

SCHOOL DISTRICT

OF

BELMAR



**BELMAR BOARD OF EDUCATION
BELMAR, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

BELMAR BOARD OF EDUCATION

BELMAR, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

PREPARED BY

**BELMAR BOARD OF EDUCATION
BUSINESS ADMINISTRATOR/BOARD SECRETARY
LORETTA HILL**

BELMAR SCHOOL DISTRICT

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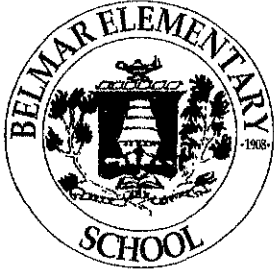
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INTRODUCTORY SECTION



BELMAR BOARD OF EDUCATION

1101 MAIN STREET, BELMAR, NEW JERSEY 07719

DAVID R. HALLMAN
SUPERINTENDENT
732-681-8888

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

November 17, 2017

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

Dear Board Members:

The comprehensive annual financial report for the Belmar Borough School District for the fiscal year ending June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rest with the management of the Belmar Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the districts organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, and the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations, Part 200, "Audits of State and Local Governments" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control and structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

Inspired • United • Prepared
Soaring To Excellence

The district provides a full range of educational services appropriate to grade levels Pre-K through eight. Students in grades nine through twelve are assigned by board policy to Manasquan, Asbury Park, Red Bank Regional, Marine Academy of Science and Technology, High Tech High School, Allied Health and Science Academy, Class Academy, Communications High School and the Academy High School Charter School. The district provides a comprehensive special education program for all preschool through eighth grade students. The district also provides for the educational needs of all resident students of Lake Como in grades Pre-K through eight and in the area of special education. The district completed the 2016/17 fiscal year with an average enrollment of 553, which is 3 higher than the previous year's average enrollment. The following details the changes in student enrollment of the district over the last ten years:

<u>Average Daily Enrollment</u>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016/2017	539	(2.5)
2015/2016	553	3.9
2014/2015	532	(3.6)
2013/2014	552	(2.8)
2012/2013	568	2.1
2011/2012	556	0.7
2010/2011	560	0.2
2009/2010	559	4.8
2008/2009	533	1.9
2007/2008	523	(2.0)

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

3) MAJOR INITIATIVES: During 2017-18 school year, the district entered the sixth year of implementing the initiatives set forth in the strategic plan. The goals, including a robust and sustainable 1:1 Chromebook initiative for students in grades 5-8, were not only met ahead of the planned timelines but have increased in scope as the district moved the 1:1 initiative to second grade students, as well as increasing mobile devices for students in grades PreK-1. As teachers become increasingly skilled in a spectrum of instructional technology applications, students' level of engagement and investment in

their learning grows exponentially. In the K-4 grade span, the district will continue the best practice of “looping,” whereby students in looping classes remain with their teacher for two consecutive years, allowing for more in-depth student/teacher relationships and greater opportunities for more customized instruction. Teachers report an estimated six weeks of gained instructional time in these classes, maximizing the potential for greater student learning. In an ongoing effort to ensure excellence in teaching and learning, curriculum has been aligned with the New Jersey Learning Standards for all content areas and related arts. Additionally, Belmar School District has instituted “partner teaching” in grades three and four to allow teachers to focus on their area of expertise and interest. One teacher facilitates the student learning for English Language Arts and the partner teaches Math, Science and Social Studies. This practice stimulates more robust lessons and allows our students to acclimate themselves to multiple teachers in preparation for the middle school environment.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at a year end are canceled or

included as reappropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

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

7) DEBT ADMINISTRATION: As of June 30, 2017, the district's outstanding debt was \$1,755,000. The debt is currently comprised of two funding sources. The District's two loans to provide funds for the 17,000 square foot addition to the Belmar Elementary School in 1993 were paid in full during the 2103/14 school year. In July, 2003 the Board of Education retired the present value of an unfunded liability to the Teachers' Pension and Annuity fund for an early retirement incentive by issuing refunding bonds in the amount of \$540,000. The refinancing of this debt saved the district \$239,348 in interest expense. Also, bonds in the amount of \$3,370,000 were issued in August, 2003 to fund the local share of the capital project that was passed by referendum in March, 2003 and partially funded by the State of New Jersey, Economic Development Authority. The proceeds of the bonds along with the grant from the State of New Jersey was used to complete \$5,600,000 in renovations to the Belmar Elementary School. These bonds were refunded in 2012 saving the district 7.65% net present value or \$193,192 over the remaining life of the refunded bonds.

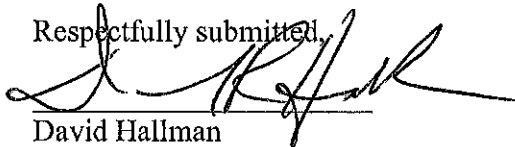
8) CASH MANAGEMENT: The investment policy of the district is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The district has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the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

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

10) OTHER INFORMATION: Independent Audit-State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart & Company, CPAs and Registered Municipal Accountants conducted the annual audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations, Part 200 and State Treasury Circular Letter 15-08 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit report of this report.

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

Respectfully submitted,



David Hallman
Superintendent/Principal



Loretta Hill
Board Secretary/School
Business Administrator

BELMAR BOARD OF EDUCATION**BELMAR, NEW JERSEY****ROSTER OF OFFICIALS****JUNE 30, 2017****MEMBERS OF THE BOARD OF EDUCATION****TERM EXPIRES**

Cherie Adams, President	2019
Joanne Gray, Vice-President	2017
Karen Barry	2018
Richard Brand	2018
Kimberly Chek	2017
Aileen Byrne-Fahy	2019
Mark Furey	2017
Joanne Gray	2018
Rebecca Herbert	2017
Carol Hope (Sending district representative)	2015

Other Officials

David Hallman, Superintendent/Principal

Loretta Hill, School Business Administrator/Board Secretary

Eileen F. Ertle, Treasurer of School Monies

Michael Gross, Board Attorney

BELMAR BOARD OF EDUCATION**CONSULTANT AND OFFICIALS****JUNE 30, 2017****AUDIT FIRM**

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

ATTORNEY

Michael Gross
130 Maple Avenue
Red Bank, N.J. 07701

OFFICIAL DEPOSITORIES

Ocean First Bank
Rt. 71
Spring Lake, NJ 07762

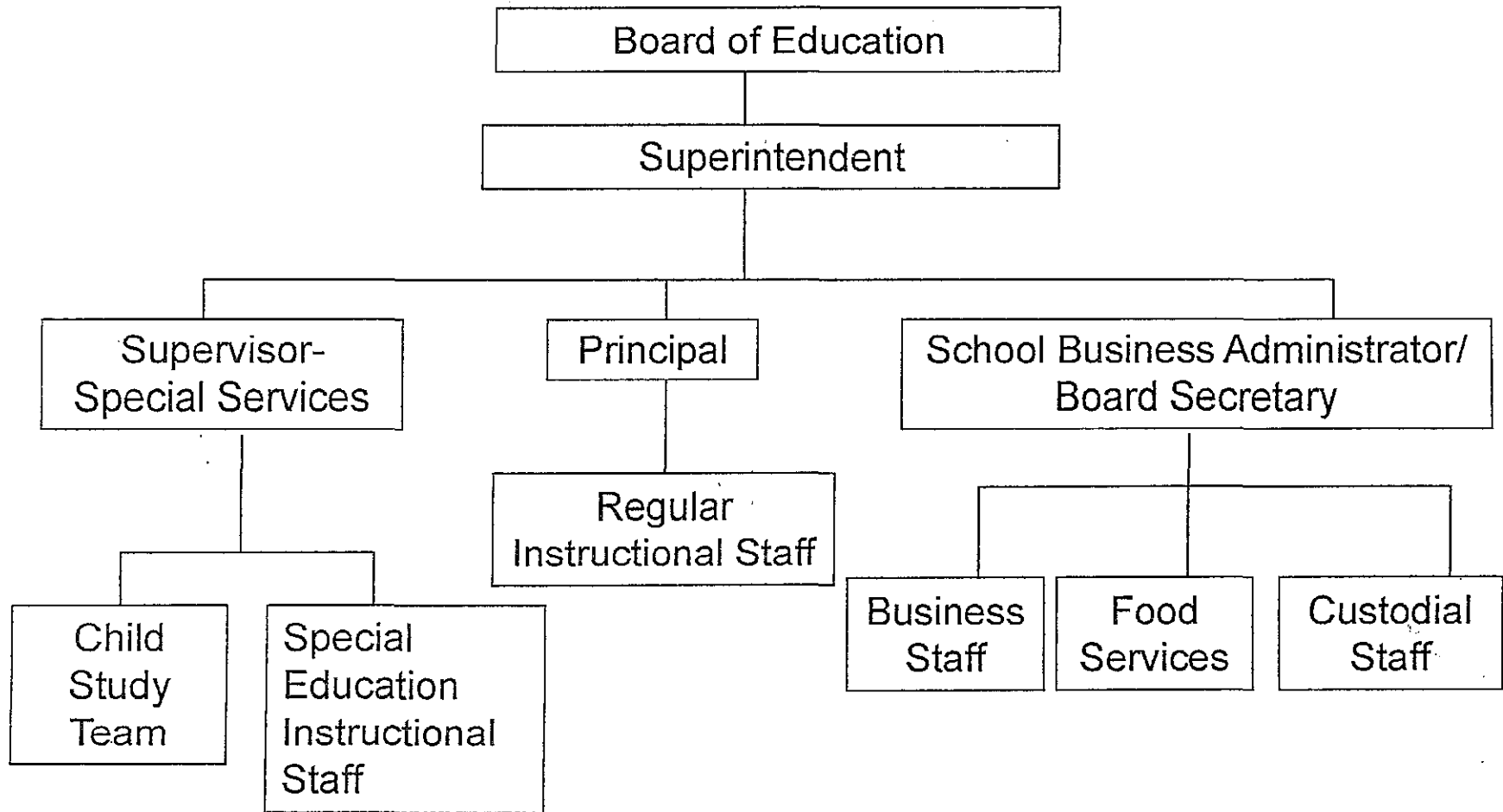
INSURERS

CBIZ Insurance Services, Inc.
219 South Street
New Providence, New Jersey 07974

BELMAR BOARD OF EDUCATION

ORGANIZATIONAL CHART

(UNIT CONTROL)



FINANCIAL SECTION

Robert A. Hulsart and Company

9.

CERTIFIED PUBLIC ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Belmar School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Belmar School District, in the County of Monmouth, State of New Jersey, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

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

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

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2017 on our consideration of the Belmar's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Belmar Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

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

November 17, 2017

REQUIRED SUPPLEMENTARY INFORMATION
PART I

BELMAR PUBLIC SCHOOL DISTRICT
BOROUGH OF BELMAR
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The discussion and analysis of Belmar Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

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

Financial Highlights

Key Financial highlights for the 2016-2017 fiscal year are as follows:

- General revenues accounted for \$10,928,848 in revenue or 76% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,403,466 or 24% percent to total revenues of \$14,332,314.
- Total assets of governmental activities decreased by \$453,270 as cash and cash equivalents decreased by \$273,895 receivables increased by \$143,549 and capital assets decreased by \$322,924.
- The School District had \$14,192,874 in expenses; only \$3,403,466 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes, tuition and state aid) of \$10,928,848 plus designated surplus and withdrawals from tuition reserve and maintenance reserve of \$125,000 were adequate to provide for these programs.
- The General Fund had \$12,404,620 in revenues and \$12,126,038 in expenditures. The General Fund's balance increased \$278,582 over 2016. This increase was anticipated by the Board of Education, as deposits were made to Capital Reserve to fund the local share of future Capital Projects.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Belmar Public School District, the General Fund is the most significant fund, with the Special Revenue Fund and Capital Project's Fund also having significance.

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the 2016-2017 fiscal year?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- Governmental activities – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

Table 1 provides a summary of the School District's Net Position for fiscal year 2016 and 2017.

Table 1
Net Position

	2016	2017
Assets		
Current and Other Assets	\$ 2,454,256	\$ 2,730,233
Capital Assets, Net	4,263,330	3,944,015
Total Assets	<u>\$ 6,717,586</u>	<u>\$ 6,674,248</u>
Liabilities		
Long-Term Liabilities	\$ 3,230,672	\$ 3,156,892
Other Liabilities	382,590	383,188
Total Liabilities	<u>\$ 3,613,262</u>	<u>\$ 3,540,080</u>
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 2,684,630	\$ 2,670,315
Restricted	1,639,883	1,866,849
Unrestricted	(1,022,870)	(1,047,857)
Total Net Assets	<u>\$ 3,301,643</u>	<u>\$ 3,489,307</u>

Table 2 shows the changes in Net Position for fiscal year 2016 and 2017.

Table 2
Changes in Net Position

<u>Revenues</u>	<u>2016</u>	<u>2017</u>
Program Revenues		
Charges for Services	\$ 1,872,509	\$ 1,937,991
Operating Grants and Contributions	1,334,587	1,465,475
General Revenues		
Property Taxes	8,391,021	8,643,745
Grants and Entitlements	2,119,351	2,265,690
Other	60,075	19,413
Total Revenues	<u>\$ 13,777,543</u>	<u>\$ 14,332,314</u>
<u>Program Expenses</u>		
Instruction	\$ 4,214,355	\$ 4,402,581
Support Services		
Pupils and Instructional Staff	3,897,312	4,119,169
General Administration, School Administration, Business Services, Unalloc.		
Benefits	4,091,163	4,025,331
Operations and Maintenance of Facilities	710,473	801,195
Pupil Transportation	464,478	419,426
Special Schools/Charter School	32,379	36,456
Capital Outlay	34,208	19,441
Interest on Debt	77,160	66,897
Food Service	292,174	302,378
Total Expenses	<u>\$ 13,813,702</u>	<u>\$ 14,192,874</u>
Increase/(Decrease) in Net Assets	\$ (36,159)	\$ 139,440

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to seek voter approval for the School District operations, only if the school district exceeds the statutory cap, which is 2% plus allowable cap adjustments. Property taxes made up 60% percent of revenues and tuition from other school districts made up 13% of revenues for governmental activities for the Belmar Public School District for fiscal year 2017. The District's total revenues were \$14,332,314 for the fiscal year ended June 30, 2017. Federal and state grants, as well as miscellaneous revenue accounted for 27%.

Business-Type Activities

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

- Food service revenues exceeded expenditures by \$4,071 and for the 10th year in a row, the Board did not subsidize the food services operation. The food service program shows an increase of \$4,071 20,567 change in Net Position.
- Charges for services represent \$86,481 of revenue. This represents amounts paid by patrons for daily food services.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$219,968.

Governmental Activities

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

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

The School District's Funds

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

The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in Net Position.

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

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

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

The General Fund finished the fiscal year with approximately \$592,409 less in expenditures than budgeted. The General Fund generated \$186,853 more in Revenues than budgeted. The additional revenue over expenditures will be carried forward to the following year beginning fund balance. In June, 2016 the Board approved \$225,000 increase in reserves for tuition for the upcoming years. The balance of unreserved surplus at July 1, 2016 is \$291,757.

