

Northfield



"CHILDREN FIRST"

**BOARD OF EDUCATION
CITY OF NORTHFIELD SCHOOL DISTRICT**

**County of Atlantic
Northfield, New Jersey**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2016**

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2016

BOARD OF EDUCATION
OF THE
CITY OF NORTHFIELD
SCHOOL DISTRICT

County of Atlantic
Northfield, New Jersey

Prepared By
City of Northfield Board of Education
Finance Department

CITY OF NORTHFIELD SCHOOL DISTRICT

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INTRODUCTORY SECTION

Northfield Community School District

2000 New Road, Northfield, New Jersey 08225
District Website: www.ncs-nj.org

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Superintendent
Telephone: (609) 407-4000

Janice Dye
Director of Curriculum
Telephone: (609) 407-4010

Linda Albright
School Business Administrator
Telephone: (609) 407-4002

September 22, 2016

Honorable President and
Members of the Board of Education
City of Northfield School District
County of Atlantic

Dear Board Members:

The Comprehensive Annual Financial Report of the City of Northfield School District for the fiscal year ending 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 Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of the principal officials. The financial section includes the basic financial statements and schedules, management's discussion and analysis, 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, OMB Circular Uniform Guidance and the New Jersey OMB Circular Letter 15-08, *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 report.

"Children First"

1. **REPORTING ENTITY AND ITS SERVICES:** The City of Northfield School District is an independent reporting entity within the criteria adopted by *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The City of Northfield Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2015-2016 fiscal year with an enrollment of 912 students, which is 20 fewer students than the previous year's enrollment. The following details the October 15th official count changes in the student enrollment of the District over the last ten years.

Year	Enrollment	Change
2015-16	912	(2.15%)
2014-15	932	(5.28%)
2013-14	984	(3.46%)
2012-13	1,018	(2.77%)
2011-12	1,047	(0.76%)
2010-11	1,055	(1.22%)
2009-10	1,068	(3.17%)
2008-09	1,103	2.61%
2007-08	1,075	(1.19%)
2006-07	1,088	(1.27%)

2. **ECONOMIC CONDITION AND OUTLOOK:** For the past ten years enrollments have been consistently declining which is believed to be a result of the difficult economy that surrounds the Atlantic City region. Atlantic County has lagged surrounding areas and the nation in economic recovery and the housing market continues to be slow. In a recent Standard & Poor's Rating for bonds sold, the county's high unemployment rate and participation in the Atlantic City region caused economic pressures given recent casino closures. However, the District received a bond rating of A+/Stable due to the fact that Northfield had a mature, primary residential local economy with good incomes, moderate debt burden, and the District maintained a strong total general fund balance on a GAAP basis of accounting, despite two consecutive drawdowns. Furthermore, the consequences of the economic downturn and legalized gambling in adjacent states is higher unemployment rates in the region, which includes Northfield. The decrease in housing requirements in Northfield of the casino industry continue to impact community services including schools.

3. **MAJOR INITIATIVES:** The 2015-16 school year started and maintained a high level of involvement, motivation and momentum by staff, students and parents and several new teachers and support staff were approved by the Board of Education.

The October 15, 2015 enrollment was 912 students in contrast to an enrollment of 932 one year earlier. Throughout the 2015-16 academic year, programs and activities which benefited all Northfield Community School students were sponsored by the district, the active Parent Teacher Organization (PTO) and the Northfield Education Foundation (NEF), the Sports Booster Club and the Northfield Board of Education. The level of parent participation continues to grow in Northfield. In addition, the quality of our staff is impressive, with one hundred percent of our teachers deemed highly qualified. We are nearing the conclusion of the 5 year Strategic Plan developed in 2011, which continues to be implemented.

The Northfield Education Foundation continues to fund several after-school clubs which included the Book Club and Chess Club for both elementary and middle school students, and Multi-Media Club and Future Engineers Club for middle school students.

The Northfield Learning Center which addresses the reading needs of students with dyslexia finished its tenth year and was completely funded by the Masons.

The 2016-17 budget was developed by the Administration, Board Finance Committee, and full Board of Education, and it was reviewed by the Atlantic County Superintendent of Schools' office. The 2015-16 general fund budget was increased by 2.40%, due largely to an increase in budgeted fund balance. However, due to the retirement of debt service raised in 2004 there was an overall decrease in the entire budget of 5.134%, resulting in a tax decrease of 1.37%, or 1.76 cents on the local school tax levy. The District sold new bonds to make necessary upgrades to the facility, but the new bond issue is much less than the retired issue, which will result in a permanent tax levy decrease. Another factor affecting the tax levy is the declining net valuation of taxable property in the City. Net valuation of taxable property has been declining since 2010 following the housing and subprime mortgage crisis.

State Aid had a minor increase of \$23,499 over the preceding year, representing the sixth consecutive year of significantly low or no State Aid increases followed by the very large decrease in the 2010-2011 budget year.

Throughout the year, efforts continue to be made at all grade levels to address both strengths and areas of need as a result of state and local testing. Our general student population was tested in the Partnership for Assessment of Readiness for College and Careers (PARCC) in grades 3, 4, 5, 6, 7, and 8. Student performance showed areas of strength and areas of need for which we focused. We continue to work diligently to address the academic needs of our continually growing sub populations, as identified by the New Jersey Department of Education. This is challenging, but a charge we take very seriously.

Professional development activities were aligned to the District Professional Development Plan and the new Common Core Standards in math and language arts. All Kindergarten through grade eight math curriculum was revised as was the Kindergarten through grade eight curriculum in all areas. The Professional Development committee continued professional learning communities, focusing on development of benchmark testing among other topics. We continue to schedule regular and meaningful articulation within and between districts. Our School uses School Fusion based "classrooms" to enhance school home communication. In addition we created an active Intervention and Referral Services Committee (I&RS). Our technology and school safety, NCLB, Emergency Management continue to meet to achieve our goals.

Hazardous Materials Handling, Anti Bullying, Emergency Management Procedures, and Crisis Prevention workshops continue to help teachers and other staff gain knowledge in these areas to be better prepared to handle situations in their classroom and in the school building.

In order to help students perform better on standardized tests, an analysis and interpretation of scores and training in areas of need on the elementary school and middle school proficiency assessments was conducted.

Technology integration and developing 21st century skill is a high priority as well as preparing for PARCC testing which took place for the second time during the 2015-16 school year. This budget provided funds for necessary upgrades in technology infrastructure, including increased bandwidth speed, and the continued development of a STEAM (Science, Technology, Engineering, Art, and Mathematics) program for all grades, which includes a TV broadcasting studio.

The 2015-2016 budget also provided funds for District maintenances of building and grounds. With funds made available through the District's recent sale of \$5,678,000 of Bonds, in conjunction with \$1,731,377 in approved New Jersey School Development Authority Grants, the District made major upgrades to the building's HVAC, roofing, exterior and interior doors with enhanced security features, lighting, and exterior improvements. This project has been part of the District's long term facilities plan developed by the Administration and the Board of Education to address building systems that were approaching useful life and to maintain a modern and well-functioning structure. The improvements began at the end of the 2014-15 school year and continued over the 2015-16 school year. The project will be finalized in the 2016-17 school year.

4. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principals (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 and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. District management has developed a standard operating procedures and internal controls manual in accordance with N.J.A.C. 6A:23A-6, which was adopted by the Board of Education in December 2009, and will be revised as needed and re-adopted annually at the Board's Reorganization meeting.

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

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

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

7. **DEBT ADMINISTRATION:** At June 30, 2016, the District's outstanding debt issues included \$5,901,000 in Bonds, and \$100,617 for the lease of Network and HVAC upgrades and equipment.

8. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 1. The District has adopted a cash management plan which requires it to deposit public funds in Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

10 OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Accounting firm of Preziosi ~ Nicholson & Associates PA, CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in the state statutes, the audit is designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and New Jersey OMB Circular Letter 04-04. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

Pedro Bretones

Pedro Bretones
Superintendent of Schools

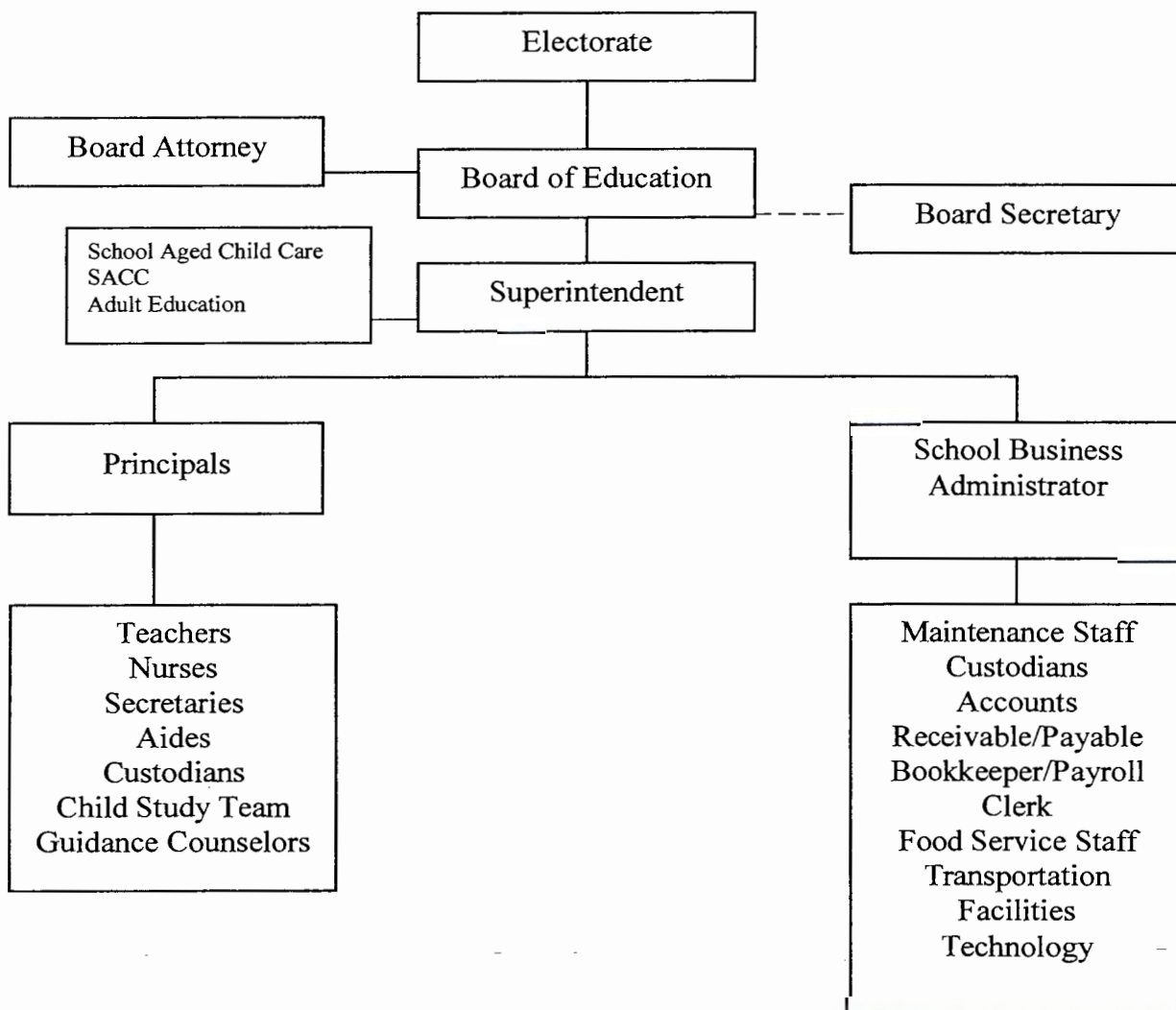
Linda Albright

Linda Albright
Business Administrator/

CITY OF NORTHFIELD SCHOOL DISTRICT

County of Atlantic
Northfield, New Jersey

ORGANIZATIONAL CHART



Adopted: 21 June 2010

CITY OF NORTHFIELD SCHOOL DISTRICT

**County of Atlantic
Northfield, New Jersey**

ROSTER OF OFFICIALS

June 30, 2016

Members of the Board of Education		Term Expires
Steve Wynne	President	2016
Deborah Levitt	Vice-President	2018
Jon Barnhart	Board Member	2017
Mark Bruno	Board Member	2016
Angelic Delcher	Board Member	2018
Christopher Kennedy	Board Member	2017
Kerrie Marrone	Board Member	2018
Zubair Syed	Board Member	2016
Stephanie Woodhouse	Board Member	2017

Other Officials

Robert Garguilo	Interim Superintendent of Schools
Linda Albright	Business Administrator
Linda Albright	Treasurer

CITY OF NORTHFIELD SCHOOL DISTRICT

Consultants and Advisors

Architect

Spiezle Architectural Group, Inc.
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Trenton, NJ 08618

Attorney

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John Geppert, Esq.
Schwartz, Simon, Edelstein, Celso & Zitomer, LLC
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Moorestown, NJ 07962

Audit Firm

James M. Preziosi, MS, CPA, PSA
Preziosi Nicholson & Associates, P.A.
Certified Public Accountants
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Millville, New Jersey 08332

Continuing Disclosure Agent

Phoenix Advisors, LLC
4 West Park Street
Bordentown, NJ 08505

Official Depository

Ocean City Home Bank
1777 New Road
Linwood, NJ 08221

TD Bank

101 Haddonfield Road, 2nd Floor
Cherry Hill, NJ 08002

FINANCIAL SECTION

PREZIOSI·NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable President and
Members of the Board of Education
City of Northfield School District
County of Atlantic
Northfield, New Jersey

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Northfield School District in the County of Atlantic, State of New Jersey as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, 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 and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Northfield School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Schedule of State Financial Assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Federal Awards, as required by the Uniform Guidance and the Schedule of State Financial Assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory 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 a report dated September 22, 2016 on our consideration of the City of Northfield School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City of Northfield School District's internal control over financial reporting and compliance.

Respectfully submitted,

PREZIOSI • NICHOLSON & ASSOCIATES
Certified Public Accountants



James M. Preziosi
Certified Public Accountant
Public School Accountant No. CS 01141

September 22, 2016
Millville, NJ

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

CITY OF NORTHFIELD SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

This section of the City of Northfield School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2016 are as follows:

Exhibit A-1

Net Position for Governmental and Business-Type activities were \$9,602,776 and \$173,401, respectively

Exhibit A-2

Net Position for both activities increased in total by \$2,012,434.

Exhibit B-1

The General Fund, fund balance as of June 30, 2016 was \$1,647,619 an increase of \$330,906 when compared with the beginning balance as of July 1, 2015 of \$1,316,713.

Exhibit I-1

The District's outstanding bond debt at June 30, 2016 is \$5,901,000

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of:

- Independent Auditors' Report
- Required Supplementary Information
- Basic Financial Statements
- Notes to the Financial Statements
- Other Supplementary Information

The basic financial statements include two kinds of statements that present different views of the District.

District-Wide Financial Statements

District-wide financial statements provide both short-term and long-term information about the District's overall financial status.

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

The two district-wide statements report net position and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or *position*. The district-wide financial statements include the *Governmental Activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

CITY OF NORTHFIELD SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

Fund Financial Statements

Fund financial statements focus on the individual parts of the District, reporting operations in more detail than the district-wide financial statements.

The governmental funds statements tell how basic services such as regular and special education were financed in short-term as well as what remains for future spending.

Proprietary funds statements offer short-term and long-term financial information about the activities that the District operates like businesses.

Fiduciary funds statements provide information about the financial relationship in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The fund financial statements provide more detailed information about the District's most significant funds. The District has three kinds of funds:

- *Governmental Funds* - Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary Funds* - Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- *Fiduciary Funds* - The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that - because of a trust arrangement - can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

CITY OF NORTHFIELD SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

DISTRICT-WIDE FINANCIAL ANALYSIS

Net Position

The Statement of Net Position reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The difference between the District's assets and liabilities is its net position.

Comparative Summary of Net Position	Governmental Activities		Business-Type Activities	
	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Assets				
Current and Other Assets	\$ 8,985,744	\$ 8,985,532	\$ 163,071	\$ 123,811
Capital Assets; net	<u>10,380,413</u>	<u>10,878,418</u>	<u>59,322</u>	<u>61,521</u>
Total Assets	<u>19,366,157</u>	<u>19,863,950</u>	<u>222,393</u>	<u>185,332</u>
Deferred Outflows of Resources				
Pension Deferred Outflows	<u>604,332</u>	<u>402,096</u>		
Liabilities				
Current Liabilities	847,273	8,638,135	48,993	77,368
Other Liabilities	<u>9,372,546</u>	<u>3,789,775</u>		
Total Liabilities	<u>10,219,819</u>	<u>12,427,910</u>	<u>48,993</u>	<u>77,368</u>
Deferred Inflows of Resources				
Pension Deferred Inflows	<u>147,894</u>	<u>182,358</u>		
Net Position				
Invested in Capital Assets, Net of Debt	10,647,821	11,355,552	59,322	61,521
Restricted	2,672,502	(366,124)		
Unrestricted	<u>(3,717,547)</u>	<u>(3,333,650)</u>	<u>114,078</u>	<u>46,443</u>
TOTAL NET POSITION	<u>\$ 9,602,776</u>	<u>\$ 7,655,778</u>	<u>\$ 173,400</u>	<u>\$ 107,964</u>

CITY OF NORTHFIELD SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

DISTRICT-WIDE FINANCIAL ANALYSIS

Change in Net Position

	Governmental Activities		Business-Type Activities	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
COMPARATIVE SUMMARY OF CHANGE IN NET POSITION				
Program Revenues				
Charges for Services	\$	\$	\$ 423,452	\$ 381,573
Grants and Contributions	5,137,252	3,932,898	134,383	123,913
General Revenues				
Property Taxes	10,136,778	9,970,813		
Grants and Entitlements	4,685,591	3,690,792		
Other	60,484	636,958	173	97
Total Revenues	<u>20,020,105</u>	<u>18,231,461</u>	<u>558,008</u>	<u>505,583</u>
Program Expenses				
Instruction	12,269,171	11,186,995		
Support Services	5,084,353	4,888,451		
Unallocated Depreciation	497,241	504,855		
Interest on Debt	134,995	95,805		
Food Service			337,063	341,592
School Aged Child Care			171,827	199,367
Total Expenses	<u>17,985,760</u>	<u>16,676,106</u>	<u>508,890</u>	<u>540,959</u>
Change in Net Position	2,034,345	1,555,355	49,118	(35,376)
Bond Issue Cost Amortization		(34,583)		
Transfers in/(out)	(16,318)		16,318	
Disposal of Assets	(71,029)			
Net Position, July 1	<u>7,655,778</u>	<u>6,135,006</u>	<u>107,964</u>	<u>143,340</u>
Net Position, June 30	<u>\$ 9,602,776</u>	<u>\$ 7,655,778</u>	<u>\$ 173,400</u>	<u>\$ 107,964</u>

CITY OF NORTHFIELD SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As of the end of the current fiscal year, the District's governmental funds reported combining ending fund balances of:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>
Restricted			
Capital Reserve	\$ 311,891	\$ 235,497	\$ 76,394
Capital Projects	915,095	(1,745,104)	2,660,199
Maintenance Reserve	242,000	117,000	125,000
Debt Service	3	3	
Excess Surplus	1,200,071	961,545	238,526
Assigned			
Encumbrances	2,242	78,936	(76,694)
Designated for Subsequent Years Expenditures		40,000	(40,000)
Unassigned			
General Fund	<u>(108,585)</u>	<u>(116,264)</u>	<u>7,679</u>
Total	<u>\$ 2,562,717</u>	<u>\$ (428,387)</u>	<u>\$ 2,991,104</u>

At June 30, 2015 the District has a accumulated deficit of \$1,745,104 in the Capital Projects Fund. This deficit was the result of the District utilizing temporary financing to fund expenditures for certain projects.

