

SCHOOL DISTRICT
OF
BEVERLY CITY
OF BURLINGTON COUNTY

Beverly City School District
Beverly, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2017

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Beverly City School District
of Burlington County

Beverly, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

Beverly City Board of Education
Finance Department

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	1-3
Organizational Chart	4
Roster of Officials	5
Consultants and Advisors	6
FINANCIAL SECTION	
Independent Auditor's Report	8-10
Required Supplementary Information - Part I	
Management's Discussion and Analysis	12-20
Basic Financial Statements	
A. District Wide Financial Statements	
A-1 Statement of Net Position	22
A-2 Statement of Activities	23
B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	24
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	25
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Of Governmental Funds to the Statement of Activities	26
Proprietary Funds	
B-4 Statement of Net Position	27
B-5 Statement of Revenues, Expenses and Changes in Fund Net Positions	28
B-6 Statement of Cash Flows	29
Fiduciary Funds	
B-7 Statement of Fiduciary Net Position	30
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	31-61

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

Required Supplementary Information - Part II

C. Budgetary Comparison Schedules

C-1 Budgetary Comparison Schedule - General Fund	63-66
C-1a Combining Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	67

Notes to the Required Supplementary Information - Part II

C-3 Budget-to-GAAP Reconciliation	68
-----------------------------------	----

Required Supplementary Information - Part III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	70
L-2 Schedule of District Contributions - PERS	71
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	72

Notes to the Required Supplementary Information - Part III

Other Supplementary Information

D. School Based Budget Schedules

D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures Budget and Actual	N/A

E. Special Revenue Fund

E-1 Combining Schedules of Program Revenues and Expenditures, Special Revenue Fund - Budgetary Basis	75-76
E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis	77

F. Capital Projects Fund

F-1 Summary Schedule of Project Expenditures	78
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	79
F-2(a-d) Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis	80-83

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

G.	Proprietary Funds	
	Enterprise Fund	
	G-1 Combining Schedule of Net Position	84
	G-2 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	85
	G-3 Combining Schedule of Cash Flows	86
H.	Fiduciary Funds	
	H-1 Combining Statement of Fiduciary Net Position	87
	H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	88
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	89
	H-5 Private Purpose Scholarship Fund Schedule of Receipts and Disbursements	N/A
I.	Long-Term Debt	
	I-1 Schedule of Serial Bonds	90
	I-2 Schedule of Obligations Under Capital Leases	N/A
	I-3 Debt Service Fund Budgetary Comparison Schedule	91

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

	Financial Trends	
	J-1 Net Assets by Component	94
	J-2 Changes in Net Assets / Position	95
	J-3 Fund Balances - Governmental Funds	96
	J-4 Changes in Fund Balances - Governmental Funds	97
	J-5 General Fund Other Local Revenue by Source	98
	Revenue Capacity	
	J-6 Assessed Value and Estimated Actual Value of Taxable Property	99
	J-7 Direct and Overlapping Property Tax Rates	100
	J-8 Principal Property Taxpayers	101
	J-9 Property Tax Levies and Collections	102
	Debt Capacity	
	J-10 Ratios of Outstanding Debt by Type	103
	J-11 Ratios of General Bonded Debt Outstanding	104
	J-12 Direct and Overlapping Governmental Activities Debt	105
	J-13 Legal Debt Margin Information	106
	Demographic and Economic Information	
	J-14 Demographic and Economic Statistics	107
	J-15 Principal Employers	108
	Operating Information	
	J-16 Full-time Equivalent District Employees by Function/Program	109
	J-17 Operating Statistics	110
	J-18 School Building Information	111
	J-19 Schedule of Required Maintenance Expenditures by School Facility	112
	J-20 Insurance Schedule	113

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

SINGLE AUDIT SECTION

K-1 Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	115-116
K-2 Independent Auditor's Report on Compliance for Each Major Program And on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular Letter 15-08	117-119
K-3 Schedule of Expenditures of Federal Awards, Schedule A	120
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	121
K-5 Notes to the Schedules of Awards and Financial Assistance	122-123
K-6 Schedule of Findings and Questioned Costs	124-125
K-7 Summary Schedule of Prior Audit Findings	126

INTRODUCTORY SECTION



November 30, 2017

Honorable President and Members
Beverly City Board of Education
County of Burlington, New Jersey

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditors report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and 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 the NJOMB Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Beverly City School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The District provides a full range of educational services appropriate to grade levels Pre-K-8.

Educational services are provided for regular and special education programs for handicapped youngsters. The Beverly City School District (Pre-K through Grade 8) completed the 2017 fiscal year with an enrollment of 300 students.

The following details the changes in the Pre-K-8 student enrollment over the last ten years:

Enrollment, Pre-K-8

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Change Percent</u>
2016-17	300	3.4%
2015-16	290	(2.7%)
2014-15	298	1.0%
2013-14	295	(0.4%)
2012-13	310	1.6%
2011-12	305	2.3%
2010-11	298	25.7%
2009-10	237	8.2%
2008-09	219	(0.4%)
2007-08	220	(1.5%)



2. ECONOMIC CONDITIONS AND OUTLOOK: The Beverly City area is not experiencing much growth or expansion due to the limited space available for development. The general area surrounding the district provides most of the opportunities for employment for residents. Some new small businesses have opened in Beverly through the restoration of vacant properties. There is some speculation about re-development to the downtown area.

3. MAJOR INITIATIVES: The District engaged in the following initiatives during the 2016-2017 school year:

Technology Improvements – Hardware & Software
Curriculum Development
Community Outreach Program
Summer Student Services

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 are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and 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 by the District auditor to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget 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 projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year.

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Readers should refer to the Management's Discussion and Analysis for a summary of the financial statements in relation to the prior year.