Capital Assets

At June 30, 2017, the School Board had approximately \$3,944,015 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2016 and 2017 fiscal year.

Table II

	2016	2017
Capital Assets		
<u>Governmental Activities</u>		
Land	\$ 481,300	\$ 481,300
Construction in Progress	-	-
Buildings & Machinery and Equipment	4,706,265	4,383,341
Total Governmental Activities	<u>\$ 5,187,565</u>	<u>\$ 4,864,641</u>
<u>Business Type Activities</u>		
Machinery & Equipment	\$ 38,365	\$ 41,974
Total Capital Assets	<u>\$ 5,225,930</u>	<u>\$ 4,906,615</u>

Debt Administration

At June 30, 2017, the School District had \$3,156,892 as outstanding debt. Of this amount \$121,728 is for compensated absences and \$1,755,000 is for bonds for school construction. On March 11, 2003 the voters of the Borough of Belmar approved the renovation to the Elementary school in the amount of \$5,616,977. The state of New Jersey funded 40% or \$2,246,791 and Bonds were issued for the remaining \$3,370,000. During 2012 the District took advantage of favorable rates and refunded these bonds for a NPV savings of 7.65%.

Economic Factors and Next Year's Budget

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

The district has a net position of \$3,489,307 for all governmental activities representing the accumulated results of all past years' operations. The unrestricted portion of the net position is \$1,047,857. This means that if the School Board had to pay off all bills today, including all of the School Board's noncurrent liabilities such as compensated absences, the School Board would have a surplus of \$1,047,857. The district also has 1,128,844 in capital reserve monies and \$225,000 in Tuition Reserve, \$85,005 in Emergency Reserve, and \$202,450 in Maintenance Reserve, as well as the fair market value of the capital assets.

Total General State Aid increased in 2016/17 to \$1,114,494 an increase of \$22,263 over 2015/16 State Aid. Over the past eight years the amount of state aid to the District has decreased significantly. In 2008/2009 the District received \$1,383,388 in State Aid. This amount decreased to \$1,018,000 in 2009/2010, \$966,613 in 2010/2011, and \$1,089,794 in 2011/12. The district supplemented the loss of state aid with surplus funds and cost savings through salary negotiations and a minimal reduction in staff. The student population has remained relatively constant over the past five years. In the future, the tax levy will be the area that will need to absorb any increase in budget obligations and that is limited to a 2% cap.

The School Board anticipates that enrollment for the 2016-2017 school year will remain fairly stable but will increase slightly. The School Board cannot accurately forecast future enrollment, but many school Districts in Monmouth County faced decreased enrollments over the past few years while the enrollment in Belmar has increased.

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

BELMAR SCHOOL DISTRICT
STATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ -	77,220	77,220
Receivables, Net	396,768	15,773	412,541
Inventory			-
Restricted Assets:			
Cash and Cash Equivalents	630,328		630,328
Cash-Capital Reserve	1,128,844		1,128,844
Capital Assets Not Being Depreciated	481,300		481,300
Capital Assets, Net	3,902,041	41,974	3,944,015
Total Assets	<u>6,539,281</u>	<u>134,967</u>	<u>6,674,248</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>532,199</u>		<u>532,199</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>177,060</u>		<u>177,060</u>
<u>Liabilities</u>			
Deferred Revenue	1,240		1,240
Accounts Payable	64,948	2,000	66,948
Noncurrent Liabilities:			
Due Within One Year	315,000		315,000
Due Beyond One Year	3,156,892		3,156,892
Total Liabilities	<u>3,538,080</u>	<u>2,000</u>	<u>3,540,080</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	2,628,341	41,974	2,670,315
Restricted For:			
Debt Service	329		329
Capital Projects	221		221
Other Purposes	1,866,299		1,866,299
Unrestricted	<u>(1,138,850)</u>	<u>90,993</u>	<u>(1,047,857)</u>
Total Net Position	<u>\$ 3,356,340</u>	<u>132,967</u>	<u>3,489,307</u>

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

BELMAR SCHOOL DISTRICT

Exhibit A-2
Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$ 2,705,404			(2,705,404)		(2,705,404)
Special Education	1,451,999		717,273	(734,726)		(734,726)
Other Special Instruction	138,365			(138,365)		(138,365)
Other Instruction	106,813			(106,813)		(106,813)
Support Services:						
Tuition	2,862,818	1,851,510		(1,011,308)		(1,011,308)
Student & Instruction Related Services	1,256,351		528,234	(728,117)		(728,117)
General Administrative Services	553,742			(553,742)		(553,742)
School Administrative Services	234,257			(234,257)		(234,257)
Plant Operations and Maintenance	801,195			(801,195)		(801,195)
Pupil Transportation	419,426			(419,426)		(419,426)
Unallocated Employee Benefits	2,869,844			(2,869,844)		(2,869,844)
Capital Outlay	19,441			(19,441)		(19,441)
Unallocated Depreciation	367,488			(367,488)		(367,488)
Interest on Long-Term Debt	66,897			(66,897)		(66,897)
Special Schools	36,456			(36,456)		(36,456)
Total Government Activities	13,890,496	1,851,510	1,245,507	(10,793,479)	-	(10,793,479)
Business-Type Activities:						
Food Service	302,378	86,481	219,968		4,071	4,071
Total Business-Type Activities	302,378	86,481	219,968	-	4,071	4,071
Total Primary Government	14,192,874	1,937,991	1,465,475	(10,793,479)	4,071	(10,789,408)

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

BELMAR SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purpose, Net	8,268,007		8,268,007
Taxes Levied for Debt Service	375,738		375,738
Federal and State Aid Not Restricted	2,265,690		2,265,690
Investment Earnings and Miscellaneous Income	19,413		19,413
Total General Revenues	<u>10,928,848</u>	<u>-</u>	<u>10,928,848</u>
Change in Net Position	135,369	4,071	139,440
Adjustment for Fixed Assets	44,564	3,660	48,224
Net Position - Beginning	<u>3,176,407</u>	<u>125,236</u>	<u>3,301,643</u>
Net Position - Ending	<u>\$ 3,356,340</u>	<u>132,967</u>	<u>3,489,307</u>

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents	\$ 1,758,622		221	329	1,759,172
Restricted Cash and Cash Equivalents					-
Interfund Receivable	205,297				205,297
Receivables, Net	<u>164,447</u>	<u>232,321</u>			<u>396,768</u>
Total Assets	<u>\$ 2,128,366</u>	<u>232,321</u>	<u>221</u>	<u>329</u>	<u>2,361,237</u>
<u>Liabilities and Fund Balance</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ -	38,255			38,255
Interfund Payable		205,297			205,297
Deferred Revenue		<u>1,240</u>			<u>1,240</u>
Total Liabilities	<u>-</u>	<u>244,792</u>	<u>-</u>	<u>-</u>	<u>244,792</u>
<u>Fund Balance:</u>					
<u>Restricted for:</u>					
<u>Designated for Subsequent</u>					
Years Expenditures - Tuition Reserve Budgeted Withdrawal	225,000				225,000
<u>Tuition Reserve:</u>					
2016-2017	225,000				225,000
Maintenance Reserve	202,450				202,450
Emergency Reserve	85,005				85,005
Capital Reserve Account	1,128,844				1,128,844
<u>Assigned to:</u>					
Other Purposes	1,015				1,015
Designated for Subsequent Years Expenditures - BOE	65,000				65,000
<u>Unassigned:</u>					
General Fund	196,052	(12,471)			183,581
Capital Projects			221		550
Debt Service				329	-
Total Fund Balances	<u>2,128,366</u>	<u>(12,471)</u>	<u>221</u>	<u>329</u>	<u>2,116,445</u>
Total Liabilities and Fund Balance	<u>\$ 2,128,366</u>	<u>232,321</u>	<u>221</u>	<u>329</u>	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$11,591,928 and the accumulated depreciation is \$7,200,170.	4,383,341
Deferred outflow of resources - contributions to the pension plan	532,199
Deferred inflow of resources - acquisition of assets applicable to future reporting periods	(177,060)
Accrued Interest	(26,693)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(3,471,892)</u>
Net Position of Governmental Activities	<u>\$ 3,356,340</u>

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

BELMAR SCHOOL DISTRICT

**Exhibit B-2
Sheet 1 of 2**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 8,268,007			375,738	8,643,745
Tuition Charges	1,851,510				1,851,510
Miscellaneous	19,413	92,502			111,915
Total Local Sources	<u>10,138,930</u>	<u>92,502</u>	<u>-</u>	<u>375,738</u>	<u>10,607,170</u>
State Sources	2,235,208	494,312			2,729,520
Federal Sources	30,482	658,692			689,174
Total Revenues	<u>12,404,620</u>	<u>1,245,506</u>	<u>-</u>	<u>375,738</u>	<u>14,025,864</u>
<u>Expenditures</u>					
Current:					
Regular Instruction	2,696,996				2,696,996
Special Education Instruction	738,560	713,438			1,451,998
Other Special Instruction	138,365				138,365
Other Instruction	106,813				106,813
Support Services and Undistributed Costs:					
Tuition	2,862,818				2,862,818
Student and Instruction Related Services	728,117	528,234			1,256,351
General Administrative Services	553,742				553,742
School Administrative Services	234,257				234,257
Plant Operations and Maintenance	801,195				801,195
Pupil Transportation	419,426				419,426
Unallocated Benefits	2,789,852				2,789,852
Debt Service:					
Principal				305,000	305,000
Interest and Other Charges				70,737	70,737
Capital Outlay	19,441				19,441
Special Schools	36,456				36,456
Total Expenditures	<u>12,126,038</u>	<u>1,241,672</u>	<u>-</u>	<u>375,737</u>	<u>13,743,447</u>

BELMAR SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Exhibit B-2
Sheet 2 of 2

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>278,582</u>	<u>3,834</u>	<u>-</u>	<u>1</u>	<u>282,417</u>
Net Change in Fund Balances	278,582	3,834	-	1	282,417
Fund Balance - July 1	<u>1,849,784</u>	<u>(16,305)</u>	<u>221</u>	<u>328</u>	<u>1,834,028</u>
Fund Balance - June 30	<u><u>\$ 2,128,366</u></u>	<u><u>(12,471)</u></u>	<u><u>221</u></u>	<u><u>329</u></u>	<u><u>2,116,445</u></u>

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

BELMAR SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2017

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 282,417
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:	
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	(367,488)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	305,000
In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).	(8,408)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	223,497
Pension related deferrals	(65,677)
Change in net pension liability	(237,812)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.	3,840
Change in Net Position of Governmental Activities	<u>\$ 135,369</u>

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

BELMAR SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

Exhibit B-4

JUNE 30, 2017

	<u>Enterprise Fund</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 77,220
Accounts Receivable:	
State	235
Federal	13,940
Inventories	1,598
Total Current Assets	<u>92,993</u>
Noncurrent Assets:	
Equipment	61,215
Less: Accumulated Depreciation	<u>(19,241)</u>
Total Noncurrent Assets	<u>41,974</u>
Total Assets	<u><u>\$ 134,967</u></u>
<u>Liabilities:</u>	
Accounts Payable	<u><u>\$ 2,000</u></u>
<u>Net Position</u>	
Investment in Capital Assets	\$ 41,974
Unrestricted	<u>90,993</u>
Total Net Position	<u><u>\$ 132,967</u></u>

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

BELMAR SCHOOL DISTRICT

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES AND CHANGESIN FUND NET POSITIONPROPRIETARY FUNDSJUNE 30, 2017

	<u>Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 54,017
Daily Sales - Non-Reimbursable Programs	32,464
Total Operating Revenue	<u>86,481</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	68,279
Cost of Sales - Non-Reimbursable Programs	41,848
Salaries	142,965
Management Fee	11,000
Insurance	10,880
Cost of Supplies	10,282
Depreciation	51
Audit	1,000
Miscellaneous	16,073
Total Operating Expenses	<u>302,378</u>
Operating (Loss)/Profit	(215,897)
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	3,496
Federal Sources:	
National School Lunch Program	164,866
HHFKA Lunch Program	4,109
Federal Breakfast Program	38,391
Food Distribution Program	9,106
Total Non-Operating Revenues	<u>219,968</u>
Change in Net Position	4,071
Adjustment for Fixed Assets	3,660
Net Position, July 1	<u>125,236</u>
Net Position, June 30	<u>\$ 132,967</u>

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

BELMAR SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2017

Exhibit B-6

	Enterprise Fund
Cash Flows from Operating Activities:	
Receipts from Daily Sales	\$ 86,481
Payments to Employees	(142,965)
Payments to Suppliers	(122,716)
Net Cash Used by Operating Activities	(179,200)
Cash Flows from Noncapital Financing Activities:	
State Sources	3,496
Federal Sources	207,366
Net Cash Provided by Noncapital Financing Activities	210,862
Net Increase/(Decrease) in Cash and Cash Equivalents	31,662
Cash and Cash Equivalents July 1	45,558
Cash and Cash Equivalents June 30	\$ 77,220
Cash Flows from Operating Activities:	
Operating (Loss)/Profit	\$ (215,897)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Depreciation	51
Federal Commodities Consumed	9,106
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	25,949
Increase/(Decrease) in Accounts Payable	2,000
(Increase)/Decrease in Inventory	(409)
Net Cash Used by Operating Activities	\$ (179,200)

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

BELMAR SCHOOL DISTRICTSTATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

FIDUCIARY FUNDSJUNE 30, 2017

	<u>Scholarship Fund</u>
Assets:	
Cash and Cash Equivalents	<u>\$ 809</u>
Total Assets	<u>\$ 809</u>
Net Position:	
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 809</u>
Total Net Position	<u>\$ 809</u>

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

BELMAR SCHOOL DISTRICTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Exhibit B-8

FIDUCIARY FUNDSJUNE 30, 2017

	<u>Scholarship Fund</u>
<u>Deductions</u>	
Net Position - Beginning of Year	<u>\$ 809</u>
Net Position - End of the Year	<u>\$ 809</u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
BELMAR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Belmar School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Belmar School District had an approximate enrollment at June 30, 2017 of 536 students.

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

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

B. Government-Wide Financial Statements

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

D. Fund Accounting:

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

Governmental Fund Types

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

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

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

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

Proprietary Fund Type

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Fiduciary Fund Types

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

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

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

Stoner Scholarship Fund

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

E. Basis of Accounting:

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2017 were insignificant.

