

SCHOOL DISTRICT
OF THE
TOWN OF BELVIDERE

Town of Belvidere Board of Education
Belvidere, Warren County
New Jersey

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2016

Comprehensive Annual

Financial Report

of the

**Town of Belvidere Board of Education
Belvidere, New Jersey
For the Fiscal Year Ending June 30, 2016**

**Prepared by
Town of Belvidere Board of Education
Finance Department**

OUTLINE OF CAFR

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Introductory Section

TOWN OF BELVIDERE SCHOOL DISTRICT

809 Oxford Street, Belvidere, New Jersey 07823

Christopher Carrubba
Superintendent of Schools

Rachelle Tjalma
Business Administrator

Honorable President and
Members of the Board of Education
Town of Belvidere School District
Warren County, New Jersey

August 31, 2016

Dear Board Members:

The Comprehensive Annual Financial Report of the Belvidere School District for the fiscal year ended June 30, 2016 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Belvidere Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner 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 thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management requirements of 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 Treasury Circular Letter 15-08 OMB. "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit Section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Belvidere School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Belvidere Board of Education and its three schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and vocational, as well as special education for classified students. The District completed the 2015-16 fiscal year with an enrollment of 748 students, which is 25

students less than the previous year's enrollment. The following details the changes in student enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2011-12	803	-6.63%
2012-13	793	-1.24%
2013-14	737	-7.06%
2014-15	773	+4.88%
2015-16	748	-3.23%

2. ECONOMIC CONDITION AND OUTLOOK:

The economic condition of the Belvidere area remained stable during the 2015-16 school year with little evidence of any single factor having a major impact on the District's programs. Residential development in the area has been minimal and declining enrollment may be a facility consideration in the future.

3. MAJOR INITIATIVES:

Budgetary constraints prevented any major new initiatives in 2015-16. The District was able to maintain all existing programs and staffing and to address all ongoing facility maintenance concerns through careful monitoring of the budget. The continuing escalation of salaries and fringe benefits, primarily health insurance, consume approximately 85% of all available funds.

4. INTERNAL ACCOUNTING CONTROLS:

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs benefits requires estimates and judgments by management.

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

As part of the District's Single Audit described above, 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.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in

the annual appropriated budget. Annual appropriated budgets are adopted for the General Fund, and Special Revenue Fund. The final budget amount, as amended for the fiscal year, is reflected in the Financial Section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance totaling \$112,775 at June 30, 2015.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect Generally Accepted Accounting Principals, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds and account groups, as explained in Note 1 to the Financial Statements.

7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the Financial Section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the General and Special Revenue Fund revenues and expenditures for the fiscal year ended June 30, 2016 and the amount and percentage changes in relation to the previous year (see Exhibit B-2):

Revenues:				
<u>Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase Amount</u>	<u>(Decrease) Percent</u>
Local	8,804,479	66.70%	\$ 81,695	0.94%
State	4,170,543	31.59	116,775	2.88
Federal	<u>225,404</u>	<u>1.71</u>	<u>(1,617)</u>	<u>(0.71)</u>
Total	\$13,200,426	100.0%	\$ 196,853	1.51%

Expenditures:				
<u>Classification</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase Amount</u>	<u>(Decrease) Percent</u>
Current Expense				
Instruction	5,254,396	40.19%	\$ 107,612	2.09%
Undistributed	<u>7,522,590</u>	<u>57.54</u>	<u>401,811</u>	<u>5.64</u>
Total	12,776,986	97.72	509,423	4.15
Capital Outlay	70,331	0.54	(138,698)	(66.35)
Special Revenue	<u>227,304</u>	<u>1.74</u>	<u>(5,217)</u>	<u>(2.24)</u>
Total	\$13,074,621	100.0%	\$365,508	2.88%

8. DEBT ADMINISTRATION:

At June 30, 2016, the District had no outstanding bonded debt.

9. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in “Notes to the Financial Statements”, Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

10. RISK MANAGEMENT:

The Belvidere Board of Education carries various forms of insurance, including comprehensive property, general liability, automotive, excess liability, workers compensation and fidelity bonds as detailed in Exhibit J-13 of the Statistical Section.

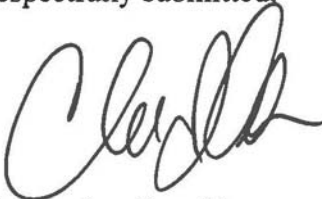
11. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito & Co., LLP was selected by the Belvidere Board of Education to perform the audit. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor’s report on the general purpose financial statements and the combining and individual fund statements and schedules is included in the Financial section of this report. The auditor’s reports related specifically to the Single Audit are included in the Single Audit Section of this report.

12. ACKNOWLEDGEMENT:

We would like to express our appreciation to the members of the Belvidere Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the Town of Belvidere and the cluster townships and for their full support to the development and maintenance of our financial operation.

Respectfully submitted,

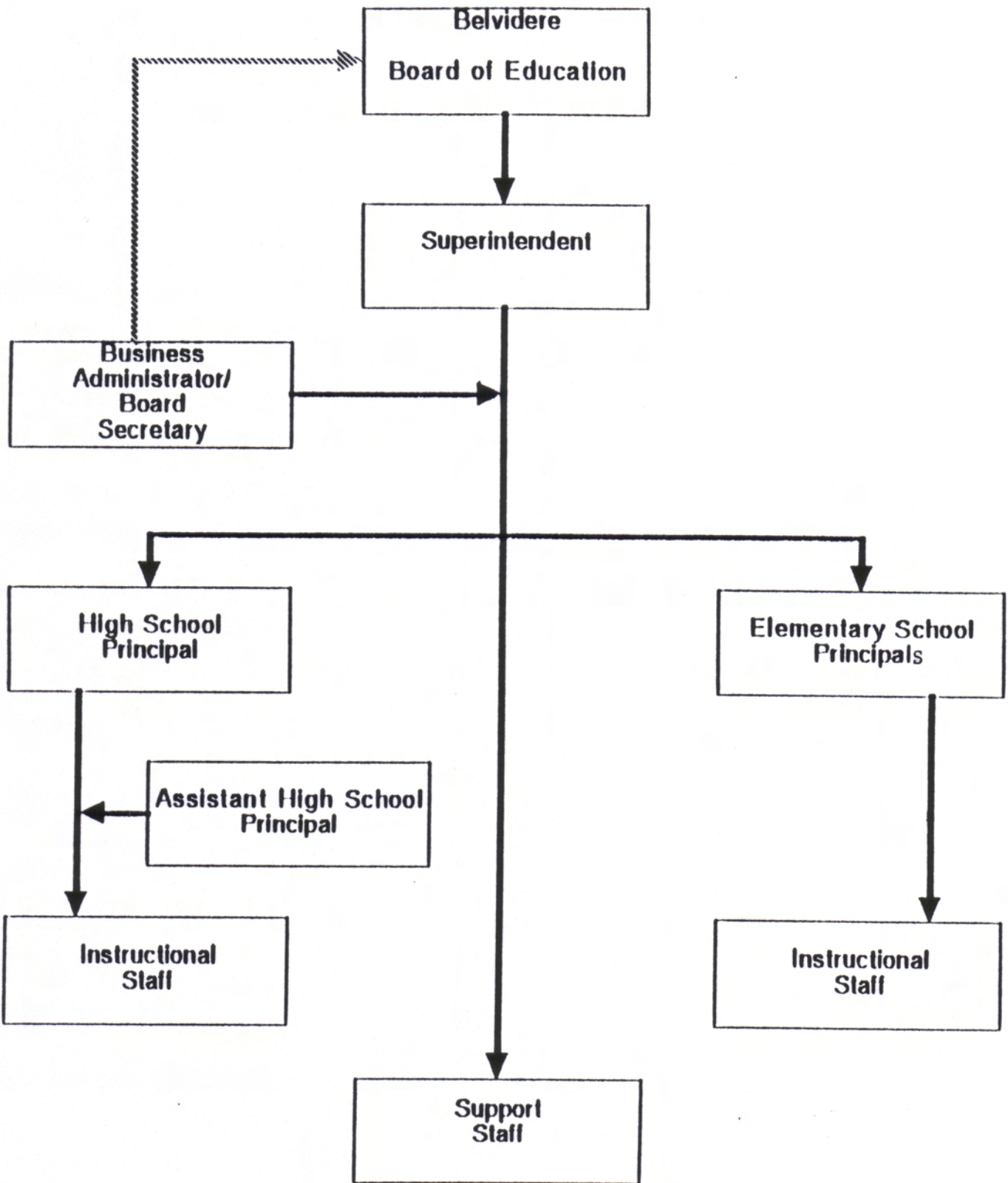


Christopher Carrubba
Superintendent of Schools



Rachelle Tjalma
Business Administrator / Board Secretary

ORGANIZATIONAL CHART OF THE BELVIDERE SCHOOL DISTRICT



BELVIDERE SCHOOL DISTRICT
Belvidere, New Jersey

ROSTER OF OFFICIALS

June 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Shawn McInerney, <i>President</i>	2016
Donald Mitchell, <i>Vice-President</i>	2016
Deborah L. Fuhrmann	2018
Robert Czopoth	2018
Maryann Stephen	2018
Robert Blum	2017
Kyle Dalrymple	2017
Brian Smith	2017
Angela Exley	2016
David Rader - White Township Representative	
John Lucas - Hope Township Representative	
Tadgh LaBar - Harmony Township Representative	
<u>Other Officials</u>	
Christopher Carrubba, <i>Superintendent</i>	
Rachelle Tjalma, CPA, <i>Business Administrator/Board Secretary</i>	
Randy Wilson, <i>Treasurer</i>	

**BELVIDERE SCHOOL DISTRICT
BOARD OF EDUCATION**

Consultants and Advisors

AUDIT FIRM

Ardito & Co., LLP
1110 Harrison Street
Frenchtown, New Jersey 08825-1192

BOARD ATTORNEY

Schwartz Simon Edelstein Celso & Kessler, LLP
100 S. Jefferson Rd., Suite 200
Whippany, NJ 07981

OFFICIAL DEPOSITORY

PNC Bank
101 Mansfield Street
Belvidere, New Jersey 07823

Financial Section

Independent Auditor's Report



ARDITO & Co., LLP

1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825-1192
908-996-4711 Fax: 908-996-4688
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA
Douglas R. Williams, CPA, RMA, PSA

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Belvidere School District
County of Warren
Belvidere, New Jersey 07823

Report on the Financial Statements

We have audited the accompanying financial statements of the government activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Belvidere School District Board of Education, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial

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

Opinions

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

Other Matters

Required Supplementary Information

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

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

Other Information

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

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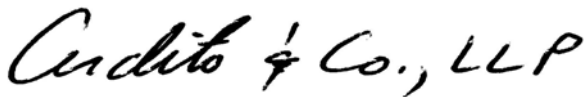
The combining and individual fund financial statement information, and the schedule of state financial assistance, as required by New Jersey OMB's Circulars 15-08, ***Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid***, are the responsibility of management and were derived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

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

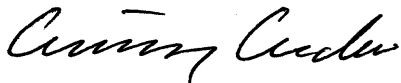
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2016, on our consideration of the Town of Belvidere School District Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



ARDITO & CO., LLP
August 31, 2016



Licensed Public School Accountant No. 2369

**Required Supplementary Information -
Part I**

Management's Discussion and Analysis

TOWN OF BELVIDERE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

The discussion and analysis of Belvidere School District's financial performance provides an overall review of the School District's financial activities for the fiscal 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 notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

- ◆ In total, Net Position decreased \$179,847 which represents a 23.0% decrease from 2015.
- ◆ General revenues accounted for \$3,643,628 in revenue or 31.2% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$8,052,884 or 68.8% of total revenues of \$11,696,512.
- ◆ Total assets of governmental activities decreased by \$207,087, as cash and cash equivalents increased by \$57,198, receivables decreased by \$14,444, and capital assets decreased by \$248,346.
- ◆ The School District had \$11,876,359 in expenses; only \$8,052,884 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$3,643,628 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$12,973,122 in revenues and \$12,847,317 in expenditures. The General Fund's surplus balance increased \$125,805 over 2015, which compares favorably to the budgeted decrease of \$500,000.