8. **DEBT ADMINISTRATION:** On January 22, 2015, \$1,031,000 of School Bonds was issued for the purpose of constructing and renovating the roof, HVAC system, boiler and windows. The balance of the outstanding debt at June 30, 2017 was \$925,000.

9. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 6. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

10. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to: general liability, comprehensive/collision, student and volunteer accident, hazard and theft insurance on property and contents, earthquake, flood and fidelity bonds. Annual reviews of the entire program are done in order to evaluate potential insurance changes.

11. **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry & Company, LLP, was selected by the Board to provide this service. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related Uniform Guidance and State Treasury Circular Letter 15-08. The auditor's report on the basic financial statements and combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports specifically related to the single audit are included in the single audit section of this report.

12. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Beverly City Board of Education for their continued concern in providing fiscal accountability to the taxpayers and citizens of the District, thereby contributing their full support to the development and maintenance of the District's financial operation.

Respectfully submitted,

Ms. Elizabeth Jacobbe
Superintendent of Schools/Principal

Mr. George M Gahles
School Business Administrator

Brian F. Savage, Ed.D.
Staff Accountant/Board Secretary

Beverly City School District
Beverly, New Jersey

Organization Chart
(Unit Control)

Board of Education

Attorney / Auditor / Custodian of School Moneys Committees

Superintendent / Principal

Office Technology Coordinator Staff / Medical Staff / Child Study Team / Board Secretary /
Business Administrator

Custodian

Food Service

Transportation

Teaching Staff

Physical Education / Art / Music / Spanish / Compensatory Education / Librarian / Pre K-8 Classroom
Teachers

Pupils

Beverly City School District
Beverly, New Jersey

Roster of Officials
June 30, 2017

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Richard Wolbert, President	2017
Stacey Atkinson, Vice President	2017
Barbara Kelly	2019
Mary Wolbert	2018
Leigh Ann Esaia	2017
K. Lee Dixon	2017
Mary Smith-Jones	2019

OTHER OFFICIALS

Elizabeth Giacobbe, Superintendent of Schools
George M. Gahles, School Business Administrator
Brian F. Savage, Ed.D., Staff Accountant/Board Secretary
Pablo Canela, Treasurer of School Monies

Beverly City School District

Consultants and Advisors

AUDIT FIRM

Jump, Perry and Company, L.L.P.
Kathryn Perry, CPA
12 Lexington Avenue
Toms River, New Jersey 08753

ATTORNEY

David Rubin, P.C.
44 Bridge Street
Metuchen, New Jersey 08840

BOND COUNSEL

Decotiis, Fitz Patrick & Cole LLP
500 Frank W. Burr Blvd.
Teaneck, New Jersey 07666

OFFICIAL DEPOSITORIES

Beneficial Bank
1149 Cooper Street
Beverly, New Jersey 08010

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable President and
Members of the Board of Education
Beverly City School District:
County of Burlington
Beverly, New Jersey

Report of 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 Beverly City School District in the County of Burlington, 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 School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Beverly City School District in the County of Burlington, State of New Jersey as of June 30, 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Beverly City School District's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is 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*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The combining fund financial statements and schedules and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2017 on our consideration of the Board of Education of the Beverly City School District in the County of Burlington, State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Beverly City School District in the County of Burlington, State of New Jersey's internal control over financial reporting and compliance.

Respectfully Submitted,

Jump, Perry & Company L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

November 21, 2017
Toms River, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Beverly City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2017

Unaudited

The discussion and analysis of Beverly City School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School Board's financial performance.

Financial Highlights

Key financial highlights for June 30, 2017 are as follows:

In total, net position totaled \$2,832,110, which represents a 38.66 percent increase from June 30, 2016.

General revenues accounted for \$7,006,771 in revenue or 86.63 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 \$1,081,800 or 13.37 percent of total revenues of \$8,088,571.

Total assets increased by \$1,012,020 as current assets increased by \$918,604 and capital assets increased by \$93,416.

The School Board had \$7,030,661 in expenses; only \$1,081,800 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$7,006,771 were adequate to provide for these programs.

Among major funds, the General Fund had \$7,201,232 in revenues and \$6,237,757 in expenditures and transfers. The General Fund's balance increased \$963,475 over June 30, 2016. The General Fund's balance is \$3,065,979.

Using this Comprehensive Annual Financial Report (CAFR)

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Beverly City 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 School Board, presenting both an aggregate view of the School Board's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the School Board's most significant funds with all other non-major funds presented in total in one column. In the case of Beverly City School District, the General Fund is by far the most significant.

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

This document contains all funds used by the School Board to provide programs and activities viewing the School Board as a whole and reports the culmination of all financial transactions. The report answers the question "How Did We Do Financially During Fiscal Year June 30, 2017?" The Statement of Net Position and the Statement of Activities provides the summary. The 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 Board's net position and changes in those assets. This change in net position is important because it reports whether the School Board's financial position has improved or diminished.

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

Governmental Activities - All of the School Board's programs and services are reported here including, 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 Funds are reported as a business activity.

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins on page 24. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund and Special Revenue Fund.

Governmental Funds

The School Board's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method 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 Board's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship 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.

The School Board as a Whole

The Statement of Net Position provides the financial perspective of the School Board as a whole.

Table 1 provides a summary comparison of the School Board's net position for June 30, 2017 and 2016.

