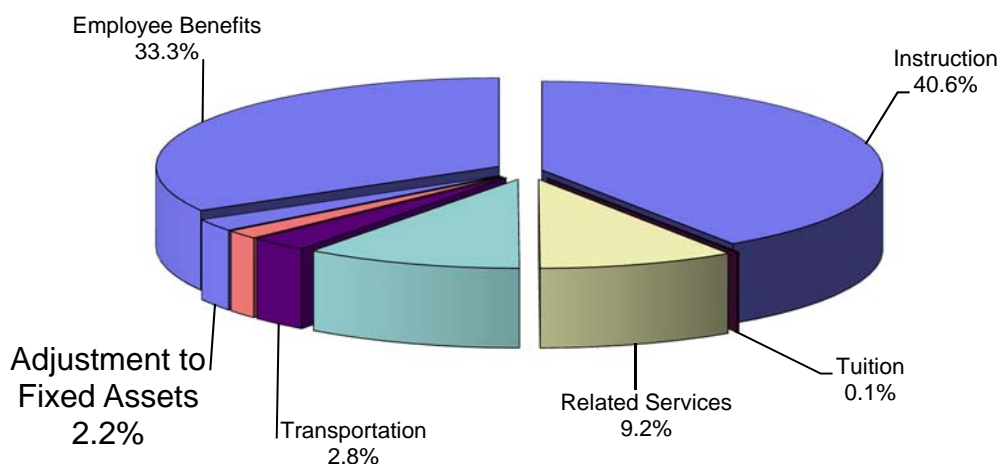
**Sources of Revenue for Fiscal Year 2016**



## Governmental Activities (continued)

The total cost of all governmental activities was \$3,069,343. Instructional expenses (net benefits and tuition) comprise 40.6% percent of District expenses.

### Expenses for 2016



## Business-Type Activities

The District did not operate business-type activities (food service program) for the fiscal year ended June 30, 2016. The District operates its food service program through an inter-local agreement with Pinelands Regional School District.

## Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions with comparisons to 2015.

	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2016</u>	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2015</u>
Instruction	\$ 1,246,746	\$ 1,136,498	\$ 1,249,552	\$ 1,166,686
Support Services:				
Tuition	2,822	2,822	2,681	2,681
Pupils and Instructional Staff	283,001	265,265	329,639	316,330
General & School Admin.	211,908	211,908	199,929	199,929
Business Operation and Maintenance of Facilities	101,276	101,276	124,472	124,472
Pupil Transportation	84,454	84,454	74,716	74,716
Interest on Long-Term Debt	3,870	-	-	-
Adjustment to Fixed Assets	68,716	68,716	-	-
Depreciation	49,602	49,602	49,880	49,880
Unallocated Benefits	1,020,818	439,940	891,360	441,829
Total Expenses	<u>\$ 3,073,213</u>	<u>\$ 2,360,481</u>	<u>\$ 2,922,229</u>	<u>\$ 2,376,523</u>

## Governmental Activities (continued)

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

Tuition is predominately made up of charges for private schools for disabled students.

Student and instruction related services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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

Benefits represent total cost to maintain employee benefit programs.

Depreciation depicts a non cash expense that reduces the value of District assets.

Operation and maintenance of facilities 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.

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

## The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$2,732,370, expenditures were \$2,934,989 and other financing sources were \$180,000.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the year ended June 30, 2016 and the amount and percentage of increases and decreases in relation to prior year revenues.

<b>Revenue</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from 2015</b>	<b>Percent of Increase (Decrease)</b>
Local Sources	\$ 1,465,796	53.65%	\$ 110,745	8.17%
State Sources	1,171,870	42.89%	66,323	6.00%
Federal Sources	94,704	3.47%	264	0.28%
Total	<u>\$ 2,732,370</u>	100.00%	<u>\$ 177,332</u>	6.94%

Local revenues increased by \$110,745. This increase was predominantly due to an increase in tax revenue and use of surplus. Federal resources remained relatively consistent from 2015 to 2016.

**The School District's Funds (continued)**

The following schedule represents a summary of general fund and special revenue fund expenditures for the year ended June 30, 2016, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2014</u>	<u>Percent of Increase (Decrease)</u>
Current expense:				
Instruction	\$ 1,136,498	40.52%	\$ 49,812	4.58%
Undistributed expenditures	1,478,504	52.71%	17,544	1.20%
Capital Outlay	190,000	6.77%	110,000	137.50%
Total	<u>\$ 2,805,002</u>	100.00%	<u>\$ 177,356</u>	6.75%

Increase in wages contributed to the changes in expenditures. Current expense increased mainly due to increases in instructional costs.

**General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. Over the course of the year, the District revised the annual operating budget. Revisions in the budget were made to prevent over-expenditures in specific line item accounts.

2016 also reflects the District's continuing initiative to seek cost savings & revenue generation in the areas of inter local agreements.

**Capital Assets**

At the end of the year 2016, the School District had \$560,063 invested in land, building, furniture and equipment, and vehicles. Table 4 shows year 2016 balances compared to 2015.

**Table 4  
Capital Assets at June 30, 2016**

	<u>2016</u>	<u>2015</u>
Site Improvements	48,362	31,167
Building and Building Improvements	501,993	435,918
Machinery and Equipment	9,708	21,296
Total	<u>\$ 560,063</u>	<u>\$ 488,381</u>

Overall capital assets increased \$71,682 from year 2015 to year 2016. The increase in capital assets is due primarily to construction of new playground and the installation of a new security vestibule for the year ended June 30, 2016. For more detailed information, please refer to the Notes to the Financial Statements.

## **Debt Administration**

At June 30, 2016, the School District posted \$241,390 in outstanding debt attributable to capital leases.

At June 30, 2016, the School District's was within its legal debt margin. For more detailed information, please refer to Schedule J-13.

## **For the Future**

The Bass River Township School District is presently in stable financial condition. The School District is proud of its community support of the public schools.

Bass River Township School District's budget for the 2016-2017 school year reflects prudent expenditure reduction in cooperation with its municipality.

The District's enrollment has leveled off, and now the District is concentrating its resources in the academic areas to meet the requirements of the Common Core, NCLB and the State mandated QSAC program. The District also plans to continue to budget resources to maintain and upgrade the existing infrastructure where possible.

The lack of governmental aid, the State's constraints on municipal tax levies to support the budget and the States increasing demands on school districts continue to place financial pressure on the District.

The Bass River Township School District maintains its commitment to financial excellence and will continue to strive to maximize the use of limited funds by careful budget management and identifying cost savings opportunities. 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 challenges of the future.

## **Contacting the School District's 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 Stephen Brennan, Business Administration/Board Secretary at Bass River Township Board of Education, 520 Nugentown Road, P.O. Box 248, Little Egg Harbor, NJ 08087-0248. Please visit our website at [www.bassriverschools.org](http://www.bassriverschools.org).



**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2016**

ASSETS	GOVERNMENTAL ACTIVITIES	TOTAL <u>JUNE 30,</u> 2016
Cash & Cash Equivalents	\$ 146,247	\$ 146,247
Receivables, Net	13,786	13,786
Capital Assets, Net (See Note #6)	560,063	560,063
	<hr/>	<hr/>
Total Assets	720,096	720,096
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Deferred Outflows Related to Pensions	104,329	104,329
	<hr/>	<hr/>
Total Deferred Outflow of Resources	104,329	104,329
	<hr/>	<hr/>
Total Assets and Deferred Outflow of Resources	824,425	824,425
<b>LIABILITIES</b>		
Accounts Payable	107,904	107,904
Accrued Interest Payable	3,870	3,870
Noncurrent Liabilities (See Note #8):		
Due Within One Year	83,454	83,454
Due Beyond One Year	810,709	810,709
	<hr/>	<hr/>
Total Liabilities	1,005,937	1,292,633
<b>DEFERRED INFLOW OF RESOURCES</b>		
Deferred Inflows Related to Pensions	40,014	40,014
	<hr/>	<hr/>
Total Deferred Inflow of Resources	40,014	40,014
	<hr/>	<hr/>
Total Liabilities and Deferred Inflows of Resources	1,045,951	1,045,951
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	318,673	318,673
Unrestricted	(540,199)	(540,199)
	<hr/>	<hr/>
Total Net Position	\$ (221,526)	\$ (221,526)
	<hr/> <hr/>	<hr/> <hr/>

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION	
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	TOTAL
					JUNE 30, 2016
Governmental Activities:					
Instruction:					
Regular Instruction	\$ 862,319	\$ -	\$ -	\$ (862,319)	\$ (862,319)
Special Education Instruction	295,630	-	89,198	(206,432)	(206,432)
Other Special Instruction	44,001	-	-	(44,001)	(44,001)
Other Instruction	23,746	-	-	(23,746)	(23,746)
Support Services & Undistributed Costs:					
Tuition Charges	2,822	-	-	(2,822)	(2,822)
Student & Instruction Related Services	304,051	-	38,786	(265,265)	(265,265)
School Administrative Services	66,317	-	-	(66,317)	(66,317)
General Administrative Services	145,591	-	-	(145,591)	(145,591)
Plant Operations & Maintenance	101,276	-	-	(101,276)	(101,276)
Pupil Transportation	84,454	-	-	(84,454)	(84,454)
Unallocated Employee Benefits	1,020,818	-	580,878	(439,940)	(439,940)
Interest on Long-Term Debt	3,870	-	-	(3,870)	(3,870)
Unallocated Adjustment to Fixed Assets	68,716	-	-	(68,716)	(68,716)
Unallocated Depreciation	49,602	-	-	(49,602)	(49,602)
<b>Total Governmental Activities</b>	<b>3,073,213</b>	<b>-</b>	<b>708,862</b>	<b>(2,364,351)</b>	<b>(2,364,351)</b>
<b>Total Primary Government</b>	<b>\$ 3,073,213</b>	<b>\$ -</b>	<b>\$ 708,862</b>	<b>(2,364,351)</b>	<b>(2,364,351)</b>
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes, Net				1,427,055	1,427,055
Federal & State Aid Not Restricted				852,404	852,404
Investment Earnings				329	329
Miscellaneous Income				36,409	36,409
<b>Total General Revenues, Special Items, Extraordinary Items &amp; Transfers</b>				<b>2,316,197</b>	<b>2,316,197</b>
Change In Net Position				(48,154)	(48,154)
Net Position, Beginning				(173,372)	(173,372)
Net Position - Ending				<b>\$ (221,526)</b>	<b>\$ (221,526)</b>