Using this Generally Accepted Accounting Principals Report (GAAP)

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

TOWN OF BELVIDERE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 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 companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 9. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

TOWN OF BELVIDERE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

Governmental Funds

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

The School District as a Whole

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

Table 1 provides a summary of the School District's Net Position for 2016 compared to 2015.

Table 1		
Net Position		
	<u>2016</u>	<u>2015</u>
Assets		
Current and Other Assets	\$ 1,776,916	\$ 1,735,657
Capital Assets	<u>1,570,939</u>	<u>1,819,285</u>
Total Assets	<u>3,347,855</u>	<u>3,554,942</u>
 Deferred Outflows of Resources	 <u>496,678</u>	 <u>191,330</u>
 Liabilities		
Long-Term Liabilities	35,328	40,901
Other Liabilities	<u>3,043,271</u>	<u>2,731,536</u>
Total Liabilities	<u>3,078,599</u>	<u>2,772,437</u>
 Deferred Inflows of Resources	 <u>163,184</u>	 <u>191,238</u>
 Net Position		
Invested in Capital Assets, Net of Debt	1,570,939	1,819,285
Restricted	1,310,574	1,398,000
Unrestricted	<u>(2,278,763)</u>	<u>(2,434,688)</u>
Total Net Position	<u>\$ 602,750</u>	<u>\$ 782,597</u>

TOWN OF BELVIDERE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

Total assets of governmental activities decreased by \$207,087, as cash and cash equivalents increased by \$57,198, receivables decreased by \$14,444, and capital assets decreased by \$248,346.

The decrease in capital assets was due entirely to depreciation expense.

Table 2 shows the changes in Net Position from fiscal year 2015.

Table 2
Changes in Net Position

	<u>2016</u>	<u>2015</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 5,409,298	\$ 5,357,204
Operating Grants and Contributions	2,643,586	5,800,731
General Revenues:		
Property Taxes	3,625,393	3,554,307
Investment Income	843	551
Other	<u>17,392</u>	<u>21,104</u>
Total Revenues	<u>11,696,512</u>	<u>14,733,897</u>
 Program Expenses		
Instruction	6,865,243	8,750,031
Support Services:		
Tuition	100,751	145,456
Pupils and Instructional Staff	1,428,396	1,868,617
General Administration, School Administration, Business	1,556,644	1,881,539
Operations and Maintenance of Facilities	1,470,116	1,472,010
Pupil Transportation	141,253	116,433
Business-Type Activities	312,508	283,051
Interest and Fiscal Charges	<u>1,448</u>	<u>1,448</u>
Total Expenses	<u>11,876,359</u>	<u>14,518,585</u>
 Increase in Net Position	 <u>\$ (179,847)</u>	 <u>\$ 215,312</u>

TOWN OF BELVIDERE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 31.0% percent of revenues for governmental activities for the Belvidere School District for the fiscal year 2016.

Instruction comprises 57.8% of district expenses. Support services expenses make up 39.6% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2015. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<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	\$ 6,865,243	\$ 1,811,899	\$8,750,031	\$1,570,989
Support Services:				
Tuition	100,751	100,751	145,456	145,456
Pupils and Instructional Staff	1,428,396	211,206	1,868,617	263,567
General Administration, School				
Administration, Business	1,556,644	480,114	1,881,539	357,676
Operation and Maintenance of Facilities	1,470,116	1,063,594	1,472,010	896,566
Pupil Transportation	141,253	141,253	116,433	116,433
Other Fiscal Charges	1,448	1,448	1,448	1,448
Business-Type Activities	<u>312,508</u>	<u>13,210</u>	<u>283,051</u>	<u>8,515</u>
Total Expenses	<u>\$11,876,359</u>	<u>\$3,823,475</u>	<u>\$14,518,585</u>	<u>\$3,360,650</u>

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

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

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

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

TOWN OF BELVIDERE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

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

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

The dependence upon tax revenues is apparent. Over 26.4% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 42.5%. The community, as a whole, is the primary support for the Belvidere School District.

The School District's Funds

Information about the School District's major funds starts on page 24. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$13,200,426 and expenditures of \$13,074,621. The General Fund's surplus balance increased \$125,805 over 2015, which compares favorably to the budgeted decrease of \$500,000.

General Fund Budgeting Highlights

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

During the course of the fiscal 2016 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$11,657,098, \$100,554 over original budgeted estimates of \$11,556,544. This difference was due primarily to additional tuition revenue.

General fund revenues exceeded expenditures by \$130,861. Again this surplus compares to a budgeted deficit of \$500,000, which was due to the budgeted use of surplus, net of budgeted capital reserve increases in the 2015-2016 budget. The budgeted deficit was reduced due to cost savings in the areas of Instruction, Related Services, Maintenance, and Benefits.

TOWN OF BELVIDERE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

Overall general fund balance (budget basis) was \$1,907,864, and amounts ear-marked and reserved for future purposes were \$1,659,926, creating a surplus in unreserved fund balance of \$247,938. Management believes the district can maintain unreserved fund balances at or near the statutory maximum 2% level of \$247,938.

Capital Assets

At the end of the fiscal year 2016, the School District had \$1,568,798 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2016 balances compared to 2015.

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

	<u>2016</u>	<u>2015</u>
Land	\$ 853,550	\$ 853,550
Land Improvements		
Buildings and Improvements	682,969	870,893
Machinery and Equipment	<u>32,279</u>	<u>88,211</u>
 Totals	 <u>\$ 1,568,798</u>	 <u>\$ 1,812,654</u>

Overall capital assets decreased \$243,856 from fiscal year 2015 to fiscal year 2016. The decrease in capital assets was due to depreciation expense for the year, net of capital additions.

Major capital improvements of \$53,262 were purchased during fiscal year 2016 and included the AHU condensing unit replacement, and other technical hardware equipment acquisitions.

Debt Administration

At June 30, 2016, the School District had \$35,328 as outstanding long term debt. Of this amount, \$35,328 is for compensated absences.

At June 30, 2016, the School District's overall legal debt margin was \$7,125,832 and the unvoted debt margin was the same.

TOWN OF BELVIDERE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

For the Future

The Belvidere School District is in sound financial condition presently. A concern is the potential for increased reliance on local property taxes with declining aid from the State of New Jersey.

It has been increasingly difficult to balance educational needs with increases in property tax rates and flat state aid. The Belvidere School District is primarily a residential community and the Warren County Seat, with very few ratables, thus the burden is focused on homeowners to bear the tax burden.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Rachelle Tjalma, School Business Administrator/Board Secretary at Belvidere School District, 809 Oxford Street, Belvidere, NJ 07823, or E-mail at rtjalma@belvideresd.org.

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

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

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2016

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 1,724,141	\$ 27,604	\$ 1,751,745
Receivables from Other Governments	2,522	1,745	4,267
Accounts Receivable Other	243		243
Interfunds Receivable		15,954	15,954
Inventory		4,707	4,707
Capital Assets, Net (Note 5):	1,568,798	2,141	1,570,939
Total Assets	3,295,704	52,151	3,347,855
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows		496,678	496,678
LIABILITIES			
Accounts Payable	74,193	7,429	81,622
Interfund Payable	15,954		15,954
Unearned Revenue	13,312	2,946	16,258
Net Pension Liability (Note 7)	2,929,437		2,929,437
Noncurrent Liabilities (Note 6):			
Due Within One Year			
Due Beyond One Year	35,328		35,328
Total Liabilities	3,068,224	10,375	3,078,599
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows		163,184	163,184
NET POSITION			
Invested in Capital Assets, Net of Related Debt	1,568,798	2,141	1,570,939
Restricted for:			
Other Purposes	1,310,574		1,310,574
Unrestricted	(2,318,398)	39,635	(2,278,763)
Total Net Position	\$ 560,974	\$ 41,776	\$ 602,750

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

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular	\$ 5,119,106	\$ 2,606,229	\$ 1,325,416		\$ (1,187,461)		\$ (1,187,461)
Special Education	1,215,591	768,967	352,732		(93,892)		(93,892)
Other Special Instruction	530,546				(530,546)		(530,546)
Support Services:							
Tuition	100,751				(100,751)		(100,751)
Student & Instruction Related Serv.	1,428,396	768,967	448,223		(211,206)		(211,206)
School Administrative Services	870,255	443,833	203,590		(222,832)		(222,832)
Business Administrative Services	686,389	294,169	134,938		(257,282)		(257,282)
Plant Operations and Maintenance	1,470,116	278,686	127,836		(1,063,594)		(1,063,594)
Pupil Transportation	141,253				(141,253)		(141,253)
Other Fiscal Charges	1,448				(1,448)		(1,448)
Total Governmental Activities	11,563,851	5,160,851	2,592,735		(3,810,265)		(3,810,265)
Business-Type Activities:							
Food Service	206,037	141,976	50,851			\$ (13,210)	(13,210)
Shared Services	106,471	106,471				-	-
Total Business-Type Activities	312,508	248,447	50,851	-	-	(13,210)	(13,210)
Total Primary Government	\$ 11,876,359	\$ 5,409,298	\$ 2,643,586		\$ (3,810,265)	\$ (13,210)	\$ (3,823,475)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 3,625,393		\$ 3,625,393
Investment Earnings					843		843
Miscellaneous Income					17,392		17,392
Total General Revenues, Special Items, Extraor. Items and Transfers					3,643,628		3,643,628
Change in Net Position					(166,637)	\$ (13,210)	(179,847)
Net Position—Beginning					727,611	54,986	782,597
Net Position—Ending					\$ 560,974	\$ 41,776	\$ 602,750

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

FUND FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2016

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,709,553	\$ 14,588	\$ 1,724,141
Other Receivables	243		243
Receivables from Other Governments	2,522		2,522
	<hr/>		<hr/>
TOTAL ASSETS	\$ 1,712,318	\$ 14,588	\$ 1,726,906
	<hr/>		<hr/>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 72,917	\$ 1,276	\$ 74,193
Deferred Revenue		13,312	13,312
Interfund Payable	15,954		15,954
Total Liabilities	<hr/>	<hr/>	<hr/>
	88,871	14,588	103,459
Fund Balances:			
<u>Restricted for:</u>			
Capital Reserve	387,574		387,574
Maintenance Reserve	623,000		623,000
<u>Assigned to:</u>			
Year-End Encumbrances	349,352		349,352
General Fund-Designated for Subsequent Year's Expend.	300,000		300,000
<u>Unassigned:</u>			
General Fund	(36,479)		(36,479)
Special Revenue Fund			
Total Fund Balances	<hr/>		<hr/>
	1,623,447		1,623,447
	<hr/>		<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,712,318	\$ 14,588	\$ 1,726,906
	<hr/>		<hr/>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$9,402,638 and the accumulated depreciation is \$7,833,840. (See Note 5) \$ 1,568,798

Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 7) 496,678

Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 7) (163,184)

Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7) (2,929,437)

Long-term liabilities, including Compensated Absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)

(35,328)

Net Position of governmental activities

\$ 560,974

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

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local sources:			
Local Tax Levy	\$ 3,625,393		\$ 3,625,393
Tuition	5,160,851		5,160,851
Miscellaneous	16,335	\$ 1,900	18,235
Total - Local Sources	<u>8,802,579</u>	<u>1,900</u>	<u>8,804,479</u>
State Sources	4,170,543		4,170,543
Federal Sources		225,404	225,404
Total Revenues	<u>12,973,122</u>	<u>227,304</u>	<u>13,200,426</u>
EXPENDITURES			
Current:			
Regular Instruction	3,812,846	131,813	3,944,659
Special Education Instruction	911,004		911,004
Other Special Instruction	530,546		530,546
Support services and undistributed costs:			
Tuition	100,751		100,751
Student and Instruction Related Services	1,021,484	95,491	1,116,975
School Administrative Services	694,869		694,869
Other Administrative Services	574,854		574,854
Plant Operations and Maintenance	1,330,126		1,330,126
Pupil Transportation	141,253		141,253
Unallocated Benefits	3,651,142		3,651,142
Transfer to Charter School	8,111		8,111
Capital Outlay	<u>70,331</u>		<u>70,331</u>
Total Expenditures	<u>12,847,317</u>	<u>227,304</u>	<u>13,074,621</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>125,805</u>		<u>125,805</u>
Net Change in Fund Balances	125,805		125,805
Fund Balance—July 1	1,497,642		1,497,642
Fund Balance—June 30	<u>\$ 1,623,447</u>	<u>-</u>	<u>\$ 1,623,447</u>

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

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit B-3

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

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 125,805

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	\$ (297,118)	
Capital Outlays	<u>53,262</u>	(243,856)

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

(54,159)

Repayment of long-term liabilities, such as 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.