Table 1

Net Position as of June 30, 2017 and June 30, 2016

	June 30, 2017			June 30, 2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 3,031,594	\$ 78,098	\$ 3,109,692	\$ 2,134,604	\$ 56,484	\$ 2,191,088
Capital assets, net	2,920,343	3,831	2,924,174	2,820,689	10,069	2,830,758
Total assets	5,951,937	81,929	6,033,866	4,955,293	66,553	5,021,846
Deferred outflow of resources	535,252	-	535,252	228,696	-	228,696
Liabilities:						
Current liabilities	217,690	-	217,690	221,128	-	221,128
Net pension liability	-	-	-	-	-	-
Long-term liabilities outstanding	2,510,628	-	2,510,628	2,215,935	-	2,215,935
Total liabilities	2,728,318	-	2,728,318	2,437,063	-	2,437,063
Deferred inflow of resources	46,309	-	46,309	76,898	-	76,898
Net position:						
Net investment in capital assets	1,761,474	3,831	1,765,305	1,673,305	10,069	1,683,374
Restricted	3,091,266	-	3,091,266	2,174,144	-	2,174,144
Unrestricted	(1,140,178)	78,098	(1,062,080)	(1,177,421)	56,484	(1,120,937)
Total Net Position	\$ 3,712,562	\$ 81,929	\$ 3,794,491	\$ 2,670,028	\$ 66,553	\$ 2,736,581

The School Board's combined net position were \$3,794,491 on June 30, 2017. This is a change of 38.66% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2017 and 2016.

Table 2

Changes in Net Position

	June 30, 2017			June 30, 2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ -	\$ 11,313	\$ 11,313	\$ -	\$ 23,771	\$ 23,771
Operating and capital grants and contributions	899,122	171,365	1,070,487	468,869	149,576	618,445
General revenues:						
Property taxes	2,925,115	-	2,925,115	2,909,868	-	2,909,868
Federal and state aid Not restricted to specific purposes	3,929,687	-	3,929,687	5,361,043	-	5,361,043
Investment earnings	2,494	-	2,494	2,493	-	2,493
Miscellaneous	149,475	-	149,475	81,174	-	81,174
Total revenues	7,905,893	182,678	8,088,571	8,823,447	173,347	8,996,794
Expenses						
Instructional services	2,390,146	-	2,390,146	2,467,259	-	2,467,259
Support services	4,452,457	167,302	4,619,759	4,278,031	166,836	4,444,867
Interest on long-term liabilities	20,756	-	20,756	26,205	-	26,205
Total expenses	6,863,359	167,302	7,030,661	6,771,495	166,836	6,938,331
Change in net position	1,042,534	15,376	1,057,910	2,051,952	6,511	2,058,463
Net position - beginning	<u>2,670,028</u>	<u>66,553</u>	<u>2,736,581</u>	<u>618,076</u>	<u>60,042</u>	<u>678,118</u>
Net position (deficit) - ending	<u>\$ 3,712,562</u>	<u>\$ 81,929</u>	<u>\$ 3,794,491</u>	<u>\$ 2,670,028</u>	<u>\$ 66,553</u>	<u>\$ 2,736,581</u>

The tax levy increase was due in general to cover increased costs in salaries and benefits, utilities and the debt service. The Federal and State aid-restricted increased due to the increase in grants available.

Regular instructional costs increased due to contractual increases in salary and benefits as well as program maintenance and enhancements.

Other support services increased primarily due to the additional other purchased professional services from the Special Revenue Fund.

Expenses for Fiscal Year June 30, 2017

Business-Type Activities

Revenues for the District's business-type activities (food service program and child care) were comprised of charges for services and royalties.

Total Enterprise Fund revenues exceeded expenses by \$15,376.

Charges for services represent \$11,313 of revenue. This represents the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$171,365.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total costs of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3

Governmental Activities

	2017		2016	
	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>
Instruction	\$ 2,390,146	\$ 2,390,146	\$ 2,467,259	\$ 2,467,259
Support Services:				
Pupils and Instructional Staff	2,538,637	2,538,637	2,562,113	2,562,113
General Administration, School Administration, Business Operation and Maintenance of Facilities	1,658,156	1,081,639	1,446,077	977,208
Pupil Transportation	255,664	255,664	269,841	269,841
Interest and Fiscal Charges	20,756	20,756	26,205	26,205
Total Expenses	\$ 6,863,359	\$ 6,286,842	\$ 6,771,495	\$ 6,302,626

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

Governmental Activities (cont'd)

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 90% of the student population participates in 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.

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

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

The School Board's Funds

The School Board 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 Township of Beverly, State of New Jersey and other entities. 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.

As the School Board completed the fiscal year ended June 30, 2017, it reported a combined fund balance of \$2,832,110, which is an increase of \$896,990. The Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Exhibit B-3, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2017.

<u>Revenue</u>	<u>2016-17 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2015-16</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 3,077,084	38.92 %	\$ 83,549	2.72 %
State Sources	4,442,000	56.19	(1,042,808)	(23.47)
Federal Sources	<u>386,809</u>	<u>4.89</u>	<u>41,705</u>	<u>10.78</u>
Total	<u>\$ 7,905,893</u>	<u>100.00 %</u>	<u>\$ (917,554)</u>	<u>(9.97)%</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2017.

<u>Expenditures</u>	<u>2016-17 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2015-16</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 2,390,146	34.10 %	\$ (77,113)	(3.22)%
Undistributed Expenditures	4,385,674	62.57	(146,591)	(3.34)
Capital Outlay	153,889	2.20	(1,516,222)	(985.27)
Debt Service:				
Principal	55,000	0.78	4,000	7.27
Interest	<u>24,194</u>	<u>0.35</u>	<u>(2,841)</u>	<u>(11.74)</u>
Total	<u>\$ 7,008,903</u>	<u>100.00 %</u>	<u>\$ (1,738,767)</u>	<u>(996.30)%</u>

General Fund Budgeting Highlights

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 Section C 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 approximately \$923,400 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$258,395 better than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are Capital Reserve \$1,728,232, Maintenance Reserve \$300,000 and Tuition Reserve \$215,000. These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District

The expenditures were less due to cost containment by the Board even after the salary and benefit increases. General supplies were purchased at better prices than expected due to the school board joining other schools in cooperative bidding. The district also joined a co-op for energy consumption, which was done after the budget was struck. Through efforts made in finding jointures with other local districts, and increasing students on district owned vehicles the district transportation costs were lowered for special needs students.