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

## B. Fund Financial Statements

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## Governmental Funds

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2016**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	<u>TOTAL</u> JUNE 30, 2016
Cash & Cash Equivalents	\$ 145,703	\$ 544	\$ 146,247
Intergovernmental Receivable:			
State	8,228	-	8,228
Federal	-	1,519	1,519
Other	-	1,050	1,050
Interfunds Receivable	<u>2,989</u>	<u>-</u>	<u>2,989</u>
Total Assets	<u>\$ 156,920</u>	<u>\$ 3,113</u>	<u>\$ 160,033</u>
<b>LIABILITIES &amp; FUND BALANCES</b>			
Liabilities:			
Accounts Payable	<u>\$ 104,791</u>	<u>\$ 3,113</u>	<u>\$ 107,904</u>
Total Liabilities	<u>104,791</u>	<u>3,113</u>	<u>107,904</u>
Fund Balances:			
Assigned Fund Balance:			
Designated for Subsequent Year's Expenditures	47,554	-	47,554
Other Purposes	8,114	-	8,114
Unassigned Fund Balance	<u>(3,539)</u>	<u>-</u>	<u>(3,539)</u>
Total Fund Balances	<u>52,129</u>	<u>-</u>	<u>52,129</u>
Total Liabilities & Fund Balances	<u>\$ 156,920</u>	<u>\$ 3,113</u>	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$1,785,102 and the accumulated depreciation is \$1,225,039.			560,063
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.			64,315
Long-term liabilities, including net pension liability, bonds payable, compensated absences payable, bond premium and capital leases are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Illustrative Note 8)			<u>(894,163)</u>
Net position of Governmental Activities			<u>\$ (221,526)</u>

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL <u>                    </u> JUNE 30, 2016
Revenues:			
Local Sources:			
Local Tax Levy	\$ 1,427,055	\$ -	\$ 1,427,055
Interest Earned	329	-	329
Miscellaneous	3,129	33,280	36,409
Total Local Sources	<u>1,430,513</u>	<u>33,280</u>	<u>1,463,793</u>
State Sources	1,171,885	-	1,171,885
Federal Sources	-	94,704	94,704
Total Revenues	<u>2,602,398</u>	<u>127,984</u>	<u>2,730,382</u>
Expenditures:			
Current Expense:			
Regular Instruction	862,319	-	862,319
Special Education Instruction	206,432	110,248	316,680
Other Special Instruction	44,001	-	44,001
Other Instruction	23,746	-	23,746
Support Services:			
Tuition	2,822	-	2,822
Student & Instruction Related Services	265,265	17,736	283,001
School Administrative Services	66,317	-	66,317
General Administrative	145,591	-	145,591
Plant Operations & Maintenance	201,760	-	201,760
Pupil Transportation	84,454	-	84,454
Employee Benefits	712,295	-	712,295
Capital Outlay	190,000	-	190,000
Total Expenditures	<u>2,805,002</u>	<u>127,984</u>	<u>2,932,986</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(202,604)	-	(202,604)
Other Financing Sources/(Uses):			
Capital Leases Proceeds	180,000	-	180,000
Total Other Financing Sources/(Uses)	<u>180,000</u>	<u>-</u>	<u>180,000</u>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(22,604)	-	(22,604)
Fund Balances, July 1	<u>74,733</u>	<u>-</u>	<u>74,733</u>
Fund Balances June 30	<u>\$ 52,129</u>	<u>\$ -</u>	<u>\$ 52,129</u>

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (22,604)

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	(49,602)	
Loss on Disposal of Fixed Assets	(13,461)	
Non-Capitalizable Items Included with Lease Expenditure	(55,255)	
Capital Outlays	190,000	71,682

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Unfunded TPAF Pension Expense	(294,677)	
State Share of Unfunded TPAF Pension Expense	294,677	
District Pension Contributions	22,097	
Pension Expense	(36,986)	(14,889)

In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The increase in accrued interest over the previous year is an increase in the reconciliation. (3,870)

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position:

Capital Lease Proceeds		(180,000)
------------------------	--	-----------

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 100,484

Repayment of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Prior Year	76,853	
Current Year	(75,810)	1,043

Change in Net Position of Governmental Activities \$ (48,154)

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Proprietary Fund

Not Applicable

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Fiduciary Fund

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016**

	PRIVATE PURPOSE		AGENCY		TOTAL
	UNEMPLOYMENT TRUST	STUDENT ACTIVITY	PAYROLL		JUNE 30, 2016
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 26,164	\$ 7,759	\$ 2,989	\$	36,912
Total Assets	26,164	7,759	2,989		36,912
<b>LIABILITIES</b>					
Interfund Payable Payable to Student Groups	-	-	2,989		2,989
	-	7,759	-		7,759
Total Liabilities	-	7,759	2,989		10,748
<b>NET POSITION</b>					
Held in Trust for Unemployment & Other Purposes	26,164	-	-		26,164
Total Net Position	\$ 26,164	\$ -	\$ -	\$	26,164

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>PRIVATE PURPOSE UNEMPLOYMENT FUND</u>	<u>TOTAL JUNE 30, 2016</u>
<b>ADDITIONS</b>		
Contributions:		
Plan Member	\$ -	\$ -
Total Contributions	-	-
Investment Earnings:		
Interest	34	34
Net Investment Earnings	34	34
Total Additions	34	34
<b>DEDUCTIONS</b>		
Claims Paid	149	149
Total Deductions	149	149
Change in Net Position	(115)	(115)
Net Position - Beginning of the Year	26,279	26,279
Net Position - End of the Year	\$ 26,164	\$ 26,164

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies**

The accompanying financial statements of the Bass River Township School District have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting policies.

**A. Reporting Entity**

The Bass River Township School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members' terms expire each year. The District provides a full range of educational services appropriate to grade levels PK through 6. These include regular, as well as special education for handicapped youngsters. The Bass River Township School District has an approximate enrollment at June 30, 2016 of 106 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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**B. Component Units**

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34. The District had no component units as of for the year ended June 30, 2016.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued)**

**C. Government-Wide Financial Statements**

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

**D. Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.



**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued)**

**E. Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**F. Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Net Position. The District’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

**G. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued)**

**G. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. The District does not maintain any enterprise funds.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued)**

**G. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

As required by the New Jersey 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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to 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.

Additionally, the District reports the following major fiduciary funds:

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

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

**Agency Funds** - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity's own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued)**

**G. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**H. 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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the 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.

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued)**

**I. Encumbrances**

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue 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.

**J. Cash and Cash Equivalents**

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

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

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

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

**K. Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2016 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued)**

**L. Inventories**

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

**M. Short-Term Interfund Receivables/Payables**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

**N. Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

**O. Compensated Absences**

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

In the District-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued)**

**P. Unearned Revenue**

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

**Q. Accrued Liabilities and Long-Term Obligations**

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

**R. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**S. Fund Balance**

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2016.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued)**

**S. Fund Balance (continued)**

- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

**T. Net Position**

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

**U. Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.



**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued)**

**V. Pensions**

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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

**U. Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued)**

Recently Issued and Adopted Accounting Pronouncements (continued)

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued)**

**X. Subsequent Events**

The District has evaluated subsequent events occurring after June 30, 2016 through the date of November 14, 2016, which is the date the financial statements were available to be issued.

**Note 2. Cash Deposits and Investments**

**A. Cash Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2016, the District’s bank balance of \$214,150 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$	214,150
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**B. Investments**

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

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 2. Cash Deposits and Investments (continued)**

**B. Investments (continued)**

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure..

Concentrations - The District places no limit in the amount the District may invest in any one issuer

The District did not hold any investments at June 30, 2016.

**Note 3. Capital Reserve Account**

A capital reserve account was established by the Bass River Township School District 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 appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal a 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.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 10,000.00
Withdrawals for Capital Expenditures	<u>(10,000.00)</u>
Ending Balance, June 30, 2016	<u><u>\$ -</u></u>

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2016 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General <u>Fund</u>	Special <u>Revenue Fund</u>	Proprietary <u>Funds</u>	<u>Total</u>
Intergovernmental	\$ 8,228	\$ 1,519	\$ -	\$ 9,747
Other	<u>-</u>	<u>1,050</u>	<u>-</u>	<u>1,050</u>
Total	<u><u>\$ 8,228</u></u>	<u><u>\$ 2,569</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,797</u></u>

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 5. Transfers to Capital Outlay**

During the year ending June 30, 2016, the District made no transfers to the capital outlay accounts.

**Note 6. Capital Assets**

The following schedule is a summarization of capital assets for the fiscal year ended June 30, 2016:

	June 30, 2015	Increases	Decreases	June 30, 2016
Buildings & Improvements	\$ 1,507,594	\$ 129,949	\$ (31,987)	1,605,556
Machinery & Equipment	174,617	4,929	-	179,546
Subtotal	<u>1,682,211</u>	134,878	(31,987)	<u>1,785,102</u>
Accumulated Depreciation	<u>(1,193,830)</u>	(49,735)	18,526	<u>(1,225,039)</u>
Total	<u>\$ 488,381</u>	\$ 85,143	\$ (13,461)	<u>\$ 560,063</u>

**Note 7. Interfund Receivables, Payables and Transfers**

Individual fund receivables/payables balances at June 30, 2016 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 2,989	\$ -
Fiduciary Funds	<u>-</u>	<u>2,989</u>
	<u>\$ 2,989</u>	<u>\$ 2,989</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Funds	\$ -	\$ 8,500.00
Fiduciary Funds	<u>8,500.00</u>	<u>-</u>
	<u>\$ 8,500.00</u>	<u>\$ 8,500.00</u>

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 8. Long-Term Obligations**

During the fiscal year ended June 30, 2016 the following changes occurred in long-term obligations:

	Balance 6/30/2015	Additions	Retired	Balance 6/30/2016	Due Within One Year
Net Pension Liability	\$ 447,500	\$ 129,463	\$ -	\$ 576,963	\$ -
Capital Leases Payable	341,874	-	(100,485)	241,389	100,455
Compensated Absences	76,853	-	(1,043)	75,810	-
<b>Total</b>	<b>\$ 866,227</b>	<b>\$ 129,463</b>	<b>\$ (101,528)</b>	<b>\$ 894,162</b>	<b>\$ 100,455</b>

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

**A. Capital Leases**

The District is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in capital assets and long-term obligations, respectively. Assets under capital leases total \$320,000. The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments as of June 30, 2016:

<b>Year-ending June 30,</b>	
2017	\$ 89,055
2018	71,667
2019	54,763
2020	<u>37,982</u>
Total Minimum Lease Payments	253,467
Less Amount Representing Interest	<u>(12,077)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$ 241,390</u></u>

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 9. Pension Plans**

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

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

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.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Basis of Presentation** - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 9. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**Components of Pension Liability** - At June 30, 2016, the District reported a liability of \$576,963 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was 0.00257% percent, which was an increase of 0.00018% from its proportion measured as of June 30, 2014.