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

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

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

G. Encumbrances:

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

H. Short-Term Interfund Receivables/Payables:

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

I. Inventories and Prepaid Expenses

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

J. Capital Assets and Depreciation

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

The District contracted with an outside service company to provide a report with a comprehensive detail of capital assets and depreciation which is updated annually. Accumulated depreciation for fiscal year 2017, fiscal year 2017 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

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

Capital asset activity for the year ended June 30, 2017 was as follows:

NOTE 1: Summary of Significant Accounting Policies (Continued)**J. Capital Assets and Depreciation (Continued)**

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2017</u>
Governmental Activities:				
Capital Assets that are				
Not Being Depreciated:				
Land	\$ 481,300	_____	_____	481,300
Site Improvements and				
Buildings	10,673,418			10,673,418
Machinery and Equipment	437,210		(8,417)	428,793
Totals	<u>11,110,628</u>	_____	<u>(8,417)</u>	<u>11,102,211</u>
Less: Accumulated				
Depreciation for:				
Sites Improvements and Buildings	(6,675,435)	(326,652)		(7,002,087)
Equipment	(210,228)	(40,836)	52,981	(198,083)
Total Accumulated Depreciation	<u>(6,885,663)</u>	<u>(367,488)</u>	<u>52,981</u>	<u>(7,200,170)</u>
Net Depreciable Assets	<u>4,224,965</u>	<u>(367,488)</u>	<u>44,564</u>	<u>3,902,041</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 4,706,265</u>	<u>(367,488)</u>	<u>44,564</u>	<u>4,383,341</u>
Business-Type Activities:				
Equipment	\$ 57,555	3,660		61,215
Less: Accumulated				
Depreciation for:				
Equipment	(19,190)	(51)		(19,241)
Business-Type Activities				
Capital Assets, Net	<u>\$ 38,365</u>	<u>(3,609)</u>	_____	<u>41,974</u>

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

Accumulated depreciation was allocated to governmental activities as follows:

	<u>Prior Years'</u> <u>Accumulated</u> <u>Depreciation</u>	<u>Current Year</u> <u>Depreciation</u> <u>Expense</u>	<u>Adjustments</u>	<u>Total</u> <u>Accumulated</u> <u>Depreciation</u>
Instruction	\$ 753,753			753,753
Support Services	508,838			508,838
Unallocated	<u>5,623,072</u>	<u>367,488</u>	<u>52,981</u>	<u>5,937,579</u>
	<u>\$ 6,885,663</u>	<u>367,488</u>	<u>52,981</u>	<u>7,200,170</u>

NOTE 1: Summary of Significant Accounting Policies (Continued)

K. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

L. Compensated Absences

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

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

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

M. Deferred Revenue

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

N. Long-Term Obligations

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

O. Fund Equity

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

NOTE 1: Summary of Significant Accounting Policies (Continued)**P. Tuition Receivable**

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

Q. Tuition Payable

Tuition charges for the fiscal year 2016-2017 was based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined. The District has elected to reserve \$225,000.00 for future tuition adjustment liabilities, which is within the 10% ceiling allowed by the Department of Education, State of New Jersey.

2016-2017 School Year	\$ 225,000
To be Utilized in 2017-2018	<u>(225,000)</u>
Available for Future Years	<u>\$ 0</u>

NOTE 2: Cash and Cash Equivalents and Investments

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

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

Deposits

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

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

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

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

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

NOTE 2: Cash and Cash Equivalents and Investments**Investments**

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

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

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

As of June 30, 2017, the District's deposits and investments are summarized as follows:

FDIC	\$ 250,000
GUPDA	<u>2,298,924</u>
	<u>\$ 2,548,924</u>

As of June 30, 2017, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash
	<u>Equivalents</u>
Interest Bearing Checking Accounts	<u>\$ 1,871,871</u>

The carrying amount of the Board's cash, cash equivalents and investments at June 30, 2017 was \$1,871,871 and the bank balance was \$2,548,924. Of the bank balance \$250,000 was covered by federal depository insurance and \$2,298,924 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Custodial Credit Risk – Deposits

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

The District had no uninsured deposits.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2017, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Long-Term</u> <u>Portion</u>	<u>Amount Due</u> <u>In One Year</u>
Pension Liability	\$ 1,357,352	237,812		1,595,164	1,595,164	
Compensated Absences Payable	113,320	8,408		121,728	121,728	
Bonds Payable	<u>2,060,000</u>	<u> </u>	<u>305,000</u>	<u>1,755,000</u>	<u>1,440,000</u>	<u>315,000</u>
	<u>\$ 3,530,672</u>	<u>246,220</u>	<u>305,000</u>	<u>3,471,892</u>	<u>3,156,892</u>	<u>315,000</u>

A. Bonds Authorized But Not Issued

As of June 30, 2017, the Board had no authorized but not issued bonds.

B. Bonds Payable

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 315,000	60,250	375,250
2019	270,000	50,850	320,850
2020	280,000	41,200	321,200
2021	290,000	29,800	319,800
2022	295,000	18,100	313,100
2023	<u>305,000</u>	<u>6,100</u>	<u>311,100</u>
	<u>\$ 1,755,000</u>	<u>206,300</u>	<u>1,961,300</u>

Bonds issued 7/8/03 for \$540,000 at interest from 5.00% to 5.50% maturing 10/1/2017 with a balance of \$50,000 at June 30, 2017.

Bonds Issued 2/1/12 for \$2,490,000 at interest from 2% to 4% maturing 8/1/22 with a balance of \$1,705,000 at June 30, 2017. These bonds refunded the bonds issued at 8/1/03.

NOTE 4: Pension Plans

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

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

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

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

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

NOTE 4: Pension Plans (Continued)

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

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

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/17	\$ 54,059	100%	\$ 0
6/30/16	57,953	100%	0
6/30/15	54,755	100%	0

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

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/17	\$ 819,851	100%	0
6/30/16	685,527	100%	0
6/30/15	553,599	100%	0

During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$819,851 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$300,869 during the year ended June 30, 2017 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenue and expenditure in accordance with GASB 24.

NOTE 4: Pension Plans (Continued)

For the year ended June 30, 2017, the District recognized pension expense of \$54,059. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 29,665	
Changes of Assumptions	330,433	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	60,825	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	57,217	177,060
District Contributions Subsequent to the Measurement Date	<u>54,059</u>	<u> </u>
Total	<u>\$ 532,199</u>	<u>177,060</u>

\$532,199 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Additional Information

Collective balances at December 31, 2016 and 2015 are as follows:

	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2015</u>
Collective Deferred Outflows of Resources	\$ 532,199	308,702
Collective Deferred Inflows of Resources	177,060	111,383
Collective Net Pension Liability	1,595,164	1,357,352
District's Proportion	.00539%	.00605%

NOTE 4: Pension Plans (Continued)**Components of Net Pension Liability**

The components of the collective net pension liability of the participating employers as of June 30, 2016 were as follows:

	2016		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 36,295,189,928	49,474,698,146	85,769,888,074
Plan Fiduciary Net Position	<u>6,904,504,223</u>	<u>19,857,566,387</u>	<u>26,762,070,610</u>
Net Pension Liability	<u>\$ 29,390,685,705</u>	<u>29,617,131,759</u>	<u>59,007,817,464</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	19.02%	40.14%	31.20%

	2015		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 31,614,118,524	43,109,580,038	74,723,698,562
Plan Fiduciary Net Position	<u>7,891,982,987</u>	<u>20,661,583,919</u>	<u>28,553,566,906</u>
Net Pension Liability	<u>\$ 23,722,135,537</u>	<u>22,447,996,119</u>	<u>46,170,131,656</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.96%	47.93%	38.21%

The collective total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%

NOTE 4: Pension Plans (Continued)

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

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

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 contribution rate in the most recent fiscal years. State employer contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2016		
	<u>At 1% Decrease (3.90%)</u>	<u>At Current Discount Rate (4.90%)</u>	<u>At 1% Increase (5.90%)</u>
State	\$ 34,422,851,197	29,390,685,705	25,246,574,457
Local	<u>36,292,338,055</u>	<u>29,617,131,759</u>	<u>24,106,170,190</u>
Total	<u>\$ 70,715,189,252</u>	<u>59,007,817,464</u>	<u>49,352,744,647</u>
	2015		
	<u>At 1% Decrease (3.90%)</u>	<u>At Current Discount Rate (4.90%)</u>	<u>At 1% Increase (5.90%)</u>
State	\$ 27,802,122,942	23,722,135,537	20,314,768,782
Local	<u>27,900,112,533</u>	<u>22,447,996,119</u>	<u>17,876,981,108</u>
Total	<u>\$ 55,702,235,475</u>	<u>46,170,131,656</u>	<u>38,191,749,890</u>

NOTE 4: Pension Plans (Continued)**Teachers Pensions and Annuity Fund (TPAF)****Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Total Pension Liability	\$ 101,746,770,000	89,182,662,000
Plan Fiduciary Net Position	<u>22,717,862,967</u>	<u>25,604,797,560</u>
Net Pension Liability	<u>\$ 79,028,907,033</u>	<u>63,577,864,440</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2016</u>	<u>2015</u>
District's Liability	<u>\$ 30,746,034</u>	<u>25,102,396</u>
District's Proportion	.03890%	.03948%

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvements on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

NOTE 4: Pension Plans (Continued)**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign – Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds – Equity Hedge	3.75%	4.72%
Hedge Funds – Distressed	3.75%	3.49%

Discount Rate

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTE 4: Pension Plans (Continued)**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2016 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
2016 (2.22%, 3.22%, 4.22%)	\$ 94,378,176,033	79,028,907,033	66,494,248,033
2015 (3.13%, 4.13%, 5.13%)	75,559,915,440	63,577,864,440	53,254,610,440

NOTE 5: Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

NOTE 6: Contingent Liabilities

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

NOTE 7: Equity Balance

At June 30, 2017, the General Fund equity balance was as follows:

Recapitulations:	
Restricted for:	
Emergency Reserve	\$ 85,005
Maintenance Reserve	202,450
Capital Reserve	1,128,844
Reserve for Tuition	225,000
Designated for Subsequent Year's Expenditures – Tuition Reserve Budgeted Withdrawal	225,000
Committed to:	
Other Purposes	1,015
Assigned to:	
Designated for Subsequent Year's Expenditures – BOE	65,000
Unassigned	<u>291,757</u>
	<u>\$ 2,224,071</u>

Reserved for encumbrances represents outstanding purchase orders which will be rolled into the 2017-2018 budget and expended therefrom.

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

2% Calculation of Excess Surplus

2016-17 Total General Fund Expenditures Per the CAFR	\$ 12,126,038
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>(1,120,720)</u>
Adjusted 16-17 General Fund Expenditures	<u>\$ 11,005,318</u>
2% of Adjusted 2016-17 General Fund Expenditures	<u>\$ 220,106</u>
Enter Greater of Above or \$250,000	\$ 250,000
Increased by Allowable Adjustment	<u>70,438</u>
Maximum Unassigned Fund Balance	<u>\$ 320,438</u>

NOTE 7: Equity Balance (Continued)**Section 2**

Total General Fund – Fund Balance @ 6-30-17	\$ 2,224,071
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Decreased by:

Reserved for Encumbrances	(1,015)
Designated for Subsequent Years Expenditures – Tuition Reserve	(225,000)
Designated for Subsequent Year’s Expenditures – BOE	(65,000)
Other Reserves	<u>(1,641,299)</u>

Total Unassigned Fund Balance	<u>\$ 291,757</u>
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Restricted Fund Balance – Excess Surplus	<u>\$ 0</u>
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Section 3

Reserved Fund Balance - Excess Surplus – Designated for Subsequent Year’s Expenditures	\$ 0
Excess Surplus – Current Year	<u>196,322</u>

	<u>\$ 196,322</u>
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Detail of Allowable Adjustments

Extraordinary Aid	\$ 68,990
Nonpublic Transportation	<u>1,448</u>

Total Adjustments	<u>\$ 70,438</u>
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Detail of Other Restricted Fund Balance

Tuition Reserve	\$ 225,000
Maintenance Reserve	202,450
Emergency Reserve	85,005
Capital Reserve	<u>1,128,844</u>

Total Other Restricted Fund Balance	<u>\$ 1,641,299</u>
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NOTE 8: Risk Management

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

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

NOTE 8: Risk Management (Continued)

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Transferred</u>	<u>Ending Balance</u>
2014-2015	\$ 25	0	0	28,560	0
2015-2016	0	0	0	0	0
2016-2017	0	0	0	0	0

On March 17, 2015, per board resolution, the balance of the unemployment account was transferred to the general account as the board is now insured on the contributory basis.

NOTE 9: Capital Reserve Account

A Capital Reserve account was established by the Borough of Belmar Board of Education by inclusion of \$100 on September 1, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance July 1, 2016	\$ 728,643
Transfer to Capital Reserve Per Board Resolution	400,000
Interest	<u>201</u>
Balance June 30, 2017	<u>\$ 1,128,844</u>

NOTE 9: Capital Reserve Account (Continued)

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

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

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

NOTE 10: Fair Values of Financial Instruments

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

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

NOTE 11: Fund Balance Appropriated

General Fund – Of the \$2,224,071 General Fund balance at June 30, 2017, \$1,015 is reserve for encumbrances; \$225,000 is designated for subsequent years expenditures – tuition reserve; \$65,000 is designated for subsequent years expenditures by the Board of Education; \$85,005 is emergency reserve; \$1,128,844 is capital reserve; \$202,450 is maintenance reserve; \$225,000 is tuition reserve; and \$291,757 is unassigned at June 30, 2017.

NOTE 12: Economic Dependency

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

NOTE 13: General Fund Emergency Reserve Account

The reserve account is to be used to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonable unforeseeable. The emergency reserve balance may not exceed \$250,000 or 1% of the District’s general fund budget up to a maximum of \$100,000 whichever is greater. Withdrawals require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health costs greater than four percent. Belmar’s emergency reserve balance as of June 30, 2017 is \$85,005.