The excesses will be carried forward into the beginning fund balance from the 2016-2017 fiscal year and will be used to reduce the local tax levy for the 2018-2019 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2017, the School Board had \$2,924,174 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2017 and June 30, 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in Progress	2,553,028	2,486,543	-	-	2,553,028	2,486,543
Building and Improvements	320,391	267,162	-	-	320,391	267,162
Machinery and Equipment	46,924	66,984	3,831	10,069	50,755	77,053
Total	\$ 2,920,343	\$ 2,820,689	\$ 3,831	\$ 10,069	\$ 2,924,174	\$ 2,830,758

During the current fiscal year, \$153,889 of fixed assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

Debt Administration. The District's long-term liabilities are as follows for the governmental activities at June 30, 2017 and June 30, 2016.

	June 30, 2017	June 30, 2016
Bonds Payable (net)	\$ 925,000	\$ 980,000
Pension Liability-PERS	1,526,587	1,174,024
Compensated Absences payable	59,041	61,911
Total long-term liabilities	\$ 2,510,628	\$ 2,215,935

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

Economic Factors and Next Year's Budget

For the 2016-2017 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 61.08% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 38.92% of total revenue is from local tax levy.

The \$1,140,178 in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2016-2017 budget was adopted in March 2016 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State for the current year remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the City of Beverly for increased aid.

The School Board anticipates a slight increase in enrollment for the 2017-2018 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Beverly City School District, 601 Bentley Avenue, Beverly, NJ, 08010.

BASIC FINANCIAL STATEMENTS

BEVERLY CITY SCHOOL DISTRICT
Statement of Net Positions
June 30, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,441,714	\$ 41,308	\$ 2,483,022
Receivables - state	56,197	481	56,678
Receivables - federal	322,605	18,534	341,139
Interfund receivable	211,078	14,240	225,318
Inventories	-	3,535	3,535
Capital assets, non-depreciable	-	-	-
Capital assets, net:	2,920,343	3,831	2,924,174
Total assets	<u>5,951,937</u>	<u>81,929</u>	<u>6,033,866</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	535,252	-	535,252
	<u>535,252</u>	<u>-</u>	<u>535,252</u>
LIABILITIES			
Other liabilities	18,206	-	18,206
Interfund payable	199,484	-	199,484
Noncurrent liabilities:			
Due within one year	60,000	-	60,000
Due beyond one year	2,450,628	-	2,450,628
Total liabilities	<u>2,728,318</u>	<u>-</u>	<u>2,728,318</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	46,309	-	46,309
	<u>46,309</u>	<u>-</u>	<u>46,309</u>
NET POSITION			
Net investment in capital assets	1,761,474	3,831	1,765,305
Restricted for:			
Capital projects	1,728,232	-	1,728,232
Debt service	-	-	-
Other purposes	1,363,034	-	1,363,034
Unrestricted	(1,140,178)	78,098	(1,062,080)
Total net position	<u>\$ 3,712,562</u>	<u>\$ 81,929</u>	<u>\$ 3,794,491</u>

BEVERLY CITY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Positions		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 1,784,149	\$ -	\$ -	\$ -	\$ (1,784,149)	\$ -	\$ (1,784,149)
Special education instruction	407,407	-	-	-	(407,407)	-	(407,407)
Other special instruction	198,590	-	-	-	(198,590)	-	(198,590)
Support services and undistributed costs:							
Instruction	1,081,316	-	-	-	(1,081,316)	-	(1,081,316)
Attendance and social work	33,558	-	-	-	(33,558)	-	(33,558)
Health services	138,734	-	-	-	(138,734)	-	(138,734)
Other support services	678,410	-	-	-	(678,410)	-	(678,410)
Improvement of instr. services	-	-	-	-	-	-	-
Educational media services	4,775	-	-	-	(4,775)	-	(4,775)
Instruction staff training	25,327	-	-	-	(25,327)	-	(25,327)
General administrative services	190,880	-	-	-	(190,880)	-	(190,880)
School administrative services	20,061	-	-	-	(20,061)	-	(20,061)
Central services	174,640	-	-	-	(174,640)	-	(174,640)
Admin. information technology	14,952	-	-	-	(14,952)	-	(14,952)
Allowed maintenance for school facilities	68,733	-	-	-	(68,733)	-	(68,733)
Other operation & maintenance of plant	607,043	-	-	-	(607,043)	-	(607,043)
Student transportation services	255,664	-	-	-	(255,664)	-	(255,664)
Other support services	-	-	-	-	-	-	-
Unallocated employee benefits	581,847	-	-	-	(581,847)	-	(581,847)
Non-budgeted expenditures	576,517	-	576,517	-	-	-	-
Special schools	-	-	-	-	-	-	-
Interest expense	20,756	-	-	-	(20,756)	-	(20,756)
Total governmental activities	6,863,359	-	576,517	-	(6,286,842)	-	(6,286,842)
Business-type activities:							
Enterprise fund	167,302	11,313	171,365	-	-	15,376	15,376
Total business-type activities	167,302	11,313	171,365	-	-	15,376	15,376
Total primary government	\$ 7,030,661	\$ 11,313	\$ 747,882	\$ -	(6,286,842)	15,376	(6,271,466)
General revenues:							
Taxes:							
Property tax					2,845,921	-	2,845,921
Property taxes levied for general purpose					79,194	-	79,194
Taxes levied for debt service					3,929,687	-	3,929,687
Federal and state aid not restricted					322,605	-	322,605
Federal aid restricted					149,475	-	149,475
Miscellaneous income					2,494	-	2,494
Investment earnings					-	-	-
Total general revenues					7,329,376	-	7,329,376
Change in net positions					1,042,534	15,376	1,057,910
Net position—beginning					2,670,028	66,553	2,736,581
Net position—ending					\$ 3,712,562	\$ 81,929	\$ 3,794,491