CITY OF NORTHFIELD SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

	<u>Original</u>	<u>Revised</u>	<u>Expended</u>
General Fund	<u>\$ 13,419,067</u>	<u>\$ 13,298,003</u>	<u>\$ 12,705,009</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2016, the School District had \$18,415,143 invested in land, building, furniture and equipment. Cost of capital assets increased by \$15,351 from fiscal year 2015 to fiscal year 2016. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At the end of fiscal year 2016, the School District had \$6,412,255 of outstanding debt. Of this amount, \$410,639 is for compensated absences, \$100,616 is for capital leases, and \$5,901,000 is for general obligation bonds.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a summary of the financial condition of School District. Questions concerning any of the information provided in this report should be addressed to:

School Business Administrator/Board Secretary
City of Northfield School District
2000 New Road
Northfield, NJ 08317
609.407.4002

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

CITY OF NORTHFIELD SCHOOL DISTRICT

Statement of Net Position
June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,041,029.82	\$ 111,226.98	\$ 1,152,256.80
Accounts Receivable	1,120,598.66	10,316.08	1,130,914.74
Inventory		6,528.20	6,528.20
Interfund		35,000.00	35,000.00
Restricted Cash and Cash Equivalents	555,090.93		555,090.93
Construction in Progress	6,269,023.78		6,269,023.78
Capital Assets, Net	10,380,413.34	59,322.00	10,439,735.34
Total Assets	19,366,156.53	222,393.26	19,588,549.79
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	604,332.00		604,332.00
Total Deferred Outflows of Resources	604,332.00	-	604,332.00
LIABILITIES			
Liabilities			
Accounts Payable	114,937.39	12,036.67	126,974.06
Accrued Interest	113,295.42		113,295.42
Interfund	35,000.00		35,000.00
Grantor Advances	4,064.93		4,064.93
Unearned Revenues		36,956.00	36,956.00
Noncurrent Liabilities			
Due Within One Year	579,975.59		579,975.59
Due Beyond One Year	5,832,279.54		5,832,279.54
Net Pension Liability	3,540,266.00		3,540,266.00
Total Liabilities	10,219,818.87	48,992.67	10,268,811.54
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	147,894.00		147,894.00
Total Deferred Inflows of Resources	147,894.00	-	147,894.00
NET POSITION			
Invested in Capital Assets, Net of Related Debt	10,647,820.81	59,322.00	10,707,142.81
Restricted For			
Debt Service	2.79		2.79
Capital Projects	1,228,185.88		1,228,185.88
Other Purposes	1,444,313.24		1,444,313.24
Unrestricted	(3,717,547.06)	114,078.59	(3,603,468.47)
Total Net Position	\$ 9,602,775.66	\$ 173,400.59	\$ 9,776,176.25

CITY OF NORTHFIELD SCHOOL DISTRICT

Statement of Activities
For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to the Basic Financial Statements

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 8,871,544.89	\$ -	\$ 2,815,598.15	\$ -	\$ (6,055,946.74)	\$ -	\$ (6,055,946.74)
Special Education	2,959,332.96		1,389,758.62		(1,569,574.34)		(1,569,574.34)
School Sponsored Activities	55,843.11				(55,843.11)		(55,843.11)
Other Special	382,450.27				(382,450.27)		(382,450.27)
Support Services							
Tuition	167,532.17				(167,532.17)		(167,532.17)
Student and Instruction	1,833,874.91		548,708.69		(1,285,166.22)		(1,285,166.22)
General Administration	739,548.54		199,277.19		(540,271.35)		(540,271.35)
School Administrative	590,271.23		159,053.24		(431,217.99)		(431,217.99)
Central Services	286,353.08				(286,353.08)		(286,353.08)
Administrative Information Technology	173,661.63				(173,661.63)		(173,661.63)
Plant Operations and Maintenance	1,081,809.56				(1,081,809.56)		(1,081,809.56)
Pupil Transportation	211,301.26		24,856.00		(186,445.26)		(186,445.26)
Other Support Services	-						
Interest on Long-Term Debt	134,994.57		-		(134,994.57)		(134,994.57)
Unallocated Depreciation	497,241.00				(497,241.00)		(497,241.00)
Total Governmental Activities	17,985,759.18	-	5,137,251.89	-	(12,848,507.29)	-	(12,848,507.29)
Business-Type Activities							
Food Service	337,062.88	206,236.36	134,383.12			3,556.60	3,556.60
School Aged Child Care Program	171,827.48	217,215.83				45,388.35	45,388.35
Total Business-Type Activities	508,890.36	423,452.19	134,383.12	-	-	48,944.95	48,944.95
Total Primary Government	\$ 18,494,649.54	\$ 423,452.19	\$ 5,271,635.01	\$ -	(12,848,507.29)	48,944.95	(12,799,562.34)
General Revenues							
Tax Levy:							
Property Taxes Levied for General Purpose					9,055,118.00		9,055,118.00
Taxes Levied for Debt Service					1,081,660.00		1,081,660.00
Unrestricted Federal and State Aid					4,685,591.42		4,685,591.42
Investment Earnings					4,242.85	173.16	4,416.01
Other Income					56,239.61		56,239.61
Loss on Disposal of Assets					(71,029.00)		(71,029.00)
Transfers					(16,318.00)	16,318.00	-
Total General Revenues And Transfers					14,795,504.88	16,491.16	14,811,996.04
Change in Net Position					1,946,997.59	65,436.11	2,012,433.70
Net Position, July 1					7,655,778.07	107,964.48	7,763,742.55
Net Position, June 30					\$ 9,602,775.66	\$ 173,400.59	\$ 9,776,176.25

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CITY OF NORTHFIELD SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
ASSETS					
Cash and Cash Equivalents	\$ 399,876.48	\$ 32,490.07	\$ 608,660.48	\$ 2.79	\$ 1,041,029.82
Accounts Receivable					
Due From Other Governments	799,191.00	5,928.88	315,478.78		1,120,598.66
Restricted Cash and Cash Equivalents	555,090.93				555,090.93
Total Assets	\$ 1,754,158.41	\$ 38,418.95	\$ 924,139.26	\$ 2.79	\$ 2,716,719.41
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 77,062.86	\$ 31,143.09	\$ 6,731.44	\$ -	\$ 114,937.39
Interfund Payable	29,476.20	3,210.93	2,312.87		35,000.00
Grantor Advances					
Federal		4,064.93			4,064.93
Total Liabilities	106,539.06	38,418.95	9,044.31	-	154,002.32
FUNDS BALANCES					
Restricted					
Capital Reserve	311,890.93				311,890.93
Maintenance Reserve	242,000.00				242,000.00
Capital Projects			915,094.95		915,094.95
Excess Surplus	1,200,071.17				1,200,071.17
Debt Service Fund				2.79	2.79
Assigned					
Excess Surplus					-
Other Purposes	2,242.07				2,242.07
Unassigned	(108,584.82)				(108,584.82)
Total Fund Balance	1,647,619.35	-	915,094.95	2.79	2,562,717.09
Total Liabilities and Fund Balances	\$ 1,754,158.41	\$ 38,418.95	\$ 924,139.26	\$ 2.79	\$ 2,716,719.41

CITY OF NORTHFIELD SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenses and Changes in Fund Balances
For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
REVENUES					
Local Sources					
Local Tax Levy	\$ 9,055,118.00	\$ -	\$ -	\$ 1,081,660.00	\$ 10,136,778.00
Tuition Charges	6,000.00				6,000.00
Interest Earned	4,242.85				4,242.85
Miscellaneous	44,739.61	5,499.72	5,678,000.00		5,728,239.33
	9,110,100.46	5,499.72	5,678,000.00	1,081,660.00	15,875,260.18
Federal Sources		462,060.90			462,060.90
State Sources	5,461,806.27		911,153.42	455,004.00	6,827,963.69
Total Revenues	14,571,906.73	467,560.62	6,589,153.42	1,536,664.00	23,165,284.77
EXPENDITURES					
Current					
Regular Instruction	4,601,669.14	413,004.00			5,014,673.14
Special Education Instruction	1,664,358.79				1,664,358.79
School Sponsored Activities	55,843.11				55,843.11
Other Instruction	382,450.27				382,450.27
Support Services					
Tuition	167,532.17				167,532.17
Student and Instruction	976,833.18	54,556.62			1,031,389.80
General Administration	415,929.58				415,929.58
School Administrative	331,974.51				331,974.51
Central Services	286,353.08				286,353.08
Information Technology	173,661.63				173,661.63
Plant Operations and Maintenance	1,081,809.56				1,081,809.56
Pupil Transportation	211,301.26				211,301.26
Other Support Services					-
Employee Benefits	3,804,701.09				3,804,701.09
Debt Service					
Principal				1,490,000.00	1,490,000.00
Interest				46,664.00	46,664.00
Capital Outlay	70,264.93		3,928,954.38		3,999,219.31
Total Expenditures	14,224,682.30	467,560.62	3,928,954.38	1,536,664.00	20,157,861.30
Excess (Deficiency) of Revenues Over Expenditures	347,224.43	-	2,660,199.04	-	3,007,423.47
OTHER FINANCING SOURCES (USES)					
Transfer to Food Service	(16,318.00)				(16,318.00)
Total Other Financing Sources (Uses)	(16,318.00)	-	-	-	(16,318.00)
Net Changes in Fund Balance	330,906.43	-	2,660,199.04	-	2,991,105.47
Fund Balance, July 1	1,316,712.92	-	(1,745,104.09)	2.79	(428,388.38)
Fund Balance, June 30	\$ 1,647,619.35	\$ -	\$ 915,094.95	\$ 2.79	\$ 2,562,717.09

CITY OF NORTHFIELD SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to the Basic Financial Statements

Total Net Change in Fund Balances - Governmental Funds (B-2) \$ 2,991,105.47

Amounts reported for Governmental Activities in the Statement of Activities 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 current fiscal year.

Depreciation Expense	(497,241.00)
Capital Outlays	3,999,219.31
Loss on Disposal of Equipment	(71,029.00)

Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.

Repayments of Bond Principle	1,490,000.00
Repayments of Capital Leases	49,319.18

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

Bond Proceeds	(5,678,000.00)
Capital Lease Proceeds	

In the statement of activities, pension expenses are measured by the liability accrued during the year. In the governmental funds, however, expenditures are reported in the amount of the financial resources used (paid).

(243,581.00)

In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).

(Increase) Decrease in Accrued Compensated Absences	(4,464.80)
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Bond issue costs are reported in the governmental fund as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.

In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.

(Increase) Decrease in Accrued Interest	(88,330.57)
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Change in Net Position of Governmental Activities

\$ 1,946,997.59

PROPRIETARY FUNDS

CITY OF NORTHFIELD SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	Business Type Activities Enterprise Funds		Totals
	Food Service	School Aged Child Care	
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 9,269.06	\$ 101,957.92	\$ 111,226.98
Accounts Receivable	10,316.08	-	10,316.08
Interfund Receivable	-	35,000.00	35,000.00
Inventories	6,528.20	-	6,528.20
Total Current Assets	26,113.34	136,957.92	163,071.26
Noncurrent Assets			
Equipment	179,566.00	147,808.00	327,374.00
Less: Accumulated Depreciation	167,360.00	100,692.00	268,052.00
Total Noncurrent Assets	12,206.00	47,116.00	59,322.00
Total Assets	38,319.34	184,073.92	222,393.26
LIABILITIES			
Current Liabilities			
Accounts Payable	12,036.67	-	12,036.67
Unearned Revenue	-	36,956.00	36,956.00
Interfund Payable	-	-	-
Total Current Liabilities	12,036.67	36,956.00	48,992.67
NET POSITION			
Invested in Capital Assets Net of Related Debt	12,206.00	47,116.00	59,322.00
Unrestricted	14,076.67	100,001.92	114,078.59
Total Net Position	\$ 26,282.67	\$ 147,117.92	\$ 173,400.59

CITY OF NORTHFIELD SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	Business Type Activities Enterprise Funds		Totals
	Food Service	School Aged Child Care	
OPERATING REVENUES			
Charges For Services			
Daily Sales			
Reimbursable Programs	\$ 99,035.97	\$ -	\$ 99,035.97
Non-Reimbursable Programs	107,200.39		107,200.39
Program Revenue		217,215.83	217,215.83
Total Operating Revenue	<u>206,236.36</u>	<u>217,215.83</u>	<u>423,452.19</u>
OPERATING EXPENSES			
Instructor Costs		22,056.28	22,056.28
Cost of Sales	137,834.07		137,834.07
Salaries	120,559.42	124,460.29	245,019.71
Payroll Taxes	17,970.70	10,392.44	28,363.14
Employee Benefits	25,969.56	-	25,969.56
General Supplies	2,118.88	6,512.47	8,631.35
Depreciation	2,329.00	7,956.00	10,285.00
Management Fee	22,330.14		22,330.14
Other	7,951.11	450.00	8,401.11
Total Operating Expenses	<u>337,062.88</u>	<u>171,827.48</u>	<u>508,890.36</u>
Operating Income (Loss)	<u>(130,826.52)</u>	<u>45,388.35</u>	<u>(85,438.17)</u>
NONOPERATING REVENUES (EXPENSES)			
State Sources			
State School Lunch and Breakfast Program	2,847.43		2,847.43
Federal Sources			
National School Lunch and Breakfast Program	103,274.87		103,274.87
Food Distribution Program	28,260.82		28,260.82
Interest on Investments	38.37	134.79	173.16
Total Nonoperating Revenues (Expenses)	<u>134,421.49</u>	<u>134.79</u>	<u>134,556.28</u>
Income (Loss) Before Contributions and Transfers	3,594.97	45,523.14	49,118.11
Transfers In	16,318.00		16,318.00
Change in Net Position	19,912.97	45,523.14	65,436.11
Net Position, July 1	6,369.70	101,594.78	107,964.48
Net Position, June 30	<u>\$ 26,282.67</u>	<u>\$ 147,117.92</u>	<u>\$ 173,400.59</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	Business Type Activities Enterprise Funds		Totals
	Food Service	School Aged Child Care	
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts From Customers and Other Funds	\$ 206,920.16	\$ 217,600.83	\$ 424,520.99
Payments to Employees	(163,446.49)	(134,852.73)	(298,299.22)
Payments to Suppliers	(179,925.67)	(31,477.35)	(211,403.02)
Net Cash Provided By (Used In) Operating Activities	<u>(136,452.00)</u>	<u>51,270.75</u>	<u>(85,181.25)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	2,934.74		2,934.74
Federal Sources	133,432.50		133,432.50
Operating Subsidies and Transfers	8,591.67	(8,883.60)	(291.93)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>144,958.91</u>	<u>(8,883.60)</u>	<u>136,075.31</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(8,086.00)	-	(8,086.00)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>(8,086.00)</u>	<u>-</u>	<u>(8,086.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	38.37	134.79	173.16
Net Cash Provided By (Used In) Investing Activities	<u>38.37</u>	<u>134.79</u>	<u>173.16</u>
Net Increase (Decrease) In Cash and Cash Equivalents	<u>459.28</u>	<u>42,521.94</u>	<u>42,981.22</u>
Cash and Cash Equivalents, July 1	8,809.78	59,435.98	68,245.76
Cash and Cash Equivalents, June 30	<u>\$ 9,269.06</u>	<u>\$ 101,957.92</u>	<u>\$ 111,226.98</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Operating Income (Loss)	\$ (130,826.52)	\$ 45,388.35	\$ (85,438.17)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Depreciation	2,329.00	7,956.00	10,285.00
(Increase) Decrease			
Accounts Receivable	683.80		683.80
Inventories	1,053.19		1,053.19
Other Current Assets			
Increase (Decrease)			
Accounts Payable	(9,691.47)	(2,458.60)	(12,150.07)
Accrued Expenses			
Unearned Revenue		385.00	385.00
Net Cash Provided By (Used In) Operating Activities	<u>\$ (136,452.00)</u>	<u>\$ 51,270.75</u>	<u>\$ (85,181.25)</u>

FIDUCIARY FUNDS

CITY OF NORTHFIELD SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	Agency Fund
ASSETS	
Cash and Cash Equivalents	\$ 18,742.57
Total Assets	18,742.57
LIABILITIES	
Accounts Payable	1,953.83
Payroll Deductions	16,788.74
Interfund Payable	16,788.74
Payable to Student Groups	16,788.74
Total Liabilities	18,742.57
NET POSITION	
Reserved	-
Total Net Position	\$ -

NOTES TO FINANCIAL STATEMENTS

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The City of Northfield School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials who are responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative controls of the District.

The financial statements of the Board of Education (Board) of the City of Northfield School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in (GAAP) and used by the District are discussed below.

Description of the Reporting Entity

The City of Northfield School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three year terms. The purpose of the District is to educate students in grades K-8. Students in grades 9-12 attend Mainland Regional High School.

The primary criterion for including activities within the School 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 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.

Government-Wide and Fund Financial Statements

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

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

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements (Continued)

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

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

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned expenditures for capital outlays, including acquisition or construction of capital facilities and other capital assets. 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.

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

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

The District reports the following major proprietary funds:

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

After School Care – This fund accounts for the financial transactions related to the District's after school program.