Collective Balances at June 30, 2016 and June 30, 2015

	<u>06/30/16</u> July 1, 2015	<u>06/30/15</u> July 1, 2014
Acturial valuation date		
Deferred Outflows of Resources	\$ 104,329	\$ 36,169
Deferred Inflows of Resources	\$ 40,014	\$ 64,331
Net Pension Liability	\$ 576,963	\$ 447,500
District's portion of the Plan's total Net Pension Liability	0.00257%	0.00239%



**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 9. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

**Pension Expense and Deferred Outflows/Inflows of Resources** - For the year ended June 30, 2015, the District recognized pension expense of \$36,986. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,764	\$ -
Changes of assumptions	61,961	-
Net difference between projected and actual earnings on pension plan investments	-	9,276
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>28,604</u>	<u>30,738</u>
Total	<u>\$ 104,329</u>	<u>\$ 40,014</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2017	\$ (603)
2018	(603)
2019	(603)
2020	6,064
2021	60,060
Thereafter	<u>-</u>
Total	<u>\$ 64,315</u>

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 9. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 9. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.21%
Total	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals 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 actuarially determined 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 as of June 30, 2015, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90) or 1-percentage-point higher (5.90%) than the current rate:

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 9. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

	<u>3.90%</u> <u>1% Decrease</u>	<u>4.90%</u> <u>Current</u> <u>Discount Rate</u>	<u>5.90%</u> <u>1% Increase</u>
District's proportionate share of the net pension liability	\$ 717,094	\$ 576,963	\$ 459,478

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

**Plan Description** - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

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.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2016**

**Note 9. Pension Obligations (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

**Basis of Presentation** - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

**Special Funding Situation** - The employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, these local participating employers are 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 local participating employers do 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 local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

**Teachers Pensions and Annuity Fund (TPAF)** - 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.

	<u>TPAF</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	Varies Based on Experience
Inflation rate	2.50%

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 9. Pension Obligations (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (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, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
Total	<u>100%</u>	

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 9. Pension Obligations (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals 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 employers' 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 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 determining the total pension liability.

**Pension plan fiduciary net position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2016, employee contributions total \$5,258, and the District recognized pension expense of \$2,868.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2016, the District did not apply forfeitures to reduce the District's pension expense.

**Note 10. 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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the state contributed \$1.25 billion on their behalf.. The cost of these benefits is

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 10. Post-Retirement Benefits (continued)**

funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

**Note 11. Risk Management**

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

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

**New Jersey Unemployment Compensation Insurance** – The District has elected to fund their New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table below is a summary of the District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous two years:

Fiscal Year	Earned	Contributions	Reimbursed	Balance
2015-2016	\$ 34	\$ -	\$ 149	\$ 26,164
2014-2015	34	-	58	26,279
2013-2014	39	-	477	26,303

**Note 12. Contingencies**

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



**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 13. Economic Dependency**

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

**Note 14. Commitments**

On April 21, 2015 the District entered into an agreement with Viking Yacht Company in which Viking Yacht Company pledged \$100,000 to the District for the purpose of sponsoring the Security Vestibule Renovation Project. Viking Yacht Company will pay the pledged amount at \$20,000 per year over the next 5 years effective August 1, 2015.

**Note 15. Deferred Compensation**

The District 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:

AXA Equitable  
Northwestern Mutual

Valic  
Wells Fargo

**Note 16. 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. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$75,810.

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, 2016 no liability existed for compensated absences in the proprietary fund types.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 17. Calculation of Excess Surplus**

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund 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 District has no excess fund balance at June 30, 2016.

**Note 18. Deficit Net Position**

As reflected on Exhibit A-1, Statement of Net Position, a deficit in net position of \$(221,526) existed as of June 30, 2016 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in net position for governmental activities does not indicate that the District is facing financial difficulties.

**Note 19. Fund Balance**

**General Fund** – Of the \$52,129 General Fund fund balance at June 30, 2016, \$47,554 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; \$8,114 has been reserved for encumbrances and \$(3,539) is unassigned.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Revenues:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210	\$ 1,427,055	\$ -	\$ 1,427,055	\$ 1,427,055	\$ -
Interest Earned	10-1510	-	-	-	329	329
Miscellaneous	10-1990	-	-	-	3,129	3,129
<b>Total Local Sources</b>		<b>1,427,055</b>	<b>-</b>	<b>1,427,055</b>	<b>1,430,513</b>	<b>3,458</b>
<b>State Sources:</b>						
Categorical Transportation Aid	10-3121	25,972	-	25,972	25,972	-
Categorical Special Education Aid	10-3132	67,203	-	67,203	67,203	-
Equalization Aid	10-3176	638,484	-	638,484	638,484	-
Categorical Security Aid	10-3177	22,124	-	22,124	22,124	-
Adjustment Aid	10-3178	129,586	-	129,586	129,586	-
PARCC Readiness Aid	10-3XXX	1,150	-	1,150	1,150	-
Per Pupil Growth Aid	10-3XXX	1,150	-	1,150	1,150	-
On-Behalf TPAF Pension Contribution (Nonbudgeted):						
Normal Cost		-	-	-	92,344	92,344
Post-Retirement Medical		-	-	-	109,956	109,956
Reimbursed TPAF Social Security (Nonbudgeted)		-	-	-	83,901	83,901
<b>Total State Sources</b>		<b>885,669</b>	<b>-</b>	<b>885,669</b>	<b>1,171,870</b>	<b>286,201</b>
<b>Total Revenues</b>		<b>2,312,724</b>	<b>-</b>	<b>2,312,724</b>	<b>2,602,383</b>	<b>289,659</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
Preschool - Salaries of Teachers	11-105-100-101	33,028	(2,688)	30,340	30,340	-
Kindergarten - Salaries of Teachers	11-110-100-101	63,712	1,031	64,743	64,743	-
Grades 1-5 - Salaries of Teachers	11-120-100-101	418,122	65,637	483,759	483,758	1
Grades 6-8 - Salaries of Teachers	11-130-100-101	65,457	3,239	68,696	68,696	-
<b>Home Instruction - Regular Programs:</b>						
Salaries of Teachers	11-150-100-101	1,500	(1,500)	-	-	-
<b>Undistributed - Regular Programs:</b>						
Other Salaries for Instruction	11-190-100-106	74,245	15,575	89,820	89,820	-
Purchased Technical Services	11-190-100-320	500	-	500	-	500
Other Purchased Services - (400-500 Series)	11-190-100-500	86,590	1	86,591	86,021	570
Travel	11-190-100-580	2,600	-	2,600	-	2,600
General Supplies	11-190-100-610	39,500	(2,772)	36,728	36,661	67
Textbooks	11-190-100-640	500	-	500	-	500
Other Objects	11-190-100-800	3,500	(653)	2,847	2,280	567
<b>Total Regular Programs</b>		<b>789,254</b>	<b>77,870</b>	<b>867,124</b>	<b>862,319</b>	<b>4,805</b>

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Special Education:						
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	205,380	-	205,380	203,845	1,535
Travel	11-213-100-580	1,000	-	1,000	-	1,000
General Supplies	11-213-100-610	1,500	1,094	2,594	2,587	7
Total Resource Room/Resource Center		207,880	1,094	208,974	206,432	2,542
Total Special Education		207,880	1,094	208,974	206,432	2,542
Other Instructional Programs:						
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-230-100-101	72,337	(30,000)	42,337	42,337	-
General Supplies	11-230-100-610	2,900	(448)	2,452	1,664	788
Total Basic Skills/Remedial Instruction		75,237	(30,448)	44,789	44,001	788
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-101	14,000	2,467	16,467	16,467	-
Total School Sponsored Cocurricular - Activities		14,000	2,467	16,467	16,467	-
Summer School - Instruction:						
Salaries of Teachers	11-422-100-101	6,000	1,279	7,279	7,279	-
Total Summer School - Instruction		6,000	1,279	7,279	7,279	-
Total - Instruction		1,092,371	52,262	1,144,633	1,136,498	8,135
Undistributed Expenditures:						
Instruction:						
Tuition to County Special Services & Regular Day Schools	11-000-100-565	-	2,822	2,822	2,822	-
Total Instruction		-	2,822	2,822	2,822	-
Attendance/Social Work:						
Salaries	11-000-211-100	10,877	94	10,971	10,971	-
Other Purchased Professional & Technical Services	11-000-211-390	4,100	85	4,185	4,185	-
Total Attendance/Social Work		14,977	179	15,156	15,156	-
Health Services:						
Salaries	11-000-213-100	84,735	397	85,132	85,131	1
Purchased Professional & Technical Services	11-000-213-300	5,000	(1,000)	4,000	4,000	-
Other Purchased Services (400-500 Series)	11-000-213-500	500	-	500	490	10
Supplies and Materials	11-000-213-600	2,100	(85)	2,015	1,341	674
Total Health Services		92,335	(688)	91,647	90,962	685



**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Support Services - Students - Related Services:						
Purchased Professional & Educational Services	11-000-216-320	15,000	-	15,000	13,119	1,881
Total Other Support Services - Students - Related Services		15,000	-	15,000	13,119	1,881
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	49,491	-	49,491	48,824	667
Salaries of Secretarial & Clerical Assistants	11-000-219-105	14,397	142	14,539	14,538	1
Purchased Professional - Educational Services	11-000-219-320	9,000	13,395	22,395	22,395	-
Other Purchased Services - Supplies and Materials	11-000-219-600	500	-	500	413	87
Total Other Support Services - Students - Special Services		73,388	13,537	86,925	86,170	755
Improvement of Instruction Services:						
Salaries of Secretarial & Clerical Assistants	11-000-221-105	35,676	(1,400)	34,276	34,240	36
Other Purchased Services	11-000-221-500	3,600	(100)	3,500	1,161	2,339
Supplies & Materials	11-000-221-600	-	100	100	83	17
Total Improvement of Instruction Services		39,276	(1,400)	37,876	35,484	2,392
Educational Media Services/School Library:						
Purchased Professional & Technical Services	11-000-222-300	20,600	(559)	20,041	19,682	359
Supplies and Materials	11-000-222-600	7,000	(2,308)	4,692	4,692	-
Total Educational Media Services/School Library		27,600	(2,867)	24,733	24,374	359
Instructional Staff Training Services:						
Purchased Professional - Educational Services	11-000-223-320	2,000	(2,000)	-	-	-
Total Instructional Staff Training Services		2,000	(2,000)	-	-	-
Support Services General Administration:						
Salaries	11-000-230-100	57,836	4,001	61,837	61,836	1
Legal Services	11-000-230-331	9,200	(7,418)	1,782	1,782	-
Audit Fees	11-000-230-332	11,500	2,300	13,800	13,800	-
Other Purchased Professional Services	11-000-230-339	5,000	9,251	14,251	14,251	-
Communications/Telephone	11-000-230-530	10,000	(1,726)	8,274	8,244	30
Other Purchased Services - (400-500 )	11-000-230-590	3,000	(1,638)	1,362	1,362	-
General Supplies	11-000-230-610	7,000	(2,100)	4,900	4,814	86
Miscellaneous	11-000-230-890	1,600	660	2,260	2,260	-
BOE Membership Dues & Fees	11-000-230-895	1,975	-	1,975	1,878	97
Total Support Services General Administration		107,111	3,330	110,441	110,227	214