BEVERLY CITY SCHOOL DISTRICT
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>
ASSETS					
Cash and cash equivalents	\$ 2,812,944	\$ (322,605)	\$ (48,625)	\$ -	\$ 2,441,714
Interfund receivable	211,078	-	-	-	211,078
Receivables from federal	-	322,605	-	-	322,605
Receivables from State	56,197	-	-	-	56,197
Other receivables	-	-	-	-	-
Total assets	<u>3,080,219</u>	<u>-</u>	<u>(48,625)</u>	<u>-</u>	<u>3,031,594</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Interfund payable	14,240	-	185,244	-	199,484
Total liabilities	<u>14,240</u>	<u>-</u>	<u>185,244</u>	<u>-</u>	<u>199,484</u>
Fund Balances:					
Restricted for:					
Excess surplus - current year	503,168	-	-	-	503,168
Excess surplus - prior year- designated for Subsequent year's expenditures	300,602	-	-	-	300,602
Capital reserve account	1,728,232	-	-	-	1,728,232
Maintenance reserve account	300,000	-	-	-	300,000
Tuition reserve account	215,000	-	-	-	215,000
Debt services	-	-	-	-	-
Committed to:					
Other purposes	-	-	(233,869)	-	(233,869)
Assigned to:					
Designated by the BOE for subsequent year's expenditures	44,264	-	-	-	44,264
Unassigned:					
General fund	(25,287)	-	-	-	(25,287)
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Permanent fund	-	-	-	-	-
Total fund balances	<u>3,065,979</u>	<u>-</u>	<u>(233,869)</u>	<u>-</u>	<u>2,832,110</u>
Total liabilities and fund balances	<u>\$ 3,080,219</u>	<u>\$ -</u>	<u>\$ (48,625)</u>	<u>\$ -</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 \$4,162,066 and the accumulated depreciation is \$1,241,723.	2,920,343
Deferred outflows related to the PERS pension plan	535,252
Deferred inflows related to the PERS pension plan	(46,309)
Bond premium received upon issuance of debt.	(10,508)
Accrued interest for the interest due this year but not paid until next year.	(7,698)
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>(2,510,628)</u>
Net position of governmental activities	<u>\$ 3,712,562</u>

BEVERLY CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	GAAP Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 2,845,921	\$ -	\$ -	\$ 79,194	\$ 2,925,115
Interest on investments	2,494	-	-	-	2,494
Miscellaneous	149,475	-	-	-	149,475
Total - local sources	2,997,890	-	-	79,194	3,077,084
State sources	4,139,138	302,862	-	-	4,442,000
Federal sources	64,204	322,605	-	-	386,809
Total revenues	7,201,232	625,467	-	79,194	7,905,893
EXPENDITURES					
Current:					
Regular instruction	1,279,452	504,697	-	-	1,784,149
Special education instruction	407,407	-	-	-	407,407
Other special instruction	186,202	-	-	-	186,202
School sponsored/other instructional	12,388	-	-	-	12,388
Undistributed - current:					
Instruction	1,081,316	-	-	-	1,081,316
Attendance and social work services	33,558	-	-	-	33,558
Health services	138,734	-	-	-	138,734
Other support services	557,640	120,770	-	-	678,410
Educational media services	4,775	-	-	-	4,775
Instruction staff training	25,327	-	-	-	25,327
General administrative services	190,880	-	-	-	190,880
School administrative services	20,061	-	-	-	20,061
Central services	174,640	-	-	-	174,640
Admin. info. technology	14,952	-	-	-	14,952
Allowed maintenance for school facilities	68,733	-	-	-	68,733
Other operation & maintenance of plant	552,808	-	-	-	552,808
Student transportation services	255,664	-	-	-	255,664
Unallocated employee benefits	569,299	-	-	-	569,299
Non-budgeted expenditures	576,517	-	-	-	576,517
Debt service:					
Principal	-	-	-	55,000	55,000
Interest and other charges	-	-	-	24,194	24,194
Capital outlay	87,404	-	66,485	-	153,889
Total expenditures	6,237,757	625,467	66,485	79,194	7,008,903
Excess (deficiency) of revenues over expenditures	963,475	-	(66,485)	-	896,990
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	963,475	-	(66,485)	-	896,990
Fund balance—July 1	2,102,504	-	(167,384)	-	1,935,120
Fund balance—June 30	\$ 3,065,979	\$ -	\$ (233,869)	\$ -	\$ 2,832,110

BEVERLY CITY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2017

Total net change in fund balances - governmental funds (from B-2)	\$	896,990
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>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.</p>		
	Depreciation expense	(54,235)
	Capital outlays	<u>153,889</u>
		99,654
<p>In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey</p>		
		(15,418)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		55,000
<p>Payment of a long-term liability is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		830
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) 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, essentially, the amounts actually paid. This year, sick leave was decreased.</p>		
		<u>5,478</u>
Change in net position of governmental activities	\$	<u>1,042,534</u>

BEVERLY CITY SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2017

		<u>Business-type Activities - Enterprise Fund</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$	41,308
Interfund receivable		14,240
Receivable from state		481
Receivable from federal		18,534
Inventories		3,535
Total current assets		<u>78,098</u>
Noncurrent assets:		
Restricted cash and cash equivalents		-
Furniture, machinery and equipment		62,375
Less accumulated depreciation		(58,544)
Total noncurrent assets		<u>3,831</u>
Total assets		<u><u>81,929</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable		-
Compensated absences		-
Total current liabilities		<u>-</u>
Noncurrent Liabilities:		
Compensated absences		-
Total noncurrent liabilities		<u>-</u>
Total liabilities		<u>-</u>
NET POSITION		
Net investment in capital assets		3,831
Restricted for:		
Capital projects		-
Unrestricted		78,098
Total net position		<u>81,929</u>
Total liabilities and net position	\$	<u><u>81,929</u></u>