5,573

Change in Net Position of Governmental Activities \$ (166,637)

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

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
PROPRIETARY FUNDS

June 30, 2016

Business-Type Activities-
Enterprise Funds

	<u>Food Service</u>	<u>Shared Services</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 20,175	\$ 7,429	\$ 27,604
Accounts Receivable-Federal and State	1,745		1,745
Interfund Receivables	15,954		15,954
Inventories	4,707		4,707
Total Current Assets	42,581	7,429	50,010
Noncurrent Assets:			
Furniture, Machinery and Equipment	220,472		220,472
Less Accumulated Depreciation	(218,331)		(218,331)
Total Noncurrent Assets	2,141		2,141
Total Assets	44,722	7,429	52,151
LIABILITIES			
Current liabilities:			
Accounts Payable		7,429	7,429
Deferred Revenue	2,946		2,946
Total Current Liabilities	2,946	7,429	10,375
Total Liabilities	2,946	7,429	10,375
NET POSITION			
Invested in Capital Assets Net of Related Debt	2,141		2,141
Unrestricted	39,635		39,635
Total Net Position	\$ 41,776	\$ -	\$ 41,776

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities - Enterprise Fund		
	Food Service	Shared Services	Total Enterprise
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 70,808	-	\$ 70,808
Daily Sales - Non-Reimb. Programs	66,716	-	66,716
Miscellaneous	4,452	\$ 106,471	110,923
Total Operating Revenues	141,976	106,471	248,447
Operating Expenses:			
Cost of Sales	90,433		90,433
Salaries	70,422	106,471	176,893
Employee Benefits	17,971		17,971
Other Purchased Professional Services	10,867		10,867
Miscellaneous	11,855		11,855
Depreciation	4,489		4,489
Total Operating Expenses	206,037	\$ 106,471	312,508
Operating Income (Loss)	(64,061)		(64,061)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	1,753		1,753
Federal Sources:			
National School Lunch Program	46,152		46,152
Food Distribution Program	2,946		2,946
Total Nonoperating Revenues (Expenses)	50,851		50,851
Income (Loss) Before Contributions and Transfers	(13,210)		(13,210)
Transfers In (Out)			
Change in Net Position	(13,210)		(13,210)
Total Net Position—Beginning	54,986		54,986
Total Net Position—Ending	\$ 41,776	-	\$ 41,776

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

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit B-6

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended June 30, 2016

	Business-Type Activities- Enterprise Funds		
	Food Service	Shared Services	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 141,916	\$ 113,900	\$ 255,816
Payments to Employees	(70,422)	(106,471)	(176,893)
Payments for Employee Benefits	(17,971)		(17,971)
Payments to Suppliers	(111,680)		(111,680)
Net Cash Provided by (used for) Operating Activities	(58,157)	7,429	(50,728)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal Subsidy	45,508		45,508
State Subsidy	1,729		1,729
Net Cash Provided by (used for) Non-Capital Financing Activities	47,237		47,237
Net Increase (Decrease) in Cash and Cash Equivalents	(10,920)	7,429	(3,491)
Balances—Beginning of Year	31,095		31,095
Balances—End of Year	\$ 20,175	\$ 7,429	\$ 27,604
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:			
Operating Income (Loss)	(64,061)		(64,061)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	4,489		4,489
Federal Commodities	2,946		2,946
(Increase) Decrease in Accounts Receivable, Net	(3,026)		(3,026)
(Increase) Decrease in Inventories	1,495	7,429	8,924
Increase (Decrease) in Accounts Payable	-		-
Total Adjustments	5,904	7,429	13,333
Net Cash Provided by (used for) Operating Activities	\$ (58,157)	\$ 7,429	\$ (50,728)

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

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit B-7

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2016

	<u>Agency Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ <u>441,121</u>
Total Assets	\$ <u>441,121</u>
LIABILITIES	
Payroll Deductions and Withholdings	\$ 12,752
Accrued Salaries and Wages- Summer Payment Plan	284,823
Accounts Payable	-
Payable to Student Groups	<u>143,546</u>
Total Liabilities	\$ <u>441,121</u>

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

Notes to Financial Statements

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the CAFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, and GAASB No. 68, Accounting for Pensions, and amendment of GASB No. 27. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2015.

A. Reporting Entity:

The Belvidere School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms and three sending district members appointed annually. The purpose of the district is to educate students in grades K-12. The Belvidere School District had an approximate enrollment at June 30, 2016, of 742 students.

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

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

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

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

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

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

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

GOVERNMENTAL FUNDS

The District reports the following governmental funds:

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

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

GOVERNMENTAL FUNDS (Continued)

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

PROPRIETARY FUNDS

The District reports the following proprietary fund:

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

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the District reports the following fund type:

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

Basis of Accounting

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

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

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

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

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

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets/Budgetary Control:

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

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

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

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

D. Encumbrance Accounting:

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

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

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

TOWN OF BELVIDERE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

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

Interfund Transactions:

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

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

Inventories:

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

Allowance for Uncollectible Accounts:

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

Capital Assets:

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

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

<u>Class</u>	<u>Estimated Useful Lives</u>
School	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

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

Compensated Absences:

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after ten years of service and upon becoming eligible for retirement, generally twenty-five years of service.

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

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

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

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

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Net Position:

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

Fund Balance Reserves:

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

Revenues—Exchange and Nonexchange Transactions

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

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

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

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

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

NOTE 2: CASH AND CASH EQUIVALENTS

Deposits:

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

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository

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

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

TOWN OF BELVIDERE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2016, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2016, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents (A-1)</u>	<u>Cash and Cash Equivalents (B-7)</u>	Total
Checking	\$ 1,751,745	\$ 441,121	\$2,192,866
	<u>\$1,751,745</u>	<u>\$ 441,121</u>	<u>\$2,192,866</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2016, was \$2,192,866 and the bank balance was \$2,476,646. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$2,226,646 was covered by collateral pool.

NOTE 3: RECEIVABLES

Receivables at June 30, 2016, consisted of tuition accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Government-Wide Financial Statements</u>
State Government	\$ 2,522	\$ 2,585
Federal Government	<u>-</u>	<u>1,682</u>
Gross Receivable	2,522	4,267
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 2,522</u>	<u>\$ 4,267</u>

TOWN OF BELVIDERE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 4: INVENTORY

Inventory in the Food Service Fund at June 30, 2016 consisted of the following:

Food	\$ 4,089
Supplies	618
	<u>\$ 4,707</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

NOTE 5: CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 853,550			\$ 853,550
Total Capital Assets Not Being Depreciated	<u>853,550</u>	-		<u>853,550</u>
<i>Capital Assets Being Depreciated:</i>				
Buildings and Building Improvements	7,375,453	\$ 53,262		7,428,715
Machinery and Equipment	1,120,373	-		1,120,373
Total at Historical Cost	<u>8,495,826</u>	<u>53,262</u>		<u>8,549,088</u>
Less Accumulated Depreciation for:				
Building and Improvements	(6,504,560)	(241,186)		(6,745,746)
Equipment	(1,032,162)	(55,932)		(1,088,094)
Total Accumulated Depreciation	<u>(7,536,722)</u>	<u>(297,118)</u>		<u>(7,833,840)</u>
Total Capital Assets Being Depreciated, net of Accum. Depreciation	<u>959,104</u>	<u>(243,856)</u>		<u>715,248</u>
Government Activity Capital Assets, Net	<u>\$ 1,812,654</u>	<u>\$ (243,856)</u>		<u>\$ 1,568,798</u>

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

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 196,989
Special Education	20,798
Support Services	27,632
General Administration	2,971
School Administration	11,588
Maintenance and Plant	37,140
Total	<u>\$ 297,118</u>

TOWN OF BELVIDERE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 6: LONG-TERM OBLIGATIONS

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

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2016, are as follows:

	Balance <u>7/1/15</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/16</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Compensated Absences Payable	\$ 40,901		\$ 5,573	\$ 35,328	
Total Other Liabilities	\$ 40,901	-	\$ 5,573	\$ 35,328	-

Compensated absences, separation agreement payments and tuition adjustment credits have been liquidated in the General Fund.

NOTE 7: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

TOWN OF BELVIDERE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 7: PENSION PLANS (Continued)

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$36,436,093 as measured on June 30, 2015 and \$32,846,594 as measured on June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$2,224,752 and revenue of \$2,224,752 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2016 is based upon changes in the collective net pension liability with a measurement period of June 30, 2014 through June 30, 2015. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2014 and June 30, 2015.

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

	<u>6/30/2014</u>	<u>6/30/2015</u>
Collective deferred outflows of resources	\$2,306,623,861	\$7,521,378,257
Collective deferred inflows of resources	\$1,763,205,593	\$554,399,005
Collective net pension liability (Nonemployer-State of New Jersey)	\$53,446,745,367	\$63,204,270,305
State's portion of the net pension liability that was associated with the district	\$32,846,594	\$36,436,093
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.061457%	0.057648%

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

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

TOWN OF BELVIDERE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 7: PENSION PLANS (Continued)

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

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

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

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 7: PENSION PLANS (Continued)

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey at <http://www.state.nj.us/treasury/pensions/annrprts.shtml>.

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

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

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

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

At June 30, 2016, the District reported a liability of \$2,929,437 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2015 and 2014. At June 30, 2015, the District's proportion was 0.01305%, which was a decrease of 0.00053% from its proportion measured as of June 30, 2014.

TOWN OF BELVIDERE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 7: PENSION PLANS (Continued)

For the year ended June 30, 2016, the District recognized pension expense of \$167,143. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 69,886	-
Changes of assumptions	314,598	
Net difference between projected and actual earnings on pension plan investments		\$ 47,100
Changes in proportion and differences between District contributions and proportionate share of contributions		116,084
District contributions subsequent to the measurement date	112,194	
Total	\$ 496,678	\$ 163,184

\$112,194 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability measured as of June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2016	\$40,288
2017	40,288
2018	40,288
2019	64,165
2020	<u>36,272</u>
Total	<u>\$221,300</u>

	<u>6/30/2014</u>	<u>6/30/2015</u>
Collective deferred outflows of resources	\$952,194,675	\$3,578,755,666
Collective deferred inflows of resources	1,479,224,662	993,410,455
Collective net pension liability (Non State - Local Group)	\$18,722,735,003	\$22,447,996,119
District's portion of net pension liability	\$2,541,876	\$2,929,437
District's proportion %	0.01357641%	0.01304988%

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

Inflation:	3.04%
Salary Increases:	
2012-2021	2.15%-4.40% based on age
Therafter	3.15%-5.40% based on age
Investment Rate of Return:	7.90%

TOWN OF BELVIDERE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 7: PENSION PLANS (Continued)

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

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<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 I Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Discount rate. The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions.

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

TOWN OF BELVIDERE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 7: PENSION PLANS (Continued)

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(3.90%)</u>	<u>(4.90%)</u>	<u>(5.90%)</u>
District's proportionate share of the net pension liability	\$3,640,932	\$ 2,929,437	\$ 2,332,925

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

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

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

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

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

TOWN OF BELVIDERE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 7: PENSION PLANS (Continued)

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

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

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

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

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

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2016	\$112,194	100 %	-0-
6/30/2015	\$111,400	100	-0-
6/30/2014	\$104,151	100	-0-

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2016	\$923,479	100 %	-0-
6/30/2015	\$311,667	100	-0-
6/30/2014	\$686,268	100	-0-

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 7: PENSION PLANS (Continued)

During the fiscal year ended June 30, 2016, the State of New Jersey did contribute \$923,479 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$417,603 during the year ended June 30, 2016, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 8: 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 funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

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

NOTE 9: DEFERRED COMPENSATION

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

- Equitable Life
- Pioneer Funds
- Kemper Funds
- Oppenheimer Funds
- Vanguard Funds
- Siracusa

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 10: 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 ordinary sick pay and begin vesting with the employee after ten years of service and upon becoming eligible for retirement, generally twenty-five years of service.