NOTE 14: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2017. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2017 through November 17, 2017.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

BELMAR SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 8,268,007		8,268,007	8,268,007	-
Tuition	1,753,692		1,753,692	1,851,510	97,818
Interest Earned on Investments	25		25	3,102	3,077
Miscellaneous	17,041		17,041	16,311	(730)
Total Local Sources	<u>10,038,765</u>	<u>-</u>	<u>10,038,765</u>	<u>10,138,930</u>	<u>100,165</u>
State Sources:					
Categorical Special Education Aid	320,357		320,357	320,357	-
Categorical Transportation Aid	124,664		124,664	124,664	-
Extraordinary Aid	50,000		50,000	118,990	68,990
Categorical Security Aid	136,708		136,708	136,708	-
Adjustment Aid	396,805		396,805	396,805	-
PARCC Readiness Aid	5,650		5,650	5,650	-
Per Pupil Growth Aid	5,650		5,650	5,650	-
Professional Learning Community Aid	5,670		5,670	5,670	-
Non-Public Transportation Aid				1,448	1,448
TPAF Pension (On Behalf-Non-Budgeted)			-	819,851	819,851
TPAF Social Security (Reimbursed - Non-Budgeted)			-	300,869	300,869
Total State Sources	<u>1,045,504</u>	<u>-</u>	<u>1,045,504</u>	<u>2,236,662</u>	<u>1,191,158</u>
Federal Sources:					
ARRA/SEMI			-	1,495	1,495
Medical Assistance Program	14,232		14,232	28,987	14,755
Total Federal Sources	<u>14,232</u>	<u>-</u>	<u>14,232</u>	<u>30,482</u>	<u>16,250</u>
Total Revenues	<u>11,098,501</u>	<u>-</u>	<u>11,098,501</u>	<u>12,406,074</u>	<u>1,307,573</u>

BELMAR SCHOOL DISTRICT

**Exhibit C-1
Sheet 2 of 11**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Expenditures:</u>					
Current Expense:					
Regular Programs - Instruction:					
Pre-School - Salaries of Teachers	31,670	2,720	34,390	33,543	847
Local Contribution to Special Revenue	92,502		92,502	92,502	-
Kindergarten - Salaries of Teachers	204,371	4,950	209,321	205,415	3,906
Grades 1-5 - Salaries of Teachers	1,449,210	9,300	1,458,510	1,456,784	1,726
Grades 6-8 - Salaries of Teachers	730,514	(18,115)	712,399	681,780	30,619
Regular Programs - Undistributed Instruction:					
General Supplies	119,036	32,360	151,396	146,695	4,701
Textbooks	5,000	24,901	29,901	29,323	578
Miscellaneous Expenditures	44,200		44,200	42,550	1,650
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	3,500	8,500	8,404	96
Total Regular Programs - Instruction	<u>2,681,503</u>	<u>59,616</u>	<u>2,741,119</u>	<u>2,696,996</u>	<u>44,123</u>
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	162,520	5,940	168,460	167,930	530
Other Salaries for Instruction	43,047	(1,547)	41,500	36,599	4,901
Purchased Professional Educational Services	16,000	2,000	18,000	18,000	-
Purchased Technical Services	900		900		900
Total Learning and/or Language Disabilities	<u>222,467</u>	<u>6,393</u>	<u>228,860</u>	<u>222,529</u>	<u>6,331</u>

BELMAR SCHOOL DISTRICT

**Exhibit C-1
Sheet 3 of 11**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Resource Room/Resource Center:					
Salaries of Teachers	375,146	5,900	381,046	379,944	1,102
Other Salaries for Instruction	16,840	4,100	20,940	20,913	27
Purchased Professional-Educational Services	16,000	2,600	18,600	18,571	29
General Supplies	2,100		2,100		2,100
Total Resource Room/Resource Center	<u>410,086</u>	<u>12,600</u>	<u>422,686</u>	<u>419,428</u>	<u>3,258</u>
Preschool Disabilities:					
Salaries of Teachers	71,915	86	72,001	71,700	301
Other Salaries for Instruction	16,840	(6,100)	10,740	6,724	4,016
Purchase Professional Educational Services	16,000	2,100	18,100	18,085	15
General Supplies	1,000		1,000	94	906
Other Objects	750		750		750
Total Preschool Disabilities	<u>106,505</u>	<u>(3,914)</u>	<u>102,591</u>	<u>96,603</u>	<u>5,988</u>
Total Special Education - Instruction	<u>739,058</u>	<u>15,079</u>	<u>754,137</u>	<u>738,560</u>	<u>15,577</u>
Bilingual Education-Instruction					
Salaries of Teachers	136,155	2,210	138,365	138,365	-
General Supplies	600		600		600
Total Bilingual Education-Instruction	<u>136,755</u>	<u>2,210</u>	<u>138,965</u>	<u>138,365</u>	<u>600</u>

BELMAR SCHOOL DISTRICT

**Exhibit C-1
Sheet 4 of 11**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	35,000	5,500	40,500	40,465	35
Other Objects	500		500		500
Total School Sponsored Co-Curricular Activities - Instruction	<u>35,500</u>	<u>5,500</u>	<u>41,000</u>	<u>40,465</u>	<u>535</u>
School Sponsored Athletics - Instruction:					
Salaries	45,000	(2,440)	42,560	35,570	6,990
Supplies and Materials	8,000	1,775	9,775	8,199	1,576
Other Objects	2,000		2,000	1,730	270
Transfer to Cover Deficit	4,000		4,000	4,000	-
Total School Sponsored Athletics - Instruction	<u>59,000</u>	<u>(665)</u>	<u>58,335</u>	<u>49,499</u>	<u>8,836</u>
Other Supplemental /At-Risk Programs - Instruction:					
Salaries of Reading Specialists	32,815	(15,965)	16,850	16,849	1
Total Other Supplemental /At-Risk Programs - Instruction	<u>32,815</u>	<u>(15,965)</u>	<u>16,850</u>	<u>16,849</u>	<u>1</u>
Total Instruction	<u>3,684,631</u>	<u>65,775</u>	<u>3,750,406</u>	<u>3,680,734</u>	<u>69,672</u>
Undistributed Expenditures-Instruction:					
Tuition to Other LEAs in State - Regular	1,807,360	72,100	1,879,460	1,875,985	3,475
Tuition to Other LEAs in State - Special	230,322	(63,000)	167,322	165,779	1,543
Tuition to County Vocational School:					
Regular	86,160	(25,000)	61,160	57,000	4,160
Special	65,840	12,900	78,740	78,550	190
Tuition to Private School for Handicapped within State	717,838	(95,000)	622,838	589,863	32,975
Extraordinary Private Service	37,000	73,000	110,000	95,641	14,359
Total Undistributed Expenditures-Instruction	<u>2,944,520</u>	<u>(25,000)</u>	<u>2,919,520</u>	<u>2,862,818</u>	<u>56,702</u>

BELMAR SCHOOL DISTRICT

**Exhibit C-1
Sheet 5 of 11**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures-Health:					
Salaries	82,615		82,615	80,000	2,615
Purchased Professional and Technical Services	14,500		14,500	8,175	6,325
Supplies and Materials	1,500		1,500	1,499	1
Total Undistributed Expenditures-Health:	<u>98,615</u>	<u>-</u>	<u>98,615</u>	<u>89,674</u>	<u>8,941</u>
Undistributed Expenditures-Other Sup. Serv.					
Students-Related Serv.:					
Salaries of Teachers	75,315	627	75,942	75,942	-
Purchased Professional Educational Services	4,900	7,450	12,350	11,790	560
Supplies and Materials	450		450	421	29
Total Undistributed Expenditures-Other Sup. Serv. Students-Related Serv.	<u>80,665</u>	<u>8,077</u>	<u>88,742</u>	<u>88,153</u>	<u>589</u>
Undistributed Expenditures-Extraordinary Sup. Serv.					
Purchased Professional Educational Services	7,500	4,100	11,600	9,450	2,150
Supplies and Materials	2,500	(1,100)	1,400		1,400
Total Undistributed Expenditures-Extraordinary Sup. Serv.	<u>10,000</u>	<u>3,000</u>	<u>13,000</u>	<u>9,450</u>	<u>3,550</u>
Undistributed Expenditures-Other Supp. Serv.					
Students - Reg.:					
Salaries of Other Professional Staff	86,815		86,815	84,203	2,612
Supplies and Materials	400		400	347	53
Other Objects	250		250		250
Total Undistributed Expenditures-Other Supp. Serv.	<u>87,465</u>	<u>-</u>	<u>87,465</u>	<u>84,550</u>	<u>2,915</u>

BELMAR SCHOOL DISTRICT

**Exhibit C-1
Sheet 6 of 11**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures-Other Sup. Serv.					
Students-Spec. Serv.:					
Salaries of Other Professional Staff	184,840	(16,259)	168,581	147,686	20,895
Salaries of Secretarial and Clerical Assts.	46,045	271	46,316	46,315	1
Other Purchased Professional Services	28,750	175	28,925	26,738	2,187
Other Purchased Services	750	30,000	30,750	22,239	8,511
Supplies and Materials	5,400		5,400	3,676	1,724
Other Objects	1,000		1,000		1,000
Total Undistributed Expenditures-Other Sup. Serv.					
Students-Spec. Serv.	<u>266,785</u>	<u>14,187</u>	<u>280,972</u>	<u>246,654</u>	<u>34,318</u>
Undistributed Expenditures - Imp. of Instructional Services:					
Salaries of Supervisors of Instruction	<u>67,200</u>		<u>67,200</u>	<u>66,090</u>	<u>1,110</u>
Undistributed Expenditures - Edu. Media Serv./Sch. Library:					
Salaries	63,310		63,310	62,420	890
Salaries of Technology Coordinators	100,000	(25,000)	75,000	74,862	138
Purchased Professional and Technical Services	1,000		1,000	1,000	-
Supplies and Materials	<u>6,000</u>		<u>6,000</u>	<u>4,638</u>	<u>1,362</u>
Total Undistributed Expenditures - Edu. Media Serv./ School Library	<u>170,310</u>	<u>(25,000)</u>	<u>145,310</u>	<u>142,920</u>	<u>2,390</u>
Undistributed Expenditures - Instr. Staff Training Serv:					
Purchased Professional-Educational Services	8,000	249	8,249		8,249
Other Purchased Services	<u>4,500</u>		<u>4,500</u>	<u>626</u>	<u>3,874</u>
Total Undistributed Expenditures - Instructional Staff Training Serv.	<u>12,500</u>	<u>249</u>	<u>12,749</u>	<u>626</u>	<u>12,123</u>

BELMAR SCHOOL DISTRICT

Exhibit C-1
Sheet 7 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Supp. Serv. - General Administration:					
Salaries	185,947	3,364	189,311	189,235	76
Legal Services	18,000		18,000	12,585	5,415
Audit Fees	15,000		15,000	14,500	500
Other Purchased Professional Services	9,000		9,000	8,920	80
Communications/Telephone	16,500	16,500	33,000	29,037	3,963
Other Purchased Services BOE	5,100		5,100	365	4,735
Other Purchased Services (400-500)	2,500		2,500	2,500	-
General Supplies	2,500		2,500	1,197	1,303
Miscellaneous Expenditures	19,000	3,339	22,339	21,544	795
BOE Membership Dues and Fees	6,000		6,000	5,808	192
Total Undistributed Expenditures - Supp. Serv. General Administration	<u>279,547</u>	<u>23,203</u>	<u>302,750</u>	<u>285,691</u>	<u>17,059</u>
 Undistributed Expenditures-Support Serv.-School Admin.					
Salaries of Principals/Assistant Principals	141,145	707	141,852	141,852	-
Salaries of Secretarial/Clerical Assistants	87,414	1,863	89,277	86,318	2,959
Other Purchased Services	1,000	1,499	2,499	393	2,106
Supplies and Materials	3,500		3,500	1,249	2,251
Other Objects	2,000	4,000	6,000	4,445	1,555
Total Undistributed Expend.-Supp. Serv.-School Admin.	<u>235,059</u>	<u>8,069</u>	<u>243,128</u>	<u>234,257</u>	<u>8,871</u>

BELMAR SCHOOL DISTRICT

**Exhibit C-1
Sheet 8 of 11**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Undistributed Expenditures-Central Services					
Salaries	232,830	(9,104)	223,726	220,436	3,290
Purchased Professional Services	31,800	11,000	42,800	39,245	3,555
Other Purchased Services	5,500	5,000	10,500	4,437	6,063
Supplies and Materials	2,750	2,750	5,500	1,993	3,507
Other Objects	3,500	3,000	6,500	1,940	4,560
Total Undistributed Expend.-Central Services	<u>276,380</u>	<u>12,646</u>	<u>289,026</u>	<u>268,051</u>	<u>20,975</u>
Undistributed Expenditures-Allow. Maint. School Facilities:					
Cleaning, Repair and Maintenance Services	<u>113,700</u>	<u>200,326</u>	<u>314,026</u>	<u>312,647</u>	<u>1,379</u>
Total Undistributed Expenditures-Allow. Maint. School Facilities	<u>113,700</u>	<u>200,326</u>	<u>314,026</u>	<u>312,647</u>	<u>1,379</u>
Undistributed Expenditures-Other Oper. & Maint. Of Plant:					
Salaries of Non-Instructional Aides	31,000	1,520	32,520	31,606	914
Purchased Professional and Technical Services	31,750		31,750	16,074	15,676
Cleaning, Repair, and Maintenance Services	280,000	(21,500)	258,500	243,437	15,063
Other Purchased Property Services	14,000		14,000	12,551	1,449
Insurance	62,736	(3,339)	59,397	58,602	795
Misc. Purchased Services	9,950	1,500	11,450	11,228	222
General Supplies	10,000		10,000	1,946	8,054
Energy - Heat	58,000	(10,000)	48,000	32,528	15,472
Energy - Electricity	44,000	42,000	86,000	80,576	5,424
Total Undistributed Expenditures-Other Oper. & Maint. of Plant	<u>541,436</u>	<u>10,181</u>	<u>551,617</u>	<u>488,548</u>	<u>63,069</u>

BELMAR SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Undistributed Expenditures - Operation & Maintenance of Plant Services	655,136	210,507	865,643	801,195	64,448
Undistributed Expenditures - Student Transportation Serv:					
Contr. Serv. (Other Than Bet. Home & Sch.)-Vendors	21,000		21,000	20,838	162
Contr. Serv. (Bet. Home & Sch.)-Joint Agreements	37,000		37,000	24,781	12,219
Contr. Serv.(Sp Ed Stds)-Vendors	500		500		500
Contr. Serv. (Reg. Students) ESC & CTSA	265,000	(114,500)	150,500	130,549	19,951
Contr. Serv. (Sp. Ed. Stds.) ESC & CTSA	160,000	82,500	242,500	242,374	126
Contr. Serv. Aid in Lieu	5,000	(1,060)	3,940	884	3,056
Total Undistributed Expenditures - Student Transportation Serv.	488,500	(33,060)	455,440	419,426	36,014
Unallocated Benefits:					
Social Security Contributions	80,000		80,000	58,919	21,081
TPAF Contributions - ERIP	2,800		2,800		2,800
Other Retirement Contributions - PERS	73,900	(16,000)	57,900	54,059	3,841
Unemployment Compensation	12,500	16,000	28,500	21,855	6,645
Tuition Reimbursement	30,000		30,000	27,574	2,426
Other Employee Benefits	15,000	7,700	22,700	7,666	15,034
Workmen's Compensation	57,842		57,842	54,659	3,183
Health Benefits	1,714,190	(75,950)	1,638,240	1,444,400	193,840
Total Unallocated Benefits	1,986,232	(68,250)	1,917,982	1,669,132	248,850

BELMAR SCHOOL DISTRICT

**Exhibit C-1
Sheet 10 of 11**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
On-Behalf TPAF Pension Contributions (Non-Budgeted)	-	-	-	819,851	(819,851)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	300,869	(300,869)
Total On-Behalf Contributions	-	-	-	1,120,720	(1,120,720)
Total Undistributed Expenditures	7,658,914	128,628	7,787,542	8,389,407	(601,865)
Total Current Expense	11,343,545	194,403	11,537,948	12,070,141	(532,193)
Capital Outlay:					
Facilitates Acquisition and Construction Services:					
Other Objects	19,441		19,441	19,441	-
Total Capital Outlay	19,441	-	19,441	19,441	-
Special Schools:					
Salaries of Teachers	25,000	3,823	28,823	28,823	-
Other Salaries for Instruction	10,500		10,500	7,633	2,867
Total Special Schools	35,500	3,823	39,323	36,456	2,867
Total Expenditures	11,398,486	198,226	11,596,712	12,126,038	(529,326)