BEVERLY CITY SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2017

	Business-type Activities - Enterprise Fund
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	\$ 95
Daily sales - non-reimbursable programs	11,218
Miscellaneous	-
Total operating revenues	11,313
Operating expenses:	
Cost of sales - reimbursement programs	-
Cost of sales - non-reimbursement programs	75,790
Salaries	47,568
Employee benefits	9,104
Other purchased professional services	11,767
General supplies	16,835
Depreciation	6,238
Total Operating Expenses	167,302
Operating income (loss)	(155,989)
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	1,813
Federal sources:	
National school lunch program	120,666
National school breakfast program	30,918
Food distribution program	17,968
Interest and investment revenue	-
Miscellaneous expense	-
Total nonoperating revenues (expenses)	171,365
Change in net position	15,376
Total net position—beginning	66,553
Total net position—ending	\$ 81,929

BEVERLY CITY SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2017

		Business-type Activities - Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$	11,313
Payments to employees		(56,672)
Payments to suppliers		(85,990)
Net cash provided by (used in) operating activities		(131,349)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State sources		1,616
Federal sources		152,479
Interest income		-
Net cash provided by (used in) non-capital financing activities		154,095
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from revenue anticipation loan		-
Payments of revenue anticipation loan		-
Purchases of capital assets		-
Net cash provided by (used for) capital and related financing activities		-
Net increase (decrease) in cash and cash equivalents		22,746
Balances—beginning of year		18,562
Balances—end of year	\$	41,308
Reconciliation of operating loss to net cash used in operating activities:		
Operating income	\$	(155,989)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		6,238
Federal commodities		17,968
Decrease in interfund receivable, net		-
Decrease in accounts receivable, net		-
Increase in inventories		434
Decrease in interfund payable		-
Increase in accounts payable		-
Total adjustments		24,640
Net cash provided by (used in) operating activities	\$	(131,349)

BEVERLY CITY SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2017

	<u>Agency Fund</u>	<u>Total Fund</u>
ASSETS		
Cash and cash equivalents	\$ 43,791	\$ 43,791
Interfund receivable	-	-
Total assets	<u>43,791</u>	<u>43,791</u>
LIABILITIES		
Accounts payable	-	-
Payroll deductions and withholdings	10,879	10,879
Payable to student groups	7,078	7,078
Interfund payable	25,834	25,834
Other current liabilities	-	-
Total liabilities	<u>43,791</u>	<u>43,791</u>
NET POSITION		
Held in trust for unemployment claims and other purposes	-	-
Total net position	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 43,791</u>	<u>\$ 43,791</u>

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Beverly City School District is a Type II district located in the county of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of eight members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK-8. The Beverly City School District had an approximate enrollment of 290 students at June 30, 2017.

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

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The district-wide financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include an elementary/junior high school located in Beverly. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation, Basis of Accounting:

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. Items not meeting that definition of assets and liabilities have been classified as deferred outflows or deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies (Cont'd)

B. Basis of Presentation (cont'd):

The School District has Bond Costs which have been classified as a Deferred Outflow and the Bond Premium has been classified as a Deferred Inflow. The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 11.

In June 2015, GASB issued Statement No. 74, Financial Reporting For Postemployment Benefits Other Than Pension Plans (Replaces GASB No. 43 and No. 57) and Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Replaces GASB No. 45 and No. 57). The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for postemployment benefits. It also improves information provided by state and local governmental employers about financial support for postemployment benefits that is provided by other entities. These Statements result from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of these Statements will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net postemployment benefit liability and a more comprehensive measure of benefits expense. The requirements of these Statements are effective for financial statements for periods beginning after June 15, 2016 (GASB No. 74) and June 15, 2017 (GASB No. 75). The effect of these new standards on the School District has not been measured.

District-Wide Statements: The district-wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These Statements include the financial activities of the overall District, except for fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally financed in whole or in part with fees charged to external customers.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation (Cont'd):

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Fund Financial Statements provide information about the District's funds, including its fiduciary funds. Separate statements for each Fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education ("NJDOE") has elected to require New Jersey districts to treat each governmental fund as a major fund. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

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

As required by the the NJDOE, the District includes budgeted capital outlay in this Fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to Fixed Assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation (Cont'd):

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

The District reports the following proprietary 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). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

Enterprise (Food Service) Fund - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e., expenses including depreciation and indirect costs) of providing primarily through user charges.

The District reports the following fund types:

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expandable Trust Fund - An Expandable 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. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund and the Scholarship Account.

Agency Funds - 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. Agency Funds include payroll and student activities funds.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Cont'd)**

C. Basis of Accounting

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

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds use the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

D. Property Taxes

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 monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable".

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies (Cont'd)

E. 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 not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue Fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6:20-2A.2(m)1. All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year.

Appropriations, except remaining project appropriations, encumbrances, and unexpected grant appropriation, lapse at the end of each fiscal year. The Capital Project Fund presents the remaining project appropriations compared to current-year expenditures.

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

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. At June 30, 2017, there was a reconciling difference of \$(213,903) between the budgetary basis and GAAP basis in the General Fund and of \$- in the Special Revenue Fund.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Cont'd)**

F. Encumbrances

Under Encumbrance Accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve and portions 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.

G. Interfund Transactions

Transfers between Governmental and Business-Type activities on the District-wide statements are reported in the same manner as general revenues.

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

H. Inventories

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

I. Deferred Outflows/Inflows of Resources

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

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

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Cont'd)**

J. Capital Assets

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building and Improvements	7-60 years
Machinery and Equipment	3-20 years
Infrastructure	30 years

K. Compensated Absences

The District accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by the Governmental Accounting Board. 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 the employee is accrued as the 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.