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

Agency Funds – Agency funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The District retains no equity interest in these funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The District maintains a payroll fund and student activity fund.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund as noted below. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the District does not report encumbrances outstanding at fiscal year end as expenditures in the general fund since the general fund budget follows modified accrual basis, with the exception of the revenue recognition policy for the last state aid payment.

Encumbrances

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

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

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

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash, Cash Equivalents and Investments

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Inventories

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.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

Bond Issue Cost

Bond issue cost is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and / or interfunds payable.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and the proprietary fund statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The District maintains a capitalization threshold of \$2,000.00. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method under the full month convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land Improvements	10-20 Years
Building and Improvements	10-50 Years
Furniture and Equipment	5-20 Years
Vehicles	5-10 Years

Compensated Absences

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

The entire compensate absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Unearned Revenue

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

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accrued Liabilities and Long-Term Obligations

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

Net Position

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

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

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

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

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

Fund Balance

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

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

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Balance

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

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

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

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

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

Interfund Activity

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

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates

Recent Accounting Pronouncements

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "Tax Abatement Disclosures". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78 "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 79 "Certain External Investment Pools and Pool Participants". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80 "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14". This statement is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81 "Irrevocable Split-Interest Agreements". This statement is effective for fiscal periods beginning after June 30, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82 "Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73". This statement is effective for fiscal periods beginning after June 30, 2016. Although not determinable, the impact on this statement on the net position of the District is anticipated to not be significant.

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Districts' deposits might not be recovered. Although the District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the District relative to the happening of a future condition. Such funds are considered uninsured and uncollateralized.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk Related to Deposits (Continued)

As of June 30, 2016, the District's bank balances of \$1,942,751.22 were exposed to custodial credit risk as follows:

Insured FDIC	\$	250,000.00
Uninsured but collateralized with bank – GUDPA		1,692,751.22
	\$	1,942,751.22

NOTE 3 RESERVE ACCOUNT

Capital Reserve

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by 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. 6:23 A-5.1(d) 7, the balance in the account cannot at any time exceed the support costs of uncompleted capital projects in its approved LRFP.

Maintenance Reserve

Maintenance reserve accounts may be established by New Jersey school districts for the accumulation of funds for the use of required maintenance of a facility. 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 reserve accounts for the year is as follows:

Beginning Balance; July 1, 2015	\$	352,497.00
Deposits		
Interest Earned		1,393.93
Board Approval		200,000.00
Withdrawals		
Approved at Election		_____
Ending Balance; June 30, 2016	\$	553,890.93

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 3 RESERVE ACCOUNT (CONTINUED)

Allocation of Reserve Account at June 30, 2016:

Capital Reserve	\$	311,890.93
Maintenance Reserve		117,000.00
	\$	553,890.93

NOTE 4 CAPITAL ASSETS

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

	<u>Beginning</u>	<u>Additions</u>	<u>Disposal</u>	<u>Ending</u>
Governmental Activities				
Land Improvements	\$ 817,656.00	\$	\$ -	\$ 817,656.00
Buildings	16,516,173.77		(74,866.00)	16,466,596.77
Equipment	867,765.64	70,264.93	(109,225.00)	803,516.57
Historical Costs	18,201,595.41	70,264.93	(184,091.00)	18,087,769.34
Accumulated Depreciation	7,323,177.00	497,241.00	(113,062.00)	7,707,356.00
Capital Assets, Net	<u>\$ 10,878,418.41</u>	<u>\$ (426,976.07)</u>	<u>\$ (71,029.00)</u>	<u>\$ 10,380,413.34</u>
Business-Type Activities				
Equipment	\$ 319,288.00	\$ 8,086.00	\$ -	\$ 327,374.00
Historical Costs	319,288.00	8,086.00	-	327,374.00
Accumulated Depreciation	257,767.00	10,285.00	-	268,052.00
Capital Assets, Net	<u>\$ 61,521.00</u>	<u>\$ (2,199.00)</u>	<u>\$ -</u>	<u>\$ 59,322.00</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 5 LONG-TERM OBLIGATIONS

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

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Compensated Absences	\$ 406,174.04	\$ 4,464.78	\$	\$ 410,638.82
Capital Leases	149,935.49		49,319.18	100,616.31
Bonds	1,713,000.00	5,678,000.00	1,490,000.00	5,901,000.00
		\$		
	<u>\$ 2,269,109.53</u>	<u>5,682,464.78</u>	<u>\$ 1,539,319.18</u>	<u>\$ 6,412,255.13</u>

Compensated Absences

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

Capital Leases Payable

The District is leasing equipment under the following capital leases:

	<u>Original Lease</u>	<u>Balance Due June 30, 2016</u>
Effective 7/19/13, lease purchase of network switches and HVAC. Lease is payable in 5 annual installments, which includes interest at a rate of 1.33% per annum. The first payment of principal only was due 12/01/13	\$ 257,351.00	\$ 100,616.31
	<u>\$ 257,351.00</u>	<u>\$ 100,616.31</u>

As of June 30, 2016, minimum lease payments in future years are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 49,975.59	\$ 1,339.13	\$ 51,314.72
2018	50,640.72	674.00	51,314.72
	<u>\$ 100,616.31</u>	<u>\$ 2,013.13</u>	<u>\$ 102,629.44</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired within the statutory period of usefulness.

As of June 30, 2016, debt service requirements in future years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2017	\$ 530,000.00	\$ 188,704.20	\$ 718,704.20
2018	655,000.00	114,362.76	769,362.76
2019	660,000.00	99,140.26	759,140.26
2020	658,000.00	83,853.26	741,853.26
2021	600,000.00	69,856.26	669,856.26
2022	600,000.00	57,106.26	657,106.26
2023	575,000.00	44,621.85	619,621.85
2024	550,000.00	32,325.00	582,325.00
2025	550,000.00	19,606.25	569,606.25
2026	523,000.00	6,537.50	529,537.50
	<hr/>		
	\$ 5,901,000.00	\$ 716,113.60	\$ 6,617,113.60
	<hr/>		

NOTE 6 PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by 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 publically available financial report that includes the financial statements and required supplementary information for Public Employees Retirement System and 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>.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 6 PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS 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 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 Pension - At June 30, 2016, the District reported a liability of \$3,540,266 for its proportionate share of 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 rolled forward to June 30, 2015. 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. At June 30, 2015, the District's proportion was 0.0157% which was a decrease of 0.0006% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$247,475. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 84,458	\$ -
Changes of Assumptions	380,196	
Net Differences Between Projected and Actual Earnings on Investments		56,921
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	139,678	90,973
Total	\$ 604,332	\$ 147,894

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 6 PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

June 30,		
2017	\$	83,095
2018		83,095
2019		83,095
2020		132,341
2021		74,812
		\$ 456,438

	June 30,	
	2015	2014
Collective Deferred Outflows of Resources	\$ 3,578,755,666	\$ 952,194,675
Collective Deferred Inflows of Resources	\$ 993,410,455	\$ 1,479,224,662
Collective Net Pension Liability (Local Group)	\$ 22,447,776,119	\$ 18,722,735,003
District's Portion of Net Pension Liability	\$ 3,540,266	\$ 3,059,985
District's Proportion Percentage	0.0157709648%	0.0163436872%

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 using the following assumptions:

Inflation:	3.01%
Salary Increase:	
2012-2021	2.15%-4.40% based on age
Thereafter	3.15%-5.40% based on age
Investment Rate of Return:	7.90%

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 6 PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Table (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 allocations as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	5.00%	1.04%
US Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate – The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. 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% as of June 30, 2015, 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 five years of recommended contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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 due date in determining the total pension liability.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 6 PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Sensitivity of the District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability as of June 30, 2015, calculated using the discount rate 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:

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's Proportionate Share of Net Pension Liability	\$ 4,400,116	\$ 3,540,265	\$ 2,819,371

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 Division of pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home-shtml>.

Teacher's Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund (TPAF) was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement, death, and disability, and medical benefits to certain qualified members. The TPAF 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 at 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 and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the TPAF and additions to/deductions from TPAF's fiduciary net position have been determined on the same basis as they are reported by 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.

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 nonemployed 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 \$39,649,051 as measured on June 30, 2015 and \$34,084,659 as measured on June 30, 2014.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 6 PENSION PLANS (CONTINUED)

Teacher's Pension and Annuity Fund (TPAF) (Continued)

For the year ended June 30, 2016, the District recognized pension expense of \$2,420,932 and revenue of \$2,420,932 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 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 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.

	June 30,	
	2015	2014
Collective Deferred Outflows of Resources	\$ 7,200,153,386	\$ 2,306,623,861
Collective Deferred Inflows of Resources	\$ 544,399,005	\$ 1,763,205,593
Collective Net Pension Liability		
Nonemployer-State of New Jersey	\$ 63,577,864,440	\$ 53,446,745,367
State's Portion of the Net Pension Liability		
Associated with the District	\$ 39,649,051	\$ 34,084,659
State's Portion of Net Pension Liability		
Associated with the District as a		
Percentage of the Collective Net Pension		
Liability	0.0627316019%	0.0637731244%

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, 2014. The actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation:	2.5%
Salary Increases 2012 – 2021:	Varies based on Experience
Investment Rate of Return:	7.90%

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 6 PENSION PLANS (CONTINUED)

Teacher's Pension and Annuity Fund (TPAF) (Continued)

Mortality rates were based on the RP-2000 Health Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement 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 Pension 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 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 Markets	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%

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 6 PENSION PLANS (CONTINUED)

Teacher's Pension and Annuity Fund (TPAF) (Continued)

Discount Rate – The discount rate used to measure the State's total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plans investments of 7.9% and a municipal bond rate of 3.80% as of June 30, 2015, 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 current member contribution rates and that contributions from employers (State of New Jersey) will be made based on an average of the last five years. Based on those assumption, 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 net pension liability to change in the discount rate – Since the District has no proportionate share in the net person liability 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 Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pesion/pdf/financial/gasb68-tpaf15.pdf>.

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

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program ("DCRP") established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 45:15C-1 et seq.). The DCRP is a cost sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with tax-sheltered, defined contribution retirement benefits, 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 normal rate when such surplus pension assets no longer exist.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 6 PENSION PLANS (CONTINUED)

PERS and TPAF Vesting and Benefit Provisions

The vesting and benefits 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 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.

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 employees. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.78% 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 6.78% and the PERS rate is 6.78% of covered payroll.

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

<u>Year of Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
June 30, 2016	\$ 476,130	100%
June 30, 2015	\$ 339,150	100%
June 30, 2014	\$ 712,138	100%

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 6 PENSION PLANS (CONTINUED)

Contribution Requirements (Continued)

Three Year Trend Information for PERS

<u>Year of Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
June 30, 2016	\$ 135,588	100%
June 30, 2015	\$ 134,735	100%
June 30, 2014	\$ 124,089	100%

During the fiscal year ended June 30, 2015, the State of New Jersey did contribute \$317,721 to the TPAF for pension and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$197,757.97, during the year ended June 30, 2015, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund based statements as pension expense and the TPAF on-behalf amounts have been included in fund based statements as revenues and expenses. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB No. 68.

NOTE 7 POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990,c.6 required Teachers' Pension 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 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 \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

NOTE 8 ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2016, the School Board has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$476,130.00 and \$566,940.00, respectively.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 9 DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the financial investment institutions, 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.

NOTE 10 RISK MANAGEMENT

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

Property and Liability Insurance

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

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method".

NOTE 11 INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$.	\$ 29,476.20
Special Revenue Fund	.	3,210.93
Capital Projects Fund	.	2,312.87
Enterprise Fund	<u>35,000.00</u>	<u> </u>
Total	<u>\$ 35,000.00</u>	<u>\$ 35,000.00</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2017, the District expects to liquidate such interfunds.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 12 INVENTORY

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

Food	\$	5,550.00
Supplies		<u>978.20</u>
		<u>\$ 6,528.20</u>

The value of Federal donated commodities as reflected on Schedule A 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 13 DEFICIT UNRESTRICTED NET POSITION

The governmental activities has a deficit in unrestricted net assets of \$3,717,547.06. This deficit is attributable to the allocation of compensated absences balances payable, accrued interest payable, deferred inflows and outflows of pension expense and net pension liability.

NOTE 14 EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, the designation for Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund 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.

NOTE 15 FUND BALANCES

Restricted

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

General Fund

For Excess Surplus - 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 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 \$1,200,071.17.

For Capital and Maintenance Reserve - The balance in the capital reserve and intenance reserve accounts were \$553,890.93. These funds are restricted for future expenditures.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 15 FUND BALANCES (CONTINUED)

Restricted (Continued)

Debt Service Fund - The Debt Service Fund restricted fund balance of \$2.79.

Capital Projects Fund – The District has \$915,094.95 in the Capital Projects Fund.

Assigned

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

General Fund - Other Purposes - As of June 30, 2016, the District had \$2,242.07 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year.

Unassigned

As stated in Note 1, the unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The District's unassigned fund balance is summarized as follows:

General Fund

The District has a deficit fund balance of \$108,584.82 in the General Fund as of June 30, 2016 as reported in the fund statements (modified accrual basis). P.L. 2004, c. 97 provides that in the event a state school aid payment is not made until the following school budget year, Districts must record the last payment as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the District cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the General Fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated General Fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered a violation of New Jersey statute and regulation nor in need of corrective action.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 16 CONTINGENT LIABILITIES

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for 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.

General

Per confirmation by the District's legal counsel, there are no material pending litigation, claims, assessments or contingent liabilities against the District.

NOTE 17 SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred as of September 22, 2016, the date that the financial statements were issued for possible disclosure and recognition in the financial statements and no items were noted for disclosure or adjustment.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 9,055,118.00	\$ -	\$ 9,055,118.00	\$ 9,055,118.00	\$ -
Tuition				6,000.00	6,000.00
Interest Earned on Investments	2,000.00		2,000.00	2,848.92	848.92
Interest Earned on Capital Reserve Funds	1,200.00		1,200.00	1,393.93	193.93
Miscellaneous	38,282.00		38,282.00	44,739.61	6,457.61
Total Local Sources	9,096,600.00	-	9,096,600.00	9,110,100.46	13,500.46
State Sources					
Equalization Aid	3,224,630.00		3,224,630.00	3,224,630.00	-
Special Education Categorical Aid	592,343.00		592,343.00	592,343.00	-
Categorical Security Aid	24,856.00		24,856.00	24,856.00	-
Categorical Transportation Aid	12,735.00		12,735.00	12,735.00	-
Nonpublic Transportation Reimbursement				6,392.00	6,392.00
Extraordinary Special Education Aid	75,000.00		75,000.00	38,206.00	(36,794.00)
Additional Extraordinary Aid					-
Under Adequacy Aid	11,295.00		11,295.00	11,295.00	-
PARCC Readiness Aid	9,660.00		9,660.00	9,660.00	-
Per Pupil Growth Aid	9,660.00		9,660.00	9,660.00	-
On-Behalf Payments					
TPAF Pension (On-Behalf Non-Budgeted)				476,130.00	476,130.00
TPAF Post Retirement Medical (On-Behalf Non-Budgeted)				566,940.00	566,940.00
TPAF Social Security (Reimbursed Non-Budgeted)				476,603.27	476,603.27
Total State Sources	3,960,179.00	-	3,960,179.00	5,449,450.27	1,489,271.27
Total Revenues	13,056,779.00	-	13,056,779.00	14,559,550.73	1,502,771.73

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
Current Expense					
Regular Programs - Instruction					
Preschool - Salaries of Teachers					-
Kindergarten - Salaries of Teachers	391,639.00		391,639.00	387,324.08	4,314.92
Grades 1-5 - Salaries of Teachers	2,131,491.00	(48,055.00)	2,083,436.00	2,077,522.62	5,913.38
Grades 6-8 - Salaries of Teachers	1,780,705.00	(2,375.00)	1,778,330.00	1,768,276.89	10,053.11
Regular Programs - Home Instruction					
Salaries of Teachers	9,000.00	(9,000.00)			-
Regular Programs - Undistricted Instruction:					
Other Purchased Services (400-500 series)	20,000.00	12,824.75	32,824.75	29,345.24	3,479.51
General Supplies	291,000.00	43,626.33	334,626.33	332,431.42	2,194.91
Textbooks	45,000.00	(44,103.00)	897.00	730.83	166.17
Other Objects	12,425.00		12,425.00	6,038.06	6,386.94
Total Regular Programs - Instruction	4,681,260.00	(47,081.92)	4,634,178.08	4,601,669.14	32,508.94
Multiple Disabilities					
Salaries of Teachers	170,612.00	(500.00)	170,112.00	167,337.56	2,774.44
Other Salaries for Instruction	211,254.00	(17,500.00)	193,754.00	192,333.54	1,420.46
General Supplies	5,400.00	1,801.00	7,201.00	2,867.69	4,333.31
Other Objects	500.00		500.00		500.00
Total Multiple Disabilities	387,766.00	(16,199.00)	371,567.00	362,538.79	9,028.21
Resource Room/Resource Center					
Salaries of Teachers	872,245.00	7,600.00	879,845.00	878,221.71	1,623.29
Other Salaries for Instruction	277,093.00	28,000.00	305,093.00	302,045.53	3,047.47
General Supplies	7,000.00	1,152.00	8,152.00	5,235.27	2,916.73
Other Objects					-
Total Resource Room/Resource Center	1,156,338.00	36,752.00	1,193,090.00	1,185,502.51	7,587.49

CITY OF NORTHFIELD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Autism					
Salaries of Teachers					-
Other Salaries for Instruction					-
General Supplies					-
Other Objects					-
Total Autism	-	-	-	-	-
Preschool Disabilities - Part-Time					
Salaries of Teachers	48,253.00		48,253.00	47,877.94	375.06
Other Salaries for Instruction	47,940.00	250.00	48,190.00	41,300.63	6,889.37
General Supplies	1,000.00	(250.00)	750.00	143.21	606.79
Other Objects	200.00		200.00	52.50	147.50
Total Preschool Disabilities - Part-Time	97,393.00	-	97,393.00	89,374.28	8,018.72
Home Instruction					
Salaries of Teachers	10,000.00	16,943.21	26,943.21	26,943.21	-
Total Home Instruction	10,000.00	16,943.21	26,943.21	26,943.21	-
Total Special Education - Instruction	1,651,497.00	37,496.21	1,688,993.21	1,664,358.79	24,634.42
Basic Skills/Remedial - Instruction					
Salaries of Teachers	369,851.00	(7,943.24)	361,907.76	331,284.24	30,623.52
Total Basic Skills/Remedial - Instruction	369,851.00	(7,943.24)	361,907.76	331,284.24	30,623.52
Bilingual Education - Instruction					
Salaries of Teachers	50,766.00	0.03	50,766.03	50,766.03	-
General Supplies	400.00		400.00	400.00	-
Total Bilingual Education - Instruction	51,166.00	0.03	51,166.03	51,166.03	-