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Support Services School Administration:</b>						
Salaries of Principals & Assistant Principals	11-000-240-103	57,836	-	57,836	57,836	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	7,252	62	7,314	7,314	-
Supplies and Materials	11-000-240-600	2,000	(306)	1,694	1,167	527
<b>Total Support Services School Administration</b>		<b>67,088</b>	<b>(244)</b>	<b>66,844</b>	<b>66,317</b>	<b>527</b>
<b>Central Services:</b>						
Salaries	11-000-251-100	3,060	-	3,060	3,000	60
Purchased Professional Services	11-000-251-330	28,850	1,317	30,167	30,166	1
Purchased Technical Services	11-000-251-340		1,000	1,000	1,000	-
Supplies & Materials	11-000-251-600	700	(305)	395	395	-
Other Objects	11-000-251-890	1,700	(695)	1,005	803	202
<b>Total Central Services</b>		<b>34,310</b>	<b>1,317</b>	<b>35,627</b>	<b>35,364</b>	<b>263</b>
<b>Required Maintenance for School Facilities:</b>						
Cleaning, Repair & Maintenance Services	11-000-261-420	18,000	(8,000)	10,000	9,624	376
General Supplies	11-000-261-610	11,000	(3,837)	7,163	4,999	2,164
<b>Subtotal Allowable Maintenance for School Facilities</b>		<b>29,000</b>	<b>(11,837)</b>	<b>17,163</b>	<b>14,623</b>	<b>2,540</b>
<b>Custodial Services:</b>						
Salaries	11-000-262-100	85,103	5,334	90,437	90,436	1
Purchased Professional & Technical Service	11-000-262-300	1,000	-	1,000	-	1,000
Cleaning, Repair & Maintained Service	11-000-262-420	12,000	-	12,000	10,216	1,784
Other Purchased Property Service	11-000-262-490	2,000	(1,333)	667	600	67
Insurance	11-000-262-520	18,470	-	18,470	18,470	-
Travel	11-000-262-580	2,000	-	2,000	1,926	74
General Supplies	11-000-262-610	10,000	(275)	9,725	9,624	101
Energy (Natural Gas)	11-000-262-621		1,800	1,800	962	838
Energy (Electricity)	11-000-262-622	38,000	(5,000)	33,000	32,846	154
Energy (Oil)	11-000-262-624	30,000	(11,800)	18,200	17,730	470
Other Objects	11-000-262-800	-	275	275	275	-
<b>Total Custodial Services</b>		<b>198,573</b>	<b>(10,999)</b>	<b>187,574</b>	<b>183,085</b>	<b>4,489</b>
<b>Care &amp; Upkeep of Grounds:</b>						
General Supplies	11-000-263-610	2,500	-	2,500	2,450	50
<b>Total Care &amp; Upkeep of Grounds</b>		<b>2,500</b>	<b>-</b>	<b>2,500</b>	<b>2,450</b>	<b>50</b>
<b>Security:</b>						
Cleaning, Repair & Maintenance Services	11-000-266-420	2,000	(100)	1,900	1,557	343
General Supplies	11-000-266-610	-	100	100	45	55
<b>Total Security</b>		<b>2,000</b>	<b>-</b>	<b>2,000</b>	<b>1,602</b>	<b>398</b>
<b>Total Operations &amp; Maintenance of Plant</b>		<b>232,073</b>	<b>(22,836)</b>	<b>209,237</b>	<b>201,760</b>	<b>7,477</b>

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Student Transportation Services:						
Other Purchased Professional & Technical Services	11-000-270-390	18,350	-	18,350	18,250	100
Contracted Services (Other than Between Home & School) - Vendors	11-000-270-512	6,500	5,837	12,337	8,337	4,000
Contracted Services (Between Home & School)-Joint Agree.	11-000-270-513	56,700	3,364	60,064	57,867	2,197
<b>Total Student Transportation Services</b>		<b>81,550</b>	<b>9,201</b>	<b>90,751</b>	<b>84,454</b>	<b>6,297</b>
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	20,300	938	21,238	17,554	3,684
Other Retirement Contributions - Regular	11-000-291-241	22,000	256	22,256	22,256	-
Workman's Compensation	11-000-291-260	16,900	753	17,653	17,653	-
Health Benefits	11-000-291-270	414,000	(46,238)	367,762	363,631	4,131
Tuition Reimbursement	11-000-291-280	4,000	1,000	5,000	5,000	-
Other Employee Benefits	11-000-291-290	4,000	(3,358)	642	-	642
<b>Total Unallocated Benefits - Employee Benefits</b>		<b>481,200</b>	<b>(46,649)</b>	<b>434,551</b>	<b>426,094</b>	<b>8,457</b>
Nonbudgeted:						
On-Behalf TPAF Pension Contribution:						
Normal Cost		-	-	-	92,344	(92,344)
Post-Retirement Medical		-	-	-	109,956	(109,956)
Reimbursed TPAF Social Security Contributions		-	-	-	83,901	(83,901)
<b>Total On-Behalf Contributions</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>286,201</b>	<b>(286,201)</b>
<b>Total Personal Services - Employee Benefits</b>		<b>481,200</b>	<b>(46,649)</b>	<b>434,551</b>	<b>712,295</b>	<b>(277,744)</b>
<b>Total Undistributed Expenditures</b>		<b>1,267,908</b>	<b>(46,298)</b>	<b>1,221,610</b>	<b>1,478,504</b>	<b>(256,894)</b>
<b>Total Expenditures - Current Expense</b>		<b>2,360,279</b>	<b>5,964</b>	<b>2,366,243</b>	<b>2,615,002</b>	<b>(248,759)</b>
Capital Outlay:						
Facilities Acquisition & Construction Services:						
Construction Services	12-000-400-450	10,000	-	10,000	10,000	-
<b>Total Facilities Acquisition &amp; Construction Services</b>		<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>
Assets Acquired Under Capital Leases (Nonbudgeted)		-	-	-	180,000	(180,000)
<b>Total Capital Outlay</b>		<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>190,000</b>	<b>(180,000)</b>
<b>Total Expenditures</b>		<b>2,370,279</b>	<b>5,964</b>	<b>2,376,243</b>	<b>2,805,002</b>	<b>(428,759)</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(57,555)	(5,964)	(63,519)	(202,619)	(139,100)
Other Financing Sources/(Uses):						
Capital Lease Proceeds (Nonbudgeted)		-	-	-	180,000	180,000

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ACCOUNT NUMBERS	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(57,555)	(5,964)	(63,519)	(22,619)	40,900
Fund Balances, July 1	163,039	-	163,039	163,039	-
Fund Balances, June 30	<u>\$ 105,484</u>	<u>\$ (5,964)</u>	<u>\$ 99,520</u>	<u>\$ 140,420</u>	<u>\$ 40,900</u>

**RECAPITULATION OF BUDGET TRANSFERS**

Prior Year Reserve for Encumbrances	<u>\$ 5,964</u>
Total Budget Transfers	<u>\$ 5,964</u>

**RECAPITULATION OF FUND BALANCE**

Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	47,554
Year-End Encumbrances	8,114
Unassigned Fund Balance	<u>84,752</u>
Subtotal	140,420
Reconciliation to Governmental Funds Statements (GAAP):	
Reconciliation of State Aid Payments For GAAP to Budgetary Basis & Other Adjustments	<u>(88,291)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 52,129</u>

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	JUNE 30, 2016				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>REVENUES</b>					
Local Sources	\$ 112,230	\$ (76,947)	\$ 35,283	\$ 35,283	\$ -
Federal Sources	97,139	(2,435)	94,704	94,704	-
Total Revenues	<u>209,369</u>	<u>(79,382)</u>	<u>129,987</u>	<u>129,987</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	37,485	(2,435)	35,050	35,050	-
Tuition	146,151	(100,000)	46,151	46,151	-
General Supplies	10,000	-	10,000	10,000	-
Total Instruction	<u>193,636</u>	<u>(102,435)</u>	<u>91,201</u>	<u>91,201</u>	<u>-</u>
Support Services:					
Salaries for Other Professional Staff	3,557	-	3,557	3,557	-
Personal Services - Employee Benefits	5,164	-	5,164	5,164	-
Purchased Professional - Educational Services	1,500	-	1,500	1,500	-
Other Purchased Services	3,282	21,050	24,332	24,332	-
Supplies & Materials	2,230	2,003	4,233	4,233	-
Total Support Services	<u>15,733</u>	<u>23,053</u>	<u>38,786</u>	<u>38,786</u>	<u>-</u>
Total Outflows	<u>209,369</u>	<u>(79,382)</u>	<u>129,987</u>	<u>129,987</u>	<u>-</u>
Excess/(Deficiency) of Revenues Over/ Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 2,602,383	\$ 129,987
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(2,003)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	88,306	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(88,291)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 2,602,398	\$ 127,984
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 2,805,002	\$ 129,987
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is 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.	-	(2,003)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 2,805,002	\$ 127,984

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**LAST THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.00257%	0.00230%	0.00260%
District's proportionate share of the net pension liability (asset)	\$ 576,963	\$ 477,500	\$ 501,389
District's covered-employee payroll	\$ 327,767	\$ 306,325	\$ 302,575
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	176.03%	155.88%	165.71%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 22,097	\$ 19,704	\$ 19,767
Contributions in relation to the contractually required contribution	<u>22,097</u>	<u>19,704</u>	<u>19,767</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 327,767	\$ 306,325	\$ 302,575
Contributions as a percentage of covered- employee payroll	6.74%	6.43%	6.53%

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS' PENSION AND ANNUITY FUND**  
**LAST THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.01003%	0.00987%	0.00952%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 6,338,470	\$ 5,275,491	\$ 4,814,168
District's covered-employee payroll	\$ 1,132,248	\$ 1,706,366	\$ 1,706,965
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)  
CHANGE OF BENEFIT TERMS AND ASSUMPTIONS  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2016**