The District adopted a Separation Agreement dated April 17, 2002, that provides to qualified district personnel that resign by a specified date, a terminal remuneration package payable based upon accumulated sick days and payable over four (4) calendar years.

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016, no liability existed for compensated absences in the proprietary fund types.

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.

NOTE 12: CONTINGENT LIABILITIES

GRANT PROGRAMS

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

LITIGATION

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

TOWN OF BELVIDERE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 13: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$1,623,447 General Fund fund balance at June 30, 2016, \$623,000 is reserved in the Maintenance Reserve Account, \$387,574 is reserved in the Capital Reserve Account, \$349,352 is reserved for encumbrances; \$300,000 has been appropriated and included as anticipated revenue as of June 30, 2017; and (\$36,479) is unreserved and undesignated.

NOTE 14: ACCRUED SALARIES AND WAGES

Certain District employees, who provide services to the District over the ten month academic year, have the option to have a percentage of their salary withheld, deposited in a trust account and disbursed over the summer months (summer pay plan). New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2016, the amount earned by these employees but not disbursed was \$284,823 (Exhibit H-4).

NOTE 15: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$0.

NOTE 16: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District Board of Education on June 16, 2010, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A: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	\$ 425,000
Withdrawals (6A:26-9.1(e))	(195,926)
Deposits (PL 2007 c.62 (A1)) - June 14, 2016 Board Resolution	<u>158,500</u>
Ending balance June 30, 2016	<u>\$ 387,574</u>

TOWN OF BELVIDERE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 17: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the School District Board of Education in fiscal year 2008, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning balance July 1, 2015	\$ 673,000
Deposits (PL 2007 c.62 (A1)) - June 14, 2016 Board Resolution	250,000
Budgeted Withdrawals	<u>(300,000)</u>
Ending balance June 30, 2016	<u>\$ 623,000</u>

NOTE 18: INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables as of June 30, 2016, are as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund		\$ 15,954
Enterprise Fund	\$ 15,954	
	<u>\$ 15,954</u>	<u>\$ 15,954</u>

The general fund interfund payable of \$15,954 is due to the enterprise fund for federal/state lunch subsidies.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,625,393		\$ 3,625,393	\$ 3,625,393	
Tuition	5,083,834		5,083,834	5,160,851	\$ 77,017
Miscellaneous	12,800		12,800	16,335	3,535
Total - Local Sources	<u>8,722,027</u>		<u>8,722,027</u>	<u>8,802,579</u>	<u>80,552</u>
State Sources:					
Equalization Aid	2,549,473		2,549,473	2,549,473	
Transportation Aid	1,860		1,860	1,860	
Special Education Aid	249,632		249,632	249,632	
Security Aid	8,387		8,387	8,387	
Addl Adjustment Aid	17,405		17,405	17,405	
PARCC Readiness Aid	3,880		3,880	3,880	
Per Pubil Growth Aid	3,880		3,880	3,880	
TPAF Pension (On-Behalf - Non-Budgeted)				401,538	401,538
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				501,939	501,939
TPAF Pension Non-contributory Insurance (On-Behalf - Non-Budgeted)				20,002	20,002
TPAF Social Security (Reimbursed - Non-Budgeted)				417,603	417,603
Total State Sources	<u>2,834,517</u>		<u>2,834,517</u>	<u>4,175,599</u>	<u>1,341,082</u>
TOTAL REVENUES	<u>11,556,544</u>		<u>11,556,544</u>	<u>12,978,178</u>	<u>1,421,634</u>

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	14,554		14,554	14,468	86
Kindergarten - Salaries of Teachers	52,036	(4,000)	48,036	47,829	207
Grades 1-5 - Salaries of Teachers	588,066	(2,828)	585,238	584,063	1,175
Grades 6-8 - Salaries of Teachers	594,863	17,575	612,438	612,438	
Grades 9-12 - Salaries of Teachers	2,329,163	(33,275)	2,295,888	2,291,490	4,398
Regular Programs - Home Instruction:					
Salaries of Teachers	8,000	3,594	11,594	11,594	
Purchased Professional-Educational Services	4,000	(3,066)	934	901	33
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	500	24,500	25,000		25,000
Purchased Services (300-500 series)	9,817	1,193	11,010	11,010	
General Supplies	312,750	(28,433)	284,317	235,957	48,360
Other Objects	3,700		3,700	3,096	604
TOTAL REGULAR PROGRAMS - INSTRUCTION	3,917,449	(24,740)	3,892,709	3,812,846	79,863
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	165,802	(27,210)	138,592	138,372	220
Other Salaries for Instruction	67,251	(26,790)	40,461	40,461	
General Supplies	5,500		5,500	4,622	878
Total Behavioral Disabilities	238,553	(54,000)	184,553	183,455	1,098
Resource Room/Resource Center:					
Salaries of Teachers	573,582	76,994	650,576	650,576	
Other Salaries for Instruction	15,000	38,466	53,466	51,499	1,967
General Supplies	8,000		8,000	5,570	2,430
Total Resource Room/Resource Center	596,582	115,460	712,042	707,645	4,397
Preschool Disabilities - Part-Time:					
Salaries of Teachers	18,054		18,054	17,303	751
Other Salaries for Instruction	6,971		6,971	1,083	5,888
General Supplies	2,000	1,150	3,150	1,518	1,632
Total Preschool Disabilities - Part-Time	27,025	1,150	28,175	19,904	8,271
TOTAL SPECIAL EDUCATION - INSTRUCTION	862,160	62,610	924,770	911,004	13,766

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	208,488	(86,460)	122,028	121,906	122
General Supplies	15,000		15,000	10,600	4,400
Total Basic Skills/Remedial - Instruction	223,488	(86,460)	137,028	132,506	4,522
School Sponsored Co/Extra Curricular Activities-Instruction:					
Salaries	59,388	2,884	62,272	62,272	
Supplies and Materials	350	(160)	190		190
Other Objects	5,200	(707)	4,493	2,280	2,213
Total School Sponsored Co/Extra Curricular Activities-Instr.	64,938	2,017	66,955	64,552	2,403
School Sponsored Athletics-Instruction:					
Salaries	202,944	22,255	225,199	223,695	1,504
Purchased Services (300-500 series)	7,725		7,725	4,300	3,425
Supplies and Materials	46,075	5,888	51,963	49,786	2,177
Other Objects	107,486	(29,413)	78,073	55,707	22,366
Total School Sponsored Athletics-Instruction	364,230	(1,270)	362,960	333,488	29,472
TOTAL INSTRUCTION	5,432,265	(47,843)	5,384,422	5,254,396	130,026

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
UNDISTRIBUTED EXPENDITURES					
Instruction:					
Tuition to Other LEAs Within the State - Regular		215	215	214	1
Tuition to County Voc. School Dist - Regular	48,075	7,200	55,275	55,275	
Tuition to CSSD & Reg. Day Schools	1,987		1,987	1,987	
Tuition to Private School for the Disables W/I State		43,419	43,419	43,275	144
Total Instruction	50,062	50,834	100,896	100,751	145
Health Services:					
Salaries	196,959		196,959	160,070	36,889
Supplies and Materials	5,500		5,500	4,060	1,440
Other Objects	10,000	2,968	12,968	12,968	
Total Health Services	212,459	2,968	215,427	177,098	38,329
Other Supp. Services Students-Related Services:					
Salaries	61,746		61,746	61,024	722
Purchased Professional - Educational Services	59,500	(10,046)	49,454	41,841	7,613
Supplies and Materials	3,500		3,500	3,322	178
Total Other Supp. Services Students-Related Services	124,746	(10,046)	114,700	106,187	8,513
Other Supp. Services Students-Extra. Services:					
Other Salaries for Instruction	34,824	25,000	59,824	59,547	277
Supplies and Materials	500	800	1,300	938	362
Other Supp. Services Students-Extra. Services	35,324	25,800	61,124	60,485	639

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Supp. Services Students-Regular:					
Salaries of Other Professional Staff	159,267		159,267	159,252	15
Salaries of Secretarial and Clerical Assistants	39,640		39,640	39,285	355
Supplies and Materials	4,500	(438)	4,062	1,736	2,326
Other Objects	2,500	975	3,475	3,475	
Total Other Supp. Services Students-Regular	205,907	537	206,444	203,748	2,696
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	292,698	(4,233)	288,465	288,164	301
Purchased Professional - Educational Services	45,000	(40,464)	4,536	4,536	
Misc Pur Serv (400-500 series Other Than Resid Costs)	500		500	103	397
Supplies and Materials	3,000	7,000	10,000	9,809	191
Other Objects	10,000	(5,560)	4,440	391	4,049
Total Other Supp. Services Students-Special	351,198	(43,257)	307,941	303,003	4,938
Improvement of Instruction Services :					
Salaries of Other Professional Staff	13,000		13,000	10,151	2,849
Other Purch Prof. and Tech Services	2,100		2,100	1,973	127
Supplies and Materials	500		500	19	481
Total Improvement of Instruction Services	15,600		15,600	12,143	3,457
Educational Media Services/School Library:					
Salaries	104,581	165	104,746	104,745	1
Supplies and Materials	20,000	20,700	40,700	40,281	419
Other Objects	2,500	200	2,700	2,619	81
Total Educational Media Services/School Library	127,081	21,065	148,146	147,645	501
Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	10,000	2,650	12,650	11,175	1,475
Total Instructional Staff Training Services	10,000	2,650	12,650	11,175	1,475

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Supp. Services - General Administration:					
Salaries	140,508	9,791	150,299	150,299	
Legal Services	25,000	7,492	32,492	32,492	
Audit Services	23,000	1,152	24,152	24,152	
Communications/Telephone	47,095	(7,658)	39,437	39,436	1
BOE Other Purchased Services	500	494	994	965	29
Other Purchased Services (400-500 series)	28,351	5,347	33,698	33,635	63
General Supplies	2,500	1,700	4,200	3,711	489
BOE In-House Training/Meeting Supplies	250	194	444	244	200
Miscellaneous Expenditures	8,500	1,820	10,320	10,320	
BOE Membership Dues and Fees	13,500	193	13,693	13,693	
Total Supp. Services - General Administration	289,204	20,525	309,729	308,947	782
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	431,651	18,545	450,196	450,196	
Salaries of Secretarial and Clerical Assistants	211,985	2,000	213,985	211,299	2,686
Other Purchased Services (400-500 series)	1,500	1,084	2,584	2,422	162
Supplies and Materials	12,000	(204)	11,796	8,705	3,091
Other Objects	22,500	1,396	23,896	22,247	1,649
Total Support Services - School Administration	679,636	22,821	702,457	694,869	7,588
Central Services					
Salaries	168,733	(14,862)	153,871	152,240	1,631
Misc. Purchased Services (400-500)	1,000		1,000	836	164
Supplies and Materials	1,500	3,600	5,100	3,625	1,475
Other Objects	17,000	8,500	25,500	23,631	1,869
Total Central Services	188,233	(2,762)	185,471	180,332	5,139