CITY OF NORTHFIELD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Co curricular Activities - Instruction					
Salaries	17,829.00	933.10	18,762.10	18,762.10	-
Other Objects	2,000.00	(933.10)	1,066.90	595.00	471.90
Total School-Sponsored Co curricular Activities - Instruction	19,829.00	(0.00)	19,829.00	19,357.10	471.90
School-Sponsored Co curricular Athletics - Instruction					
Salaries	32,850.00		32,850.00	30,544.00	2,306.00
Purchased Services (300-500 series)	6,500.00		6,500.00	5,942.01	557.99
Total School-Sponsored Co curricular Athletics - Instruction	39,350.00	-	39,350.00	36,486.01	2,863.99
Total Instruction and At-Risk Programs	6,812,953.00	(17,528.92)	6,795,424.08	6,704,321.31	91,102.77
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular					-
Tuition to CSSD and Regional Day Schools	269,392.00		269,392.00	166,731.17	102,660.83
Tuition to Private School for the Disabled	55,000.00	(3,000.00)	52,000.00	801.00	51,199.00
Tuition - Other					-
Total Undistributed Expenditures - Instruction	324,392.00	(3,000.00)	321,392.00	167,532.17	153,859.83
Undistributed Expenditures - Attendance and Social Work					
Salaries					-
Purchased Professional and Technical Services					-
Total Undistributed Expenditures - Attendance and Social Work	-	-	-	-	-
Undistributed Expenditures - Health Services					
Salaries	139,162.00	(11,018.92)	128,143.08	72,379.77	55,763.31
Other Purchased Services (400-500 series)		8,268.92	8,268.92	8,268.92	-
Supplies and Materials	2,500.00	2,750.00	5,250.00	4,929.45	320.55
Total Undistributed Expenditures - Health Services	141,662.00	-	141,662.00	85,578.14	56,083.86

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Support Services - Students - Related Services					
Salaries	173,660.00	4,600.00	178,260.00	174,194.89	4,065.11
Purchased Professional - Educational Services	67,840.00	(8,011.54)	59,828.46	20,486.05	39,342.41
Supplies and Materials	3,900.00	188.00	4,088.00	3,440.24	647.76
Other Objects					-
Total Support Services - Students - Related Services	245,400.00	(3,223.54)	242,176.46	198,121.18	44,055.28
Other Support Services - Students - Extraordinary					
Salaries					-
Purchased Professional - Educational Services	19,000.00		19,000.00	3,230.13	15,769.87
Other Objects					-
Total Support Services - Students - Extraordinary	19,000.00	-	19,000.00	3,230.13	15,769.87
Undistributed Expenditures - Guidance Services					
Salaries of Other Professional Staff	134,778.00		134,778.00	134,778.00	-
Supplies and Materials	1,000.00	350.00	1,350.00	1,312.38	37.62
Total Undistributed Expenditures - Guidance Services	135,778.00	350.00	136,128.00	136,090.38	37.62
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	236,285.00		236,285.00	234,104.72	2,180.28
Salaries of Secretarial and Clerical Assistants	53,678.00		53,678.00	53,118.89	559.11
Purchased Professional - Educational Services	1,500.00	350.00	1,850.00	1,850.00	-
Other Purchased Professional and Technical Services	11,800.00	(700.00)	11,100.00	6,404.00	4,696.00
Miscellaneous Purchased Services	300.00		300.00	92.64	207.36
Supplies and Materials	5,500.00		5,500.00	3,124.57	2,375.43
Other Objects					-
Total Undistributed Expenditures - Child Study Teams	309,063.00	(350.00)	308,713.00	298,694.82	10,018.18

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	82,400.00		82,400.00	81,920.02	479.98
Supplies and Materials	250.00		250.00	230.20	19.80
Other Objects	1,200.00		1,200.00	1,059.00	141.00
Total Undistributed Expenditures - Improvement of Instructional Services	83,850.00	-	83,850.00	83,209.22	640.78
Undistributed Expenditures - Educational Media Services/School Library					
Salaries	73,657.00	51.30	73,708.30	73,673.54	34.76
Salaries of Technology Coordinators	36,771.00		36,771.00	36,681.84	89.16
Purchased Professional and Technical Services	2,500.00		2,500.00	2,023.44	476.56
Other Purchased Services (400-500 Series)	3,800.00	(51.30)	3,748.70	3,003.00	745.70
Supplies and Materials	45,000.00	(5,426.07)	39,573.93	36,384.42	3,189.51
Other Objects	22,500.00		22,500.00	16,387.30	6,112.70
Total Undistributed Expenditures - Educational Media Services/School Library	184,228.00	(5,426.07)	178,801.93	168,153.54	10,648.39
Undistributed Expenditures - Instructional Staff Training Services					
Purchased Professional - Educational Services					-
Other Purchased Services (400-500 series)	4,000.00		4,000.00	3,755.77	244.23
Supplies and Materials					-
Total Undistributed Expenditures - Instructional Staff Training Services	4,000.00	-	4,000.00	3,755.77	244.23

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Support Services - General Administration					
Salaries	200,762.00	(12,888.00)	187,874.00	187,674.48	199.52
Legal Services	50,000.00	61,488.92	111,488.92	111,488.92	-
Audit Fees	14,000.00	200.00	14,200.00	14,200.00	-
Architectural/Engineering Services	3,000.00	(3,000.00)			-
Other Purchased Professional Services	15,500.00	(1,200.80)	14,299.20	13,896.00	403.20
Purchased Technical Services	4,480.00	200.80	4,680.80	4,680.80	-
Communications/Telephone	38,000.00	(12,260.92)	25,739.08	24,763.44	975.64
Miscellaneous Purchased Services (400-500 Series Other Than 530/585)	29,000.00	3,550.00	32,550.00	32,157.49	392.51
General Supplies	7,000.00	(78.46)	6,921.54	6,858.98	62.56
Judgements Against the School		8,383.32	8,383.32	8,383.32	-
Miscellaneous Expenditures	7,500.00	(2,950.00)	4,550.00	4,093.70	456.30
Board of Education Membership Dues and Fees	7,800.00		7,800.00	7,732.45	67.55
Total Undistributed Expenditures - Support Services - General Administration	377,042.00	41,444.86	418,486.86	415,929.58	2,557.28
Undistributed Expenditures - Support Services - School Administration					
Salaries of Principals/Assistant Principals/Program Directors	218,166.00		218,166.00	216,895.64	1,270.36
Salaries of Secretarial and Clerical Assistants	101,822.00	(215.00)	101,607.00	100,023.21	1,583.79
Other Purchased Services (400-500 series)					-
Supplies and Materials	10,500.00		10,500.00	9,755.51	744.49
Other Objects	5,172.00	1,115.00	6,287.00	5,300.15	986.85
Total Undistributed Expenditures - Support Services - School Administration	335,660.00	900.00	336,560.00	331,974.51	4,585.49

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Central Services					
Salaries	231,144.00	2,400.00	233,544.00	233,009.98	534.02
Purchased Professional Services	2,100.00	(52.00)	2,048.00	650.00	1,398.00
Purchased Technical Services	9,500.00	52.00	9,552.00	9,552.00	-
Miscellaneous Purchased Services (400-500 Series)	7,500.00		7,500.00	838.38	6,661.62
Supplies and Materials	3,500.00	(0.11)	3,499.89	1,510.21	1,989.68
Interest on Bond Anticipation Notes	39,111.00	0.11	39,111.11	39,111.11	-
Miscellaneous Expenditures	2,500.00	(543.88)	1,956.12	1,681.40	274.72
Total Undistributed Expenditures - Central Services	295,355.00	1,856.12	297,211.12	286,353.08	10,858.04
Undistributed Expenditures -Administration Information Technology					
Salaries	73,542.00	0.04	73,542.04	73,542.04	-
Purchased Technical Services	5,000.00	(1,054.59)	3,945.41	2,550.00	1,395.41
Other Purchased Services (400-500 series)	25,658.00		25,658.00	25,657.36	0.64
Supplies and Materials	20,000.00	1,598.43	21,598.43	21,598.43	-
Other Objects	53,000.00		53,000.00	50,313.80	2,686.20
Total Undistributed Expenditures - Administration Information Technology	177,200.00	543.88	177,743.88	173,661.63	4,082.25
Undistributed Expenditures -Required Maintenance for School Facilities					
Salaries	94,235.00	3,095.38	97,330.38	97,330.38	-
Cleaning, Repair, and Maintenance Services	85,000.00	(30,462.11)	54,537.89	51,008.87	3,529.02
General Supplies	50,000.00	12,200.73	62,200.73	61,329.43	871.30
Total Undistributed Expenditures -Required Maintenance for School Facilities	229,235.00	(15,166.00)	214,069.00	209,668.68	4,400.32

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Custodial Services					
Salaries	329,766.00	18,029.09	347,795.09	347,468.91	326.18
Salaries of Non-Instructional Aides	29,925.00	(8,029.09)	21,895.91	21,518.31	377.60
Other Purchased Property Services	25,658.00		25,658.00	25,657.36	0.64
Insurance	55,900.00	(1,500.00)	54,400.00	54,335.00	65.00
Miscellaneous Purchased Services	1,500.00	1,775.00	3,275.00	3,275.00	-
General Supplies	40,000.00	(6,283.47)	33,716.53	33,716.53	-
Energy - Electricity	375,000.00	32,378.83	407,378.83	354,785.41	52,593.42
Total Undistributed Expenditures - Custodial Services	857,749.00	36,370.36	894,119.36	840,756.52	53,362.84
Undistributed Expenditures - Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	26,265.00	(87.86)	26,177.14	16,436.50	9,740.64
Other Objects					-
Total Undistributed Expenditures - Care and Upkeep of Grounds	26,265.00	(87.86)	26,177.14	16,436.50	9,740.64
Undistributed Expenditures - Security					
Salaries	13,860.00	1,087.86	14,947.86	14,947.86	-
Other Objects					-
Total Undistributed Expenditures - Security	13,860.00	1,087.86	14,947.86	14,947.86	-
Total Undistributed Expenditures - Operations & Maintenance Of Plant	1,127,109.00	22,204.36	1,149,313.36	1,081,809.56	67,503.80

CITY OF NORTHFIELD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Student Transportation Services					
Contracted Services - Aid In Lieu of Payment for Non-Public Students	15,912.00	884.00	16,796.00	16,796.00	-
Contracted Services (Other than Between Home and School)-Vendors	12,000.00		12,000.00	9,200.00	2,800.00
Contracted Services - (Between Home and School) - Joint Agreements	9,500.00	6,833.24	16,333.24	16,250.88	82.36
Contracted Services - (Special Education Students) - Vendors	20,000.00	(9,467.32)	10,532.68		10,532.68
Contracted Services - (Special Education Students) - Joint Agreements	200,000.00		200,000.00	169,054.38	30,945.62
Other Objects					-
Total Undistributed Expenditures - Student Transportation Services	257,412.00	(1,750.08)	255,661.92	211,301.26	44,360.66
Unallocated Benefits					
Group Insurance					-
Social Security Contributions	156,000.00	6,839.03	162,839.03	160,289.90	2,549.13
Other Retirement Contributions - PERS	145,000.00	(1,670.10)	143,329.90	138,247.97	5,081.93
Other Retirement Contributions - Regular	30,000.00	(6,839.03)	23,160.97	15,260.35	7,900.62
Unemployment Compensation	33,000.00	1,670.10	34,670.10	34,444.26	225.84
Workmen's Compensation	75,474.00		75,474.00	73,851.00	1,623.00
Health Benefits	2,057,989.00	(218,950.00)	1,839,039.00	1,796,484.62	42,554.38
Tuition Reimbursement	23,000.00		23,000.00	21,999.09	1,000.91
Other Employee Benefits	61,000.00	(900.00)	60,100.00	44,450.63	15,649.37
Total Unallocated Benefits	2,581,463.00	(219,850.00)	2,361,613.00	2,285,027.82	76,585.18
On-Behalf Contributions					
TPAF Pension (On-Behalf Non-Budgeted)				476,130.00	(476,130.00)
TPAF Post Retirement Medical (On-Behalf Non-Budgeted)				566,940.00	(566,940.00)
TPAF Social Security (Reimbursed Non-Budgeted)				476,603.27	(476,603.27)
Total On-Behalf Contributions	-	-	-	1,519,673.27	(1,519,673.27)
Total Personal Services - Employee Benefits	2,581,463.00	(219,850.00)	2,361,613.00	3,804,701.09	(1,443,088.09)
Total Undistributed Expenditures	6,598,614.00	(166,300.47)	6,432,313.53	7,450,096.06	(1,017,782.53)
Total Current Expense	13,411,567.00	(183,829.39)	13,227,737.61	14,154,417.37	(926,679.76)

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital Outlay					
Equipment					
Regular Programs - Instruction					
Equipment Grades 1-5		3,984.00	3,984.00	3,984.00	-
Equipment Grades 6-8		8,854.00	8,854.00	8,854.00	-
Undistributed Expenditures					
Instructional Equipment		12,453.10	12,453.10	12,453.10	-
Support Services - General Administration		3,411.54	3,411.54	3,411.54	-
Equipment - Technology		18,896.29	18,896.29	18,896.29	-
Required Maintenance for School Facility	7,500.00	(1,205.00)	6,295.00	6,295.00	-
Non-Instructional Equipment		16,371.00	16,371.00	16,371.00	-
Total Equipment	7,500.00	62,764.93	70,264.93	70,264.93	-
Facilities Acquisition and Construction Services					-
Total Facilities Acquisition and Construction Services	-	-	-	-	-
Assets Acquired Under Capital Leases (Non-Budgeted)					-
Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	-	-
Total Capital Outlay	7,500.00	62,764.93	70,264.93	70,264.93	-
Transfer of Funds to Charter Schools					-
TOTAL EXPENDITURES	13,419,067.00	(121,064.46)	13,298,002.54	14,224,682.30	(926,679.76)
Excess (Deficiency) of Revenues Over(Under) Expenditures	(362,288.00)	121,064.46	(241,223.54)	334,868.43	576,091.97

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources (Uses)					
Operating Transfer In (Out)					
Transfer to Capital Reserve					-
Transfer to Food Service Fund - Board Contribution	(16,318.00)		(16,318.00)	(16,318.00)	-
Capital Leases (non-budgeted)					-
Total Other Financing Sources (Uses)	(16,318.00)	-	(16,318.00)	(16,318.00)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(378,606.00)	121,064.46	(257,541.54)	318,550.43	576,091.97
Fund Balance, July 1	1,698,145.92		1,698,145.92	1,698,145.92	-
Fund Balance, June 30	<u>\$ 1,319,539.92</u>	<u>\$ 121,064.46</u>	<u>\$ 1,440,604.38</u>	<u>\$ 2,016,696.35</u>	<u>\$ 576,091.97</u>
Recapitulation					
Restricted Fund Balance					
Capital Reserve				311,890.93	
Maintenance Reserve				242,000.00	
Excess Surplus					
Designated for Subsequent Year's Expenditures				621,738.69	
Current Year				578,332.48	
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures					
Reserve for Encumbrances				2,242.07	
Unassigned Fund Balance				<u>260,492.18</u>	
				2,016,696.35	
Reconciliation to Governmental Funds Statements (GAAP)					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(369,077.00)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 1,647,619.35</u>	

CITY OF NORTHFIELD SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ -	\$ 5,499.72	\$ 5,499.72	\$ 5,499.72	\$ -
State Sources	-				-
Federal Sources	317,546.00	141,572.49	459,118.49	459,118.49	-
Total Revenues	<u>317,546.00</u>	<u>147,072.21</u>	<u>464,618.21</u>	<u>464,618.21</u>	<u>-</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	93,654.00	84,171.00	177,825.00	177,825.00	-
Supplies and Materials	5,216.00	40,920.82	46,136.82	46,136.82	-
Tuition	199,837.00	(12,756.95)	187,080.05	187,080.05	-
Other Objects		5,499.72	5,499.72	5,499.72	-
Total Instruction	<u>298,707.00</u>	<u>117,834.59</u>	<u>416,541.59</u>	<u>416,541.59</u>	<u>-</u>
Support Services					
Program Administration		598.50	598.50	598.50	-
Personal Services - Employee Benefits		28,808.07	28,808.07	28,808.07	-
Purchased Professional and Technical Services	18,839.00	(5,407.55)	13,431.45	13,431.45	-
Purchased Educational Services		2,228.00	2,228.00	2,228.00	-
Other Objects		3,010.60	3,010.60	3,010.60	-
Total Support Services	<u>18,839.00</u>	<u>29,237.62</u>	<u>48,076.62</u>	<u>48,076.62</u>	<u>-</u>
Facilities Acquisition					
Building Renovations					-
Total Facilities Acquisition	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>317,546.00</u>	<u>147,072.21</u>	<u>464,618.21</u>	<u>464,618.21</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF NORTHFIELD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For The Fiscal Year Ended June 30, 2016

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (Budgetary Basis) revenue from the Budgetary Comparison Schedule	\$ 14,559,550.73	\$ 464,618.21
Difference - Budget to GAAP Grant accounting Budgetary Basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		
Encumbrances		
June 30, 2015		7,007.34
June 30, 2016		(4,064.93)
State Aid payment recognized for budgetary purposes, not recognized for GAAP purposes.		
State Aid Payment		
June 30, 2015	381,433.00	
June 30, 2016	(369,077.00)	
Total revenues as reported on the Statements of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 14,571,906.73	\$ 467,560.62
Uses/Outflows of Resources		
Actual amounts (Budgetary Basis) total outflows from the Budgetary Comparison Schedule	\$ 14,241,000.30	\$ 464,618.21
Differences - Budget to GAAP Encumbrances for supplies and equipment ordered but not received are recorded in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Encumbrances		
June 30, 2015		7,007.34
June 30, 2016		(4,064.93)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	\$ 14,241,000.30	\$ 467,560.62

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

CITY OF NORTHFIELD SCHOOL DISTRICT
Required Supplementary Information
Schedule of the School District's Proportionate Share of Net Pension Liability
Public Employees' Retirement System (PERS)
Last Three Fiscal Years

	Measurement Date Ending June 30,		
	2015	2014	2013
School District's Proportion of the Net Pension Liability	0.0157709648%	0.0163436872%	0.0152836260%
School District's Proportionate Share of the Net Pension Liability	\$ 3,540,265.57	\$ 3,059,985.24	\$ 2,921,004.60
School District's Covered Employee Payroll	\$ 2,473,397.29	\$ 2,440,473.17	\$ 2,217,266.16
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	143.13%	125.38%	131.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note - This schedule is presented to illustrate the requirement for 10 years.
However, until a full 10-year trend is compiled, this presentation will only include information
for those years for which information is available.