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

**Basis of Presentation.** The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated July 28, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**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)**

**Basis of Presentation.** The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated April 14, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**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 males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	TITLE I	TITLE II-A	TITLE VI	IDEA, PART B - BASIC	IDEA, PART B - PRESCHOOL
<b>Revenues:</b>					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Source	25,027	4,782	15,187	46,151	3,557
<b>Total Revenues</b>	<b>\$ 25,027</b>	<b>\$ 4,782</b>	<b>\$ 15,187</b>	<b>\$ 46,151</b>	<b>\$ 3,557</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ 19,863	\$ -	\$ 15,187	\$ -	\$ -
Tuition	-	-	-	46,151	-
General Supplies	-	-	-	-	-
<b>Total Instruction</b>	<b>19,863</b>	<b>-</b>	<b>15,187</b>	<b>46,151</b>	<b>-</b>
<b>Support Services:</b>					
Salaries of Other Professional Staff	-	-	-	-	3,557
Personal Services - Employee Benefits	5,164	-	-	-	-
Purchased Professional Services	-	1,500	-	-	-
Other Purchased Services	-	3,282	-	-	-
Supplies & Materials	-	-	-	-	-
<b>Total Support Services</b>	<b>5,164</b>	<b>4,782</b>	<b>-</b>	<b>-</b>	<b>3,557</b>
<b>Total Outflows</b>	<b>\$ 25,027</b>	<b>\$ 4,782</b>	<b>\$ 15,187</b>	<b>\$ 46,151</b>	<b>\$ 3,557</b>

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	PTO Playground	SAFETY GRANT	VIKING YACHT GRANT	2016
<b>Revenues:</b>				
Local Sources	\$ 10,000	\$ 4,233	\$ 21,050	\$ 35,283
Federal Source	-	-	-	94,704
<b>Total Revenues</b>	<b>\$ 10,000</b>	<b>\$ 4,233</b>	<b>\$ 21,050</b>	<b>\$ 129,987</b>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 35,050
Tuition	-	-	-	46,151
General Supplies	10,000	-	-	10,000
<b>Total Instruction</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>91,201</b>
<b>Support Services:</b>				
Salaries of Other Professional Staff	-	-	-	3,557
Personal Services - Employee Benefits	-	-	-	5,164
Purchased Professional Services	-	-	-	1,500
Other Purchased Services	-	-	21,050	24,332
Supplies & Materials	-	4,233	-	4,233
<b>Total Support Services</b>	<b>-</b>	<b>4,233</b>	<b>21,050</b>	<b>38,786</b>
<b>Total Outflows</b>	<b>\$ 10,000</b>	<b>\$ 4,233</b>	<b>\$ 21,050</b>	<b>\$ 129,987</b>

F. Capital Projects Fund

Not Applicable

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## G. Proprietary Funds

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Enterprise Funds

Not Applicable

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Internal Service Fund

Not Applicable

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## H. Fiduciary Fund

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2016**

ASSETS	<u>PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST</u>	AGENCY FUNDS	2016
Cash & Cash Equivalents	\$ 26,164	\$ 10,748	\$ 36,912
	<hr/>		
Total Assets	26,164	10,748	36,912
	<hr/>		
 LIABILITIES			
Interfund Payable Due to Student Groups	-	2,989	2,989
	-	7,759	7,759
	<hr/>		
Total Liabilities	-	10,748	10,748
	<hr/>		
 NET POSITION			
Reserved for: Unemployment Claims & Other Purposes	26,164	-	26,164
	<hr/>		
Total Net Position	\$ 26,164	\$ -	\$ 26,164
	<hr/> <hr/>		

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ADDITIONS	<u>PRIVATE PURPOSE UNEMPLOYMENT</u> FUND	2016
Contributions:		
Plan Member	\$ -	\$ -
	<hr/>	<hr/>
Total Contributions	-	-
	<hr/>	<hr/>
Investment Earnings:		
Interest - Checking	34	34
	<hr/>	<hr/>
Net Investment Earnings	34	34
	<hr/>	<hr/>
Total Additions	34	34
	<hr/>	<hr/>
DEDUCTIONS		
Claims Paid	149	149
	<hr/>	<hr/>
Total Deductions	149	149
	<hr/>	<hr/>
Change in Net Position	(115)	(115)
Net Position - Beginning of the Year	26,279	26,279
	<hr/>	<hr/>
Net Position - End of the Year	\$ 26,164	\$ 26,164
	<hr/> <hr/>	<hr/> <hr/>



**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF CHANGES OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ASSETS	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
Cash & Cash Equivalents	\$ 9,357	\$ 4,296	\$ 5,894	\$ 7,759
Total Assets	<u>\$ 9,357</u>	<u>\$ 4,296</u>	<u>\$ 5,894</u>	<u>\$ 7,759</u>
LIABILITIES				
Due To Student Groups	\$ 9,357	\$ 4,296	\$ 5,894	\$ 7,759
Total Liabilities	<u>\$ 9,357</u>	<u>\$ 4,296</u>	<u>\$ 5,894</u>	<u>\$ 7,759</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ASSETS	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
Cash & Cash Equivalents	\$ 11,489	\$ 1,594,066	\$ 1,602,566	\$ 2,989
Total Assets	<u>\$ 11,489</u>	<u>\$ 1,594,066</u>	<u>\$ 1,602,566</u>	<u>\$ 2,989</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ -	\$ 1,591,077	\$ 1,591,077	\$ -
Interfund Payable	11,489	2,989	11,489	2,989
Total Liabilities	<u>\$ 11,489</u>	<u>\$ 1,594,066</u>	<u>\$ 1,602,566</u>	<u>\$ 2,989</u>

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## I. Long-Term Debt

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

SERIES	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2015	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2016
Equipment	\$ 80,000	\$ 17,001	\$ -	\$ 17,001	\$ -
Miscellaneous Equipment, Technology Equipment and Textbooks	80,000	33,500	-	16,500	17,000
Facility Equipment	80,000	48,084	-	15,601	32,483
Equipment & Textbooks	80,000	63,289	-	15,265	48,024
Security Vestibule	100,000	100,000	-	20,294	79,706
Equipment	80,000	80,000	-	15,823	64,177
Total		<u>\$ 341,874</u>	<u>\$ -</u>	<u>\$ 100,484</u>	<u>\$ 241,390</u>

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**STATISTICAL SECTION (Unaudited)**

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Financial Trend Information
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<p>Financial trend information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial trends.</p>
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**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(ACCRUAL BASIS OF ACCOUNTING)*

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 318,673	\$ 146,507	\$ 374,984	\$ 444,108	\$ 604,002	\$ 590,459	\$ 627,486	\$ 652,568	\$ 655,500	\$ 596,582
Restricted	-	10,000	25,689	99,039	389,561	319,247	97,712	105,548	90,419	212,277
Unrestricted	(536,329)	(329,879)	67,006	109,939	101,743	167,376	80,289	72,363	170,569	96,724
<b>Total Governmental Activities Net Position</b>	<b>\$ (217,656)</b>	<b>\$ (173,372)</b>	<b>\$ 467,679</b>	<b>\$ 653,086</b>	<b>\$ 1,095,306</b>	<b>\$ 1,077,082</b>	<b>\$ 805,487</b>	<b>\$ 830,479</b>	<b>\$ 916,488</b>	<b>\$ 905,583</b>
<b>Business-Type Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 659	\$ 1,385
Unrestricted	-	-	-	-	-	-	-	3,896	3,749	4,248
<b>Total Business-Type Activities Net Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,896</b>	<b>\$ 4,408</b>	<b>\$ 5,633</b>
<b>Government-Wide:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 318,673	\$ 146,507	\$ 374,984	\$ 444,108	\$ 604,002	\$ 590,459	\$ 627,486	\$ 652,568	\$ 656,159	\$ 597,967
Restricted	-	10,000	25,689	99,039	389,561	319,247	97,712	105,548	90,419	212,277
Unrestricted	(536,329)	(329,879)	67,006	109,939	101,743	167,376	80,289	76,259	174,318	100,972
<b>Total Government-Wide Net Position</b>	<b>\$ (217,656)</b>	<b>\$ (173,372)</b>	<b>\$ 467,679</b>	<b>\$ 653,086</b>	<b>\$ 1,095,306</b>	<b>\$ 1,077,082</b>	<b>\$ 805,487</b>	<b>\$ 834,375</b>	<b>\$ 920,896</b>	<b>\$ 911,216</b>

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FISCAL YEAR ENDING JUNE 30,										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 862,319	\$ 924,634	\$ 856,818	\$ 823,205	\$ 809,726	\$ 791,050	\$ 635,133	\$ 691,045	\$ 657,082	\$ 691,882
Special Education	295,630	247,650	274,427	235,803	140,070	136,446	160,110	127,023	146,123	140,371
Other Special Education	44,001	57,604	64,917	18,635	17,218	10,380	21,066	20,018	18,565	10,786
Other Instruction	23,746	19,664	20,404	20,282	16,772	9,241	8,924	9,511	10,621	-
Support Services:										
Tuition	2,822	2,681	-	37,514	-	-	136,317	105,733	21,109	97,378
Student & Instruction Related Services	304,051	329,639	327,533	328,677	296,627	247,962	270,743	331,692	327,577	308,644
School Administrative Services	66,317	64,217	63,377	62,995	60,790	58,770	58,038	25,682	23,916	28,809
General Administrative Services	145,591	135,712	134,008	138,887	127,099	129,137	122,600	116,367	176,313	132,188
Plant Operations & Maintenance	101,276	124,472	140,430	162,618	211,694	207,895	218,556	212,673	235,747	211,192
Pupil Transportation	84,454	74,716	105,620	88,854	90,318	87,340	109,106	95,473	82,081	77,416
Special Schools	-	-	-	-	-	-	-	8,848	2,964	4,333
Unallocated Employee Benefits	1,020,818	891,360	586,756	590,090	490,370	443,733	472,483	454,425	599,552	579,016
Interest on Long-Term Debt	3,870	-	-	-	-	-	-	-	3,286	9,486
Unallocated Depreciation	49,602	49,880	59,665	56,598	86,408	25,765	49,079	111,399	41,660	51,182
<b>Total Governmental Activities Expenses</b>	<b>3,073,213</b>	<b>2,922,229</b>	<b>2,633,955</b>	<b>2,751,448</b>	<b>2,347,092</b>	<b>2,147,719</b>	<b>2,262,155</b>	<b>2,309,889</b>	<b>2,346,596</b>	<b>2,342,683</b>
Business-Type Activities:										
Food Service	-	-	-	-	-	-	-	70,890	74,831	70,402
<b>Total Business-Type Activities Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,890</b>	<b>74,831</b>	<b>70,402</b>
<b>Total Government-Wide Expenses</b>	<b>\$ 3,073,213</b>	<b>\$ 2,922,229</b>	<b>\$ 2,633,955</b>	<b>\$ 2,751,448</b>	<b>\$ 2,347,092</b>	<b>\$ 2,147,719</b>	<b>\$ 2,262,155</b>	<b>\$ 2,380,779</b>	<b>\$ 2,421,427</b>	<b>\$ 2,413,085</b>
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 708,862	\$ 545,706	\$ 298,517	\$ 307,779	\$ 93,637	\$ 168,137	\$ 48,702	\$ 93,353	\$ 113,013	\$ 100,180
<b>Total Governmental Activities Program Revenues</b>	<b>708,862</b>	<b>545,706</b>	<b>298,517</b>	<b>307,779</b>	<b>93,637</b>	<b>168,137</b>	<b>48,702</b>	<b>93,353</b>	<b>113,013</b>	<b>100,180</b>
Business-Type Activities:										
Charges for Services:										
Food Service	-	-	-	-	-	-	-	20,871	22,501	22,488
Operating Grants & Contributions	-	-	-	-	-	-	-	17,334	20,797	18,194
<b>Total Business Type Activities Program Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,205</b>	<b>43,298</b>	<b>40,682</b>
<b>Total Government-Wide Program Revenues</b>	<b>\$ 708,862</b>	<b>\$ 545,706</b>	<b>\$ 298,517</b>	<b>\$ 307,779</b>	<b>\$ 93,637</b>	<b>\$ 168,137</b>	<b>\$ 48,702</b>	<b>\$ 131,558</b>	<b>\$ 156,311</b>	<b>\$ 140,862</b>