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Admin. Info. Tech					
Salaries	55,613	8,222	63,835	63,835	
Supplies and Materials	5,000	6,651	11,651	5,251	6,400
Other Objects	23,600	(7,111)	16,489	16,489	
Total Admin. Info. Tech	84,213	7,762	91,975	85,575	6,400
Required Maintenance for School Facilities:					
Salaries	133,081	1,750	134,831	134,722	109
Cleaning, Repair and Maintenance Services	508,950	46,240	555,190	465,873	89,317
General Supplies	45,500	16,770	62,270	59,693	2,577
Total Required Maintenance for School Facilities	687,531	64,760	752,291	660,288	92,003
Other Operations and Maintenance of Plant:					
Salaries	320,480	(750)	319,730	304,655	15,075
Other Purchased Property Services	80,000	150	80,150	71,089	9,061
Insurance	53,985	500	54,485	54,036	449
Miscellaneous Purchased Services	250		250	103	147
General Supplies	27,000	188	27,188	18,301	8,887
Energy (Natural Gas)	105,000		105,000	78,062	26,938
Energy (Electricity)	200,000	15,000	215,000	142,991	72,009
Energy (Oil)	40,000	(19,000)	21,000	50	20,950
Gasoline	5,000		5,000	551	4,449
Total Other Operations and Maintenance of Plant	831,715	(3,912)	827,803	669,838	157,965
Student Transportation Services					
Contracted Services - Aid in Lieu of Payments-Charter Sch.	2,652		2,652	1,213	1,439
Contracted Services - Aid in Lieu of Payments-Choice Sch.	1,768		1,768		1,768
Contracted Services (Other than Bet. Home and School)-Vendors	65,000	4,409	69,409	69,409	
Contracted Services (Spl. Ed Students)-Vendors	50,000	22,000	72,000	70,631	1,369
Total Student Transportation Services	119,420	26,409	145,829	141,253	4,576

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
UNALLOCATED BENEFITS					
Social Security Contributions	150,000		150,000	137,277	12,723
Other Retirement Contributions - Regular	117,000	(2,000)	115,000	112,194	2,806
DCRP Contribution		2,000	2,000	1,737	263
Unemployment Compensation	31,000		31,000	29,741	1,259
Workmans Compensation	67,142		67,142	63,977	3,165
Health Benefits	2,032,800	(3,231)	2,029,569	1,920,175	109,394
Tuition Reimbursement	34,000	8,707	42,707	42,707	
Other Employee Benefits	27,030	(13,116)	13,914	2,252	11,662
TOTAL UNALLOCATED BENEFITS	2,458,972	(7,640)	2,451,332	2,310,060	141,272
On-behalf TPAF pension Contrib. (non-budgeted)				401,538	(401,538)
On-behalf TPAF PRM Contrib. (non-budgeted)				501,939	(501,939)
On-behalf TPAF pension Non-contributory Ins. (non-budgeted)				20,002	(20,002)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				417,603	(417,603)
TOTAL ON-BEHALF CONTRIBUTIONS				1,341,082	(1,341,082)
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	2,458,972	(7,640)	2,451,332	3,651,142	(1,199,810)
TOTAL UNDISTRIBUTED EXPENDITURES	6,471,301	178,514	6,649,815	7,514,479	(864,664)
TOTAL GENERAL CURRENT EXPENSE	11,903,566	130,671	12,034,237	12,768,875	(734,638)
CAPITAL OUTLAY					
Equipment					
Grades 9-12		2,600	2,600	2,599	1
School-Sponsored and Other Instructional Program		3,760	3,760	3,760	
Undistributed Expenditures-Operation and Maint. Of Plant	108,400	(24,860)	83,540	57,131	26,409
Total Equipment	108,400	(18,500)	89,900	63,490	26,410
Facilities Acquisition and Construction:					
Contruction Services		214,426	214,426	5,393	209,033
Other Objects	1,448		1,448	1,448	
Total Facilities Acquisition and Construction	1,448	214,426	215,874	6,841	209,033
TOTAL CAPITAL OUTLAY	109,848	195,926	305,774	70,331	235,443

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u> 70,330	Variance Final to Actual Favorable/ (Unfavorable)
Transfer to Charter School	43,130		43,130	8,111	35,019
TOTAL EXPENDITURES	12,056,544	326,597	12,383,141	12,847,317	(464,176)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500,000)	(326,597)	(826,597)	130,861	957,458
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(500,000)	(326,597)	(826,597)	130,861	957,458
Fund Balance, July 1	1,777,003		1,777,003	1,777,003	
Fund Balance, June 30	\$ 1,277,003	\$ (326,597)	\$ 950,406	\$ 1,907,864	\$ 957,458
Recapitulation:					
Restricted for:					
Capital Reserve				387,574	
Maintenance Reserve				623,000	
Assigned to:					
Year-End Encumbrances				349,352	
Designated for Subsequent Year's Expenditures				300,000	
Unassigned:					
Unrestricted Fund Balance				247,938	
Fund Balance per Governmental Funds(Budgetary Basis)				<u>1,907,864</u>	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				(284,417)	
Fund Balance per Governmental Funds(GAAP Basis)				<u>\$ 1,623,447</u>	

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources		\$ 1,900	\$ 1,900	\$ 1,900	
Federal Sources	\$ 180,100	58,616	238,716	238,716	
Total Revenues	180,100	60,516	240,616	240,616	-
EXPENDITURES:					
Instruction					
Salaries of Teachers	44,000	2,251	46,251	46,251	
Other Salaries for Instruction	90,000	(5,714)	84,286	84,286	
Other Purchased Serv. - Spec. Ed	-	92,456	92,456	92,456	
General Supplies	2,000	(165)	1,835	1,835	
Total Instruction	136,000	88,828	224,828	224,828	
Support Services					
Personal Services - Employee Benefits	8,100	3,735	11,835	11,835	
Other Purchased Services	36,000	(32,047)	3,953	3,953	
Total Support Services	44,100	(28,312)	15,788	15,788	
Total Expenditures	180,100	60,516	240,616	240,616	
Other Financing Sources (Uses)					
Total Other Financing Sources (Uses)					
Total Outflows					
	\$ 180,100	\$ 60,516	\$ 240,616	\$ 240,616	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					
Fund Balance per Governmental Funds(Budgetary Basis)					
					None
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis					
Fund Balance per Governmental Funds(GAAP Basis)					
					None

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

For the Fiscal Year Ended June 30, 2016

**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 (Exhibits C-1 and C-2, respectively)	\$ 12,978,178	\$ 240,616
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	N/A	(13,312)
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	279,361	
Adjustment for: Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(284,417)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 12,973,122</u>	<u>\$ 227,304</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 12,847,317	\$ 240,616
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	N/A	(13,312)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	<u> </u>	<u> </u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 12,847,317</u>	<u>\$ 227,304</u>

Belvidere School District
Required Supplementary Information - Part III
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years *

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A							
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A							
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 36,436,093</u>	<u>\$ 32,846,594</u>	<u>\$ 31,437,001</u>							
Total	<u>\$ 36,436,093</u>	<u>\$ 32,846,594</u>	<u>\$ 31,437,001</u>							
District's covered employee payroll	\$ 5,745,002	\$ 5,618,189	\$ 5,908,579							
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A							
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%							

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

Public Employees' Retirement System (PERS)

Exhibit L-1

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
District's proportion of the net pension liability (asset)	0.013050%	0.013576%	0.013823%							
District's proportionate share of the net pension liability (asset)	<u>\$ 2,929,437</u>	<u>\$ 2,541,876</u>	<u>\$ 2,641,787</u>							
District's covered employee payroll	\$ 1,522,140	\$ 1,376,850	\$ 1,358,909							
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	192.46%	184.62%	194.40%							
Plan fiduciary net position as a percentage of the total pension liability (Local)	47.92%	52.08%	48.72%							

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

**Belvidere School District
Required Supplementary Information - Part III
Schedule of District Contributions
Last Ten Fiscal Years ***

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually required contribution **	N/A	N/A	N/A							
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A							
Contribution deficiency (excess)	N/A	N/A	N/A							
District's covered employee payroll	\$ 5,745,002	\$ 5,618,189	\$ 5,908,579							
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A							

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

Public Employees' Retirement System (PERS)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually required contribution	\$ 112,194	\$ 104,151	\$ 111,037							
Contributions in relation to the contractually required contribution	<u>(112,194)</u>	<u>(104,151)</u>	<u>(111,037)</u>							
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>							
District's covered employee payroll	\$ 1,522,140	\$ 1,376,850	\$ 1,358,909							
Contributions as a percentage of covered-employee payroll	7.37%	7.56%	8.17%							

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

BELVIDERE SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III
Pension Schedules

For the Fiscal Year Ended June 30, 2016

Teachers' Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

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

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

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit E-1

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

For the Fiscal Year Ended June 30, 2016

	Title I Part A	Title II Part A	IDEA Basic	IDEA Preschool	NJSBAIG Grant	Totals
REVENUES						
Local Sources					\$ 1,900	\$ 1,900
Federal Sources	\$ 44,155	\$ 17,819	\$ 172,456	\$ 4,286		238,716
TOTAL REVENUES	44,155	17,819	172,456	4,286	1,900	240,616
EXPENDITURES:						
Instruction:						
Salaries of Teachers	32,105	14,146				46,251
Other Salaries for Instruction			80,000	4,286		84,286
Other Purchased Serv. - Spec. Ed Tuition			92,456			92,456
General Supplies	1,835					1,835
Total Instruction	33,940	14,146	172,456	4,286	-	224,828
Support Services:						
Personal Services - Employee Bene.	8,215	3,620				11,835
Other Purchased Services	2,000	53			1,900	3,953
Total Support Services	10,215	3,673	-	-	1,900	15,788
TOTAL EXPENDITURES	44,155	17,819	172,456	4,286	1,900	240,616
Other Financing Sources (Uses)						
Total Other Financing Sources (Uses)						
Total Outflows	44,155	17,819	172,456	4,286	1,900	240,616
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)						

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

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

N/A

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

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

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

Internal Services Fund - This fund provides for the operation of shared services for administrative salaries with Harmony Township School District.

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

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

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

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

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

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

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit H-1

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2016**

	AGENCY FUNDS		
	STUDENT	PAYROLL	
	ACTIVITY	AGENCY	TOTALS
ASSETS:			
Cash and Cash Equivalents	\$ 143,546	\$ 297,575	\$ 441,121
TOTAL ASSETS	<u>\$ 143,546</u>	<u>\$ 297,575</u>	<u>\$ 441,121</u>
LIABILITIES:			
Liabilities:			
Payroll Deductions and Withholdings		12,752	12,752
Accrued Salaries and Wages- Summer Payment Plan		284,823	284,823
Accounts Payable		-	-
Payable to Student Groups	143,546		143,546
Total Liabilities	<u>143,546</u>	<u>297,575</u>	<u>441,121</u>
NET POSITION	<hr/>		
TOTAL LIABILITIES AND NET POSITION	<u>\$ 143,546</u>	<u>\$ 297,575</u>	<u>\$ 441,121</u>

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit H-3

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

<u>ACTIVITY</u>	<u>BALANCE JULY 1, 2015</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE JUNE 30, 2016</u>
High School:				
Student Activities	\$ 87,723	\$ 252,079	\$ 228,109	\$ 111,693
Elementary School:				
Student Activities	28,491	47,934	48,037	28,388
Athletic Account:				
Student Activities	<u>1,840</u>	<u>35,000</u>	<u>33,375</u>	<u>3,465</u>
Totals	<u>\$ 118,054</u>	<u>\$ 335,013</u>	<u>\$ 309,521</u>	<u>\$ 143,546</u>

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit H-4

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

	BALANCE <u>July 1, 2015</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	BALANCE <u>June 30, 2016</u>
ASSETS:				
Cash and Cash Equivalents	\$ 271,709	\$ 13,066,835	\$ 13,040,969	\$ 297,575
Total Assets	<u>\$ 271,709</u>	<u>\$ 13,066,835</u>	<u>\$ 13,040,969</u>	<u>\$ 297,575</u>
LIABILITIES:				
Payroll Deductions & Withholdings	\$ 11,508	\$ 8,289,261	\$ 8,288,017	\$ 12,752
Accrued Salaries & Wages	-	4,492,753	4,492,753	-
Accrued Salaries & Wages-Summer Payment Plan	260,201	284,821	260,199	284,823
Accounts Payable	-	-	-	-
Total Liabilities	<u>\$ 271,709</u>	<u>\$ 13,066,835</u>	<u>\$ 13,040,969</u>	<u>\$ 297,575</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