BELMAR SCHOOL DISTRICT

Exhibit C-1
Sheet 11 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(299,985)</u>	<u>(198,226)</u>	<u>(498,211)</u>	<u>280,036</u>	<u>777,936</u>
Fund Balance July 1	<u>1,944,035</u>		<u>1,944,035</u>	<u>1,944,035</u>	
Fund Balance June 30	<u>\$ 1,644,050</u>	<u>(198,226)</u>	<u>1,445,824</u>	<u>2,224,071</u>	<u>777,936</u>
Recapitulation:					
Restricted Fund Balance:					
Emergency Reserve				\$ 85,005	
Maintenance Reserve				202,450	
Capital Reserve				1,128,844	
Tuition Reserve				225,000	
Designated for Subsequent Year's Expenditures - Tuition Reserve Budgeted Withdrawal				225,000	
Assigned Fund Balance:					
Year-End Encumbrances				1,015	
Designated for Subsequent Year's Expenditures - BOE				65,000	
Unassigned Fund Balance				<u>291,757</u>	
				2,224,071	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(95,705)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 2,128,366</u>	

BELMAR SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources	\$ 85,210	7,293	92,503	92,502	1
State Sources	528,733		528,733	490,478	38,255
Federal Sources	<u>647,572</u>		<u>647,572</u>	<u>628,968</u>	<u>18,603</u>
Total Revenues	<u>\$1,261,515</u>	<u>7,293</u>	<u>1,268,808</u>	<u>1,211,948</u>	<u>56,859</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 340,565	(1,917)	338,648	336,502	2,145
Other Salaries for Instruction	165,509	40	165,549	165,549	
Purchased Professional and Technical Services	147,882	2,259	150,141	131,443	18,697
Textbooks	47,610		47,610	47,610	1
General Supplies	<u>2,615</u>		<u>2,615</u>	<u>2,610</u>	<u>5</u>
Total Instruction	<u>704,181</u>	<u>382</u>	<u>704,563</u>	<u>683,714</u>	<u>20,848</u>
Support Services:					
Personal Services - Employee Benefits	210,344	492	210,836	210,644	192
Purchased Professional and Technical Services	301,299	237	301,536	267,071	34,465
Contracted Services	1,725	6,864	8,589	8,589	
General Supplies	<u>43,966</u>	<u>(682)</u>	<u>43,284</u>	<u>41,930</u>	<u>1,354</u>
Total Support Services	<u>557,334</u>	<u>6,911</u>	<u>564,245</u>	<u>528,234</u>	<u>36,011</u>
Total Expenditures	<u>\$1,261,515</u>	<u>7,293</u>	<u>1,268,808</u>	<u>1,211,948</u>	<u>56,859</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

BUDGET TO GAAP RECONCILIATION

NOTE TO RSI

JUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 12,406,074	1,211,948
Difference - budget to GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		29,724
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	94,251	16,305
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(95,705)</u>	<u>(12,471)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 12,404,620</u>	<u>1,245,506</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 12,126,038	1,211,948
Differences - budget to GAAP: Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		29,724
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 12,126,038</u>	<u>1,241,672</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR PENSIONS (GASB 68) - L**

BELMAR SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - PERS

Exhibit L-1

LAST FOUR FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,595,164	1,357,352	1,046,529	1,198,190
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,595,164</u>	<u>1,357,352</u>	<u>1,046,529</u>	<u>1,198,190</u>
District's Covered-Employee Payroll	\$ 386,067	370,040	408,600	378,520
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	24.20%	27.26%	39.04%	31.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	31.20%	38.21%	42.74%	40.71%

BELMAR SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST FOUR FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 54,059	54,755	50,500	52,531
Contributions in Relation to the Contractually Required Contribution	<u>54,059</u>	<u>54,755</u>	<u>50,500</u>	<u>52,531</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 386,067	370,040	408,600	378,520
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.80%	12.36%	13.88%

BELMAR SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - TPAF

Exhibit L-3

LAST FOUR FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	-	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>30,746,034</u>	<u>25,102,396</u>	<u>20,708,273</u>	<u>19,478,521</u>
Total	<u>\$ 30,746,034</u>	<u>25,102,396</u>	<u>20,708,273</u>	<u>19,478,521</u>
District's Covered-Employee Payroll	\$ 4,107,853	4,058,138	3,796,845	3,864,360
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	13.36%	16.17%	18.33%	19.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

BELMAR SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS
TEACHER'S PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS

L-4

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.

BELMAR SCHOOL DISTRICT**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III**

L-5

FOR THE FISCAL YEAR ENDED JUNE 30, 2017**Public Employee's Retirement System (PERS)**

Changes in Benefit Terms – None

Changes in Assumptions – The discount rate changed from 4.90% as of June 30, 2015, to 3.98% as of June 30, 2016, in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms – None

Changes in Assumption – The discount rate changed from 4.13% as of June 30, 2015, to 3.22% as of June 30, 2016, in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

BELMAR SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS

Exhibit E-1
Sheet 1 of 2

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Chapter 192</u>				<u>Chapter 193</u>			<u>Non-Public Technology</u>	<u>Non-Public Textbooks</u>	<u>Non-Public Security</u>	<u>Non-Public Nursing</u>
	<u>ESL</u>	<u>Home Instruction</u>	<u>Compensatory Education</u>	<u>Transportation</u>	<u>Examination & Classification</u>	<u>Corrective Speech</u>	<u>Supplementary Instruction</u>				
Revenues:											
Federal Sources	\$ -	-	-								
State Sources	548	4,982	54,644	15,622	42,356	21,204	45,513	18,987	47,610	41,112	73,217
Local Sources											
Total Revenue	\$ 548	4,982	54,644	15,622	42,356	21,204	45,513	18,987	47,610	41,112	73,217
Expenditures:											
Instruction:											
Salaries of Teachers	\$ -	-	-								
Other Salaries for Instruction											
General Supplies											
Purchased Professional & Technical Services	548	4,982		15,622	42,356	21,204	45,513		47,610		
Textbooks											
Total Instruction	548	4,982	-	15,622	42,356	21,204	45,513	-	47,610	-	-
Support Services:											
Personal Services - Employee Benefits											
Purchased Professional and Technical Services			54,644					18,987			73,217
Contracted Services											
General Supplies										41,112	
Total Support Services	-	-	54,644	-	-	-	-	-	-	41,112	73,217
Total Expenditures	\$ 548	4,982	54,644	15,622	42,356	21,204	45,513	18,987	47,610	41,112	73,217

BELMAR SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS

Exhibit E-1
Sheet 2 of 2

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>I.D.E.A. Part B Basic</u>	<u>I.D.E.A. Part B Pre-School</u>	<u>Preschool Education Aid</u>	<u>Totals June 30, 2017</u>
Revenues:								
Federal Sources	251,806	41,147	19,610	36	307,883	8,486		628,968
State Sources							124,683	490,478
Local Sources							92,502	92,502
Total Revenue	<u>251,806</u>	<u>41,147</u>	<u>19,610</u>	<u>36</u>	<u>307,883</u>	<u>8,486</u>	<u>217,185</u>	<u>1,211,948</u>
Expenditures:								
Instruction:								
Salaries of Teachers	177,330	25,000	16,976	36			117,160	336,502
Other Salaries for Instruction					127,361	7,883	30,305	165,549
General Supplies			610				2,000	2,610
Purchased Professional & Technical Services	768						450	131,443
Textbooks								47,610
Total Instruction	<u>178,098</u>	<u>25,000</u>	<u>17,586</u>	<u>36</u>	<u>127,361</u>	<u>7,883</u>	<u>149,915</u>	<u>683,714</u>
Support Services:								
Personal Services - Employee Benefits	70,458	7,639	1,274		64,588	603	66,082	210,644
Purchased Professional and Technical Services	3,250	491	548		115,934			267,071
Contracted Services		8,017					572	8,589
General Supplies			202				616	41,930
Total Support Services	<u>73,708</u>	<u>16,147</u>	<u>2,024</u>	<u>-</u>	<u>180,522</u>	<u>603</u>	<u>67,270</u>	<u>528,234</u>
Total Expenditures	<u>251,806</u>	<u>41,147</u>	<u>19,610</u>	<u>36</u>	<u>307,883</u>	<u>8,486</u>	<u>217,185</u>	<u>1,211,948</u>

BELMAR SCHOOL DISTRICT**SPECIAL REVENUE FUND**

Exhibit E-2

PRESCHOOL EDUCATION AID**SCHEDULE OF EXPENDITURES****BUDGETARY BASIS****FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 117,160	117,160	
Other Salaries for Instruction	30,305	30,305	
Other Purchased Services	450	450	
General Supplies	2,000	2,000	
Total Instruction	<u>149,915</u>	<u>149,915</u>	<u>-</u>
Support Services:			
Employee Benefits	66,082	66,082	
Contracted Services	572	572	
General Supplies	616	616	
Total Support Services	<u>67,270</u>	<u>67,270</u>	<u>-</u>
Total Expenditures	<u>\$ 217,185</u>	<u>217,185</u>	<u>-</u>

Calculation of Budget and Carryover

Total 2016-2017 Budget Preschool Education Aid	\$ 217,185
Less: Budgeted 2016-2017 Preschool Education Aid	<u>217,185</u>
Available and Unbudgeted at June 30, 2017 Preschool Education Aid	<u>\$ -</u>
2016-2017 Carryover Budgeted in 2017-2018 Preschool Education Aid	<u>\$ -</u>

CAPITAL PROJECTS FUND – F

BELMAR SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2017

Fund Balance - Beginning	<u>\$ 221</u>
Fund Balance - Ending	<u>\$ 221</u>

BELMAR SCHOOL DISTRICT

Exhibit F-1a

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECTBALANCE, AND PROJECT STATUS - BUDGETARY BASISPLAYGROUND EQUIPMENT, SURFACE MATERIAL REPLACEMENT, DRAINAGE,REPOINT MASONRY AND WINDOWS - ELEMENTARY SCHOOLFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - SDA Grant	\$ 277,806		277,806	277,806
Transfer from Capital Reserve	416,710		416,710	416,710
Total Revenues	<u>694,516</u>	<u>-</u>	<u>694,516</u>	<u>694,516</u>
<u>Expenditures and Other Financing Uses</u>				
Other Purchased Professional Services	29,500		29,500	29,500
Construction Services	664,795		664,795	665,016
Total Expenditures	<u>694,295</u>	<u>-</u>	<u>694,295</u>	<u>694,516</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 221</u>	<u>-</u>	<u>221</u>	<u>-</u>

Additional Project Information

Project Number	0270-020-14-1001
Grant Date	6/18/2014
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 700,017
Additional Authorized Cost	-
Revised Authorized Cost	700,017

Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	8/31/2015
Revised Target Completion Date	8/31/2015

PROPRIETARY FUNDS – G

N/A

FIDUCIARY FUND – H

BELMAR SCHOOL DISTRICT

TRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2017

	<u>Agency</u>			<u>Expendable Trusts</u>	<u>Totals</u>
	<u>Student</u>	<u>Agency</u>	<u>Flexible</u>	<u>Scholarship</u>	<u>2017</u>
	<u>Activity</u>	<u>Account</u>	<u>Spending</u>	<u>Fund</u>	
			<u>Account</u>		
			<u>Net</u>		
			<u>Salary</u>		
			<u>Account</u>		
Assets:					
Cash and Cash Equivalents	\$ 25,848	5,471	1,246	809	35,480
Total Assets	<u>\$ 25,848</u>	<u>5,471</u>	<u>1,246</u>	<u>809</u>	<u>35,480</u>
Liabilities and Net Position:					
Liabilities:					
Due to Student Groups	\$ 25,848				25,848
Payroll Withholdings		5,471	1,246		8,823
Total Liabilities	<u>25,848</u>	<u>5,471</u>	<u>1,246</u>	<u>-</u>	<u>34,671</u>
Net Position:					
Unreserved				809	809
Total Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>809</u>	<u>809</u>
Total Liabilities and Net Position	<u>\$ 25,848</u>	<u>5,471</u>	<u>1,246</u>	<u>809</u>	<u>35,480</u>

BELMAR SCHOOL DISTRICTEXPENDABLE TRUST FUNDS

Exhibit H-2

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITIONFOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Scholarships</u>
Net Position, July 1	<u>\$ 809</u>
Net Position, June 30	<u>\$ 809</u>

BELMAR SCHOOL DISTRICT

STUDENT ACTIVITY AGENCY FUND

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>June 30, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
Elementary School:				
Belmar Elementary	\$ 29,281	31,118	35,195	25,204
Referee Account	<u>1,482</u>	<u>4,000</u>	<u>4,838</u>	<u>644</u>
Total All Schools	<u>\$ 30,763</u>	<u>35,118</u>	<u>40,033</u>	<u>25,848</u>

BELMAR SCHOOL DISTRICTPAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTSFOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Assets:				
Cash and Cash Equivalents	\$ 2,421	2,543,981	2,540,931	5,471
Total Assets	<u>\$ 2,421</u>	<u>2,543,981</u>	<u>2,540,931</u>	<u>5,471</u>
Liabilities:				
Payroll Deductions and Withholdings	\$ 2,421	2,543,981	2,540,931	5,471
Total Liabilities	<u>\$ 2,421</u>	<u>2,543,981</u>	<u>2,540,931</u>	<u>5,471</u>

LONG-TERM DEBT – I

BELMAR SCHOOL DISTRICT

GENERAL LONG-TERM DEBT ACCOUNT GROUP

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2017

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Date</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Beginning Balance July 1, 2016</u>	<u>Retired</u>	<u>Ending Balance June 30, 2017</u>
ERIP Refunding	7/8/03	\$ 540,000	10-1-17	\$ 50,000	5.500%	\$ 95,000	45,000	50,000
2012 Refunding Bonds	2/1/12	2,490,000	8/1/17	265,000	3.000%	1,965,000	260,000	1,705,000
			8/1/18	270,000				
			8/1/19	280,000	4.000%			
			8/1/20	290,000				
			8/1/21	295,000				
			8/1/22	305,000				
						<u>\$ 2,060,000</u>	<u>305,000</u>	<u>1,755,000</u>

BELMAR SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

Exhibit I-3

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 375,738		375,738	375,738	
Total Revenues	<u>375,738</u>	<u>-</u>	<u>375,738</u>	<u>375,738</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	70,738		70,738	70,737	1
Redemption of Principal	<u>305,000</u>		<u>305,000</u>	<u>305,000</u>	
Total Expenditures	<u>375,738</u>	<u>-</u>	<u>375,738</u>	<u>375,737</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	1	1
Fund Balance July 1	<u>328</u>	<u>-</u>	<u>328</u>	<u>328</u>	<u>-</u>
Fund Balance June 30	<u>\$ 328</u>	<u>-</u>	<u>328</u>	<u>329</u>	<u>1</u>