CITY OF NORTHFIELD SCHOOL DISTRICT
Required Supplementary Information
Schedule of School District's Contributions
Public Employees' Retirement System (PERS)
Last Three Fiscal Years

	Measurement Date Ending June 30,		
	2015	2014	2013
Contractually Required Contribution	\$ 135,588.00	\$ 134,735.00	\$ 124,089.00
Contributions in Relation to the Contractually Required Contribution	<u>(135,588.00)</u>	<u>(134,735.00)</u>	<u>(124,089.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Employee Payroll	\$ 2,473,397.29	\$ 2,440,473.17	\$ 2,217,266.16
Contributions as a Percentage of Covered Employee Payroll	5.48%	5.52%	5.60%

Note - This schedule is presented to illustrate the requirement for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

CITY OF NORTHFIELD SCHOOL DISTRICT
Required Supplementary Information
Schedule of School District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Three Fiscal Years

	Measurement Date Ending June 30,		
	2015	2014	2013
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School Debt	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate of the Net Pension Liability Associated with the School Debt	<u>39,649,051.00</u>	<u>34,084,659.00</u>	<u>31,883,506.00</u>
	<u>\$ 39,649,051.00</u>	<u>\$ 34,084,659.00</u>	<u>\$ 31,883,506.00</u>
School District's Covered Employee Payroll	\$ 6,381,729.39	\$ 6,158,582.81	\$ 5,887,285.89
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	621.29%	553.45%	541.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

Note - This schedule is presented to illustrate the requirement for 10 years.
However, until a full 10-year trend is compiled, this presentation will only include information
for those years for which information is available.

**CITY OF NORTHFIELD SCHOOL DISTRICT
Required Supplementary Information
Schedule of School District Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years**

This schedule is not applicable

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Required Supplementary Information
Last Ten Fiscal Years

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.55% as of June 30, 2013, to 5.39% as of June 30, 2014 and 4.90% as of June 30, 2015 in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund(TPAF)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 4.95% as of June 30, 2013, to 4.68% as of June 30, 2014 and 4.13% as of June 30, 2015 in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL BASED BUDGET SCHEDULES

SPECIAL REVENUE FUND

CITY OF NORTHFIELD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
For The Fiscal Year Ended June 30, 2016

	Federal	State	Other	Total
REVENUES				
Federal Sources	\$ 459,118.49	\$ -	\$ -	\$ 459,118.49
State Sources				-
Local Sources			5,499.72	5,499.72
Total Revenues	<u>\$ 459,118.49</u>	<u>\$ -</u>	<u>\$ 5,499.72</u>	<u>\$ 464,618.21</u>
EXPENDITURES				
Instruction				
Salaries of Teachers	177,825.00			177,825.00
Purchased Professional and Technical Services	-			-
Supplies and Materials	46,136.82			46,136.82
Tuition	187,080.05			187,080.05
Other Objects	-		5,499.72	5,499.72
Total Instruction	<u>411,041.87</u>	<u>-</u>	<u>5,499.72</u>	<u>416,541.59</u>
Support Services				
Program Administration - Salaries	598.50			598.50
Personal Services - Employee Benefits	28,808.07			28,808.07
Purchased Professional and Technical Services	13,431.45			13,431.45
Purchased Educational Services	2,228.00			2,228.00
Supplies and Materials	-			-
Other Objects	3,010.60			3,010.60
Total Support Services	<u>48,076.62</u>	<u>-</u>	<u>-</u>	<u>48,076.62</u>
Capital Outlay				
Equipment				
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 459,118.49</u>	<u>\$ -</u>	<u>\$ 5,499.72</u>	<u>\$ 464,618.21</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
For The Fiscal Year Ended June 30, 2016

	No Child Left Behind			I.D.E.A. Part B		Atlantic Care Green House Grant	Green Committee Grant	Totals
	Title I	Title II Part A	Title III	Basic	Preschool			
REVENUES								
Federal Sources	\$ 183,246.76	\$ 22,784.00	\$ 16,672.12	\$ 225,515.00	\$ 10,900.61	\$ -	\$ -	\$ 459,118.49
State Sources								-
Local Sources						4,500.00	999.72	5,499.72
Total Federal Revenues	\$ 183,246.76	\$ 22,784.00	\$ 16,672.12	\$ 225,515.00	\$ 10,900.61	\$ 4,500.00	\$ 999.72	\$ 464,618.21
EXPENDITURES								
Instruction								
Salaries of Teachers	\$ 134,264.00	\$ 4,500.00	\$ 4,814.00	\$ 25,247.00	\$ 9,000.00	\$ -	\$ -	\$ 177,825.00
Purchased Professional Technical Services								-
Supplies and Materials	21,531.00	8,456.00	9,937.21	5,000.00	1,212.61			46,136.82
Tuition				187,080.05				187,080.05
Other Objects						4,500.00	999.72	5,499.72
Total Instruction	155,795.00	12,956.00	14,751.21	217,327.05	10,212.61	4,500.00	999.72	416,541.59
Support Services								
Program Administration - Salaries			273.00	325.50				598.50
Personal Services - Employee Benefits	25,451.82	344.00	368.25	1,956.00	688.00			28,808.07
Purchased Professional Technical Services		7,525.00		5,906.45				13,431.45
Purchased Educational Services		1,959.00	269.00					2,228.00
Supplies and Materials								-
Other Objects	1,999.94		1,010.66					3,010.60
Total Support Services	27,451.76	9,828.00	1,920.91	8,187.95	688.00	-	-	48,076.62
Capital Outlay								
Equipment								-
Total Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	\$ 183,246.76	\$ 22,784.00	\$ 16,672.12	\$ 225,515.00	\$ 10,900.61	\$ 4,500.00	\$ 999.72	\$ 464,618.21

CAPITAL PROJECTS FUND

CITY OF NORTHFIELD SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For The Fiscal Year Ended June 30, 2016

Project	Approval Date	Revised Budgetary Appropriations	Expenditures to Date		Unexpended Appropriations June 30, 2016
			Prior	Current	
Project 3720-056-14-G04-1003 3720-057-14-G04-1009					
The replacement of roof top HVAC units and damaged exhaust fans, exterior building envelope improvements, replace exterior doors, fire alarm and phone systems upgrades, lighting upgrades and occupancy sensors, and main entry parking lot improvements to the Northfield Community School, including the acquisition and installation of equipment and any necessary site work.					
	09/30/14	\$ 7,410,085.00	\$ 2,308,877.62	\$ 3,960,146.16	\$ 1,141,061.22

CITY OF NORTHFIELD SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
 For The Fiscal Year Ended June 30, 2016

REVENUES AND OTHER FINANCING SOURCES	
SDA Grant	
HVAC Security, Roofing and Site Upgrades - 1003	\$ 911,153.42
Sale of Bonds	<u>5,678,000.00</u>
Total Revenues and Other Financing Sources	<u>6,589,153.42</u>
EXPENDITURES AND OTHER FINANCING USES	
Purchased Professional and Technical Services	157,834.93
Construction Services	3,734,174.46
Equipment Purchases	68,136.77
Transfer to Debt Service	<u> </u>
Total Expenditures and Other Financing Uses	<u>3,960,146.16</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,629,007.26
Fund Balance, July 1	<u>(1,713,912.31)</u>
Fund Balance, June 30	<u>\$ 915,094.95</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Balance and Status - Budgetary
For The Fiscal Year Ended June 30, 2016

	Prior Year	Current Year	Totals
SOLAR PROTOVOLTAIC ROOF PANELS			
3720-056-09-1000			
REVENUES AND OTHER FINANCING SOURCES			
Bond Proceeds	\$ 468,000.00	\$ -	\$ 468,000.00
Transfer from Capital Reserve			
Total Revenues and Other Financing Sources	468,000.00	-	468,000.00
EXPENDITURES AND OTHER FINANCING USES			
Purchased Professional and Technical Services	49,696.43		49,696.43
Construction Services	322,449.00		322,449.00
Solar Rebate	(50,000.00)		(50,000.00)
Total Expenditures and Other Financing Uses	322,145.43	-	322,145.43
Excess of Revenues Over Expenditures	145,854.57	-	145,854.57
Transfer to Debt Service Fund	(120,000.00)	(25,854.57)	(145,854.57)
Balance of Bond Proceeds	\$ 25,854.57	\$ (25,854.57)	\$ -

Project Information

Project Number	3720-059-09-1000
Date Authorized	September 29, 2009
Bonds Authorized	\$ 468,000.00
Bonds Issued	\$ 468,000.00
Original Authorized Cost	\$ 468,000.00
Additional Authorized Cost	\$ (145,881.57)
Revised Authorized Cost	\$ 322,118.43
Percentage Completion	100.00%

CITY OF NORTHFIELD SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Balance and Status - Budgetary
 For The Fiscal Year Ended June 30, 2016

	Prior Year	Current Year	Totals	Authorized Costs
HVAC SECURITY ROOFING AND SITE UPGRADES				
3720-056-14-G04-1003				
3720-057-14-G04-1009				
REVENUES AND OTHER FINANCING SOURCES				
Bond Proceeds	\$ -	\$ 5,678,000.00	\$ 5,678,000.00	\$ 5,678,708.00
SDA Grant 5943	202,942.93	304,783.84	507,726.77	588,592.00
SDA Grant 5944	392,022.38	606,369.58	998,391.96	1,142,785.00
Transfer from Capital Reserve				
Total Revenues and Other Financing Sources	<u>594,965.31</u>	<u>6,589,153.42</u>	<u>7,184,118.73</u>	<u>7,410,085.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	409,348.97	157,834.93	567,183.90	747,010.00
Construction Services	1,749,964.60	3,734,174.46	5,484,139.06	6,245,365.00
Equipment Purchases	149,564.05	68,136.77	217,700.82	417,710.00
Total Expenditures and Other Financing Uses	<u>2,308,877.62</u>	<u>3,960,146.16</u>	<u>6,269,023.78</u>	<u>7,410,085.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (1,713,912.31)</u>	<u>\$ 2,629,007.26</u>	<u>\$ 915,094.95</u>	<u>\$ -</u>

Project Information

Bonds Authorized Date	09-30-2014
Bonds Authorized	\$ 5,678,708.00
Bonds Issued	\$ -
Original Authorized Cost	\$ 7,410,085.00
Additional Authorized Cost	
Revised Authorized Cost	\$ 7,410,085.00
Percentage Completion	31.00%
Original Target Completion Date	12-31-2015
Revised Target Completion Date	12-31-2015

CITY OF NORTHFIELD SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Bond Anticipation Notes
 For The Fiscal Year Ended June 30, 2016

<u>Purpose</u>	<u>Referendum Date</u>	<u>Original Issuance Date</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance June 30, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2016</u>
Facility Improvement	11/20/2014	12/4/2014	1.00%	5,550,000.00	\$ 5,500,000.00	\$ -	\$ 5,500,000.00	\$ -
					<u>\$ 5,500,000.00</u>	<u>\$ -</u>	<u>\$ 5,500,000.00</u>	<u>\$ -</u>

PROPRIETARY FUND

ENTERPRISE FUNDS

CITY OF NORTHFIELD SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Position
June 30, 2016

	Business Type Activities Enterprise Funds		Totals
	Food Service	School Aged Child Care	
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 9,269.06	\$ 101,957.92	\$ 111,226.98
Accounts Receivable - Federal and State	7,052.08		7,052.08
Accounts Receivable - Other	3,264.00		3,264.00
Interfund Receivable		35,000.00	35,000.00
Inventories	6,528.20		6,528.20
Total Current Assets	<u>26,113.34</u>	<u>136,957.92</u>	<u>163,071.26</u>
Noncurrent Assets			
Equipment	179,566.00	147,808.00	327,374.00
Less: Accumulated Depreciation	167,360.00	100,692.00	268,052.00
Total Noncurrent Assets	<u>12,206.00</u>	<u>47,116.00</u>	<u>59,322.00</u>
Total Assets	<u>38,319.34</u>	<u>184,073.92</u>	<u>222,393.26</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	12,036.67		12,036.67
Unearned Revenue		36,956.00	36,956.00
Interfunds Payable			-
Total Current Liabilities	<u>12,036.67</u>	<u>36,956.00</u>	<u>48,992.67</u>
NET Position			
Invested in Capital Assets Net of Related Debt	12,206.00	47,116.00	59,322.00
Unrestricted	14,076.67	100,001.92	114,078.59
Total Net Position	<u>\$ 26,282.67</u>	<u>\$ 147,117.92</u>	<u>\$ 173,400.59</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For The Fiscal Year Ended June 30, 2016

	Business Type Activities Enterprise Funds		Totals
	Food Service	School Aged Child Care	
OPERATING REVENUES			
Charges For Services			
Daily Sales			
Reimbursable Programs	\$ 99,035.97	\$ -	\$ 99,035.97
Non-Reimbursable Programs	107,200.39		107,200.39
Program Revenue		217,215.83	217,215.83
Total Operating Revenue	<u>206,236.36</u>	<u>217,215.83</u>	<u>423,452.19</u>
OPERATING EXPENSES			
Instructor Costs		22,056.28	22,056.28
Cost of Sales	137,834.07		137,834.07
Salaries	120,559.42	124,460.29	245,019.71
Payroll Taxes	17,970.70	10,392.44	28,363.14
Employee Benefits	25,969.56		25,969.56
General Supplies	2,118.88	6,512.47	8,631.35
Depreciation	2,329.00	7,956.00	10,285.00
Management Fee	22,330.14		22,330.14
Other	7,951.11	450.00	8,401.11
Total Operating Expenses	<u>337,062.88</u>	<u>171,827.48</u>	<u>508,890.36</u>
Operating Income (Loss)	<u>(130,826.52)</u>	<u>45,388.35</u>	<u>(85,438.17)</u>
NONOPERATING REVENUES (EXPENSES)			
State Sources			
State School Lunch Program	2,847.43		2,847.43
Federal Sources			
National School Lunch and breakfast Program	103,274.87		103,274.87
Food Distribution Program	28,260.82		28,260.82
Interest on Investments	38.37	134.79	173.16
Total Nonoperating Revenues (Expenses)	<u>134,421.49</u>	<u>134.79</u>	<u>134,556.28</u>
Income (Loss) Before Contributions and Transfers	3,594.97	45,523.14	49,118.11
Transfers In	16,318.00		16,318.00
Change in Net Position	19,912.97	45,523.14	65,436.11
Net Position, July 1	6,369.70	101,594.78	107,964.48
Net Position, June 30	<u>\$ 26,282.67</u>	<u>\$ 147,117.92</u>	<u>\$ 173,400.59</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2016

	Business Type Activities Enterprise Funds		Totals
	Food Service	School Aged Child Care	
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts From Customers and Other Funds	\$ 206,920.16	\$ 217,600.83	\$ 424,520.99
Payments to Employees	(163,446.49)	(134,852.73)	(298,299.22)
Payments to Suppliers	(179,925.67)	(31,477.35)	(211,403.02)
Net Cash Provided By (Used In) Operating Activities	<u>(136,452.00)</u>	<u>51,270.75</u>	<u>(85,181.25)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	2,934.74		2,934.74
Federal Sources	133,432.50		133,432.50
Operating Subsidies and Transfers	8,591.67	(8,883.60)	(291.93)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>144,958.91</u>	<u>(8,883.60)</u>	<u>136,075.31</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(8,086.00)	-	(8,086.00)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>(8,086.00)</u>	<u>-</u>	<u>(8,086.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	38.37	134.79	173.16
Net Cash Provided By (Used In) Investing Activities	<u>38.37</u>	<u>134.79</u>	<u>173.16</u>
Net Increase (Decrease) In Cash and Cash Equivalents	459.28	42,521.94	42,981.22
Cash and Cash Equivalents, July 1	8,809.78	59,435.98	68,245.76
Cash and Cash Equivalents, June 30	<u>\$ 9,269.06</u>	<u>\$ 101,957.92</u>	<u>\$ 111,226.98</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Operating Income (Loss)	\$ (130,826.52)	\$ 45,388.35	\$ (85,438.17)
Adjustments to reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Depreciation	2,329.00	7,956.00	10,285.00
(Increase) Decrease			
Accounts Receivable - Other	683.80		683.80
Inventories	1,053.19		1,053.19
Other Current Assets			
Increase (Decrease)			
Accounts Payable	(9,691.47)	(2,458.60)	(12,150.07)
Accrued Expenses			
Unearned Revenue		385.00	385.00
Net Cash Provided By (Used In) Operating Activities	<u>\$ (136,452.00)</u>	<u>\$ 51,270.75</u>	<u>\$ (85,181.25)</u>

INTERNAL SERVICE FUND

FIDUCIARY FUNDS

CITY OF NORTHFIELD SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2016

	<u>Student Activity</u>	<u>Agency Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 16,788.74	\$ 1,953.83	\$ 18,742.57
Total Assets	<u>16,788.74</u>	<u>1,953.83</u>	<u>18,742.57</u>
LIABILITIES			
Accounts Payable			
Payroll Deductions		1,953.83	1,953.83
Interfund Payable			
Payable to Student Groups	<u>16,788.74</u>		<u>16,788.74</u>
Total Liabilities	<u>16,788.74</u>	<u>1,953.83</u>	<u>18,742.57</u>
NET POSITION			
Reserved			
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
 Student Activity Funds
 Schedule of Receipts and Disbursements
 For The Fiscal Year Ended June 30, 2016

	Balance June 30, 2015	Cash Receipts	Cash Disbursements	Balance June 30, 2016
Elementary School	\$ 19,136.52	\$ 18,861.65	\$ 21,209.43	\$ 16,788.74

CITY OF NORTHFIELD SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For The Fiscal Year Ended June 30, 2016

	<u>Balance June 30, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2016</u>
ASSETS				
Cash and Cash Equivalents	\$ 90,366.13	\$ 11,915,034.39	\$ 12,003,446.69	\$ 1,953.83
Total Assets	<u>\$ 90,366.13</u>	<u>\$ 11,915,034.39</u>	<u>\$ 12,003,446.69</u>	<u>\$ 1,953.83</u>
LIABILITIES				
Net Payroll	\$ -	\$ 5,645,308.61	\$ 5,645,308.61	\$ -
Payroll Deductions and Withholding Due to Other Governments	90,366.13	6,269,725.78	6,358,138.08	1,953.83
Total Liabilities	<u>\$ 90,366.13</u>	<u>\$ 11,915,034.39</u>	<u>\$ 12,003,446.69</u>	<u>\$ 1,953.83</u>