N/A

Town of Belvidere School District
Statistical Section

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

Sources:

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

Town of Belvidere School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2014	2015	2015	2016
Governmental activities										
Invested in capital assets, net of related debt	\$ 2,123,421	\$ 2,160,164	\$ 2,099,120	\$ 2,199,595	\$ 2,092,423	\$ 2,008,480	\$ 1,986,620	\$ 1,891,365	\$ 1,812,654	\$ 1,568,798
Restricted	14,626	121,126	440,000	508,000	641,659	936,392	905,000	925,000	1,398,000	1,310,574
Unrestricted	(163,480)	133,284	(129,458)	29,920	37,051	391,121	117,418	217,227	(2,483,043)	(2,318,398)
Total governmental activities net position	<u>\$ 1,974,567</u>	<u>\$ 2,414,574</u>	<u>\$ 2,409,662</u>	<u>\$ 2,737,515</u>	<u>\$ 2,771,133</u>	<u>\$ 3,335,993</u>	<u>\$ 3,009,038</u>	<u>\$ 3,033,592</u>	<u>\$ 727,611</u>	<u>\$ 560,974</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 31,656	\$ 41,161	\$ 58,115	\$ 80,526	\$ 99,454	\$ 100,940	\$ 83,380	\$ 63,501	\$ 54,986	\$ 41,776
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total business-type activities net position	<u>\$ 31,656</u>	<u>\$ 41,161</u>	<u>\$ 58,115</u>	<u>\$ 80,526</u>	<u>\$ 99,454</u>	<u>\$ 100,940</u>	<u>\$ 83,380</u>	<u>\$ 63,501</u>	<u>\$ 54,986</u>	<u>\$ 41,776</u>
District-wide										
Invested in capital assets, net of related debt	\$ 2,155,077	\$ 2,201,325	\$ 2,157,235	\$ 2,280,121	\$ 2,191,877	\$ 2,109,420	\$ 2,070,000	\$ 1,954,866	\$ 1,867,640	\$ 1,610,574
Restricted	14,626	121,126	440,000	508,000	641,659	936,392	905,000	925,000	1,398,000	1,310,574
Unrestricted	(163,480)	133,284	(129,458)	29,920	37,051	391,121	117,418	217,227	(2,483,043)	(2,318,398)
Total district net position	<u>\$ 2,006,223</u>	<u>\$ 2,455,735</u>	<u>\$ 2,467,777</u>	<u>\$ 2,818,041</u>	<u>\$ 2,870,587</u>	<u>\$ 3,436,933</u>	<u>\$ 3,092,418</u>	<u>\$ 3,097,093</u>	<u>\$ 782,597</u>	<u>\$ 602,750</u>

Source: CAFR Schedule A-1

Town of Belvidere School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction										
Regular	\$ 5,011,600	\$ 5,179,426	\$ 5,284,809	\$ 5,484,330	\$ 5,479,092	\$ 5,645,113	\$ 5,960,899	\$ 5,602,210	\$ 6,704,378	\$ 5,119,106
Special education	1,364,535	1,466,435	1,494,811	1,550,795	1,375,200	1,402,835	1,351,784	1,323,646	1,540,037	1,215,591
Other special education	431,863	488,373	570,860	632,084	620,085	543,567	439,273	444,762	505,616	530,546
Support Services:										
Tuition	115,174	116,425	138,399	77,350	165,126	102,279	135,688	142,304	145,456	100,751
Student & instruction related services	1,404,111	1,500,204	1,489,057	1,672,266	1,676,564	1,614,451	1,670,787	1,590,942	1,868,617	1,428,396
General administrative services	905,570	944,226	941,591	954,675	998,454	941,163	955,374	882,892	1,082,428	870,255
School administrative services	668,104	665,600	675,432	691,394	709,807	684,400	688,695	727,140	799,111	686,389
Business administrative services	1,126,779	1,332,992	1,407,820	1,529,182	1,582,188	1,310,116	1,550,330	1,371,599	1,472,010	1,470,116
Plant operations and maintenance	119,955	99,043	97,499	132,244	140,663	89,756	96,423	90,605	116,433	141,253
Pupil transportation										
Other Fiscal Charges						1,055	1,448	1,448	1,448	1,448
Total governmental activities expenses	<u>11,147,691</u>	<u>11,792,724</u>	<u>12,100,278</u>	<u>12,724,320</u>	<u>12,747,179</u>	<u>12,334,735</u>	<u>12,850,701</u>	<u>12,177,548</u>	<u>14,235,534</u>	<u>11,563,851</u>
Business-type activities:										
Food service	320,936	308,598	301,750	303,068	291,388	290,261	239,013	218,098	218,013	206,037
Child Care										
Total business-type activities expense	<u>320,936</u>	<u>308,598</u>	<u>301,750</u>	<u>303,068</u>	<u>291,388</u>	<u>290,261</u>	<u>239,013</u>	<u>218,098</u>	<u>218,013</u>	<u>206,037</u>
Total district expenses	<u>\$ 11,468,627</u>	<u>\$ 12,101,322</u>	<u>\$ 12,402,028</u>	<u>\$ 13,027,388</u>	<u>\$ 13,038,567</u>	<u>\$ 12,624,996</u>	<u>\$ 13,089,714</u>	<u>\$ 12,395,646</u>	<u>\$ 14,453,547</u>	<u>\$ 11,769,888</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (regular & special education)	\$ 2,534,644	\$ 2,881,380	\$ 3,073,838	\$ 3,497,493	\$ 3,779,266	\$ 3,523,619	\$ 3,054,657	\$ 2,959,815	\$ 3,366,022	\$ 3,375,196
Business and other support services	1,340,958	1,524,399	1,626,220	1,850,355	1,999,428	1,864,178	1,616,073	1,565,895	1,780,800	1,785,655
Operating grants and contributions	4,315,056	4,403,390	4,000,673	4,352,108	3,731,653	4,127,041	4,361,829	4,107,550	5,736,577	2,592,735
Capital grants and contributions										
Total governmental activities program revenues	<u>8,190,658</u>	<u>8,809,169</u>	<u>8,700,731</u>	<u>9,699,956</u>	<u>9,510,347</u>	<u>9,514,838</u>	<u>9,032,559</u>	<u>8,633,260</u>	<u>10,883,399</u>	<u>7,753,586</u>
Business-type activities:										
Charges for services										
Food service	263,308	260,687	252,402	254,830	235,661	219,081	158,136	141,585	145,344	141,976
Operating grants and contributions	58,122	57,416	66,302	70,649	74,655	72,666	63,317	56,634	64,154	50,851
Capital grants and contributions										
Total business type activities program revenues	<u>321,430</u>	<u>318,103</u>	<u>318,704</u>	<u>325,479</u>	<u>310,316</u>	<u>291,747</u>	<u>221,453</u>	<u>198,219</u>	<u>209,498</u>	<u>192,827</u>
Total district program revenues	<u>\$ 8,512,088</u>	<u>\$ 9,127,272</u>	<u>\$ 9,019,435</u>	<u>\$ 10,025,435</u>	<u>\$ 9,820,663</u>	<u>\$ 9,806,585</u>	<u>\$ 9,254,012</u>	<u>\$ 8,831,479</u>	<u>\$ 11,092,897</u>	<u>\$ 7,946,413</u>

Continued

Town of Belvidere School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue										
Governmental activities	\$ (2,957,033)	\$ (2,983,555)	\$ (3,399,547)	\$ (3,024,364)	\$ (3,236,832)	\$ (2,819,897)	\$ (3,818,142)	\$ (3,544,288)	\$ (3,352,135)	\$ (3,810,265)
Business-type activities	494	9,505	16,954	22,411	18,928	1,486	(17,560)	(19,879)	(8,515)	(13,210)
Total district-wide net expense	<u>\$ (2,956,539)</u>	<u>\$ (2,974,050)</u>	<u>\$ (3,382,593)</u>	<u>\$ (3,001,953)</u>	<u>\$ (3,217,904)</u>	<u>\$ (2,818,411)</u>	<u>\$ (3,835,702)</u>	<u>\$ (3,564,167)</u>	<u>\$ (3,360,650)</u>	<u>\$ (3,823,475)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, \$	3,238,000	\$ 3,347,000	\$ 3,335,000	\$ 3,325,750	\$ 3,367,750	\$ 3,367,750	\$ 3,460,105	\$ 3,554,307	\$ 3,554,307	\$ 3,625,393
Unrestricted grants and contributions	34,839	(821)	-	-	-	-	-	-	-	-
Investment earnings	23,866	17,974	10,717	4,441	2,155	1,540	1,500	749	551	843
Miscellaneous income	43,410	59,409	48,918	22,026	21,101	15,467	29,582	13,786	21,104	17,392
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>3,340,115</u>	<u>3,423,562</u>	<u>3,394,635</u>	<u>3,352,217</u>	<u>3,391,006</u>	<u>3,384,757</u>	<u>3,491,187</u>	<u>3,568,842</u>	<u>3,575,962</u>	<u>3,643,628</u>
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 3,340,115</u>	<u>\$ 3,423,562</u>	<u>\$ 3,394,635</u>	<u>\$ 3,352,217</u>	<u>\$ 3,391,006</u>	<u>\$ 3,384,757</u>	<u>\$ 3,491,187</u>	<u>\$ 3,568,842</u>	<u>\$ 3,575,962</u>	<u>\$ 3,643,628</u>
Change in Net Position										
Governmental activities	\$ 383,082	\$ 440,007	\$ (4,912)	\$ 327,853	\$ 154,174	\$ 564,860	\$ (326,955)	\$ 24,554	\$ 223,827	\$ (166,637)
Business-type activities	494	9,505	16,954	22,411	18,928	1,486	(17,560)	(19,879)	(8,515)	(13,210)
Total district	<u>\$ 383,576</u>	<u>\$ 449,512</u>	<u>\$ 12,042</u>	<u>\$ 350,264</u>	<u>\$ 173,102</u>	<u>\$ 566,346</u>	<u>\$ (344,515)</u>	<u>\$ 4,675</u>	<u>\$ 215,312</u>	<u>\$ (179,847)</u>

Source: CAFR Schedule A-2

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

Exhibit J-3

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Fiscal Year Ending June 30,</u>		<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
					<u>2011</u>	<u>2012</u>				
General Fund										
Reserved	\$ 58,147	\$ 256,673	\$ 254,420	\$ 293,000	\$ 734,989	\$ 1,389,282	\$ 997,981	\$ 1,216,798	\$ 1,510,775	\$ 1,659,926
Unreserved	113,902	90,517	149,903	205,420	59,507	30,730	32,394	(13,616)	(13,133)	(36,479)
Total general fund	<u>\$ 172,049</u>	<u>\$ 347,190</u>	<u>\$ 404,323</u>	<u>\$ 498,420</u>	<u>\$ 794,496</u>	<u>\$ 1,420,012</u>	<u>\$ 1,030,375</u>	<u>\$ 1,203,182</u>	<u>\$ 1,497,642</u>	<u>\$ 1,623,447</u>
All Other Governmental Funds										
Reserved								-	-	-
Unreserved, reported in:										
Special revenue fund	\$ (843)	\$ (843)						-	-	-
Capital projects fund	59,716							-	-	-
Debt service fund								-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 58,873</u>	<u>\$ (843)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Source: CAFR Schedule B-1