STATISTICAL SECTION

(Unaudited)

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

	For Fiscal Year Ending June 30,										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities											
Invested in capital assets, net of related debt	\$ 3,750,672	\$ 2,990,560	\$ 2,978,400	\$ 2,844,200	\$ 2,633,014	\$ 2,731,862	\$ 2,718,454	\$ 2,613,217	\$ 2,701,372	\$ 2,646,265	\$ 2,628,341
Restricted	988,106	1,235,415	1,330,557	1,418,992	1,395,164	1,532,442	1,803,111	1,866,109	1,655,543	1,639,334	1,866,849
Unrestricted	459,169	252,320	154,853	(116,942)	112,321	(8,920)	52,619	244,199	(1,123,782)	(1,109,741)	(1,138,850)
Total governmental activities net position	\$ 5,197,947	\$ 4,478,295	\$ 4,463,815	\$ 4,145,250	\$ 4,140,499	\$ 4,255,404	\$ 4,574,184	\$ 4,723,525	\$ 3,233,133	\$ 3,175,858	\$ 3,356,340
Business-type activities											
Invested in capital assets, net of related debt	\$ 5,171	\$ 4,534	\$ 8,557	\$ 7,448	\$ 19,199	\$ 38,057	\$ 40,732	\$ 43,011	\$ 42,030	\$ 38,365	\$ 41,974
Restricted	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	10,858	15,254	21,034	31,698	29,024	14,905	26,149	45,489	62,788	86,871	90,993
Total business-type activities net position	\$ 16,029	\$ 19,788	\$ 29,591	\$ 39,146	\$ 48,223	\$ 52,962	\$ 66,881	\$ 88,500	\$ 104,818	\$ 125,236	\$ 132,967
District-wide											
Invested in capital assets, net of related debt	\$ 3,755,843	\$ 2,995,094	\$ 2,986,957	\$ 2,851,648	\$ 2,652,213	\$ 2,769,939	\$ 2,759,186	\$ 2,656,228	\$ 2,743,402	\$ 2,684,630	\$ 2,670,315
Restricted	988,106	1,235,415	1,330,557	1,418,992	1,395,164	1,532,442	1,803,111	1,866,109	1,655,543	1,639,334	1,866,849
Unrestricted	470,027	267,574	175,892	(85,244)	141,345	5,985	78,768	289,688	(1,060,994)	(1,022,870)	(1,047,857)
Total district net position	\$ 5,213,976	\$ 4,498,083	\$ 4,493,406	\$ 4,185,396	\$ 4,188,722	\$ 4,308,366	\$ 4,641,065	\$ 4,812,025	\$ 3,337,951	\$ 3,301,094	\$ 3,489,307

Source: CAFR Schedule A-1

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses											
Governmental activities											
Instruction											
Regular	\$ 2,018,002	\$ 2,128,393	\$ 2,478,495	\$ 2,786,212	\$ 2,597,888	\$ 2,480,640	\$ 2,744,611	\$ 2,855,239	\$ 2,727,329	\$ 2,574,647	\$ 2,705,404
Special education	550,235	1,301,062	1,374,393	1,464,121	1,467,198	1,285,685	1,569,455	1,294,347	1,269,351	1,383,592	1,451,999
Other special education	691,442	149,400	159,570	77,139	104,200	102,740	140,785	135,205	107,194	135,858	138,365
Other instruction	74,993	105,642	89,320	201,512	187,545	202,831	136,474	107,699	97,528	120,258	106,813
Support Services:											
Tuition	2,303,413	2,460,262	2,643,976	2,596,165	2,923,359	2,831,999	2,539,348	2,817,103	3,020,346	2,676,504	2,862,818
Student & instruction related services	1,196,579	1,016,984	950,653	791,098	1,017,343	1,277,444	818,063	1,214,515	1,269,471	1,220,808	1,256,351
School administrative services	295,838	237,748	245,302	328,678	385,442	387,154	372,774	442,216	482,501	272,817	234,257
General & Business administrative services	376,389	387,608	401,583	410,033	232,809	224,583	247,032	228,059	241,640	489,144	553,742
Plant operations and maintenance	794,047	1,059,709	913,722	727,404	668,888	687,800	729,180	591,461	661,159	710,473	801,195
Pupil transportation	452,399	466,068	407,439	435,044	430,071	426,596	355,929	390,153	530,737	464,478	419,426
Special Schools	1,340	2,860	6,100	5,083	4,703	46,767	49,116	26,058	27,083	32,379	36,456
Charter Schools	4,779	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	34,208	19,441
Interest on long-term debt	203,812	181,754	173,166	164,020	154,264	170,361	104,402	94,510	87,047	77,160	66,897
Unallocated Employee Benefits	1,981,175	2,156,627	1,929,432	2,054,717	1,942,439	1,983,487	2,326,910	2,283,802	2,613,153	2,960,740	2,869,844
Unallocated depreciation	15,387	369,257	329,806	345,631	356,430	353,262	353,168	364,027	366,333	368,462	367,488
Total governmental activities expenses	10,959,830	12,023,244	12,099,937	12,387,137	12,482,577	12,461,348	12,487,247	12,834,394	13,490,872	13,521,528	13,890,496
Business-type activities:											
Food service	193,322	189,037	208,825	235,735	250,727	244,193	260,337	277,298	285,275	292,174	302,378
Total business-type activities expense	193,322	189,037	208,825	235,735	250,727	244,193	260,337	277,298	285,275	292,174	302,378
Total district expenses	\$ 11,153,152	\$ 12,212,281	\$ 12,308,762	\$ 12,622,872	\$ 12,733,304	\$ 12,705,542	\$ 12,747,584	\$ 13,111,692	\$ 13,776,147	\$ 13,813,702	\$ 14,192,874
<small>For each report with property taxes, the percentage of overlapping net expenses is calculated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that Gov. is within the district's boundaries and dividing it by each unit's total taxable value.</small>											
Charges for services:											
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,987,540	\$ 1,873,721	\$ 2,007,520	\$ 1,784,307	\$ 1,851,510
Operating grants and contributions	1,343,542	1,435,919	1,166,721	1,261,119	1,322,626	1,227,044	1,038,687	1,103,387	1,110,938	1,110,048	1,245,507
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	1,343,542	1,435,919	1,166,721	1,261,119	1,322,626	1,227,044	3,026,227	2,977,108	3,118,458	2,894,355	3,097,017
Business-type activities:											
Charges for services											
Food service	83,225	75,130	83,819	88,131	96,083	88,797	84,528	94,563	88,776	88,202	86,481
Operating grants and contributions	110,024	117,185	130,058	159,383	151,075	160,075	189,728	198,645	210,277	224,539	219,968
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	193,249	192,315	213,877	245,514	247,158	248,872	274,256	293,208	299,053	312,741	306,449
Total district program revenues	\$ 1,536,791	\$ 1,628,234	\$ 1,380,598	\$ 1,506,633	\$ 1,569,784	\$ 1,475,916	\$ 3,300,483	\$ 3,270,316	\$ 3,417,511	\$ 3,207,096	\$ 3,403,466
Net (Expense)/Revenue											
Governmental activities	\$ (9,616,288)	\$ (10,587,325)	\$ (10,933,216)	\$ (11,126,018)	\$ (11,159,951)	\$ (11,234,305)	\$ (9,461,020)	\$ (9,857,286)	\$ (10,372,414)	\$ (10,627,173)	\$ (10,793,479)
Business-type activities	(73)	3,278	5,052	9,779	(3,569)	4,679	13,919	15,910	13,778	20,567	4,071
Total district-wide net expense	\$ (9,616,361)	\$ (10,584,047)	\$ (10,928,164)	\$ (11,116,239)	\$ (11,163,520)	\$ (11,229,626)	\$ (9,447,101)	\$ (9,841,376)	\$ (10,358,636)	\$ (10,606,606)	\$ (10,789,408)
General Revenues and Other Changes in Net Assets											
Governmental activities:											
Property taxes levied for general purposes, net	\$ 6,454,116	\$ 6,712,280	\$ 6,980,770	\$ 7,124,926	\$ 7,208,020	\$ 7,278,080	\$ 7,483,641	\$ 7,633,313	\$ 7,785,979	\$ 8,013,057	\$ 8,268,007
Taxes levied for debt service	356,402	331,264	371,956	395,279	399,148	396,701	378,270	365,236	379,688	377,964	375,738
Unrestricted grants and contributions	1,601,393	1,687,145	1,744,410	1,453,351	1,428,091	1,711,499	1,886,431	1,782,045	2,247,961	2,119,351	2,266,680
Tuition Received	1,635,091	1,723,733	1,534,281	1,984,333	2,161,851	2,046,099	-	-	-	-	-
Investment earnings & Miscellaneous Earnings	91,890	49,656	19,357	63,987	65,619	29,891	14,768	174,724	103,878	60,075	19,413
Adjustment for prior debt adjustment	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Total governmental activities	10,138,892	10,484,078	10,950,774	11,022,856	11,258,729	11,462,270	9,763,110	9,955,321	10,517,506	10,570,447	10,928,848
Business-type activities:											
Investment earnings	235	481	181	82	81	60	-	8	-	-	-
Adjustment for cancellation of APP	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Total business-type activities	235	481	181	82	81	60	-	8	-	-	-
Total district-wide	\$ 10,139,127	\$ 10,484,559	\$ 10,950,955	\$ 11,022,938	\$ 11,258,810	\$ 11,462,330	\$ 9,763,110	\$ 9,955,329	\$ 10,517,506	\$ 10,570,447	\$ 10,928,848
Change in Net Assets											
Governmental activities	\$ 522,604	\$ (103,247)	\$ 17,558	\$ (103,162)	\$ 98,778	\$ 227,965	\$ 302,090	\$ 98,035	\$ 145,092	\$ (56,726)	\$ 135,369
Business-type activities	162	3,759	5,233	9,861	(3,488)	4,739	13,919	15,918	13,778	20,567	4,071
Total district	\$ 522,766	\$ (99,488)	\$ 22,791	\$ (93,301)	\$ 95,290	\$ 232,704	\$ 316,008	\$ 113,953	\$ 158,870	\$ (36,159)	\$ 139,440

* tuition reported as charge for services

Source: CAFR Schedule A-2

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

	For Fiscal Year Ending June 30,										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund											
Reserved	\$ 1,198,461	\$ 1,240,488	\$ 1,318,738	\$ 1,323,301	\$ 1,362,766	\$ 1,532,442	\$ 1,790,275	\$ 2,027,814	\$ 1,525,146	\$ 1,639,334	\$ 1,932,314
Unreserved	215,360	290,493	217,097	175,614	163,063	140,195	178,197	82,493	153,615	210,450	196,052
Total general fund	<u>\$ 1,413,821</u>	<u>\$ 1,530,981</u>	<u>\$ 1,535,835</u>	<u>\$ 1,498,915</u>	<u>\$ 1,525,829</u>	<u>\$ 1,672,637</u>	<u>\$ 1,968,472</u>	<u>\$ 2,110,307</u>	<u>\$ 1,678,761</u>	<u>\$ 1,849,784</u>	<u>\$ 2,128,366</u>
All Other Governmental Funds											
Reserved	\$ 89,080	\$ 21,022	\$ -	\$ -	\$ -	\$ -	\$ 188,403	\$ 137,951	\$ 52,922	\$ 111,755	\$ 550
Unreserved, reported in:											
Special revenue fund	(20,398)	(26,095)	(11,540)	(10,865)	(18,344)	52,672	15,417	14,319	5,306	(16,305)	(12,471)
Capital projects fund	-	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 68,682</u>	<u>\$ (5,073)</u>	<u>\$ (11,540)</u>	<u>\$ (10,865)</u>	<u>\$ (18,344)</u>	<u>\$ 52,672</u>	<u>\$ 203,820</u>	<u>\$ 152,270</u>	<u>\$ 58,228</u>	<u>\$ 128,287</u>	<u>\$ 128,287</u>

Source: CAFR Schedule B-1

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues											
Tax levy	\$ 6,810,518	\$ 7,043,544	\$ 7,352,726	\$ 7,521,205	\$ 7,605,168	\$ 7,674,781	\$ 7,861,911	\$ 7,998,552	\$ 8,165,667	\$ 8,391,021	\$ 8,643,745
Tuition charges	1,635,091	1,723,733	1,834,281	1,984,333	2,161,851	2,046,099	1,987,540	1,873,721	2,007,520	1,784,307	1,851,510
Interest Earnings/Miscellaneous	92,579	53,567	19,357	64,967	65,619	29,891	14,768	260,884	115,718	62,276	111,915
State sources	2,461,290	2,624,465	2,359,488	1,857,450	2,043,549	2,192,207	2,321,807	2,195,000	2,727,710	2,629,009	2,729,520
Federal sources	503,354	474,688	551,643	856,020	705,068	746,336	603,311	603,272	619,349	600,390	689,174
Total revenue	11,502,832	11,919,997	12,117,495	12,283,976	12,581,355	12,689,314	12,789,337	12,932,429	13,635,964	13,467,003	14,025,664
Expenditures											
Instruction											
Regular instruction	2,054,217	2,125,448	2,476,609	2,808,252	2,597,886	2,480,640	2,768,148	2,855,239	2,727,329	2,607,759	2,696,996
Special education instruction	550,235	1,301,062	1,374,393	1,464,121	1,467,198	1,285,685	1,569,455	1,294,347	1,269,351	1,383,592	1,451,998
Other special instruction	768,435	254,942	248,890	278,851	291,745	305,571	277,259	242,904	204,722	256,116	245,178
Support Services:											
Tuition	2,303,413	2,460,262	2,643,976	2,596,165	2,923,359	2,831,999	2,539,348	2,817,103	3,020,346	2,676,504	2,862,818
Student & instruction related services	1,196,579	1,016,954	934,896	791,098	1,017,343	1,277,444	818,063	1,214,515	1,259,471	1,220,808	1,256,351
School Administrative services	295,838	237,748	245,302	328,678	395,442	387,154	372,774	442,216	482,501	489,144	234,257
Other administrative services	376,389	387,608	401,563	410,033	232,809	224,583	247,032	228,059	241,640	272,817	553,742
Plant operations and maintenance	794,047	1,059,709	913,722	727,404	668,888	687,800	729,180	591,461	661,159	710,473	801,195
Pupil transportation	452,399	466,068	407,439	435,044	430,071	426,586	355,929	390,153	530,737	464,478	419,426
Food Services											
Unallocated employee benefits	1,981,175	2,156,627	1,926,432	2,054,717	1,942,439	2,132,602	2,326,910	2,301,614	2,525,675	2,800,810	2,789,852
Special Schools	1,340	2,660	6,100	5,063	4,703	46,767	49,116	26,058	27,083	32,379	36,456
Charter Schools	4,779	-	-	-	-	-	-	-	-	-	-
Capital outlay	136,327	7,982	146,808	24,715	190,890	27,784	61,609	21,686	713,086	38,441	19,441
Debt service:											
Principal	193,484	214,156	216,347	228,571	240,966	148,215	276,198	279,045	290,000	300,000	305,000
Interest and other charges	207,088	185,166	176,631	167,708	158,182	248,485	102,072	99,029	89,687	80,938	70,737
Total For debt repaid with property taxes, the percentage of overlapping de	11,313,745	11,876,692	12,119,108	12,320,220	12,561,921	12,511,325	12,493,093	12,803,429	14,042,787	13,334,259	13,743,447
Exc values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total tax	189,087	43,405	(1,613)	(36,245)	19,434	177,989	296,244	129,000	(406,823)	132,744	282,417
Other Financing sources (uses)											
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-	-	-	-
Proceeds of refunding debt	-	-	-	-	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-	-	-
Par amount of bonds	-	-	-	-	-	-	-	-	-	-	-
Original issue premium	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-	-
Deposit to escrow fund	-	-	-	-	-	-	-	-	-	-	-
Costs of issuance	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-	-
Transfers in	21,022	-	-	-	-	-	-	-	-	-	-
Transfers out	(21,022)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 189,087	\$ 43,405	\$ (1,613)	\$ (36,245)	\$ 19,434	\$ 177,989	\$ 296,244	\$ 129,000	\$ (406,823)	\$ 132,744	\$ 282,417
Debt service as a percentage of noncapital expenditures	3.6%	3.4%	3.3%	3.2%	3.2%	3.2%	3.0%	3.0%	2.8%	2.9%	2.7%