LONG-TERM DEBT

CITY OF NORTHFIELD SCHOOL DISTRICT
Long-Term Debt
Schedule of Bonds Payable
For The Fiscal Year Ended June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2015	Issued	Retired	Balance June 30, 2016
			Date	Amount					
School Refunding Bonds	1/15/2004	\$ 11,130,000.00	9/1/2015	1,440,000.00	5.000%	\$ 1,440,000.00	\$ -	\$ 1,440,000.00	\$ -
School Refunding Bonds	7/22/2015	\$ 5,678,000.00	8/1/2016	480,000.00	2.125%	-	5,678,000.00		5,678,000.00
			8/1/2017	600,000.00	2.125%				
			8/1/2018	600,000.00	2.125%				
			8/1/2019	600,000.00	2.125%				
			8/1/2020	600,000.00	2.125%				
			8/1/2021	600,000.00	2.125%				
			8/1/2022	575,000.00	2.125%				
			8/1/2023	550,000.00	2.250%				
			8/1/2024	550,000.00	2.375%				
Solar Project	12/17/2009	468,000.00	6/30/2017	50,000.00	4.300%	273,000.00	-	50,000.00	223,000.00
			6/30/2018	55,000.00	4.300%				
			6/30/2019	60,000.00	4.300%				
			6/30/2020	58,000.00	4.300%				
						<u>\$ 1,713,000.00</u>	<u>\$ 5,678,000.00</u>	<u>\$ 1,490,000.00</u>	<u>\$ 5,901,000.00</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Obligations Under Capital Lease
 For The Fiscal Year Ended June 30, 2016

Purpose	Date of Lease	Interest Rate Payable	Amount of Original Issue	Balance June 30, 2015	Issued	Retired	Balance June 30, 2016
Network Switches and HVAC	7/19/2013	1.33%	257,351.00	\$ 149,935.49	\$ -	\$ 49,319.18	\$ 100,616.31
				<u>\$ 149,935.49</u>	<u>\$ -</u>	<u>\$ 49,319.18</u>	<u>\$ 100,616.31</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
 Debt Service Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,081,660.00	\$ -	\$ 1,081,660.00	\$ 1,081,660.00	\$ -
Interest on Investments					
Total Local Sources	<u>1,081,660.00</u>	<u>-</u>	<u>1,081,660.00</u>	<u>1,081,660.00</u>	<u>-</u>
State Sources					
Debt Service Aid Type I					
Debt Service Aid Type II	455,004.00		455,004.00	455,004.00	
Total State Sources	<u>455,004.00</u>	<u>-</u>	<u>455,004.00</u>	<u>455,004.00</u>	<u>-</u>
Total Revenues	<u>1,536,664.00</u>	<u>-</u>	<u>1,536,664.00</u>	<u>1,536,664.00</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest	46,664.00		46,664.00	46,664.00	
Redemption of Principal	1,490,000.00		1,490,000.00	1,490,000.00	
Total Expenditures	<u>1,536,664.00</u>	<u>-</u>	<u>1,536,664.00</u>	<u>1,536,664.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources					
Operating Transfers In					
Capital Projects Fund					
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	<u>2.79</u>		<u>2.79</u>	<u>2.79</u>	
Fund Balance, June 30	<u>\$ 2.79</u>	<u>\$ -</u>	<u>\$ 2.79</u>	<u>\$ 2.79</u>	<u>\$ -</u>

STATISTICAL SECTION

CITY OF NORTHFIELD SCHOOL DISTRICT

Statistical Section

Introduction to the Statistical Section

Financial Trends

- J-1 These schedules contain trend information to help the reader understand how the
- J-2 District's financial performance and well being have changed over time.
- J-3
- J-4
- J-5

Revenue Capacity

- J-6 These schedules contain information to help the reader assess the District's most
- J-7 significant local revenue source, the property tax.
- J-8
- J-9

Debt Capacity

- J-10 These schedules present information to help the reader assess the affordability of the
- J-11 District's current levels of outstanding debt and the District's ability to issue additional debt
- J-12 in the future.
- J-13

Demographic and Economic Information

- J-14 These schedules offer demographic and economic indicators to help the reader
- J-15 understand the environment within which the District's financial activities take place.

Operating Information

- J-16 These schedules contain service and infrastructure data to help the reader understand
- J-17 how the information in the District's financial report relates to the services the District
- J-18 provides and the activities it performs.
- J-19
- J-20

Sources: *Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report (CAFR) for the relevant year.*

FINANCIAL TRENDS

CITY OF NORTHFIELD SCHOOL DISTRICT

Net Position by Component

Source: CAFR A-1

Exhibit J-1

Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Governmental Activities										
Invested in										
Capital Assets	\$ 10,647,820.81	\$ 11,355,552.32	\$ 8,081,963.52	\$ 7,187,736.61	\$ 6,216,821.94	\$ 5,085,340.12	\$ 3,654,750.93	\$ 3,430,815.00	\$ 2,678,966.00	\$ 1,853,353.00
Restricted	2,672,501.91	(366,124.07)	1,374,107.92	1,361,826.00	1,659,368.44	1,342,277.00	1,412,623.91	1,007,139.00	889,265.00	1,046,587.00
Unrestricted	(3,717,547.06)	(3,333,650.18)	(534,864.29)	(520,652.16)	(556,489.05)	(371,812.95)	(111,070.68)	(253,553.00)	(21,552.00)	(2,977.00)
Total	\$ 9,602,775.66	\$ 7,655,778.07	\$ 8,921,207.15	\$ 8,028,910.45	\$ 7,319,701.33	\$ 6,055,804.17	\$ 4,956,304.16	\$ 4,184,401.00	\$ 3,546,679.00	\$ 2,896,963.00
Business-Type Activities										
Invested										
Capital Assets	\$ 59,322.00	\$ 61,521.00	\$ 70,189.00	\$ 78,703.00	\$ 91,967.00	\$ 66,610.00	\$ 79,812.00	\$ 74,438.00	\$ 76,456.00	\$ 88,950.00
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	114,078.59	46,443.48	73,150.73	81,635.40	87,885.12	163,851.39	101,328.18	61,379.00	48,037.00	41,256.00
Total	\$ 173,400.59	\$ 107,964.48	\$ 143,339.73	\$ 160,338.40	\$ 179,852.12	\$ 230,461.39	\$ 181,140.18	\$ 135,817.00	\$ 124,493.00	\$ 130,206.00
District-Wide										
Invested in										
Capital Assets	\$ 10,707,142.81	\$ 11,417,073.32	\$ 8,152,152.52	\$ 7,266,439.61	\$ 6,308,788.94	\$ 5,151,950.12	\$ 3,734,562.93	\$ 3,505,253.00	\$ 2,755,422.00	\$ 1,942,303.00
Restricted	2,672,501.91	(366,124.07)	1,374,107.92	1,361,826.00	1,659,368.44	1,342,277.00	1,412,623.91	1,007,139.00	889,265.00	1,046,587.00
Unrestricted	(3,603,468.47)	(3,287,206.70)	(461,713.56)	(439,016.76)	(468,603.93)	(207,961.56)	(9,742.50)	(192,174.00)	26,485.00	38,279.00
Total	\$ 9,776,176.25	\$ 7,763,742.55	\$ 9,064,546.88	\$ 8,189,248.85	\$ 7,499,553.45	\$ 6,286,265.56	\$ 5,137,444.34	\$ 4,320,218.00	\$ 3,671,172.00	\$ 3,027,169.00

CITY OF NORTHFIELD SCHOOL DISTRICT

Changes in Net Position

Source: CAFR A-2

Exhibit J-2

Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 8,871,544.89	\$ 8,099,518.04	\$ 6,806,412.90	\$ 7,248,523.57	\$ 6,897,104.64	\$ 6,132,109.34	\$ 6,674,688.49	\$ 5,790,380.00	\$ 5,749,342.00	\$ 5,689,497.00
Special Education	2,959,332.96	2,672,855.57	2,111,729.94	2,082,986.69	1,855,027.19	2,428,341.71	1,810,546.09	1,711,245.00	1,543,997.00	1,435,822.00
Other Special Education	55,843.11	56,065.62	51,827.86	49,548.55	47,034.03	47,402.07	64,450.00	626,544.00	574,946.00	449,521.00
Other Instruction	382,450.27	358,555.36	424,594.59	419,986.63	390,268.43	357,306.87	491,214.54	149,598.00	138,049.00	134,639.00
Nonpublic School Programs								42,944.00	17,134.00	23,366.00
Support Services										
Tuition	167,532.17	244,790.00	242,849.50	27,476.89	16,889.00	7,912.00	4,531.24	325,207.00	305,990.00	223,048.00
Related Services	1,833,874.91	1,798,907.57	1,534,038.05	1,545,500.92	1,513,018.34	1,522,556.45	1,549,572.51	1,440,429.00	1,552,751.00	1,497,649.00
General Administration	739,548.54	585,174.45	753,845.69	749,339.53	519,417.46	477,223.89	577,824.19	574,697.00	565,493.00	586,809.00
School Administrative	590,271.23	541,167.04	482,010.13	458,744.84	472,465.94	442,346.29	524,343.83	495,951.00	505,996.00	448,042.00
Plant Operations	1,081,809.56	1,051,986.70	1,095,478.20	1,151,632.72	928,684.42	927,471.27	936,889.52	1,203,776.00	1,216,228.00	1,231,385.00
Pupil Transportation	211,301.26	231,823.08	217,772.02	218,224.79	171,597.11	203,488.87	204,228.61	300,638.00	252,924.00	205,698.00
Central Services	286,353.08	282,203.10	255,831.00	265,858.96	229,265.96	196,679.41	204,721.40	269,478.00	252,037.00	254,022.00
Administrative Technology	173,661.63	152,395.68	165,240.87	107,236.77	135,106.33	111,512.89	127,346.94	168,763.00	143,517.00	193,435.00
Unallocated Depreciation	497,241.00	504,855.00	510,705.00	484,620.00	477,572.00	452,073.00	434,326.00			
Food Service										
Interest on Long-Term Debt	134,994.57	95,805.09	165,974.84	228,312.01	264,956.86	310,447.80	337,061.01	383,296.00	431,999.00	455,425.00
Total	17,985,759.18	16,676,102.30	14,818,310.59	15,037,992.87	13,918,407.71	13,616,871.86	13,941,744.37	13,482,946.00	13,250,403.00	12,828,358.00
Business-Type Activities										
Food Service Fund	337,062.88	341,591.65	343,644.07	338,733.69	360,987.25	321,955.71	329,071.06	319,632.00	303,921.00	294,064.00
Child Care	171,827.48	199,367.33	203,548.05	222,507.41	261,814.18	198,601.15	175,292.77	204,948.00	211,029.00	183,189.00
Total	508,890.36	540,958.98	547,192.12	561,241.10	622,801.43	520,556.86	504,363.83	524,580.00	514,950.00	477,253.00
Total District-Wide Expenses	\$ 18,494,649.54	\$ 17,217,061.28	\$ 15,365,502.71	\$ 15,599,233.97	\$ 14,541,209.14	\$ 14,137,428.72	\$ 14,446,108.20	\$ 14,007,526.00	\$ 13,765,353.00	\$ 13,305,611.00

CITY OF NORTHFIELD SCHOOL DISTRICT
 Changes in Net Position (Continued)
 Source: CAFR A-2

Exhibit J-2
 Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Program Revenues										
Governmental Activities										
Charges For Services	\$ -	\$ -	\$ 12,503.30	\$ 14,475.96	\$ 7,917.00	\$ 2,074.80	\$ 18,227.45	11,702.00	\$ 14,345.00	\$ 7,120.00
Grants and Contributions	5,137,251.89	3,932,897.61	2,312,279.64	2,618,221.18	2,257,043.86	2,207,548.40	2,829,663.64	1,219,425.00	1,671,269.00	1,653,220.00
Total	5,137,251.89	3,932,897.61	2,324,782.94	2,632,697.14	2,264,960.86	2,209,623.20	2,847,891.09	1,231,127.00	1,685,614.00	1,661,040.00
Business-Type Activities										
Charges For Services										
Food Service	206,236.36	197,750.01	201,357.56	195,356.47	202,825.39	215,843.78	219,898.95	219,170.00	208,639.00	214,482.00
Child Care	217,215.83	183,823.47	201,362.19	221,301.50	240,248.82	212,837.01	193,736.35	186,960.00	203,988.00	184,782.00
Grants and Contributions										
Food Service	134,383.12	123,912.90	127,338.60	124,858.80	128,236.56	114,135.45	109,066.75	98,885.00	78,304.00	58,743.00
Total	557,835.31	505,486.38	530,058.35	541,516.77	571,310.77	542,816.24	522,702.05	505,015.00	490,931.00	458,007.00
Total	\$ 5,695,087.20	\$ 4,438,383.99	\$ 2,854,841.29	\$ 3,174,213.91	\$ 2,836,271.63	\$ 2,752,439.44	\$ 3,370,593.14	\$ 1,736,142.00	\$ 2,176,545.00	\$ 2,119,047.00
Net (Expense) Revenue										
Governmental Activities	\$ (12,848,507.29)	\$ (12,743,204.69)	\$ (12,493,527.65)	\$ (12,405,295.73)	\$ (11,653,446.85)	\$ (11,407,248.66)	\$ (11,093,853.28)	\$ (12,251,819.00)	\$ (11,564,789.00)	\$ (11,167,318.00)
Business-Type Activities	48,944.95	(35,472.60)	(17,133.77)	(19,724.33)	(51,490.66)	22,259.38	18,338.22	(19,565.00)	(24,019.00)	(19,246.00)
Total	\$ (12,799,562.34)	\$ (12,778,677.29)	\$ (12,510,661.42)	\$ (12,425,020.06)	\$ (11,704,937.51)	\$ (11,384,989.28)	\$ (11,075,515.06)	\$ (12,271,384.00)	\$ (11,588,808.00)	\$ (11,186,564.00)

CITY OF NORTHFIELD SCHOOL DISTRICT
 Changes in Net Position (Continued)

Exhibit J-2
 Unaudited

Source: CAFR A-2

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes - General Levy	\$ 9,055,118.00	\$ 8,741,945.00	\$ 8,741,945.00	\$ 8,570,534.00	\$ 8,490,117.00	\$ 8,448,154.00	\$ 8,306,966.00	\$ 7,847,193.00	\$ 7,571,998.00	\$ 7,194,807.00
Property Taxes - Debt Service	1,081,660.00	1,033,869.00	1,033,869.00	1,034,624.00	1,039,226.00	1,072,312.00	958,802.00	958,557.00	954,879.00	1,092,305.00
Unrestricted Grants	4,685,591.42	3,615,068.88	3,615,068.88	3,512,604.35	3,340,066.70	3,085,920.52	2,660,347.18	4,111,842.00	3,662,461.00	3,442,382.00
Investment Earnings	4,242.85	2,389.31	2,389.31	3,482.98	4,883.06	16,623.54	15,497.48	17,997.00	49,996.00	84,226.00
Miscellaneous Income	56,239.61	27,135.16	27,135.16	48,233.33	77,634.25	6,213.93	45,029.49	15,116.00	23,996.00	5,152.00
Special Items	(87,347.00)	(34,583.00)	(34,583.00)	(54,973.80)	(34,583.00)	(122,575.32)	(120,889.00)	(61,163.00)	(48,826.00)	(52,835.00)
Total	14,795,504.88	13,385,824.35	13,385,824.35	13,114,504.86	12,917,344.01	12,506,648.67	11,865,753.15	12,889,542.00	12,214,504.00	11,767,035.00
Business-Type Activities										
Investment Earnings	173.16	135.10	135.10	210.61	881.39	2,061.83	1,984.96	1,889.00	4,063.00	5,312.00
Special Items						25,000.00	25,000.00	29,000.00	14,243.00	18,256.00
Total	173.16	135.10	135.10	210.61	881.39	27,061.83	26,984.96	30,889.00	18,306.00	23,569.00
Total District-Wide General Revenues and Other Changes in Net Position	\$ 14,795,678.04	\$ 13,385,959.45	\$ 13,385,959.45	\$ 13,114,715.47	\$ 12,918,225.40	\$ 12,533,710.50	\$ 11,892,738.11	\$ 12,920,431.00	\$ 12,232,810.00	\$ 11,790,602.00
Change in Net Position										
Governmental Activities	\$ 1,946,997.59	\$ 642,619.66	\$ 892,296.70	\$ 709,209.13	\$ 1,263,897.16	\$ 1,099,400.01	\$ 771,899.87	\$ 637,723.00	\$ 649,715.00	\$ 599,715.00
Business-Type Activities	49,118.11	(35,337.50)	(16,998.67)	(19,513.72)	(50,609.27)	49,321.21	45,323.18	11,324.00	(5,713.00)	4,323.00
Total District-Wide	\$ 1,996,115.70	\$ 607,282.16	\$ 875,298.03	\$ 689,695.41	\$ 1,213,287.89	\$ 1,148,721.22	\$ 817,223.05	\$ 649,047.00	\$ 644,002.00	\$ 604,038.00

CITY OF NORTHFIELD SCHOOL DISTRICT
Fund Balances - Governmental Funds
Source: CAFR B-1

Exhibit J-3
Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
General Fund										
Restricted	\$ 1,753,962.10	\$ 1,314,041.89	\$ 1,087,697.20	\$ 1,232,531.73	\$ 1,065,386.45	\$ 762,524.95	\$ -	\$ -	\$ -	\$ -
Committed										
Assigned	2,242.07	118,935.34	260,553.43	58,437.48	483,125.07	483,895.37				
Unassigned	(108,584.82)	(116,264.31)	(67,882.63)	(82,869.23)	(106,356.00)	(73,575.00)				
Reserved							1,097,052.13	1,007,139.00	889,265.00	1,046,587.00
Unreserved							(143,270.00)	(71,784.00)	111,561.00	119,904.00
Total	\$ 1,647,619.35	\$ 1,316,712.92	\$ 1,280,368.00	\$ 1,208,099.98	\$ 1,442,155.52	\$ 1,172,845.32	\$ 953,782.13	\$ 935,355.00	\$ 1,000,826.00	\$ 1,166,491.00
All Other Governmental Funds										
Restricted	\$ 2.79	\$ 2.79	\$ 25,257.29	\$ 70,856.79	\$ 110,856.92	\$ 95,856.68	\$ -	\$ -	\$ -	\$ -
Committed										
Assigned										
Unassigned										
Reserved							214,767.00	-	-	-
Unreserved							100,804.78		(854.00)	(854.00)
Total	\$ 2.79	\$ 2.79	\$ 25,257.29	\$ 70,856.79	\$ 110,856.92	\$ 95,856.68	\$ 315,571.78	\$ -	\$ (854.00)	\$ (854.00)