**Town of Belvidere School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

Exhibit J-4

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues										
Tax levy	\$ 3,238,000	\$ 3,347,000	\$ 3,335,000	\$ 3,325,750	\$ 3,367,750	\$ 3,367,750	\$ 3,460,105	\$ 3,554,307	\$ 3,554,307	\$ 3,625,393
Tuition charges	3,591,834	4,122,012	4,700,058	5,347,848	5,778,694	5,387,797	4,670,730	4,525,710	5,146,822	5,160,851
Interest earnings							-	-	-	-
Miscellaneous	67,276	77,383	59,635	26,467	23,256	17,007	31,082	14,535	21,655	18,235
State sources	4,132,680	4,203,219	3,791,671	3,488,897	3,528,536	3,818,060	4,164,433	3,924,438	4,053,768	4,170,543
Federal sources	217,215	199,350	209,002	863,211	203,117	308,981	197,396	183,112	227,021	225,404
Total revenue	11,247,005	11,948,964	12,095,366	13,052,173	12,901,353	12,899,595	12,523,746	12,202,102	13,003,573	13,200,426
Expenditures										
Instruction										
Regular Instruction	3,385,080	3,503,786	3,813,265	3,992,437	3,946,058	3,981,591	4,057,411	3,765,222	4,059,976	3,944,659
Special education instruction	894,934	982,523	1,070,076	1,124,540	944,942	936,955	820,652	815,229	796,463	911,004
Other special instruction	431,863	488,373	570,860	632,084	620,085	543,567	439,273	444,762	505,616	530,546
Other instruction							-	-	-	-
Support Services:										
Tuition	115,174	116,425	138,399	77,350	165,126	102,279	135,688	142,304	145,456	100,751
Student & instruction related services	932,624	1,014,506	1,062,695	1,244,168	1,242,266	1,204,536	1,134,072	1,076,376	1,123,831	1,116,975
General administrative services	634,639	665,030	696,540	708,760	750,363	672,544	649,155	589,819	653,660	694,869
School Administrative services	489,834	481,781	514,136	529,674	548,159	509,509	489,583	537,131	519,552	574,854
Business administrative services							-	-	-	-
Plant operations and maintenance	948,418	1,149,885	1,246,841	1,482,283	1,408,757	1,121,493	1,333,656	1,160,703	1,173,455	1,330,126
Pupil transportation	119,955	99,043	97,499	132,244	140,663	89,756	96,423	90,605	116,433	141,253
Unallocated employee benefits	3,214,540	3,215,356	2,815,500	2,798,663	2,798,938	3,047,589	3,456,889	3,261,625	3,372,362	3,651,142
Charter School					8,659	9,126	28,265	21,959	33,280	8,111
Special Revenue										
Capital outlay	-	116,831	11,579	78,118	189,016	55,134	222,316	173,560	209,029	70,331
Debt service:										
Principal										
Interest and other charges										
Total expenditures	11,167,061	11,833,539	12,037,390	12,800,321	12,763,032	12,274,079	12,863,383	12,079,295	12,709,113	13,074,621
Excess (Deficiency) of revenues over (under) expenditures	79,944	115,425	57,976	251,852	138,321	625,516	(339,637)	122,807	294,460	125,805
Other Financing Sources (uses)										
Transfers in										
Transfers out										
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 79,944	\$ 115,425	\$ 57,976	\$ 251,852	\$ 138,321	\$ 625,516	\$ (339,637)	\$ 122,807	\$ 294,460	\$ 125,805
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: CAFR Schedule B-2

TOWN OF BELVIDERE SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>WCSSSD</u> <u>Room</u> <u>Rentals</u>	<u>Pepsi</u> <u>Commission</u>	<u>PCFA</u> <u>Lease</u>	<u>Athletics</u> <u>Cocurricular</u> <u>Events</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2007	\$ 23,866		\$ 11,845	\$ 6,627	\$ 5,500	\$ 12,122	\$ 3,591,834	\$ 7,316	\$ 3,659,110
2008	17,974		11,845	3,098		20,230	4,122,016	24,236	4,199,399
2009	10,717		12,200	2,845	5,500	12,099	4,700,058	16,274	4,759,693
2010	4,441		3,000	1,466	5,500	8,837	5,347,848	3,223	5,374,315
2011	2,155	\$ 2,599		1,474		13,626	5,778,694	3,402	5,801,950
2012	1,540	1,025		1,572		9,609	5,387,797	3,261	5,404,804
2013	1,500		17,000	940		10,766	4,670,730	876	4,701,812
2014	749	195		1,627		11,835	4,525,710	129	4,540,245
2015	551	185		1,991		13,327	5,146,822	101	5,162,977
2016	843	1,935		886		12,671	5,160,851		5,177,186

SOURCE: District Records

**Town of Belvidere School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years**

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <u>a</u>	Net Valuation Taxable	Total Direct School Tax Rate <u>b</u>	Estimated Actual (County Equalized Value)
2007	\$2,690,600	\$99,719,600	\$557,300	\$39,900	\$14,431,000	\$24,150,800	\$2,487,600	\$183,770,682	\$38,209,200	\$1,484,682	\$145,561,482	\$2.226	\$206,376,262
2008	2,725,600	100,123,800	557,300	39,900	14,722,600	24,150,800	2,488,700	184,090,032	37,953,400	1,327,932	146,136,632	2.292	265,418,997
2009	2,704,900	100,419,700	557,300	38,500	14,842,200	21,362,200	2,488,700	181,855,545	38,080,500	1,361,545	143,775,045	2.319	290,557,630
2010	2,630,700	100,914,900	557,300	38,500	14,246,700	20,762,200	2,878,200	181,054,008	38,117,500	908,008	142,936,508	2.327	295,794,971
2011	3,196,200	101,130,000	499,800	40,000	13,950,600	20,172,100	2,878,200	180,674,388	38,120,100	687,388	142,554,288	2.363	280,764,929
2012	3,225,200	101,204,500	512,800	40,000	13,855,900	15,497,100	2,878,200	175,884,521	38,119,600	551,221	137,764,921	2.444	263,927,541
2013	1,816,700	100,931,300	296,100	42,900	13,664,800	10,277,600	2,878,200	168,706,716	38,336,300	462,816	130,370,416	2.654	229,951,463
2014	1,814,600	100,889,900	512,800	42,900	13,572,699	9,480,450	2,878,200	167,720,312	38,119,600	409,163	129,600,712	2.743	200,659,426
2015	1,749,000	100,811,500	472,900	42,900	13,592,199	9,068,350	2,878,200	167,261,046	38,119,600	526,397	129,141,446	2.752	183,621,188
2016	1,730,000	100,588,199	472,900	42,900	13,154,599	8,993,350	2,878,200	166,506,200	38,119,600	526,452	128,386,600	2.824	175,682,635

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

**Town of Belvidere School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Exhibit J-7

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Belvidere Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Belvidere Town	Warren County	
2007	\$2.226	\$0.000	\$2.226	\$1.011	\$0.913	\$4.150
2008	\$2.292	\$0.000	\$2.292	\$1.072	\$1.016	\$4.380
2009	\$2.319	\$0.000	\$2.319	\$1.101	\$1.125	\$4.545
2010	\$2.327	\$0.000	\$2.327	\$1.198	\$1.129	\$4.654
2011	\$2.363	\$0.000	\$2.363	\$1.298	\$1.114	\$4.775
2012	\$2.444	\$0.000	\$2.444	\$1.323	\$1.115	\$4.882
2013	\$2.654	\$0.000	\$2.654	\$1.542	\$1.092	\$5.288
2014	\$2.743	\$0.000	\$2.743	\$1.605	\$0.880	\$5.228
2015	\$2.752	\$0.000	\$2.752	\$1.648	\$1.021	\$5.421
2016	\$2.824	\$0.000	\$2.824	\$1.646	\$0.989	\$5.459

Source: District Records and Municipal Tax Collector

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

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

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

**Town of Belvidere School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Exhibit J-8

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
DSM Nutritional Products, Inc.(formerly Hoffman LaRoche)	\$ 4,615,000	1	3.59%	\$ 9,297,000	1	6.74%
BASF Corp. Coating and Ink	1,505,250	2	1.17%	6,728,150	2	4.88%
Graham Packaging Plastic Products(formerly Owens Illinoise)	1,421,700	3	1.11%	2,597,900	3	1.88%
ADTI Housing Corp.	950,000	4	0.74%			
Sprint	712,800	5	0.56%	864,200	10	0.63%
3 Greenwich Street	665,900	6	0.52%			
Westgate Apartments, LLC	640,500	7	0.50%			
Individual Taxpayer #1	631,500	8	0.49%	1,513,700	5	1.10%
Transistor Devices Inc.	600,000	9	0.47%	887,900	8	0.64%
Individual Taxpayer #2	571,500	10	0.45%			
Georgia Pacific Corp.				1,008,600	7	0.73%
Embarq Corp.				1,745,174	4	1.27%
Belvidere Heights, Inc.				1,410,000	6	1.02%
Synergy Housing Development				875,000	9	0.63%
Total	\$ 12,314,150		9.59%	\$ 26,927,624		19.52%

Source: District CAFR & Municipal Tax Assessor

**Town of Belvidere School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$3,238,000	\$3,238,000	100.00%	-
2008	\$3,347,000	\$3,347,000	100.00%	-
2009	\$3,335,000	\$3,335,000	100.00%	-
2010	\$3,325,750	\$3,325,750	100.00%	-
2011	\$3,367,750	\$3,367,750	100.00%	-
2012	\$3,367,750	\$3,367,750	100.00%	-
2013	\$3,460,105	\$3,460,105	100.00%	-
2014	\$3,554,307	\$3,554,307	100.00%	-
2015	\$3,554,307	\$3,554,307	100.00%	-
2016	\$3,625,393	\$3,625,393	100.00%	-

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

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

**Town of Belvidere School District
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years**

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2007	-	-	-	-	-	-	N/A	N/A
2008	-	-	-	-	-	-	N/A	N/A
2009	-	-	-	-	-	-	N/A	N/A
2010	-	-	-	-	-	-	N/A	N/A
2011	-	-	-	-	-	-	N/A	N/A
2012	-	-	-	-	-	-	N/A	N/A
2013	-	-	-	-	-	-	N/A	N/A
2014	-	-	-	-	-	-	N/A	N/A
2015	-	-	-	-	-	-	N/A	N/A
2016	-	-	-	-	-	-	N/A	N/A

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

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

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

**Town of Belvidere School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	-0-	-0-	-0-	-0-	-0-
2008	-0-	-0-	-0-	-0-	-0-
2009	-0-	-0-	-0-	-0-	-0-
2010	-0-	-0-	-0-	-0-	-0-
2011	-0-	-0-	-0-	-0-	-0-
2012	-0-	-0-	-0-	-0-	-0-
2013	-0-	-0-	-0-	-0-	-0-
2014	-0-	-0-	-0-	-0-	-0-
2015	-0-	-0-	-0-	-0-	-0-
2016	-0-	-0-	-0-	-0-	-0-

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

**Town of Belvidere School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2016**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes Town of Belvidere	\$ 2,575,125	100%	\$ 2,575,125
Other debt Warren County	4,075,000	1.68%	<u>68,610</u>
Subtotal, overlapping debt			2,643,735
Town of Belvidere School District Direct Debt	None	100%	<u>None</u>
Total direct and overlapping debt			<u><u>\$ 2,643,735</u></u>

Sources: Belvidere Finance Officer, Warren County Finance Office and Utility Authorities

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

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

**Town of Belvidere School District
Legal Debt Margin Information,
Last Ten Fiscal Years**

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2016

	Equalized valuation basis
	2013 \$181,041,969
	2014 \$173,639,866
	2015 \$179,755,586
	[A] <u>\$534,437,421</u>
Average equalized valuation of taxable property	[A/3] \$ 178,145,807
Debt limit (4 % of average equalization value)	[B] 7,125,832
Net bonded school debt	[C] None
Legal debt margin	[B-C] <u>\$ 7,125,832</u>

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$9,137,095	\$10,314,221	\$11,205,373	\$11,433,034	\$11,433,034	\$10,435,285	\$9,394,774	\$8,233,950	\$7,370,698	\$7,125,832
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$9,137,095</u>	<u>\$10,314,221</u>	<u>\$11,205,373</u>	<u>\$11,433,034</u>	<u>\$11,433,034</u>	<u>\$10,435,285</u>	<u>\$9,394,774</u>	<u>\$8,233,950</u>	<u>\$7,370,698</u>	<u>\$7,125,832</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