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (2,364,351)	\$ (2,376,523)	\$ (2,335,438)	\$ (2,443,669)	\$ (2,253,455)	\$ (1,979,582)	\$ (2,213,453)	\$ (2,216,536)	\$ (2,233,583)	\$ (2,242,503)
Business-Type Activities	-	-	-	-	-	-	-	(32,685)	(31,533)	(29,720)
<b>Total Government-Wide Net Expense</b>	<b>\$ (2,364,351)</b>	<b>\$ (2,376,523)</b>	<b>\$ (2,335,438)</b>	<b>\$ (2,443,669)</b>	<b>\$ (2,253,455)</b>	<b>\$ (1,979,582)</b>	<b>\$ (2,213,453)</b>	<b>\$ (2,249,221)</b>	<b>\$ (2,265,116)</b>	<b>\$ (2,272,223)</b>
<b>General Revenues &amp; Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 1,427,055	\$ 1,346,565	\$ 1,263,753	\$ 1,214,680	\$ 1,190,863	\$ 1,148,394	\$ 1,104,225	\$ 1,061,755	\$ 1,007,169	\$ 972,303
Taxes Levied for Debt Service	-	-	-	-	-	-	-	25,138	48,897	51,666
Federal & State Aid not restricted	852,404	880,075	874,003	1,037,238	1,046,523	1,013,929	1,048,020	1,181,703	1,154,764	1,079,157
Tuition Received	-	-	-	17,300	-	19,000	-	-	-	-
Investment Earnings	329	285	463	312	441	2,153	-	6,133	9,012	9,433
Miscellaneous Income	36,409	9,936	11,812	2,149	13,350	5,345	10,440	-	357	716
Transfers/Cancellations	-	-	-	-	-	-	(32,158)	(30,241)	(30,253)	(2,868)
<b>Total Governmental Activities</b>	<b>2,316,197</b>	<b>2,236,861</b>	<b>2,150,031</b>	<b>2,271,679</b>	<b>2,251,177</b>	<b>2,188,821</b>	<b>2,130,527</b>	<b>2,244,488</b>	<b>2,189,946</b>	<b>2,110,407</b>
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	15	67	227	675
Transfers	-	-	-	-	-	(3,896)	32,158	30,241	30,253	2,868
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,896)</b>	<b>32,173</b>	<b>30,308</b>	<b>30,480</b>	<b>3,543</b>
<b>Total Government-Wide</b>	<b>\$ 2,316,197</b>	<b>\$ 2,236,861</b>	<b>\$ 2,150,031</b>	<b>\$ 2,271,679</b>	<b>\$ 2,251,177</b>	<b>\$ 2,184,925</b>	<b>\$ 2,162,700</b>	<b>\$ 2,274,796</b>	<b>\$ 2,220,426</b>	<b>\$ 2,113,950</b>
<b>Change in Net Position:</b>										
Governmental Activities	\$ (48,154)	\$ (139,662)	\$ (185,407)	\$ (171,990)	\$ (2,278)	\$ 209,239	\$ (82,926)	\$ 27,952	\$ (43,637)	\$ (132,096)
Business-Type Activities	-	-	-	-	-	(3,896)	32,173	(2,377)	(1,053)	(26,177)
<b>Total Government-Wide</b>	<b>\$ (48,154)</b>	<b>\$ (139,662)</b>	<b>\$ (185,407)</b>	<b>\$ (171,990)</b>	<b>\$ (2,278)</b>	<b>\$ 205,343</b>	<b>\$ (50,753)</b>	<b>\$ 25,575</b>	<b>\$ (44,690)</b>	<b>\$ (158,273)</b>

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
FUND BALANCES AND GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 319,247	\$ 97,712	\$ 105,548	\$ 90,419	\$ 212,277
Restricted	-	10,000	25,689	99,039	-	-	-	-	-	-
Assigned	55,668	53,518	51,040	21,270	-	-	-	-	-	-
Unreserved/Unassigned	(3,539)	11,215	88,911	166,520	164,584	219,381	163,764	163,490	207,078	128,038
<b>Total General Fund</b>	<b>\$ 52,129</b>	<b>\$ 74,733</b>	<b>\$ 165,640</b>	<b>\$ 286,829</b>	<b>\$ 554,145</b>	<b>\$ 538,628</b>	<b>\$ 261,476</b>	<b>\$ 269,038</b>	<b>\$ 297,497</b>	<b>\$ 340,315</b>

All Other Governmental Funds:										
Unreserved, Reported in:	0	0	0	-	-	-	-	-	-	(406)
Special Revenue Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,106)	\$ (406)	\$ (406)
<b>Total All Other Governmental Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,106)</b>	<b>\$ (406)</b>	<b>\$ (406)</b>

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues:</b>										
Tax Levy	\$ 1,427,055	\$ 1,346,565	\$ 1,263,753	\$ 1,238,974	\$ 1,214,680	\$ 1,190,863	\$ 1,148,394	\$ 1,104,225	\$ 1,086,893	\$ 1,056,066
Tuition Charges	-	-	-	-	-	-	19,000	-	-	-
Miscellaneous	36,738	10,221	12,275	8,830	22,159	13,791	7,498	10,440	6,133	9,369
State Sources	1,171,885	1,101,688	1,074,666	1,083,372	1,037,238	1,048,921	907,000	1,048,020	1,203,121	1,163,238
Federal Sources	94,704	94,440	97,854	91,068	91,239	165,739	155,631	93,353	91,595	92,706
<b>Total Revenue</b>	<b>2,730,382</b>	<b>2,552,914</b>	<b>2,448,548</b>	<b>2,422,244</b>	<b>2,365,316</b>	<b>2,419,314</b>	<b>2,237,523</b>	<b>2,256,038</b>	<b>2,387,742</b>	<b>2,321,379</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	862,319	844,634	776,818	743,205	809,726	791,050	635,133	691,045	657,082	691,882
Special Education Instruction	316,680	247,650	274,427	235,803	140,070	136,446	160,110	127,023	146,123	140,371
Other Special Education Instruction	44,001	57,604	64,917	18,635	17,218	10,380	21,066	20,018	18,565	10,786
Other Instruction	23,746	19,664	20,404	20,282	16,772	9,241	8,924	9,511	10,621	-
<b>Support Services:</b>										
Tuition	2,822	2,681	-	37,514	-	-	136,317	105,733	21,109	97,378
Student & Instruction Related Services	283,001	329,639	327,533	328,677	311,226	247,962	270,743	331,692	327,577	308,644
School Administrative Services	66,317	64,217	63,377	62,995	60,790	58,770	58,038	25,682	23,916	28,809
General Administration Services	145,591	135,712	134,008	138,887	127,099	129,137	122,600	116,367	176,313	132,188
Plant Operations & Maintenance	201,760	205,875	204,159	208,628	211,694	207,895	218,556	212,673	235,747	211,192
Pupil Transportation	84,454	74,716	105,620	88,854	90,318	87,340	109,106	95,473	82,081	77,416
Employee Benefits	712,295	661,429	591,662	575,080	490,370	443,733	472,843	454,425	599,552	579,016
Special Schools	-	-	-	-	-	-	-	8,848	2,964	4,333
Capital Outlay	190,000	80,000	86,812	311,000	74,516	20,208	31,649	52,743	43,083	1
Debt Service:										
Principal	-	-	-	-	-	-	-	-	53,000	100,000
Interest & Other Charges	-	-	-	-	-	-	-	-	3,286	9,486
<b>Total Expenditures</b>	<b>2,932,986</b>	<b>2,723,821</b>	<b>2,649,737</b>	<b>2,769,560</b>	<b>2,349,799</b>	<b>2,142,162</b>	<b>2,245,085</b>	<b>2,251,233</b>	<b>2,401,019</b>	<b>2,391,502</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>(202,604)</b>	<b>(170,907)</b>	<b>(201,189)</b>	<b>(347,316)</b>	<b>15,517</b>	<b>277,152</b>	<b>(7,562)</b>	<b>4,805</b>	<b>(13,277)</b>	<b>(70,123)</b>
<b>Other Financing Sources/(Uses):</b>										
Capital Lease Proceeds	180,000	80,000	80,000	80,000	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	(32,518)	(30,241)	(30,253)
<b>Total Other Financing Sources/(Uses)</b>	<b>180,000</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32,518)</b>	<b>(30,241)</b>	<b>(30,253)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (22,604)</b>	<b>\$ (90,907)</b>	<b>\$ (121,189)</b>	<b>\$ (267,316)</b>	<b>\$ 15,517</b>	<b>\$ 277,152</b>	<b>\$ (7,562)</b>	<b>\$ (27,713)</b>	<b>\$ (43,518)</b>	<b>\$ (100,376)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	0%	0%	0%	0%	0%	0%	0%	0%	2.4%	4.8%