Source: CAFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Misc.	Total
2007	34,740	1,635,091	36,128	1,705,959
2008	48,605	1,723,733	4,962	1,777,300
2009	14,210	1,834,281	5,147	1,853,638
2010	4,842	1,984,334	59,122	2,048,298
2011	3,100	2,161,851	62,159	2,227,110
2012	3,424	2,046,099	26,467	2,075,990
2013		1,987,540	14,768	2,002,308
2014	3,531	1,873,721	171,193	2,048,445
2015	2,610	2,007,520	101,268	2,111,398
2016	2,752	1,784,307	62,276	1,849,335
2017	3,102	1,851,509	16,000	1,870,611

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

Source: District Records

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

Year Ended December 31,	Vacant Land	Building	Commercial	Apartment	Estimated Full Cash Valuations	Less: Tax-Exempt Property	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2006	17,463,300	839,667,700	108,494,500	33,659,900	999,285,400		300,699	999,586,099	0.981	72.06%
2007	21,349,400	847,873,700	104,438,700	31,242,500	1,004,904,300		265,063	1,005,169,363	0.688	61.62%
2008	22,038,100	865,626,900	103,311,200	27,629,400	1,018,605,600		265,245	1,018,870,845	0.709	57.46%
2009	21,222,200	878,124,800	101,268,200	27,629,400	1,028,244,600		494,262	1,028,738,862	0.725	57.24%
2010	18,892,000	884,986,200	101,542,800	26,250,400	1,031,471,400		406,348	1,031,877,748	0.734	58.25%
2011	16,704,900	888,603,800	99,798,100	27,100,400	1,032,207,200		0	1,032,207,200	0.741	59.51%
2012	19,031,200	887,856,100	98,983,200	26,350,400	1,032,220,900		0	1,032,220,900	0.754	62.05%
2013	15,894,000	886,040,765	98,027,600	26,073,500	1,026,035,865		0	1,026,035,865	0.773	66.69%
2014	20,397,000	889,273,305	94,830,300	23,680,500	1,028,181,105			1,028,181,105	0.787	67.59%
2015	19,192,400	911,046,500	90,039,600	23,340,900	1,043,619,400			1,043,619,400	0.794	68.60%
2016	17,167,000	919,793,000	88,867,900	23,701,200	1,049,529,100			1,049,529,100	0.812	106.71% **
** 2017	19,323,000	1,486,442,800	134,551,300	45,072,500	1,685,389,600			1,685,389,600	0.518	

Source: For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that

Note: is within the district's boundaries and dividing it by each unit's total taxable value. In 2003 the Borough was reassessed and the tax rate adjusted accordingly.

** Reassessment occurs when ordered by the County Board of Taxation - Belmar was reassessed in 2017

b Tax rates are per \$100

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

(rate per \$100 of assessed value)

Year Ended December 31,	Belmar Board of Education			Borough of Belmar	Monmouth County	Total Direct and Overlapping Tax Rate
	Basic Rate a	General Obligation Debt Service b	Total Direct			
2006	0.645	0.036	0.681	0.587	0.398	1.666
2007	0.655	0.033	0.688	0.612	0.424	1.724
2008	0.672	0.037	0.709	0.655	0.427	1.791
2009	0.685	0.040	0.725	0.685	0.435	1.845
2010	0.697	0.039	0.736	0.703	0.423	1.862
2011	0.702	0.039	0.741	0.703	0.452	1.896
2012	0.715	0.039	0.754	0.703	0.452	1.909
2013	0.737	0.036	0.773	0.702	0.454	1.929
2014	0.749	0.038	0.787	0.701	0.447	1.935
2015	0.756	0.038	0.794	0.691	0.434	1.919
2016	0.776	0.036	0.812	0.686	0.413	1.911

Source: District Records and Monmouth County Taxation (Certified General Tax Rates)

*In 2017 the Borough was reassessed and the tax rate adjusted accordingly.

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calcu

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

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

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

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
BMIA, LLC	\$ 4,358,700	0.42%	\$ 4,507,200	0.46%
River Ridge Apartments	3,542,700	0.34%	4,292,700	0.44%
Pat's Motel Inc	2,934,300	0.28%	3,084,300	0.31%
LCS, Inc.	2,479,300	0.24%	2,704,300	0.28%
Private Homeowner #1	2,177,600	0.21%	2,800,000	0.27%
GSK LLC	1,930,200	0.18%	1,979,200	0.20%
Anza Inc.	1,970,900	0.19%	1,970,900	0.35%
Private Homeowner #2	1,803,700	0.17%	2,623,100	0.27%
Ocean Harbor Apartments LLC	1,800,000	0.17%	2,638,200	0.27%
Belmar Terrace Apts	1,748,800	0.17%	-	
Harding Estates LLC			1,983,100	0.20%
Total	\$ 24,746,200	2.37%	\$ 28,583,000	3.05%
Net Valuation Taxable 2015	\$ 1,043,619,400			

Source: Borough CAFR & Municipal Tax Assessor

**Current information not available'

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

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	6,810,518	6,810,518	100.00%	-
2008	7,043,545	7,043,545	100.00%	
2009	7,352,726	7,352,726	100.00%	
2010	7,521,205	7,521,205	100.00%	
2011	7,605,169	7,605,169	100.00%	
2012	7,674,781	7,674,781	100.00%	
2013	7,861,911	7,861,911	100.00%	
2014	7,998,552	7,998,552	100.00%	
2015	8,165,667	8,165,667	100.00%	
2016	8,391,021	8,391,021	100.00%	
2017	8,643,745	8,643,745	100.00%	

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

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income a	Per Capita a
	General Obligation Bonds b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2007	4,388,768	-	-	-	-	4,388,768	1.10%	48,072
2008	4,174,612					4,174,612	1.26%	52,499
2009	3,958,267					3,958,267	1.41%	55,826
2010	3,719,694					3,719,694	1.53%	56,755
2011	3,488,728					3,488,728	1.57%	54,771
2012	3,205,243					3,205,243	1.78%	56,955
2013	2,929,046					2,929,046	1.99%	58,355
2014	2,650,000					2,650,000	2.32%	61,426
2015	2,360,000					2,360,000	2.80%	66,019
2016	2,060,000					2,060,000	3.20%	66,019
2016	1,755,000					1,755,000	3.76%	66,019

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that

Source: D is within the district's boundaries and dividing it by each unit's total taxable value.

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

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value a of Property	Per Capita b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	4,595,856	-	4,595,856	0.46%	44,591
2007	4,388,768	-	4,388,768	0.44%	48,072
2008	4,174,612	-	4,174,612	0.42%	52,499
2009	3,958,267		3,958,267	0.39%	55,826
2010	3,719,694		3,719,694	0.36%	56,755
2011	3,488,728		3,488,728	0.34%	54,771
2012	3,205,243		3,205,243	0.31%	56,955
2013	2,929,046		2,929,046	0.28%	58,355
2014	2,650,000		2,650,000	0.26%	61,426
2015	2,360,000		2,360,000	0.23%	66,019
2015	2,060,000		2,060,000	0.20%	66,019
2016	1,755,000		1,755,000	0.17%	66,019

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

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

b Population data can be found in Exhibit NJ J-13.

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

**Belmar Board of Education
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2016**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable a</u>	<u>Estimated Share of Overlapping Debt</u>
(Net) Debt repaid with property taxes			
Borough of Belmar (as of December 31, 2015)	19,014,882	100.000%	19,014,882
Other debt			
*** Belmar Water - Sewer Authority and Beach Utility	17,739,274	100.000%	17,739,274
Subtotal, overlapping debt			36,754,156
Borough of Belmar School District Direct Debt-December 31, 2016			1,755,000
Total direct and overlapping debt			\$ 38,509,156

Sources: Information obtained from Annual Debt Statement Borough of Belmar & Supplementary Data from Borough of Belmar 2016 Financial Statement

*** Includes Beach Utility

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

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

Belmar Board of Education
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized valuation basis

	2014	1,032,220,900
	2015	1,044,495,200
	2015	<u>1,564,648,689</u>
	[A]	<u>\$ 3,641,364,789</u>
	[A/3]	\$ 1,213,788,263
Debt limit (3 % of average equalization	[B]	36,413,648 a
Net bonded school debt	[C]	<u>1,755,000</u>
Legal debt margin	[B-C]	<u>\$ 34,658,648</u>

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2015
Debt limit	\$ 31,411,920	30,227,953	30,517,545	30,787,279	30,923,295	30,963,058	30,904,640	30,864,379	31,027,520	34,658,648
Total net debt applicable to limit	<u>4,388,768</u>	<u>4,174,612</u>	<u>3,958,267</u>	<u>3,958,267</u>	<u>3,719,694</u>	<u>2,929,046</u>	<u>2,650,000</u>	<u>2,360,000</u>	<u>2,060,000</u>	<u>1,755,000</u>
Legal debt margin	<u>\$ 27,023,152</u>	<u>\$ 26,053,341</u>	<u>\$ 26,559,278</u>	<u>\$ 26,829,012</u>	<u>\$ 27,203,601</u>	<u>\$ 28,034,012</u>	<u>\$ 28,254,640</u>	<u>\$ 28,504,379</u>	<u>\$ 28,967,520</u>	<u>\$ 32,903,648</u>
Total net debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property as a percentage values. Applicable percentages were estimated by determining the percentage of total taxable value within the district's boundaries and dividing it by each unit's total taxable value.	13.97%	13.81%	12.97%	12.86%	12.03%	9.46%	8.57%	7.65%	6.64%	5.06%

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

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

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

<u>Year</u>	<u>Population a</u>	<u>Personal Income b</u>	<u>Per Capita Personal Income c</u>	<u>Unemployment Rate d</u>
2007	5,927	\$ 304,867,099	51,437	4.5%
2008	5,908	\$ 323,764,308	54,801	5.8%
2009	5,897	\$ 334,684,235	56,755	9.4%
2010	5,799	\$ 317,269,089	54,711	9.6%
2011	5,775	\$ 328,915,125	56,955	9.6%
2012	5,751	\$ 335,599,605	58,355	10.0%
2013	5,736	\$ 352,339,536	61,426	7.8%
2014	5,719	\$ 377,562,661	66,019	6.1%
2015	5,712	\$ 377,100,528	66,019	5.1%
2016	5,684	\$ 394,526,440	69,410	4.6%

Source:

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

b Personal income__Per Capita Income * Population

c Per Capita_For Monmouth County

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

<http://www.state.nj.us/education/finance/fp/audit/>

**Belmar Board of Education
Principal Employers,**

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

Source:

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

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

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction										
Regular	39	40	40	42	44	45	45	44	44	46
Special education	10	11	10	10	10	11	10	11	11	11
Other special education	4	4	4	4	4	4	4	4	4	4
Vocational										
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition										
Student & instruction related services	13	15	15	15	15	17	16	20	22	22
General administrative services	2	2	2	2	2	2	2	2	2	2
School administrative services	3	3	3	3	3	3	4	5	4	4
Business administrative services	3	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	3	2	1	1	1	1	1	1	1	1
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Special Schools										
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care										
Total	<u>77</u>	<u>80</u>	<u>78</u>	<u>80</u>	<u>82</u>	<u>86</u>	<u>85</u>	<u>89</u>	<u>90</u>	<u>93</u>

So1. For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Belmar Board of Education
Operating Statistics
Last Eight Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures a	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) c	Average Daily Attendance (ADA) c	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff b	K-8				
2006	543	7,003,404	12,898	8.73%	53	1:10	543	513	-3.28%	94.48%
2007	534	7,980,040	14,944	15.87%	53	1:10	534	508	-1.66%	95.13%
2008	523	8,545,903	16,340	9.34%	53	1:10	523	499	-2.06%	95.41%
2009	533	8,618,453	16,170	-1.04%	55	1:10	533	509	1.91%	95.50%
2010	559	8,845,977	15,825	-2.13%	55	1:10	559	532	4.88%	95.17%
2011	560	8,618,453	15,390	-2.75%	54	1:10	560	532	0.18%	95.00%
2012	556	8,679,131	15,610	1.43%	54	1:10	556	533	-0.71%	95.86%
2013	568	9,134,400	16,082	3.02%	56	1:10	568	543	2.16%	95.60%
2014	552	9,178,601	16,628	3.40%	56	1:10	552	530	-2.82%	96.01%
2015	532	9,486,409	17,832	7.24%	58	1:10	532	517	-3.62%	97.18%
2016	553	9,934,924	17,966	0.75%	58	1:10	553	533	3.95%	96.38%
2017	539	10,173,867	18,875	5.06%	61	1:09	539	518	-2.53%	96.10%

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

Note: Enrollment based on Average Daily Enrollment in District

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

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

**Belmar Board of Education
School Building Information
Last Seven Fiscal Years**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>District Building</u>											
<u>Belmar Elementary School</u>											
Square Feet	85,841	85,841	85,841	85,841	85,841	85,841	85,841	85,841	85,841	85,841	85,841
Capacity (students)	704	704	704	704	704	704	704	704	704	704	704
Enrollment	534	523	533	559	560	556	568	552	556	553	539
<u>Other</u>											
Administration Building											
Square Feet	3,600	8,000	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600