**Town of Belvidere School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2007	2,670	\$111,931,740	\$41,922 R	5.1%
2008	2,650	\$116,221,050	\$43,857 R	6.8%
2009	2,642	\$112,794,906	\$42,693 R	11.9%
2010	2,632	\$113,668,184	\$43,187 R	12.2%
2011	2,677	\$120,242,809	\$44,917 R	11.3%
2012	2,657	\$122,679,004	\$46,172 R	11.0%
2013	2,635	\$122,514,325	\$46,495 R	4.0%
2014	2,611	\$127,012,095	\$48,645 R	6.0%
2015	2,610	\$126,963,450	\$48,645 *	5.3%
2016	2,607	\$126,817,515	\$48,645 *	*

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal Income provided by US Dept of Commerce

^c Per Capita provided by US Dept of Commerce

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

R =Revised

* Current data unavailable

**Town of Belvidere School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

Exhibit J-16

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	54.5	59.5	55.0	57.5	57.5	57.0	55.5	55.5	57.5	57.5
Special education	26.0	25.0	27.0	29.0	28.0	24.1	22.7	21.1	22.0	22.5
Support Services:										
Student & instruction related services	15.5	18.0	18.0	16.5	15.5	14.0	13.0	13.0	13.0	13.0
General administrative services	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
School administrative services	9.5	9.5	9.5	9.5	9.0	9.0	9.0	9.0	9.0	9.0
Business administrative services	3.5	3.5	3.5	3.5	3.0	3.0	3.0	3.0	3.0	3.0
Plant operations and maintenance	8.5	8.5	8.5	9.5	8.5	8.5	8.5	8.5	8.5	8.5
Other Support Services - Athletics	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	121.5	127.5	125.0	129.0	125.0	119.1	115.2	113.6	116.5	117.0

Source: District Personnel Records

Town of Belvidere School District
 Operating Statistics
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2007	925	11,167,061	12,072	7.47%	96	1:25	1:15	1:15	925.1	868.5	-3.38%	93.9%
2008	925	11,716,708	12,667	4.92%	98	1:25	1:15	1:15	924.7	865.0	-0.04%	93.5%
2009	891	12,025,811	13,497	6.55%	98.0	1:25	1:15	1:15	884.8	829.7	-4.31%	93.8%
2010	906	12,722,203	14,042	4.04%	101.0	1:25	1:15	1:15	904.5	846.9	2.23%	93.6%
2011	860	12,574,016	14,621	4.12%	99.0	1:25	1:15	1:15	865.1	809.4	-4.36%	93.6%
2012	803	12,218,945	15,217	4.07%	94.0	1:25	1:15	1:15	807.4	742.5	-6.67%	92.0%
2013	793	12,641,067	15,941	4.76%	90.2	1:25	1:15	1:15	784.8	720.9	-2.80%	91.9%
2014	737	11,905,735	16,154	1.34%	88.6	1:25	1:15	1:15	737.3	691.9	-6.05%	93.8%
2015	773	12,500,084	16,171	0.10%	91.5	1:25	1:15	1:15	772.2	726.9	4.73%	94.1%
2016	742	13,004,290	17,526	8.38%	92.0	1:25	1:15	1:15	747.5	705.0	-3.20%	94.3%

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

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- 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).

**Town of Belvidere School District
School Building Information
Last Ten Fiscal Years**

Exhibit J-18

<u>District Building</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Elementary</u>										
Third Street Elementary (1916)										
Square Feet	17,688	17,688	17,688	17,688	17,688	17,688	17,688	17,688	17,688	17,688
Capacity (students)	239	239	239	239	239	239	239	239	239	239
Enrollment	151	151	141	141	130	116	113	98	94	94
Oxford Street Elementary School (1958/1976)										
Square Feet	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500
Capacity (students)	250	250	250	250	250	250	250	250	250	250
Enrollment	219	203	193	183	181	185	193	187	195	171
<u>High School</u>										
Belvidere High School (1938/1958/1976)										
Square Feet	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500
Capacity (students)	940	940	940	940	940	940	940	940	940	940
Enrollment	555	571	548	582	549	502	487	452	484	477
<u>Other</u>										
Storage Building (1958)										
Square Feet	1,548	1,548	1,548	1,548	1,548	1,548	1,548	1,548	1,548	1,548

Number of Schools at June 30, 2016
Elementary = 2
High School = 1

Source: District Facilities Office

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

TOWN OF BELVIDERE SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2016
UNAUDITED

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Total</u>
Third Street Elementary	N/A	\$ 7,489	\$ 9,017	\$ 41,822	\$ 19,747	\$ 20,757	\$ 12,667	\$ 23,359	\$ 16,646	\$ 17,795	\$ 24,431	\$ 193,730
Oxford Elementary	N/A	40,834	49,166	29,756	14,408	15,147	9,243	17,046	12,147	12,986	17,828	\$ 218,561
Belvidere High School	N/A	129,990	156,517	244,720	501,655	525,109	320,431	590,925	421,103	450,173	618,030	\$ 3,958,653
Total School Facilities		178,313	214,700	316,298	535,810	561,013	342,341	631,330	449,896	480,954	660,288	4,370,944
Other Facilities												
Grand Total		\$ 178,313	\$ 214,700	\$ 316,298	\$ 535,810	\$ 561,013	\$ 342,341	\$ 631,330	\$ 449,896	\$ 480,954	\$ 660,288	\$ 4,370,944

BELVIDERE BOARD OF EDUCATION

Exhibit J-20

INSURANCE SCHEDULE
6/30/2016
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - NJ Schools Insurance Group (NJSIG):		
<u>PROPERTY SECTION:</u>		
Blanket Building and Contents (fund limit)	\$ 350,000,000	\$ 1,000
Accounts Receivable	250,000	1,000
Automobile Physical Damage	In Blanket Limit	1,000
Electronic Data Processing Equipment	350,000	1,000
<u>LIABILITY SECTION:</u>		
Comprehensive General Liability	11,000,000	
Automobile Liability	11,000,000	
Employee Benefit Liability	11,000,000	1,000
<u>CRIME:</u>		
Blanket Employee Dishonesty	100,000	500
Forgery	50,000	500
Theft/Disappearance/Destruction:		
Inside	50,000	500
Outside	50,000	500
<u>SCHOOL BOARD LEGAL LIABILITY - NJSIG</u>	11,000,000	5,000
Zurich Insurance Company (NJSIG):		
<u>ENVIRONMENTAL IMPAIRMENT LIABILITY:</u>		
Limit of Liability:		
Incident	1,000,000	10,000
Fund Annual Aggregate	25,000,000	
<u>WORKERS' COMPENSATION (NJSIG):</u>		
(a) Statutory Benefits	Included	
(a) Employer's Liability	5,000,000	
Supplemental Coverage (optional)	Included	
Selective Insurance Company		
Public Employees' Faithful Performance Blanket Position Bond -		
Board Secretary - R Tjalma	25,000	
Treasurer -R Wilson	206,000	

Source: District Records

Single Audit Section



ARDITO & Co., LLP

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Anthony Ardito, CPA, RMA, CMFO, PSA
 Douglas R. Williams, CPA, RMA, PSA

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

Independent Auditor's Report

Honorable President and
 Members of the Board of Education
 Belvidere School District
 County of Warren
 Belvidere, New Jersey 07823

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Belvidere School District Board of Education in the County of Warren, 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 Town of Belvidere School District Board of Education's basic financial statements, and have issued our report thereon dated August 31, 2016.

Internal Control Over Financial Reporting

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

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

-Continued-

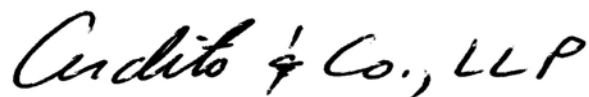
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



ARDITO & CO., LLP
August 31, 2016



Licensed Public School Accountant No.2369



ARDITO & Co., LLP

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Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by New Jersey OMB Circular 15-08

Independent Auditor's Report

Honorable President and
 Members of the Board of Education
 Belvidere School District
 County of Warren
 Belvidere, New Jersey 07823

Report on Compliance for Each Major State Program

We have audited the Town of Belvidere School District Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB 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. The Town of Belvidere School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB Circulars 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred.

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

-Continued-

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

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

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

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

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

ARDITO & Co., LLP

ARDITO & CO., LLP
August 31, 2016

Carmen Corder

Licensed Public School Accountant No.2369

TOWN OF BELVIDERE SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2016

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	Balance at June 30, 2015			CASH RECEIVED	BUDGETARY EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	Balance at June 30, 2016			MEMO	
				DEFER. REVENUE (ACCTS. RECEIV.)	DUE TO GRANTOR	CARRY- OVER AMOUNT					(ACCTS. RECEIV.)	DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.
STATE DEPARTMENT OF EDUCATION															
General Fund:															
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	\$2,549,473				\$2,549,473	\$ (2,549,473)							
Transortation Aid	16-495-034-5120-014	7/1/15-6/30/16	1,860				1,860	(1,860)						\$ 255,816	\$ 2,549,473
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	249,632				249,632	(249,632)						187	1,860
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	8,387				8,387	(8,387)						25,048	249,632
Add'l Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	17,405				17,405	(17,405)						842	8,387
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	3,880				3,880	(3,880)						1,746	17,405
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	3,880				3,880	(3,880)						389	3,880
Extraordinary Aid	15-495-034-5120-044	7/1/14-6/30/15	17,896	\$ (17,896)			17,896							389	3,880
TPAF Pension	16-495-034-5094-002	7/1/15-6/30/16	401,538				401,538	(401,538)							17,896
TPAF Pension PMR	16-495-034-5094-001	7/1/15-6/30/16	501,939				501,939	(501,939)							401,538
TPAF Pension Non-Contrib Ins	16-495-034-5094-004	7/1/15-6/30/16	20,002				20,002	(20,002)							501,939
Reimbursed TPAF Soc. Sec. Contrib.	16-495-034-5094-003	7/1/15-6/30/16	417,603	(2,279)			417,360	(417,603)			\$ (2,522)				20,002
Total General Fund				(20,175)			4,193,252	(4,175,599)			(2,522)			284,417	4,193,495
STATE DEPARTMENT OF AGRICULTURE															
Enterprise Fund:															
Nation.School Lunch Prog.(State Share)	15-100-010-3350-023	7/1/14-6/30/15		(39)			39								
Nation.School Lunch Prog.(State Share)	16-100-010-3350-023	7/1/15-6/30/16	1,753				1,690	(1,753)			(63)				1,753
Total Enterprise Fund				(39)			1,729	(1,753)			(63)				1,753
Total State Financial Assistance				\$ (20,214)			\$ 4,194,981	\$ (4,177,352)			\$ (2,585)			\$ 284,417	\$ 4,195,248
Less: On-behalf TPAF Pension Amounts <u>923,479</u>															
Total State Expenditures Subject to Major Program Determination <u>\$ (3,253,873)</u>															

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2016

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$5,056) for the general fund and (\$13,312) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2016

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,170,543	\$ 4,170,543
Special Revenue Fund	\$ 225,404	-	225,404
Food Service Fund	<u>49,098</u>	<u>1,753</u>	<u>50,851</u>
Total Financial Assistance	<u>\$ 274,502</u>	<u>\$ 4,172,296</u>	<u>\$ 4,446,798</u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? ___ Yes __x__ No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes __x__ None

Reported

Noncompliance material to financial statements noted? ___ Yes __x__ No

Federal Awards

N/A

Internal control over major programs:

1) Material weakness(es) identified? ___ Yes ___ No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes ___ None

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of ? ___ Yes ___ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A		

Dollar threshold used to distinguish between Type A and Type B programs: N/A

Auditee qualified as low-risk auditee? ___ yes ___ no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Financial Assistance Section

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? x yes no

Internal Control over major programs:

1) Material weakness(es) identified? yes x no

2) Were significant deficiencies identified that were not considered to be material weaknesses? yes x none

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular letter 15-08 as applicable? yes x no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

16-495-034-5120-078

Equilization Aid

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Section II-Financial Statement Findings

N/A

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

Section III - State Financial Assistance Findings and Questioned Costs

N/A

This section identifies audit findings required to be reported by NJOMB Circular Letter 15-08, as applicable. There were no state financial assistance findings or questioned costs that are required to be reported in accordance with NJOMB Circular 15-08.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

STATUS OF PRIOR YEAR FINDINGS

N/A

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