Source: District records

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

FISCAL YEAR ENDING JUNE 30,	TUITION	INTEREST	MISCELLANEOUS	TOTAL
2016	\$ -	\$ 329	\$ 3,129	\$ 3,458
2015	-	285	8,201	8,486
2014	-	463	3,413	3,876
2013	-	-	8,830	8,830
2012	17,300	312	2,149	19,761
2011	-	441	13,350	13,791
2010	-	2,153	3,794	5,947
2009	-	8,580	1,860	10,440
2008	-	6,133	-	6,133
2007	-	9,433	716	10,149

Source: District records



### Revenue Capacity Information

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

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REGULAR	Q FARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED COUNTY EQUALIZED VALUE
2016	\$ 8,476,600	\$ 116,194,500	\$ 6,027,700	\$ 700,100	\$ 39,084,100	\$ -	\$ -	\$ 170,483,000	\$ 1,322,600	\$ 171,805,600	0.867	\$ 190,269,922
2015	8,666,300	117,283,100	5,093,100	707,180	27,354,100	-	-	159,103,780	1,041,300	160,145,080	0.883	177,090,274
2014 (r)	9,048,200	117,471,700	5,136,700	702,600	27,354,100	-	-	159,713,300	1,046,301	160,759,601	0.838	146,998,579
2013	11,631,100	142,805,600	5,791,500	711,600	27,120,500	-	-	188,060,300	1,079,636	189,139,936	0.669	201,074,666
2012	11,631,000	145,382,700	5,898,200	707,700	29,550,500	-	-	193,170,100	1,081,011	194,251,111	0.621	200,214,620
2011	11,565,700	146,447,200	6,148,600	562,700	29,554,500	-	-	194,278,700	1,109,485	195,388,185	0.637	201,671,353
2010	12,014,800	145,419,700	5,992,300	553,000	29,554,500	-	-	193,534,300	1,255,077	194,789,377	0.611	202,641,353
2009	11,725,900	147,096,800	6,195,400	553,000	32,054,500	-	-	197,625,600	1,327,381	198,952,981	0.577	187,362,785
2008	12,596,000	149,795,300	5,915,600	525,300	32,893,200	-	-	201,725,400	1,222,269	202,947,669	0.545	196,172,249
2007	N/A	N/A	N/A	N/A	N/A	N/A	N/A	73,472,301	N/A	N/A	1.471	191,833,684

(r) - Reassessment  
 Source: County Abstract of Rates & Municipal Tax Assessor

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
BASS RIVER TOWNSHIP  
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	Bass River Township School District Direct			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	TOWNSHIP OF BASS RIVER	BURLINGTON COUNTY	PINELANDS REGIONAL SCHOOL DISTRICT		
2016	0.867	0.000	0.867	0.156	0.387	0.693	2.103	
2015	0.883	0.000	0.883	0.156	0.461	0.703	2.203	
2014 (r)	0.838	0.000	0.838	0.131	0.419	0.648	2.036	
2013	0.669	0.000	0.669	0.107	0.357	0.513	1.646	
2012	0.637	0.000	0.637	0.056	0.372	0.494	1.559	
2011	0.621	0.000	0.621	0.041	0.376	0.474	1.512	
2010	0.611	0.000	0.611	0.042	0.394	0.479	1.526	
2009	0.577	0.000	0.577	0.012	0.353	0.433	1.375	
2008	0.545	0.000	0.545	0.011	0.377	0.404	1.337	
2007	1.401	0.070	1.471	0.000	1.003	0.996	3.470	

(r) Reassessment  
Source: Municipal Tax Collector

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAX PAYERS  
 CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2016			2007		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
NOT AVAILABLE						
Total	<u>\$0</u>		<u>0.00%</u>	<u>0</u>		<u>0.00%</u>

Source: Municipal Tax Assessor

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

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	
2016	\$ 1,427,055.00	\$ 1,427,055.00	100.00%	-
2015	1,346,565.00	1,346,565.00	100.00%	-
2014	1,263,753.00	1,263,753.00	100.00%	-
2013	1,238,974.00	1,135,726.00	91.67%	-
2012	1,214,680.00	1,214,680.00	100.00%	-
2011	2,954,269.00	2,805,337.00	94.96%	N/A
2010	2,985,799.00	2,811,748.00	94.17%	N/A
2009	2,735,750.00	2,535,476.00	92.69%	N/A
2008	2,716,927.00	2,449,045.00	93.14%	N/A
2007	2,585,501.00	2,281,897.00	94.72%	N/A

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

### Debt Capacity Information

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

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

<u>GOVERNMENTAL ACTIVITIES</u>						
FISCAL YEAR ENDED JUNE, 30	GENERAL OBLIGATION BONDS	CAPITAL LEASES	TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA PERSONAL INCOME	
2016	\$ -	\$ 241,390	\$ 241,390	N/A	N/A	
2015	-	341,874	341,874	N/A	N/A	
2014	-	163,277	163,277	N/A	N/A	
2013	-	294,012	294,012	569.37%	\$ 51,638	
2012	-	-	-	N/A	51,149	
2011	-	-	-	N/A	49,471	
2010	-	-	-	N/A	47,586	
2009	-	-	-	N/A	47,384	
2008	-	-	-	N/A	47,758	
2007	53,000	-	53,000	113.97%	46,295	

\* = The Per Capital Income information presented is for the entire County of Burlington.

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS				
2016	-	-	-	-	0.00%	N/A
2015	-	-	-	-	0.00%	N/A
2014	-	-	-	-	0.00%	N/A
2013	-	-	-	-	0.00%	\$ 51,638
2012	-	-	-	-	0.00%	51,149
2011	-	-	-	-	0.00%	49,471
2010	-	-	-	-	0.00%	47,586
2009	-	-	-	-	0.00%	47,384
2008	-	-	-	-	0.00%	47,758
2007	53,000	-	-	53,000	0.07%	46,295

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2016**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Local Municipality	\$ 452,828	100.00%	\$ 452,828
Pinelands Regional School District	6,628,000	5.89%	390,389
County of Burlington	303,356,410	0.39%	<u>1,196,444</u>
Subtotal, Overlapping Debt			2,039,661
Local School District Direct Debt			<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ 2,039,661</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

(Dollars in Thousands)

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 4,406,656	\$ 4,445,108	\$ 4,544,568	\$ 4,804,139	\$ 4,846,216	\$ 4,844,320	\$ 4,860,064	\$ 4,588,380	\$ 4,086,104	\$ 3,377,435
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	53,000
Legal Debt Margin	\$ 4,406,656	\$ 4,445,108	\$ 4,544,568	\$ 4,804,139	\$ 4,846,216	\$ 4,844,320	\$ 4,860,064	\$ 4,588,380	\$ 4,086,104	\$ 3,324,435
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%	1.57%

**Legal Debt Margin Calculation for Fiscal Year 2014**

Equalized Valuation Basis	
2015	\$ 177,090,274
2014	176,556,821
2013	175,151,625
	<u>\$ 528,798,720</u>
Average Equalized Valuation of Taxable Property	<u>\$ 176,266,240</u>
Debt Limit (2.50% of Average Equalization Value) Net Bonded School Debt	\$ 4,406,656
Legal Debt Margin	<u>\$ 4,406,656</u>

**Source:** Equalized valuation bases were obtained from the Annual Report of the State of New Jersey Department of Treasury, Division of Taxation

## Demographic and Economic Information

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

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
<b>BASS RIVER TOWNSHIP</b>				
2016	1,443	N/A	N/A	4.2%
2015	1,510	N/A	N/A	6.5%
2014	1,442	N/A	N/A	10.5%
2013	1,446	\$ 74,668,548	\$ 51,638	12.3%
2012	1,449	74,114,901	51,149	9.2%
2011	1,450	71,732,950	49,471	9.0%
2010	1,444	68,714,184	47,586	9.0%
2009	1,541	73,018,744	47,384	8.7%
2008	1,547	73,881,626	47,758	5.1%
2007	1,551	71,803,545	46,295	3.7%

\* 2010 Census

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO**

NOT AVAILABLE

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### Operating Information

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

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction:										
Regular	14.0	12.0	12.0	11.0	11.5	11.4	11.4	11.4	11.4	11.9
Special Education	3.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0
Other Special Education Instruction	3.0	3.0	2.0	2.0	0.8	0.8	0.8	0.8	0.8	0.6
Support Services:										
Student & Instruction Related Services	2.0	3.0	3.0	3.0	3.2	3.2	3.2	4.2	3.4	4.2
General Administrative Services	1.5	1.5	1.5	1.5	1.7	1.7	1.7	1.7	1.0	1.0
School Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.5
Business Administrative Services					0.0					
Plant Operations & Maintenance	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Other Support Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Food Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	1.6	1.6
<b>Total</b>	<b>29.0</b>	<b>29.0</b>	<b>28.0</b>	<b>27.0</b>	<b>26.7</b>	<b>25.6</b>	<b>25.6</b>	<b>28.2</b>	<b>26.7</b>	<b>29.3</b>

**Source:** District Personnel Records

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY SCHOOL	SCHOOL				
2016	106	\$2,742,986	25,877	7.67%	17	1:7.5	109.5	102.7	-0.54%	93.79%	
2015	110	2,643,821	24,035	5.97%	19	1:08	110.1	109.3	1.10%	94.47%	
2014	113	2,562,925	22,681	16.24%	19	1:06	108.9	102.9	-11.82%	94.49%	
2013	126	2,458,560	19,512	16.63%	18	1:07	123.5	117.8	10.29%	95.38%	
2012	136	2,275,283	16,730	-4.60%	22	1:03	131.8	126.0	-6.40%	92.45%	
2011	121	2,121,954	17,537	-0.96%	18	1:07	119.5	113.5	-18.80%	93.75%	
2010	125	2,213,436	17,707	1.49%	18	1:08	127.7	120.0	-15.74%	93.75%	
2009	126	2,198,490	17,448	5.17%	20	1:16	107.0	101.3	-1.55%	91.34%	
2008	127	2,106,985	16,590	-4.76%	20	1:16	127.0	116.0	3.70%	91.34%	
2007	131	2,282,015	17,420	12.74%	20	1:16	129.0	119.0	5.39%	92.30%	

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay

b Teaching staff includes only full-time equivalents of certificated staff

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEAR**

DISTRICT BUILDING	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Bass River Township Elementary School	45,299	45,299	45,299	45,299	45,299	45,299	45,299	45,299	45,299	45,299
Square Feet	205	205	205	205	205	205	205	205	205	205
Capacity (Students)	110	113	113	126	136	121	119	126	127	131
Enrollment										