CITY OF NORTHFIELD SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Source: CAFR B-2

Exhibit J-4
Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Revenues										
Tax Levy	\$ 10,136,778.00	\$ 9,970,813.00	\$ 9,775,814.00	\$ 9,605,158.00	\$ 9,529,343.00	\$ 9,520,466.00	\$ 9,265,768.00	\$ 8,805,750.00	\$ 8,526,877.00	\$ 8,288,112.00
Tuition Charges	6,000.00		12,503.30	14,475.96	7,917.00	2,074.80	18,227.45	11,702.00	14,345.00	7,820.00
Interest Earned	4,242.85	2,388.49	2,389.31	3,482.98	4,883.06	16,623.54	15,497.48	17,997.00	49,996.00	86,476.00
Local Sources	5,728,239.33	39,604.30	27,135.16	48,233.33	77,634.25	6,213.93	46,691.50	16,798.00	24,643.00	5,600.00
State Sources	6,827,963.69	6,335,553.81	5,534,599.45	5,662,554.19	5,105,763.00	4,794,734.11	4,452,409.51	5,003,804.00	5,013,415.00	4,760,378.00
Federal Sources	462,060.90	388,176.61	392,749.07	468,271.34	491,347.56	498,734.81	1,035,939.30	325,781.00	319,664.00	334,776.00
Total Revenues	23,165,284.77	16,736,536.21	15,745,190.29	15,802,175.80	15,216,887.87	14,838,847.19	14,834,533.24	14,181,832.00	13,948,940.00	13,483,162.00
Expenditures										
Instruction										
Regular	5,014,673.14	4,917,271.47	4,543,752.81	4,820,290.64	4,616,046.97	4,199,752.83	4,673,879.28	4,217,278.00	4,043,688.00	3,972,251.00
Special Education	1,664,358.79	1,610,507.09	1,405,179.66	1,375,340.79	1,238,038.02	1,648,605.83	1,269,201.91	1,245,742.00	1,085,939.00	1,001,008.00
Other Special Instruction	382,450.27	358,555.36	424,594.59	419,986.63	390,268.43	357,306.87	491,214.54	456,108.00	404,377.00	313,391.00
Other Instruction	55,843.11	56,065.62	51,827.86	49,548.55	47,034.03	47,402.07	64,450.00	108,904.00	97,094.00	93,866.00
Nonpublic School Programs								31,262.00	12,051.00	16,291.00
Support Services										
Tuition	167,532.17	244,790.00	242,849.50	27,476.89	16,889.00	7,912.00	4,531.24	236,742.00	215,212.00	155,502.00
Student and Instruction	1,031,389.80	1,083,916.93	1,018,466.26	1,022,906.14	1,009,782.63	1,033,666.48	1,086,258.12	1,089,347.00	1,117,674.00	1,059,182.00
General Administration	415,929.58	352,592.04	501,621.26	495,958.30	346,657.22	323,988.21	405,057.66	420,164.00	397,725.00	442,213.00
School Administrative	331,974.51	326,075.74	320,737.43	303,625.13	315,321.95	300,241.85	367,567.66	362,708.00	355,882.00	312,360.00
Central Services	286,353.08	282,203.10	255,831.00	265,858.96	229,265.96	196,679.41	204,721.40	196,173.00	177,265.00	177,096.00
Administrative Information	173,661.63	152,395.68	165,240.87	107,236.77	135,106.33	111,512.89	127,346.94	122,857.00	100,940.00	134,857.00
Plant Operations and Maintenance	1,081,809.56	1,051,986.70	1,095,478.20	1,151,632.72	928,684.42	927,471.27	936,889.52	898,140.00	855,410.00	858,481.00
Pupil Transportation	211,301.26	231,823.08	217,772.02	218,224.79	171,597.11	203,488.87	204,228.61	218,857.00	177,889.00	143,406.00
Unallocated Employee Benefits	3,804,701.09	3,919,651.17	3,916,833.89	4,096,395.59	3,750,584.30	3,550,209.78	3,327,719.67	3,106,251.00	3,406,330.00	3,282,632.00
Capital Outlay	3,999,219.31	2,349,359.40	282,445.92	195,327.44	211,663.30	382,976.64	380,768.38	145,400.00	287,491.00	19,543.00
Debt Service	1,536,664.00	1,533,956.50	1,532,641.50	1,526,422.13	1,525,637.76	1,523,284.10	1,466,568.76	1,466,194.00	1,460,569.00	1,457,663.00
Total Expenditures	20,157,861.30	18,471,149.88	15,975,272.77	16,076,231.47	14,932,577.43	14,814,499.10	15,010,403.69	14,322,127.00	14,195,536.00	13,439,742.00
Excess (Deficiency)	3,007,423.47	(1,734,613.67)	(230,082.48)	(274,055.67)	284,310.44	24,348.09	(175,870.45)	(140,295.00)	(246,596.00)	43,420.00
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)			257,351.00				66,867.07	104,678.00	95,174.00	
Increase in Capital Reserve Fund										(2,250.00)
Bond Proceeds							468,000.00			
Food Service	(16,318.00)					(25,000.00)	(25,000.00)	(29,000.00)	(14,243.00)	(18,256.00)
Total Other Financing Sources (Uses)	(16,318.00)	-	257,351.00	-	-	(25,000.00)	509,867.07	75,678.00	80,931.00	(20,506.00)
Net Changes in Fund Balance	\$ 2,991,105.47	\$ (1,734,613.67)	\$ 27,268.52	\$ (274,055.67)	\$ 284,310.44	\$ (651.91)	\$ 333,996.62	\$ (64,617.00)	\$ (165,665.00)	\$ 22,914.00

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund - Other Local Revenue By Source
 Source: District Records

Exhibit J-5
 Unaudited

<u>Fiscal Year Ended June 30</u>	<u>Interest on Investments</u>	<u>Tuition Revenue</u>	<u>Miscellaneous</u>	<u>Total</u>
2007	\$ 86,476.00	\$ 7,820.00	\$ 5,152.00	\$ 99,448.00
2008	49,996.00	14,345.00	23,996.00	88,337.00
2009	17,997.00	12,483.00	7,000.00	37,480.00
2010	15,497.48	18,227.45	45,029.49	78,754.42
2011	16,623.00	2,075.00	6,214.00	24,912.00
2012	4,883.06	7,917.00	77,634.25	90,434.31
2013	3,482.98	14,475.96	45,916.10	63,875.04
2014	2,389.31	12,503.30	26,597.87	41,490.48
2015	2,388.49		39,411.89	41,800.38
2016	4,242.85	6,000.00	38,739.61	48,982.46

REVENUE CAPACITY

CITY OF NORTHFIELD SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Source: Municipal Tax Assessor

Exhibit J-6
 Unaudited

Fiscal Year Ended June 30,	Land	Improvements	Net Total Taxable Value of Land & Improvements	Less Tax Exempt Property	Personal Property	Net Valuation Taxable	Total Direct School Tax Rate	Equalized Value
2007	\$ -	\$ -	\$549,910,600	\$ -	\$ -	\$ 549,910,600	\$ 1.150	\$ 1,170,679,885
2008			552,780,200			552,780,200	1.569	1,221,193,024
2009	174,577,700	375,648,100	550,225,800		936,223	551,162,023	1.643	1,246,547,553
2010	333,447,600	660,017,500	993,465,100		2,073,817	995,538,917	0.949	1,096,167,052
2011	330,923,800	654,170,800	985,094,600		1,693,246	986,787,846	0.965	1,043,116,116
2012	328,215,900	647,298,100	975,514,000		1,580,553	977,094,553	0.980	990,365,450
2013	327,108,500	637,379,000	964,487,500		1,473,879	965,961,379	1.006	930,329,750
2014	324,541,560	620,586,200	945,127,760		1,219,927	946,347,687	1.047	894,045,996
2015	323,376,460	610,167,000	933,543,460		1,193,961	934,737,421	1.069	963,704,035
2016	INFORMATION NOT AVAILABLE							

CITY OF NORTHFIELD SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Source: Municipal Tax Collector

Exhibit J-7

Fiscal Year Ended June 30,	School District			Overlapping Rates				Total Direct and Overlapping Tax Rates	
	Basic Rate	Debt Service	Total	Mainland Regional District	City of Northfield	Atlantic County	Total		
2007	\$ 1.340	\$ 0.180	\$ 1.520	\$ 0.803	\$ 1.178	\$ 0.591	\$ 2.572	\$ 4.092	
2008	1.390	0.180	1.570	0.832	1.268	0.570	2.670	4.240	
2009	1.470	0.180	1.650	0.849	1.327	0.598	2.774	4.424	
2010	0.840	0.110	0.950	0.503	0.799	0.319	1.621	2.571	
2011	0.860	0.110	0.970	0.514	0.827	0.352	1.693	2.663	
2012	0.870	0.110	0.980	0.521	0.826	0.349	1.696	2.676	
2013	0.886	0.120	1.006	0.556	0.834	0.418	1.808	2.814	
2014	0.933	0.114	1.047	0.584	0.857	0.410	1.851	2.898	
2015	0.953	0.116	1.069	0.627	0.889	0.480	1.996	3.065	
2016	0.984	0.068	1.052	INFORMATION NOT AVAILABLE					

CITY OF NORTHFIELD SCHOOL DISTRICT

Principal Property Taxpayers

Source: Municipal Tax Assessor

Exhibit J-8

Unaudited

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Herzel Gurwicz, 9 Tilton Road	\$ 8,078,800	1	0.88%	\$ 5,653,200	2	1.04%
Jack Trocki Development Co., 1601 New Rd	6,471,000	2	0.70%	3,138,400	6	0.58%
Jack Trocki Development Co., 631 Tilton Rd	5,299,100	3	0.57%	3,000,000	7	0.55%
Kensington Square, LLC, 200 Tilton Rd	4,964,300	4	0.54%	5,650,000	5	0.73%
Miljer LLC & Miljer Mgt., 803 Tilton Rd	4,570,400	5	0.50%	4,000,000	3	1.04%
ACG of New Jersey, Inc. 2111 New Rd	4,000,000	6	0.43%			
2605 Shore Road, LLC	3,786,300	7	0.41%	2,000,000	9	0.37%
Antebi Properties, LLC, 1907 & 1909 New Rd	3,500,000	8	0.38%	1,956,700	10	0.36%
332 Tilton Rd, LLC	3,372,900	9	0.37%			
Atlantic City County Club, 900 Shore Rd	2,500,000	10	0.27%	8,214,500	1	1.51%
Atlantic City County Club, Shore Road				5,300,000	4	0.97%
SJS-450 Tilton Road L.P.				2,188,500	8	0.40%

CITY OF NORTHFIELD SCHOOL DISTRICT
 Property Tax Levies and Collections
 Source: District Records

Exhibit J-9
 Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>School Taxes Levied for the Fiscal Year</u>	<u>Current Tax Collections</u>	<u>Percentage of Tax Levy Collections</u>	<u>Collections in Subsequent Year</u>
2007	\$ 8,288,112.00	\$ 8,288,112.00	100.00%	
2008	8,526,877.00	8,526,877.00	100.00%	
2009	8,805,750.00	8,805,750.00	100.00%	
2010	9,265,768.00	9,265,768.00	100.00%	
2011	9,520,466.00	9,520,466.00	100.00%	
2012	9,529,343.00	9,529,343.00	100.00%	
2013	9,605,158.00	9,605,158.00	100.00%	
2014	9,775,814.00	9,775,814.00	100.00%	
2015	9,970,913.00	9,227,748.00	92.55%	743,065.00
2016	10,136,778.00	9,382,185.00	92.56%	754,593.00

DEBT CAPACITY

CITY OF NORTHFIELD SCHOOL DISTRICT

Ratio of Outstanding Debt By Type

Source: District Records

Exhibit J-10

Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type	Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases			
2007	\$ 10,935,000		\$ 44,929			\$ 10,979,929	3.891%	\$ 1,380.60
2008	9,915,000		103,737			10,018,737	3.569%	1,266.43
2009	8,850,000		152,435			9,002,435	3.143%	1,141.72
2010	8,198,000		150,065			8,348,065	2.653%	1,056.98
2011	7,003,000		97,957			7,100,957	2.102%	822.92
2012	5,758,000		49,320			5,807,320	1.696%	674.012
2013	4,473,000		14,144			4,487,144	1.290%	519.29
2014	3,128,000		198,607			3,326,607	0.917%	385.92
2015	1,891,708		149,936	5,500,000		7,541,644	2.066%	876.53
2016	5,901,000		100,617			6,001,617	1.625%	704.33

CITY OF NORTHFIELD SCHOOL DISTRICT
 Ratios of General Bonded Debt Outstanding
 Source: District Records

Exhibit J-11
 Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value of Property</u>	<u>Per Capita</u>
2007	\$ 10,935,000.00		\$ 10,935,000.00	1.99%	\$ 1,374.95
2008	9,915,000.00		9,915,000.00	1.79%	1,253.32
2009	8,850,000.00		8,850,000.00	1.61%	1,122.38
2010	8,198,000.00		8,198,000.00	0.83%	1,037.98
2011	7,003,000.00		7,003,000.00	0.71%	811.57
2012	5,758,000.00		5,758,000.00	0.59%	668.29
2013	4,473,000.00		4,473,000.00	0.46%	517.65
2014	3,128,000.00		3,128,000.00	0.33%	362.88
2015	1,713,000.00		1,713,000.00	0.78%	199.09
2016	5,901,000.00		5,901,000.00	0.63%	692.52

CITY OF NORTHFIELD SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 Source: District Records

Exhibit J-12
 Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Net Direct Debt of the School District	9,058,500	100.00%	9,058,500
Debt Repaid With Property Taxes			
Local Municipality	5,901,000	100.00%	5,901,000
Other Debt			
Mainland Regional High School District	39,010,000	30.12%	11,749,812
Atlantic County	155,437,199	NOT AVAILABLE	
Total Direct and Overlapping Debt			<u><u>26,709,312</u></u>

CITY OF NORTHFIELD SCHOOL DISTRICT

Legal Debt Margin Information

Source: District Records

Exhibit J-13

Unaudited

	Year	Equalized Valuation Basis
	2013	\$ 911,183,278
	2014	971,354,327
	2015	<u>912,019,793</u>
		<u>\$ 2,794,557,398</u>
Average Equalized Valuation of Taxable Property		<u>\$ 931,519,133</u>
School Borrowing Margin		
Average Equalized Valuation of Taxable Property		\$ 931,519,133
		<u>3.00%</u>
		27,945,574
Total Bonds and Notes for School Debt		<u>5,901,000</u>
Legal Debt Margin		<u>\$ 22,044,574</u>

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 29,061,275	\$ 33,314,799	\$ 36,128,996	\$ 35,608,411	\$ 32,513,166	\$ 31,418,539	\$ 29,750,631	\$ 28,253,477	\$ 27,949,729	\$ 27,945,574
Total Net Debt Applicable Limit	<u>10,935,000</u>	<u>9,915,000</u>	<u>8,850,000</u>	<u>8,198,000</u>	<u>7,003,000</u>	<u>5,758,000</u>	<u>4,473,000</u>	<u>3,128,000</u>	<u>1,713,000</u>	<u>5,901,000</u>
Legal Debt Margin	<u>\$ 18,126,275</u>	<u>\$ 23,399,799</u>	<u>\$ 27,278,996</u>	<u>\$ 27,410,411</u>	<u>\$ 25,510,166</u>	<u>\$ 25,660,539</u>	<u>\$ 25,277,631</u>	<u>\$ 25,125,477</u>	<u>\$ 26,236,729</u>	<u>\$ 22,044,574</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	37.63%	29.76%	24.50%	23.02%	21.54%	18.33%	15.03%	11.07%	6.13%	21.12%

DEMOGRAPHIC AND ECONOMIC INFORMATION

CITY OF NORTHFIELD SCHOOL DISTRICT
Demographic and Economic Statistics
Source: NJ Department of Labor

Exhibit J-14
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>School District Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2007	7,953	\$ 282,172,440	\$ 35,480	3.10%
2008	7,911	280,682,280	35,480	3.10%
2009	7,885	286,422,625	36,325	3.90%
2010	7,898	314,616,830	39,835	7.00%
2011	8,629	337,877,124	39,156	7.10%
2012	8,616	342,451,536	39,746	7.20%
2013	8,641	347,903,942	40,262	7.60%
2014	8,620	362,893,380	42,099	9.90%
2015	8,604	365,024,700	42,425	8.60%
2016	8,521	369,266,056	43,336	7.50%

CITY OF NORTHFIELD SCHOOL DISTRICT
Principal Employers
Source: NJ Department of Labor

Employer	2017			2006		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Atlantic County Government	695	1	16.70%	610	1	14.54%
Northfield Board of Education	195	2	4.69%	155	2	3.70%
Atlantic City County Club	145	3	3.48%	74	8	1.76%
Berkshire Hathaway & Roach Realtors	125	4	3.00%	140	3	3.34%
City of Northfield	102	5	2.45%	122	4	2.91%
Ventura's Offshore Café	75	6	1.80%	50	10	1.19%
Esthetica Salon & Spa	70	7	1.68%			
Friendly's Family Restaurant	66	8	1.59%			
SDGW	65	9 tie	1.56%	60	9	1.43%
Balsley Losco Realtors	65	9 tie	1.56%			
Med-Rite Pharmacy	60	10	1.44%			
Snelling Personnel				115	5	2.74%
Joule Staffing Services				100	6	2.38%
				75	7	1.79%

Operating Information

CITY OF NORTHFIELD SCHOOL DISTRICT
Full-Time Equivalent District Employees By Function/Program
Source: District Personnel Records