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

The liability for vested compensated absences of the proprietary fund-types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, no liability existed for compensated absences in the Food Service Fund.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies (Cont'd)

L. Unearned/Deferred Revenue

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

M. Accrued Liabilities and Long-Term Obligations

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

N. Net Position

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

O. Fund Balance Reserves

The District reserves those portions of Fund Balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation in future periods. A Fund Balance Reserve has been established for encumbrances, maintenance, capital and subsequent year's expenditures.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies (Cont'd)

P. Revenues - Exchange and Nonexchange Transactions

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

Nonexchange Transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from Nonexchange Transactions must also be available before it can be recognized.

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

Q. Operating Revenues and Expenses

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

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies (Cont'd)

R. Allocation of Indirect Expenses

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

S. Extraordinary and Special Items

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

T. Management Estimates

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

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

2. Capital Reserve Account

A Capital Reserve Account was established by the Beverly City School District by inclusion of \$1 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes or by transfer by Board Resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the excess approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C 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 June 30, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance June 30, 2016	\$ 1,193,232
Add:	
Increase per Resolution	535,000
Interest Earnings	-
Less:	
Withdrawals	<u>-</u>
Ending Balance, June 30, 2017	<u>\$ 1,728,232</u>

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

3. Maintenance Reserve Account

A maintenance Reserve Account was established by the Beverly City School District for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Maintenance Reserve Account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP). Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The District may also appropriate additional amounts during the school year through a Board Resolution. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2017.

The activity of the Maintenance Reserve for the June 30, 2016 to June 30, 2017 fiscal year is as follows:

Balance, June 30, 2016	\$	300,000
Add:		
Board Contribution		-
Less:		
Withdrawals		<u>-</u>
Balance, June 30, 2017	\$	<u>300,000</u>

4. Tuition Reserve Account

A tuition reserve account may be established in accordance with N.J.A.C.6a:23-3.1(f) for tuition between two Boards of Education that are in a formal sending/receiving relationship. The maximum amount that may be restricted at year end is 10% of the estimated contract year. Upon certification of tuition rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be reserved and budgeted for tax relief. The District's tuition reserve account balance is \$215,000 as of June 30, 2017.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2017

5. Transfers to Capital Outlay

During the year ending June 30, 2017, the District transferred \$- to the Capital Outlay Account.

6. Deposits and Investments

The Board of Education considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

	Type	Carrying Value
Deposits		
Demand Deposits		\$ <u>2,526,813</u>
Total Deposits		\$ <u><u>2,526,813</u></u>

The District's Cash & Cash Equivalents are Reported as Follows:

Governmental Activities	\$ 2,441,714
Business-Type Activities	41,308
Fiduciary Funds	<u>43,791</u>
Total Cash & Cash Equivalents	\$ <u><u>2,526,813</u></u>

Deposits

The Board's deposits are insured through the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the Risk that, in the event of a bank failure, the Board's deposit might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Board relative to the happening of a future condition. All of the School District's bank balances of \$3,065,932 as of June 30, 2017 were insured and collateralized.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

7. Receivables

Receivables at June 30, 2017, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State Aid	56,197	56,678
Federal Aid	322,605	341,139
Other	-	-
Interfunds	<u>211,078</u>	<u>225,318</u>
	589,880	623,135
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 589,880</u>	<u>\$ 623,135</u>

8. Interfund Balances and Transfers

Balances due to/from other funds at June 30, 2017 consist of the following:

\$ 25,834	Due to General Fund from Trust & Agency Fund representing cash advance.
14,240	Due to Enterprise Fund from General Fund representing cash advance.
<u>185,244</u>	Due to General Fund from Capital Project Fund representing cash advance.
<u>\$ 225,318</u>	

9. Inventory

As of June 30, 2017, the District had the following inventory:

Food	\$ 2,772
Supplies	<u>763</u>
	<u>\$ 3,535</u>

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Capital Assets

The following schedule is a summarization of the general fixed assets by source for the fiscal year ended June 30, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Construction in Progress	\$ 2,486,543	\$ 66,485	\$ -	\$ 2,553,028
Total Capital Assets Not Being Depreciated	<u>2,486,543</u>	<u>66,485</u>	<u>-</u>	<u>2,553,028</u>
Capital Assets Being Depreciated				
Site Improvements	84,750	-	-	84,750
Building and Building Improvements	1,149,649	77,778	-	1,227,427
Machinery and Equipment	<u>287,235</u>	<u>9,626</u>	<u>-</u>	<u>296,861</u>
Totals at Historical Cost	<u>1,521,634</u>	<u>87,404</u>	<u>-</u>	<u>1,609,038</u>
Less Accumulated Depreciation for:				
Site Improvements	(84,750)	-	-	(84,750)
Building and Building Improvements	(882,487)	(24,549)	-	(907,036)
Machinery and Equipment	<u>(220,251)</u>	<u>(29,686)</u>	<u>-</u>	<u>(249,937)</u>
Total Accumulated Depreciation	<u>(1,187,488)</u>	<u>(54,235)</u>	<u>-</u>	<u>(1,241,723)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>334,146</u>	<u>33,169</u>	<u>-</u>	<u>367,315</u>
Government Activity Capital Assets, Net	<u>2,820,689</u>	<u>99,654</u>	<u>-</u>	<u>2,920,343</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Building Improvements	-	-	-	-
Equipment	62,375	-	-	62,375
Less Accumulated Depreciation	<u>(52,306)</u>	<u>(6,238)</u>	<u>-</u>	<u>(58,544)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 10,069</u>	<u>\$ (6,238)</u>	<u>\$ -</u>	<u>\$ 3,831</u>

The NJ State Department of Education has set the capitalization threshold used by school districts in the State of New Jersey at \$2,000.