Number of Schools at June 30, 2015:  
 Elementary School = 1  
 Middle School = 0  
 High School = 0  
 Other = 0

**Source:** District Facilities Office

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED MAINTENANCE  
 LAST TEN FISCAL YEARS**

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

**\* School Facilities**  
 Project Numbers

Bass River Township  
 Elementary School  
 4950-060-04-1000

2016	\$	14,623
2015		8,171
2014		15,708
2013		27,149
2012		33,161
2011		21,812
2010		31,488
2009		72,044
2008		31,393
2007		16,735

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2016**

COMPANY	TYPE OF COVERAGE	DEDUCTIBLE
School Package Policy		
NJ School Board Association	\$ 350,000,000	
Property-Blanket Building & Contents	5,668,437	1,000
Commercial General Liability		
General Aggregate	16,000,000	N/A
Products & Completed Operations Aggreg	16,000,000	N/A
Personal & Advertising Injury	16,000,000	N/A
Each Occurrence	16,000,000	N/A
Fire Damage (Any on Fire)	16,000,000	N/A
Medical Expense (Any one Person)	10,000	N/A
Professional Liability		
Coverage A - Each Policy Period	16,000,000	10,000/claim
Coverage B - Each Claim	100,000	
Coverage C - Each Policy Period	300,000	10,000/claim
Comprehensive Automobile Liability		
Hired & Non Owned Only	16,000,000	N/A
Commercial Crime Policy		
Money-All risk In/Out	25,000	500
Public Employee Dishonesty	500,000	1,000
Forgery & Altercation	100,000	500
Computer Fraud	100,000	500
Computer & Scheduled Equipment		
Utica National Ins Group- Commercial Inland Marine		
Computers	185,000	1,000
Commercial Articles	Included	
Boiler & Machinery- Hartford Stm Boiler		
Boiler & Machinery	100,000,000	1,000
Business Interruption	Included	12 hours
Property-Blanket Building & Contents	5,668,437	1,000
Commercial General Liability		
Extra Expense	10,000,000	
Service Interruption	10,000,000	24 hours
Accident & Health		
Berkely Accident & Health LLC		
Accident & Health	1,000,000	N/A
Accident & Health/Voluntary	500,000	N/A
Retained Limit		
Public Employee's Fidelity Bonds-		
Utica National Ins. Group		
Board Secretary	100,000	N/A
Treasurer of School Monies	180,000	N/A
Workers Compensation- NJ School Board Association		
Each Accident	2,000,000	N/A
Disease-Policy Limit	2,000,000	N/A
Disease-Each Employee	2,000,000	N/A

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**SINGLE AUDIT SECTION**

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EXHIBIT K-1

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

Honorable President and Members  
of the Board of Education  
Bass River Township School District  
County of Burlington  
New Gretna, New Jersey 08087

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 and business-type activities, each major fund and the aggregate remaining fund information of the Bass River Township School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Bass River Township School District’s basic financial statements, and have issued our report thereon dated November 14, 2016.

**Internal Control Over Financial Reporting**

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

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

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 Bass River Township School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and 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 not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines  
Certified Public Accountant  
Public School Accountant, No. 2198

Toms River, New Jersey  
November 14, 2016



HOLMAN | FRENIA  
ALLISON, P.C.

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EXHIBIT K-2

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

Honorable President and Members  
of the Board of Education  
Bass River Township School District  
County of Burlington  
New Gretna, New Jersey 08087

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

We have audited Bass River Township School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey 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, 2016. Bass River Township School District’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 Bass River Township School 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 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to

above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Bass River Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major State Program**

In our opinion, Bass River Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state program for the year ended June 30, 2016.

### **Report on Internal Control Over Compliance**

Management of Bass River Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Bass River Township School 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 the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Bass River Township School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines  
Certified Public Accountant  
Public School Accountant, No. 2198

Toms River, New Jersey  
November 14, 2016

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**Bass River Township School District  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2016**

**SCHEDULE A  
Exhibit K-3**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015	Cash Received	Total Budgetary Expenditures	Passed Through to Sub-recipients	Balance at June 30, 2016	
					From	To					Accounts Receivable	Unearned Revenue
<b>U.S. Department of Education</b>												
<b>Passed-through State Department of Education</b>												
Special Revenue Fund:												
Title I, Part A												
84-010A	S010A150030		NCLB-xxxx-16	25,027	9/1/15	8/31/16	\$ -	\$ 25,027	\$ (25,027)	\$ -	\$ -	\$ -
84-367A	S367A150029		NCLB-xxxx-16	4,782	9/1/15	8/31/16	-	4,782	(4,782)	-	-	-
84-358B	S358B150030		NCLB-xxxx-16	15,187	9/1/15	8/31/16	-	13,668	(15,187)	-	(1,519)	-
Special Education Cluster												
84-027	H027A150100		IDEA-xxxx-16	46,151	9/1/15	8/31/16	-	46,151	(46,151)	-	-	-
84-173	H173A150114		IDEA-xxxx-16	3,557	9/1/14	8/31/15	-	3,557	(3,557)	-	-	-
Total Special Education Cluster												
Total Special Revenue Fund												
								93,185	(94,704)	-	(1,519)	-
<b>Total Federal Financial Assistance</b>								\$ 93,185	\$ (94,704)	\$ -	\$ (1,519)	\$ -

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

Bass River Township School District  
Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2016

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Unearned Revenue (Accts Receivable)	Due to Grantor	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures Pass through Funds	Balance at June 30, 2016		Due to Grantor	MEMO	
			From	To						Intergovernmental (Accounts Receivable)	Unearned Revenue/ Interfund Payable		Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>														
<b>General Fund:</b>														
Equalization Aid	16-495-034-5120-078	\$ 638,484	7/1/15	6/30/16	\$ -	\$ -	\$ 638,484	\$ (638,484)	\$ -	\$ -	\$ -	\$ -	\$ (63,649)	\$ 638,484
Special Education Categorical Aid	16-495-034-5120-089	67,203	7/1/15	6/30/16	-	-	67,203	(67,203)	-	-	-	-	(6,700)	67,203
Security Aid	16-495-034-5120-084	22,124	7/1/15	6/30/16	-	-	22,124	(22,124)	-	-	-	-	(2,205)	22,124
Adjustment Aid	16-495-034-5120-085	129,586	7/1/15	6/30/16	-	-	129,586	(129,586)	-	-	-	-	(12,918)	129,586
Transportation Aid	16-495-034-5120-014	25,972	7/1/15	6/30/16	-	-	25,972	(25,972)	-	-	-	-	(2,589)	25,972
Per Pupil Growth Aid	16-495-034-5120-097	1,150	7/1/15	6/30/16	-	-	1,150	(1,150)	-	-	-	-	(115)	1,150
PARCC Readiness Aid	16-495-034-5120-098	1,150	7/1/15	6/30/16	-	-	1,150	(1,150)	-	-	-	-	(115)	1,150
On Behalf TPAF Pension Contributions	16-495-034-5095-001	92,344	7/1/15	6/30/16	-	-	92,344	(92,344)	-	-	-	-	-	92,344
On Behalf TPAF Post-Medical Contributions	16-495-034-5095-001	109,956	7/1/15	6/30/16	-	-	109,956	(109,956)	-	-	-	-	-	109,956
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	83,901	7/1/15	6/30/16	-	-	75,673	(83,901)	(8,228)	-	-	-	-	83,901
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	79,588	7/1/14	6/30/15	(4,011)	-	4,011	-	-	-	-	-	-	79,588
<b>Total General Fund</b>					(4,011)	-	1,167,653	(1,171,870)	(8,228)	-	-	-	(88,291)	1,251,458
<b>Total State Financial Assistance</b>					\$ (4,011)	\$ -	\$ 1,167,653	\$ (1,171,870)	\$ (8,228)	\$ -	\$ -	\$ -	\$ (88,291)	\$ 1,253,628

**Less: Awards Not Subject to Major Program Determination:**  
 On-Behalf TPAF Pension Contributions (92,344)  
 On-Behalf TPAF Post-Retirement Medical (109,956)

**Total for State Financial Assistance subject to Major Program Determination**  
 \$ (969,570)

**BASS RIVER TOWNSHIP SCHOOL DISTRICT****NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
AWARDS AND STATE FINANCIAL ASSISTANCE  
JUNE 30, 2016****Note 1. Basis of Presentation**

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

**Note 2. Summary of Significant Accounting Policies**

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 basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the state expenditures presented in the schedules of expenditures of federal awards and state financial assistance, the Bass River Township School District did not provide any federal or state awards to sub recipients.

Bass River Township School District has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

**Note 3. Relationship to Basic Financial Statements**

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

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
AWARDS AND STATE FINANCIAL ASSISTANCE  
JUNE 30, 2016**

**Note 3. Relationship to Basic Financial Statements (continued)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$15 for the General Fund and \$0 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 Fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<b>Federal</b>		<b>State</b>		<b>Total</b>
General Fund	\$ -		\$ 1,171,885		\$ 1,171,885
Special Revenue Fund	94,704		-		94,704
	<u>\$ 94,704</u>		<u>\$ 1,171,885</u>		<u>\$ 1,266,589</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**

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, 2016. TPAF social security contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

**Note 6. State Loans Outstanding**

The Bass River Township School District had no loan balances outstanding at June 30, 2016.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2016**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	None Reported

**Federal Awards – NOT APPLICABLE**

Internal Control over major programs:

- 1) Material weakness(es) identified?
- 2) Significant deficiencies identified that are not considered to be material weaknesses?

Type of auditor’s report issued on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200 Section .516(a) of the Uniform Guidance?

**Identification of major programs:**

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
NOT APPLICABLE		

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2016**

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance With New Jersey OMB Circular Letter 15-08	None Reported

**Identification of major programs:**

GMIS Number(s)	Name of State Program
16-495-034-5095-078	Equalization Aid
16-495-034-5120-089	Special Education Categorical Aid
16-495-034-5120-084	Categorical Security Aid
16-495-034-5120-085	Adjustment Aid
16-495-034-5120-098	PARCC Readiness Aid
16-495-034-5120-097	Per Pupil Growth Aid

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2016**

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 through 5.20 of *Government Auditing Standards*.

No Current Year Findings

**Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs**

This section identifies audit findings required to be reported by Uniform Guidance and New Jersey OMB's Circular Letter 15-08.

No Current Year Findings

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMET  
For the Fiscal Year Ended June 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards* and Uniform Guidance and New Jersey OMB's Circular 15-08.

Financial Statement Findings

**Finding 2015-001**

Condition:

One budgetary line account was over-expended during the fiscal year and at June 30, 2015.

Status:

This condition has been corrected.