Exhibit J-16
Unaudited

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction										
Regular	62.0	63.0	65.0	64.5	59.7	62.9	59.3	60.0	60.2	61.8
Special Education	23.0	22.0	23.0	23.5	18.5	17.8	18.2	18.2	20.0	21.0
Other Special Education	11.0	17.5	14.5	18.0	18.7	18.5	21.7	23.0	25.3	29.7
Other Instruction	3.5	7.0	7.0	7.0	11.0	8.5	11.1	11.1	9.2	9.5
Adult/Continuing Education Programs	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Support Services										
Student Related	19.0	12.5	12.5	10.0	11.4	11.1	10.4	10.4	10.0	9.4
General Administrative	2.5	5.5	5.5	4.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administrative	4.5	3.0	4.0	5.5	6.0	6.0	6.0	6.0	7.0	7.0
Business Administrative	5.0	3.0	3.0	3.0	3.0	3.5	3.6	3.6	3.6	3.6
Plant Operation	11.0	9.0	9.0	9.0	12.7	12.0	12.2	12.2	12.2	12.7
Food Service	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	<u>143.0</u>	<u>144.5</u>	<u>145.5</u>	<u>146.5</u>	<u>145.0</u>	<u>144.3</u>	<u>146.5</u>	<u>148.5</u>	<u>151.5</u>	<u>158.6</u>

CITY OF NORTHFIELD SCHOOL DISTRICT

Operating Statistics

Source: District Records

Exhibit J-17

Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio	Average Daily		% Change in Average Daily Enrollment	Student Attendance Percentage
							Enrollment (c)	Attendance (c)		
2007	1,088	\$ 11,962,536	\$ 10,995	6.20%	98.0	12.0	1,083	1,033	0.00%	95.38%
2008	1,075	12,447,478	11,579	5.31%	91.0	11.9	1,080	1,073	-0.28%	99.35%
2009	1,103	12,710,533	11,524	-0.48%	91.0	11.9	1,081	1,073	0.09%	99.26%
2010	1,076	13,163,068	12,233	6.16%	92.0	11.6	1,066	1,015	-1.39%	95.22%
2011	1,055	12,908,241	12,235	0.02%	96.0	11.0	1,054	1,004	-1.13%	95.26%
2012	1,047	13,195,277	12,603	3.00%	97.0	10.8	1,048	1,028	-0.57%	98.09%
2013	1,018	14,354,482	14,101	11.88%	95.0	10.6	1,003	955	-4.29%	95.21%
2014	984	14,160,185	14,390	2.05%	96.0	10.1	970	933	-3.29%	96.19%
2015	932	14,587,834	15,652	8.77%	97.0	9.5	922	877	-4.95%	95.12%
2016	912	14,621,998	16,033	2.43%	98.0	9.5	906	868	-1.74%	95.81%

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

(b) Teaching staff includes only full time equivalents of certified staff

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

CITY OF NORTHFIELD SCHOOL DISTRICT
School Building Information
Source: District Records

Exhibit J-18
Unaudited

<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>
Northfield Community School										
Square Feet	145,797	145,797	145,797	147,855	147,855	147,855	147,855	147,855	147,855	147,855
Capacity	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Enrollment	1,088	1,075	1,095	1,076	1,055	1,047	1,018	984	932	912

CITY OF NORTHFIELD SCHOOL DISTRICT
 Schedule of Required Maintenance for School Facilities
 Source: District Records

Exhibit J-19
 Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities

<u>Facilities</u>	<u>Project Number</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>
Northfield Community School	N/A	<u>\$ 214,679</u>	<u>\$ 209,746</u>	<u>\$ 239,479</u>	<u>\$ 243,563</u>	<u>\$ 212,341</u>	<u>\$ 247,281</u>	<u>\$ 417,795</u>	<u>\$ 242,038</u>	<u>\$ 214,595</u>	<u>\$ 209,669</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
 Insurance Schedule
 Source: District Records

Exhibit J-20
 Unaudited

Company	Type of Coverage	Amount of Coverage	Deductible
Atlantic and Cape May Counties School Business Officials Joint Insurance Fund	Property, Inland Marine and Automobile Physical Damages		
	Limit of Liability - Per Occurrence	\$ 150,000,000	
	ACCASBOJIF Self Insured Retention - Per Occurrence	250,000	
	Member District Deductible		\$ 500
	Property Valuation		
	Buildings and Contents	Replacement Cost	
	Contractors Equipment	Actual Cash Value	
	Automobiles	Actual Cash Value	
	Boiler and Machinery		
	Limit of Liability	125,000,000	
	ACCASBOJIF Self Insured Retention	None	
	Member District Deductible		1,000
	Crime		
	Limit of Liability	500,000	
	ACCASBOJIF Self Insured Retention	250,000	
	Member District Deductible		500
	General and Automobile Liability		
	Limit of Liability	20,000,000	
	ACCASBOJIF Self Insured Retention	250,000	
	Member District Deductible		-
	Workers Compensation		
	Limit of Liability	Statutory	
	ACCASBOJIF Self Insured Retention	250,000	
Member District Deductible		-	
Educator's Legal Liability			
Limit of Liability	20,000,000		
ACCASBOJIF Self Insured Retention	175,000		
Member District Deductible		-	
Pollution Legal Liability			
Limit of Liability	3,000,000		
ACCASBOJIF Self Insured Retention	None		
Member District Deductible		25,000	
Cyber Legal Liability			
Limit of Liability	1,000,000		
ACCASBOJIF Self Insured Retention	None		
Member District Deductible		25,000	
Violent Malicious Acts			
Limit of Liability	1,000,000		
ACCASBOJIF Self Insured Retention	None		
Member District Deductible		15,000	
Western Surety Company	Surety Bonds		
	School Business Administrator/Board Secretary & Treasurer	228,000	

SINGLE AUDIT SECTION

PREZIOSI·NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

EXHIBIT K-1

**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 AUDITORS' REPORT

Honorable President and
Members of the Board of Education
City of Northfield School District
County of Atlantic
Northfield, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with 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 City of Northfield School District, in the County of Atlantic, 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 City of Northfield School District's basic financial statements and have issued our report thereon dated September 22, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Northfield School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

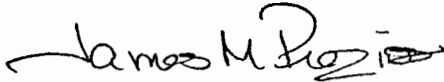
As part of obtaining reasonable assurance about whether the City of Northfield School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey

Purpose of this Report

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

Respectfully submitted,

PREZIOSI • NICHOLSON & ASSOCIATES
Certified Public Accountants



James M. Preziosi
Certified Public Accountant
Public School Accountant No. CS 01141

September 22, 2016
Millville, NJ

PREZIOSI·NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

EXHIBIT K-2

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

INDEPENDENT AUDITORS' REPORT

Honorable President and
Members of the Board of Education
City of Northfield School District
County of Atlantic
Northfield, New Jersey

Report on Compliance for Each Major State Program

We have audited the City of Northfield School District's compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on the District's major state programs for the fiscal year ended June 30, 2016. The District's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations part 200, uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and NJ OMB15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and State of New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and 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.

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 on the District's compliance.

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred above. In planning and performing our audit, 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 federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purposes of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Uniform Guidance and State of New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of the 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 the internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and State of New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

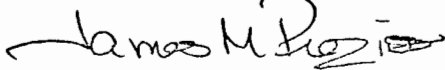
Report on Schedules of Expenditures of Federal Awards Required by Uniform Guidance and State Financial Assistance Required by New Jersey OMB's Circular 15-08

We have audited the financial statements of the City of Northfield School District as of and for the year ended June 30, 2016, and have issued our report thereon dated September 22, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of Federal Awards and State Financial Assistance are presented for the purposes of additional analysis as required by Uniform Guidance and NJ OMB's Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was not derived from and relates directly to the underlying accounting and the other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted.

PREZIOSI • NICHOLSON & ASSOCIATES

Certified Public Accountants



James M. Preziosi
Certified Public Accountant
Public School Accountant No. CS 01141

September 22, 2016
Millville, NJ

CITY OF NORTHFIELD SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Schedule A
For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	Grant Period	Balance at June 30, 2015	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2016		
									Accounts Receivable	Grantor Advances	Due to Grantor
U.S. Department of Education											
Passed-through State Department of Education											
Special Revenue Fund:											
Title I	84.010	183,247.00	7/1/15 - 6/30/16	\$ -	\$ -	\$ 181,887.00	\$ (183,246.76)	\$ -	\$ (1,359.76)	\$ -	\$ -
Title I	84.010	110,181.00	7/1/14 - 6/30/15	(8,735.00)		8,735.00					
Title II A	84.367	22,784.00	7/1/15 - 6/30/16			19,064.00	(22,784.00)		(3,720.00)		
Title II A	84.367	25,753.28	7/1/14 - 6/30/15	(1,284.00)		1,284.00					
Title III	84.031	16,807.00	7/1/15 - 6/30/16		2,898.00	12,925.00	(16,672.12)		(849.12)		
Title III	84.031	20,923.33	7/1/14 - 6/30/15	(4,677.72)	(2,898.00)	7,575.72					
I.D.E.A. Part B	84.027	225,515.00	7/1/15 - 6/30/16			225,515.00	(225,515.00)				
I.D.E.A. Preschool	84.173	10,901.00	7/1/15 - 6/30/16			10,901.00	(10,900.61)	0.39			
Total Special Revenue Fund				(14,696.72)	-	467,886.72	(459,118.49)	0.39	(5,928.88)	-	-
U.S. Department of Agriculture											
Passed-through State Department of Education											
Enterprise Fund:											
Food Distribution	10.555	28,260.82	7/1/15 - 6/30/16			28,260.82	(28,260.82)				
National School Lunch	10.555	89,944.29	7/1/15 - 6/30/16			84,068.33	(89,944.29)		(5,875.96)		
National School Lunch	10.555	93,714.94	7/1/14 - 6/30/15	(8,543.16)		8,543.16					
School Breakfast	10.553	13,330.58	7/1/15 - 6/30/16			12,327.85	(13,330.58)		(1,002.73)		
School Breakfast	10.553	2,894.18	7/1/14 - 6/30/15	(232.34)		232.34					
Total Enterprise Fund				(8,775.50)	-	133,432.50	(131,535.69)		(6,878.69)		
Total Federal Financial Awards				\$ (23,472.22)	\$ -	\$ 601,319.22	\$ (590,654.18)	\$ 0.39	\$ (12,807.57)	\$ -	\$ -

CITY OF NORTHFIELD SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
Schedule B
For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance

State Grantor/Program Title	Grant or Project Number	Grant Period	Program or Award Amount	Balance at June 30, 2015	Cash Received	Budgetary Expenditures	Balance at June 30, 2016		(MEMO) Displayed State Aid Payment
							Accounts Receivable	Grantor Advances	
State Department of Education									
General Fund									
Equalization Aid	16-495-034-5120-078	07/01/15-06/30/16	\$ 3,224,630.00	\$ -	\$ 2,855,553.00	\$ (3,224,630.00)	\$ (369,077.00)	\$ -	\$ (381,433.00)
Equalization Aid	15-495-034-5120-078	07/01/14-06/30/15	3,224,630.00	(381,433.00)	381,433.00				
Special Education Categorical Aid	16-495-034-5120-089	07/01/15-06/30/16	592,343.00		592,343.00	(592,343.00)			
Transportation Aid	16-495-034-5120-014	07/01/15-06/30/16	12,735.00		12,735.00	(12,735.00)			
Categorical Security Aid	16-495-034-5120-084	07/01/15-06/30/16	24,856.00		24,856.00	(24,856.00)			
Nonpublic Transportation Aid	16-495-034-5120-014	07/01/15-06/30/16	6,392.00			(6,392.00)	(6,392.00)		
Nonpublic Transportation Aid	15-495-034-5120-014	07/01/14-06/30/15	6,292.00	(6,292.00)	6,292.00				
Extraordinary Aid	16-100-034-5120-473	07/01/15-06/30/16	38,206.00			(38,206.00)	(38,206.00)		
Extraordinary Aid	15-100-034-5120-473	07/01/14-06/30/15	54,000.00	(54,000.00)	54,000.00				
Additional Extraordinary Aid	15-100-034-5120-473	07/01/14-06/30/15	1,676.00	(1,180.00)	1,180.00				
Under Adequacy Aid	16-495-034-5120-096	07/01/15-06/30/16	11,295.00		11,295.00	(11,295.00)			
PARCC Readiness	16-495-034-5120-098	07/01/15-06/30/16	9,660.00		9,660.00	(9,660.00)			
Per Pupil Growth Aid	16-495-034-5120-097	07/01/15-06/30/16	9,660.00		9,660.00	(9,660.00)			
On Behalf TPAF									
Pension Contributions	16-495-034-5095-006	07/01/15-06/30/16			1,043,070.00	(1,043,070.00)			
Social Security Contributions	16-495-034-5095-002	07/01/15-06/30/16	476,603.27		476,603.27	(476,603.27)			
Social Security Contributions	15-495-034-5095-002	07/01/14-06/30/15	471,171.50	(21,725.50)	21,725.50				
Total General Fund				(464,630.50)	5,500,405.77	(5,449,450.27)	(413,675.00)	-	(381,433.00)
Capital Projects Fund									
SDA Grant - HVA Upgrades - Replace	3720-056-14-G2UB	07/01/14-06/30/15	507,357.32	(202,942.93)	406,122.30	(304,783.84)	(101,604.47)	-	-
SDA Grant - Facility Upgrade	3720-056-14-G2UC	07/01/14-06/30/15	980,055.95	(392,022.38)	784,517.65	(606,369.58)	(213,874.31)	-	-
Total Capital Projects Fund				(594,965.31)	1,190,639.95	(911,153.42)	(315,478.78)	-	-
Debt Service Fund									
Debt Service Aid	16-495-034-5120-075	07/01/15-06/30/16	455,004.00	-	455,004.00	(455,004.00)	-	-	-
U.S. Department of Agriculture									
Passed-through State Department of Education									
Enterprise Fund:									
National School Lunch Program	16-100-010-3360-067	07/01/15-06/30/16	2,847.43		2,625.31	(2,847.43)	(222.12)		
National School Lunch Program	15-100-010-3360-067	07/01/14-06/30/15	3,137.97	(260.70)	260.70				
Total Enterprise Fund				(260.70)	2,886.01	(2,847.43)	(222.12)	-	-
Total State Financial Assistance				\$ (1,059,856.51)	\$ 7,148,935.73	\$ (6,818,455.12)	\$ (729,375.90)	\$ -	\$ (381,433.00)

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Schedules of Awards and Financial Assistance
June 30, 2016

NOTE 1 GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the City of Northfield School District. The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the District's basic financial statements. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, therefore, some amounts presented in this schedule may differ from the 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 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the 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:22-44.2.

See Exhibit C-3, the Notes to Required Supplementary Information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Schedules of Awards and Financial Assistance
June 30, 2016

NOTE 3 RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

Awards and financial assistance revenues are reported in the basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 5,461,806.27	\$ 5,461,806.27
Special Revenue Fund	462,060.90		462,060.90
Debt Service Fund		455,004.00	455,004.00
Capital Projects Fund		911,153.42	911,153.42
Enterprise Fund	131,535.69	2,847.43	134,383.12
	<hr/>		
Total GAAP	593,596.59	6,830,811.12	7,424,407.71
Budgetary Adjustment			
State Aid Payment			
Current Year		369,077.00	369,077.00
Prior Year		(381,433.00)	(381,433.00)
Encumbrances			
Current Year	4,064.93		4,064.93
Prior Year	(7,007.34)		(7,007.34)
	<hr/>		
Total Budgetary	\$ 590,654.18	\$ 6,818,455.12	\$ 7,409,109.30

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent differences incurred in the liquidation of encumbrances previously charged as budgetary expenditures in prior years.

NOTE 6 OTHER

Revenues and expenditures reported under the U.S.D.A. Commodities Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016

NOTE 7 MAJOR PROGRAMS

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

CITY OF NORTHFIELD SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2016

PART 1 - SUMMARY OF AUDITORS' RESULTS

Financial Statements

- A. Type of auditors' report issued:
 Unmodified
- B. Internal control over financial reporting:
 - 1. Material weakness(es) identified?
 No
 - 2. Significant deficiencies identified?
 No
- C. Noncompliance material to financial statements noted?
 No

Federal Awards Section

- A. Dollar threshold used to determine Type A and Type B programs.
 N/A
- B. Auditee qualified as low-risk auditee?
 N/A
- C. Type of auditors' report issued on compliance for major programs.
 N/A
- D. Internal control over major programs.
 - 1. Material weakness(es) identified?
 N/A
 - 2. Significant deficiencies identified?
 N/A
- E. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance.
 N/A
- F. Identification of major programs.

<u>CFDA Number(s)</u>	<u>Program Type</u>	<u>Name of Federal Program</u>
N/A		

CITY OF NORTHFIELD SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2016

PART 1 - SUMMARY OF AUDITORS' RESULTS

State Awards Section

A. Dollar threshold used to determine Type A and Type B programs.

\$750,000.00

B. Auditee qualified as low-risk auditee?

Yes

C. Type of auditors' report issued on compliance for major programs.

Unmodified

D. Internal control over major programs.

1. Material weakness(es) identified?

No

2. Were significant deficiencies identified that were considered to be material weaknesses?

No

E. Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08 ?

No

F. Identification of major programs.

<u>GMIS Number(s)</u>	<u>Program Type</u>	<u>Name of State Program</u>
495-034-5120-078	A	State Aid Public
495-034-5120-089	B	Equalization Aid
495-034-5120-084	B	Special Education Categorical Aid
495-034-5120-096	B	Security Aid
495-034-5120-097	B	Under Adequacy Aid
495-034-5120-098	B	Per Pupil Growth Aid
		PARCC Readiness
3720-056-14-G2UB	B	SDA Grant - HVA Upgrade and Replace
3720-056-14-G2UC	B	SDA Grant - Facility Upgrade

CITY OF NORTHFIELD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2016

PART 2 - SCHEDULE OF FINANCIAL STATEMENT FINDINGS

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

None Noted

CITY OF NORTHFIELD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2016

PART 3 - SCHEDULE OF FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs as required by Uniform Guidance and New Jersey OMB Circular 15-08.

FEDERAL AWARDS

N/A

STATE FINANCIAL ASSISTANCE

None

CITY OF NORTHFIELD SCHOOL DISTRICT
Summary Schedule of Prior-Year Findings and
Questioned Costs as Prepared by Management
For The Fiscal Year Ended June 30, 2016

This section identifies the status of prior year findings related to the financial statements of Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, Uniform Guidance and State of New Jersey Circular 15-08.

FINANCIAL STATEMENT FINDINGS

Finding 2015-1

Condition

A Northfield student attending a private school was properly listed and paid Aid in Lieu by the District. However, the District was not provided with a B6T for the student and therefore the student was not reported on the DRTRS.

Status of Prior Year Finding

The condition was corrected.

Finding 2015-2

Condition

The District accumulated payroll tax liabilities in excess of \$100,000 and failed to make a timely deposit in accordance with the Internal Revenue Service's \$100,000 Next-Day Deposit Rule.

Status of Prior Year Finding

The condition was corrected.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.