Number of Schools at June 30, 2017 - 1

Source: District records, LRF

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

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

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

School Facilities	Project # (s)	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Belmar Elementary School	N/A	156,206	129,609	122,347	79,913	74,908	111,510	86,450	82,677	126,297	\$ 290,052
Total School Facilities		156,206	129,609	122,347	79,913	74,908	111,510	86,450	82,677	126,297	290,052

Source: School Records, Schedule M-1

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

BELMAR BOARD OF EDUCATION
 INSURANCE SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 UNAUDITED

Company	Type of Coverage	Coverage	Deductible	Deductible
NJ School Boards Assoc Insurance Group (NSBAIG)	Property Blanket Building & Contents- Replacement Cost Values	\$ 18,722,704	\$ 2,500	\$ 5,000
NJ School Boards Assoc Insurance Group (NSBAIG)	Flood/Earthquake	50,000,000	10,000	5,000
Selective Insurance	Flood	10,000	1,000	N/A
NJ School Boards Assoc Insurance Group (NSBAIG)	Liability			
	-Each Occurrence	6,000,000	1,000	
	Employee Benefits Liability	6,000,000	1,000	
	Terrorism	1,000,000	1,000	
	-Personal Injury	6,000,000	1,000	
	Automotive Coverage	6,000,000	10,000	
	Electronic Data Processing	367,290	1,000	
	Boiler & Machinery	100,000,000	2,500	
	Crime	100,000	500	
NJ School Boards Assoc Insurance Group (NSBAIG)	Board of Education			N/A
	-Liability Wrongful Acts Coverage			N/A
	Each Loss	\$ 1,000,000	\$ 5,000	
	Aggregate	1,000,000	5,000	
NJ School Boards Assoc insurance Group (NSBAIG)	Worker's Compensation			
	-Covered Payrolls-Professional	5,085,817	N/A	
	F -Covered Payrolls-Non-Professional	-	N/A	
	values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.			
Selective Insurance	Fidelity Bonds			
	-Treasurer of School Monies	200,000		
	-School Business Administrator/ Board Secretary	25,000		
Peoples Benefit Life	Student Accident Insurance for all students per occurrence	1,000,000		

Source: District Records

(Continued)
 -120-

-121-

SINGLE AUDIT SECTION

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

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

K-1

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Belmar Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Belmar Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated November 17, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Belmar Board of Education, County of Monmouth, State of New Jersey's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Belmar Board of Education, County of Monmouth, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Belmar Board of Education, County of Monmouth, and State of New Jersey'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

November 17, 2017

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

108.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE
FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

K-2

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's major state programs for the year ended June 30, 2017. The Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

November 17, 2017

BELMAR SCHOOL DISTRICT

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDING JUNE 30, 2017

Schedule A
K-3

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Federal Fain Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance June 30, 2016	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Balance at June 30, 2017			
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
General Fund:															
ARRA-Medical Assistance Program (Semi)	93.778	1705NJ5MAP	N/A	9/01/2016	8/31/2017	\$ 1,495	\$ -	1,495	(1,495)						
Medical Assistance Program	93.778	1705NJ5MAP	N/A	9/01/2016	8/31/2017	28,987	-	28,987	(28,987)						
								28,987	(28,987)						
U.S. Department of Education:															
Passed Through State Department of Education:															
Title I	84.010	S010A160030	NCLB17	9/01/2016	8/31/2017	252,468		175,772	(251,806)			(76,034)			
Title I	84.010	S010A150030	NCLB16	9/01/2015	8/31/2016	252,080	(38,498)	38,498							
Title II A	84.367A	S367A150029	NCLB16	9/01/2015	8/31/2016	42,692	(11,165)	11,165							
Title II A	84.367A	S367A160029	NCLB17	9/01/2016	8/31/2017	45,608		21,661	(41,147)			(19,486)			
Title III Immigrant	84.365A	S365A150030	NCLB16	9/01/2015	8/31/2016	736	(736)	736							
Title III Immigrant	84.365A	S365A150030	NCLB17	9/01/2016	8/31/2017	1,531			(36)			(36)			
Title III	84.365A	S365A150030	NCLB16	9/01/2015	8/31/2016	18,378	(1,886)	1,886							
Title III	84.365A	S365A160030	NCLB17	9/01/2016	8/31/2017	21,623		10,000	(19,610)			(9,610)			
Special Education Cluster:															
I.D.E.A. Basic	84.027	H027A160100	IDEA17	9/01/2016	8/31/2017	317,856		195,663	(307,883)			(112,220)			
I.D.E.A. Basic	84.027	H027A150100	IDEA16	9/01/2015	8/31/2016	323,782	(63,294)	63,294							
I.D.E.A. Preschool	84.173	H173A160114	IDEA17	9/01/2016	8/31/2017	8,486		2,145	(8,486)			(6,341)			
I.D.E.A. Preschool	84.173	H173A150114	IDEA16	9/01/2015	8/31/2016	8,147	(1,220)	1,220							
							(116,799)	-	522,040	(628,968)		(223,727)			
U.S. Department of Agriculture															
Passed Through State Department of Education:															
Child Nutrition Cluster:															
National School Lunch Program	10.555	171NJ304N1099	N/A	7/01/2016	6/30/2017	164,866		153,690	(164,866)			(11,176)			
National School Lunch Program	10.555	1616NJ304N1099	N/A	7/01/2015	6/30/2016	169,489	(31,615)	31,615							
School Breakfast Program	10.553	171NJ304N1099	N/A	7/01/2016	6/30/2017	38,391		35,902	(38,391)			(2,489)			
School Breakfast Program	10.553	1616NJ304N1099	N/A	7/01/2015	6/30/2016	35,484	(7,035)	7,035							
HHFKA Lunch Program	10.555	171NJ304N1099	N/A	7/01/2016	6/30/2017	4,109		3,833	(4,109)			(276)			
HHFKA Lunch Program	10.555	1616NJ304N1099	N/A	7/01/2015	6/30/2016	4,315	(795)	795							
Food Distribution	10.550	171NJ304N1099	N/A	7/01/2016	6/30/2017	9,106		9,106	(9,106)						
Total U.S. Department of Agriculture							(39,445)	-	241,976	(216,472)		(13,941)			
							\$ (156,244)	-	793,003	(874,427)		(237,668)			

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

BELMAR SCHOOL DISTRICT

SCHEDULE OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program State Department of Education:	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2016			Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Balance at June 30, 2017			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover (Walkover) Amount				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures
Transportation Aid	17-495-034-5120-014	\$ 124,664	7/01/2016	6/30/2017	\$ -			124,664	(124,664)					(12,040)	124,664
Special Education Aid	17-495-034-5120-089	320,357	7/01/2016	6/30/2017			320,357	(320,357)					(30,938)	320,357	
Security Aid	17-495-034-5120-084	136,708	7/01/2016	6/30/2017			136,708	(136,708)					(13,197)	136,708	
Adjustment Aid	17-495-034-5120-085	396,805	7/01/2016	6/30/2017			396,805	(396,805)					(38,335)	396,805	
PARCC Readiness Aid	17-495-034-5120-098	5,650	7/01/2016	6/30/2017			5,650	(5,650)					(542)	5,650	
Per Pupil Growth Aid	17-495-034-5120-097	5,650	7/01/2016	6/30/2017			5,650	(5,650)					(542)	5,650	
Professional Learning Community Aid	17-495-03405120-101	5,670	7/01/2016	6/30/2017			5,670	(5,670)					(542)	5,670	
Non-Public Transportation Aid	16-495-034-5120-014	2,129	7/01/2015	6/30/2016	(2,129)		2,129								
Non-Public Transportation Aid	17-495-034-5120-014	1,448	7/01/2016	6/30/2017				(1,448)			(1,448)				1,448
Reimbursed TPAF Social Security Contributions	17-100-034-5095-003	300,869	7/01/2016	6/30/2017			257,860	(300,869)			(43,009)				300,869
Reimbursed TPAF Social Security Contributions	16-100-034-5095-003	313,628	7/01/2015	6/30/2016	(13,673)		13,673								
Teachers Pension and Annuity Fund Contributions	17-495-034-5094-002	819,851	7/01/2016	6/30/2017			819,851	(819,851)							819,851
Extraordinary Aid	17-495-034-5120-044	118,990	7/01/2016	6/30/2017				(118,990)			(118,990)				118,990
Extraordinary Aid	16-495-034-5120-044	109,132	7/01/2015	6/30/2016	(109,132)		109,132								
					(124,934)		2,198,149	(2,236,662)			(163,447)			(96,136)	2,236,662
Special Revenue:															
Nonpublic Aid:															
Textbook Aid	17-100-034-5120-064	47,610	7/01/2016	6/30/2017			47,610	(47,610)							47,610
Textbook Aid	16-100-034-5120-064	46,308	7/01/2015	6/30/2016		9,656			(9,656)						
Home Instruction	16-100-034-5120-067	9,503	7/01/2015	6/30/2016	(9,503)		9,503								
Home Instruction	17-100-034-5120-067	4,982	7/01/2016	6/30/2017				(4,982)			(4,982)				4,982
Nursing Services	17-100-034-5120-070	74,340	7/01/2016	6/30/2017			74,340	(73,217)				1,123			73,217
Nursing Services	16-100-034-5120-070	72,990	7/01/2015	6/30/2016		2,310			(2,310)						
Security Aid	16-100-034-5120-084	20,275	7/01/2015	6/30/2016		464			(464)						
Security Aid	17-100-034-5120-084	41,300	7/01/2016	6/30/2017			41,300	(41,112)				188			41,112
Technology	17-100-034-5120-373	21,476	7/01/2014	6/30/2015			21,476	(18,987)				2,489			18,987
Technology	16-100-034-5120-373	21,086	7/01/2016	6/30/2017		139			(139)						
Auxiliary Services:															
Compensatory Education	17-100-034-5120-067	71,664	7/01/2016	6/30/2017			71,664	(54,644)				17,020			54,644
ESL	17-100-034-5120-067	548	7/01/2016	6/30/2017			548	(548)							548
Transportation	17-100-034-5120-067	15,622	7/01/2016	6/30/2017			15,622	(15,622)							15,622
Handicapped Services:															
Examination & Classification-Initial	17-100-034-5120-066	28,977	7/01/2016	6/30/2017			28,977	(21,418)				7,559			21,418
Examination & Classification-Initial	16-100-034-5120-066	54,842	7/01/2015	6/30/2016		6,651			(6,651)						
Examination & Classification-Annual	17-100-034-5120-066	21,299	7/01/2016	6/30/2017			21,299	(20,938)				361			20,938
Corrective Speech	17-100-034-5120-066	22,088	7/01/2016	6/30/2017			22,088	(21,204)				884			21,204
Supplementary Instruction	17-100-034-5120-066	54,144	7/01/2016	6/30/2017			54,144	(45,513)				8,631			45,513
Preschool Education Aid	17-495-034-5120-086	124,683	7/01/2016	6/30/2017			112,212	(124,683)					(12,471)		124,683
					(9,503)	19,220		520,783	(490,478)	(19,220)	(4,982)		38,235	(12,471)	490,478
Food Service:															
National School Lunch Program (State Share)	17-100-010-3350-067	3,496	7/01/2016	6/30/2017											
National School Lunch Program (State Share)	16-100-010-3360-067	3,679	7/01/2015	6/30/2016	(679)		679				(235)				3,496
					(679)		3,940	(3,496)			(235)				
					\$ (135,116)	19,220		2,722,872	(2,730,636)	(19,220)	(168,664)		38,235	(108,607)	2,730,636
Less on Behalf TPAF Pinion System Contributions								\$ (819,851)							
Total for State Financial Assistance-Major Program Determination								\$ (1,240,625)							

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

BOARD OF EDUCATION

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BELMAR SCHOOL DISTRICT**NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2017****NOTE 1: General**

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

NOTE 2: Basis of Accounting

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

NOTE 3: Relationship to General Purpose Financial Statements

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 2,236,662	490,478	3,496	2,730,636
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized				
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	(1,454)	3,834	—	2,380
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 2,235,208</u>	<u>494,312</u>	<u>3,496</u>	<u>2,733,016</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>				
Actual Amounts (Budgetary)				
“Revenues” from the Schedule				
of Expenditures of Federal				
Awards				
	\$ 28,987	628,968	216,472	874,427
Difference – Budget to “GAAP”				
Grant Accounting Budgetary				
Basis Differs from GAAP in that				
Encumbrances are Recognized as				
Expenditures, and the Related				
Revenue is Recognized				
	_____	<u>29,724</u>	_____	<u>29,724</u>
Total Federal Revenue as				
Reported on the Statement				
of Revenue, Expenditures,				
and Changes in Fund				
Balances				
	<u>\$ 28,987</u>	<u>658,692</u>	<u>216,472</u>	<u>904,151</u>

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state of behalf of the District for the year ended June 30, 2017. 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, 2017.

BELMAR SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Part 1 - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes No

2) Reportable conditions(s) identified that are not considered to be material weaknesses?

_____ Yes None Reported

Noncompliance material to general purpose financial statements noted?

_____ Yes No

Federal Awards

Internal control over compliance:

1) Material weakness(es) identified?

_____ Yes No

2) Reportable condition(s) identified that are not considered to be material weaknesses?

_____ Yes None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?

_____ Yes No

Identification of major programs:

CFDA Number(s)

Special Education Cluster:

84.027
84.173
84.010
10.555
10.553
10.555
10.550

Name of Federal Program or Cluster

IDEA Basic (Special Education Cluster)
IDEA Preschool (Special Education Cluster)
Title I
National School Lunch Program (Child Nutrition Cluster)
School Breakfast Program (Child Nutrition Cluster)
HHFKA Lunch Program (Child Nutrition Cluster)
Food Distribution Program (Child Nutrition Cluster)

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes _____ No

BELMAR SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

State Awards

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

Auditee qualified as low-risk auditee? x Yes No

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

Internal Control over major programs:

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

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

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

Identification of major programs:

GMIS Number(s)

State Cluster

- 17-495-034-5120-011
- 17-495-034-5120-084
- 17-495-034-5120-085
- 17-495-034-5120-098
- 17-495-034-5120-097
- 17-100-034-5120-014
- 17-495-034-5120-101

Name of State Program

- Special Education Aid (Public Cluster)
- Security Aid (Public Cluster)
- Adjustment Aid (Public Cluster)
- PARCC Readiness Aid (Public Cluster)
- Per Pupil Growth Aid (Public Cluster)
- Transportation Aid (Public Cluster)
- Professional Learning Community Aid (Public Cluster)

BELMAR SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2017*Part 2 - Financial Statement Findings*

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

BELMAR SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2017***Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs***

This section identifies audit findings required to be reported by Title 2 U.S. Code of Federal Regulations Part 200 and NJOMB Circular Letter 15-08.

FEDERAL AWARDS

Finding: NONE

Information on the Federal Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

STATE AWARDS

Finding: NONE

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

BELMAR SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

STATE AWARDS (Continued)

Cause: N/A

Recommendation: N/A

Management's response: N/A

BELMAR SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Prior Audit Findings:

None