Depreciation expense was charged to functions as follows:

Other operation and maintenance of plant	\$ <u>54,235</u>
Total	\$ <u>54,235</u>

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2017

11. Long-Term Obligations

A. Long-Term Obligation Activity:

Changes in Long-Term Obligations for the year ended June 30, 2017, are as follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Increases/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>				
Compensated				
Absences Payable	\$ 61,911	\$ (2,870)	\$ 59,041	\$ -
Pension Payable	-	-	-	-
Bonds Payable	980,000	(55,000)	925,000	60,000
Pension liability - PERS	<u>1,174,024</u>	<u>352,563</u>	<u>1,526,587</u>	<u>-</u>
	<u>\$ 2,215,935</u>	<u>\$ 294,693</u>	<u>\$ 2,510,628</u>	<u>\$ 60,000</u>

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

B. Unfunded Pension Liability

The School District approved an "Early Retirement Incentive Program" permitted by State Legislation during 1993 for certain members of the Teachers Pension and Annuity Fund. The members had to meet certain age and service requirements and had to apply for retirement between certain dates in fiscal year 1994 to be eligible. The District selected a thirty-year payment program and is assessed annually by the State Division of Pensions for their contribution to fund this program.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

11. Long-Term Obligations (continued)

C. Debt Service Requirements:

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

2015 School Bonds

On September 30, 2014, the voters approved a referendum authorizing the issuance of \$1,031,000 in bonds for the purpose of constructing and renovating the roof, HVAC system, boiler and windows. On January 22, 2015, \$1,031,000 of School Bonds were issued. The Bonds mature annually on March 1 of each year from March 2016 and ending 2030. Interest is payable semi-annually at 2.0%-3.125%.

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories.

Redemption

The Bonds are not subject to redemption prior to their stated maturities.

Debt Service Requirements on serial bonds payable at June 30, 2017 are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 60,000	\$ 22,694	\$ 82,694
2019	60,000	21,494	81,494
2020	60,000	20,294	80,294
2021	65,000	19,060	84,060
2022	65,000	17,760	82,760
2023-2027	365,000	65,473	430,473
2028-2030	<u>250,000</u>	<u>12,933</u>	<u>262,933</u>
	<u>\$ 925,000</u>	<u>\$ 179,708</u>	<u>\$ 1,104,708</u>

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

11. Long-Term Obligations (continued)

D. Bonds Authorized But Not Issued

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

E. Capital Leases

As of June 30, 2017, the District had no capital leases.

12. Operating Leases

As of June 30, 2017, the District had various operating leases.

13. Pension Plans

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System ("PERS"), the Teachers' Pension and Annuity Fund ("TPAF") or the Defined Contribution Retirement Program (DCRP) which have been established by State statute and are administered by the New Jersey Division of Pension and Benefits ("Division"). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. 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 provision of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The TPAF is considered a cost-sharing multiple-employer plan with a special funding situation as, under current statute, 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 classified, professional, and certified.

For the year ended June 30, 2017, the District recognized pension expense of \$225,893 and revenue of \$225,893 for support provided by the State on the fund financials. These amounts are not included in the district-wide financials as required by GASB 68.

At June 30, 2017, the District has no deferred outflow, deferred inflows or pension liability for the TPAF plan as all future costs are to be incurred by the State of New Jersey. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed. These items are not included on the district-wide financials. The District's proportionate share is 0.0174542012% of the total plan. The information below was provided from the State of New Jersey June 30, 2016 audit of the TPAF fund and has been adjusted to the District's proportionate share:

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

Description of Plans (Cont'd)

Teachers' Pension and Annuity Fund ("TPAF") (Cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 48,165	\$ 23,374
Changes of assumptions	2,728,217	-
Net difference between projected and actual earnings on pension plan investments	249,272	-
Changes in proportion and differences between District contributions and proportionate share of contributions	18,360	10,667
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 3,044,014</u>	<u>\$ 34,041</u>

The District's proportionate share of the pension liability at June 30, 2016 as it relates to the District is \$13,730,586.

The District's proportionate share of other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense by the State of New Jersey as follows:

Year ended June 30:	
2017	\$ 443,081
2018	443,081
2019	519,061
2020	485,437
2021	410,060
Thereafter	<u>715,396</u>
Total	<u>3,016,116</u>

Long-Term Expected Rate of Return

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

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

Long-Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00 %	0.39 %
US Government Bonds	1.50 %	1.28 %
US Credit Bondst	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 Market 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 Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

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:

	1% Decrease (2.22 %)	Current Discount Rate (3.22 %)	1% Increase (4.22 %)
District's proportionate share of the net pension liability	16,472,957	13,793,864	11,606,040

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

Public Employees' Retirement System ("PERS")

The Public Employees' Retirement System 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 PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

For the year ended June 30, 2017, the District recognized pension expense of \$46,728. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed and recorded. These items are included on the district-wide financials. The District's proportionate share is 0.0051544052% of the total plan. The information below was provided from the State of New Jersey June 30, 2016 audit of the PERS fund and has been adjusted to the District's proportionate share. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

Public Employees' Retirement System ("PERS") (Cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,390	\$ -
Changes of assumptions	316,227	-
Net difference between projected and actual earnings on pension plan investments	58,210	-
Changes in proportion and differences between District contributions and proportionate share of contributions	83,388	46,309
District contributions subsequent to the measurement date	<u>49,037</u>	-
Total	<u>\$ 535,252</u>	<u>\$ 46,309</u>

The District's proportionate share of the pension liability at June 30, 2016 as it relates to the District is \$1,526,587 and has been recorded on the district-wide financials.

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

Year ended June 30:	
2017	\$ 90,693
2018	90,693
2019	105,071
2020	88,275
2021	28,096
Thereafter	<u>-</u>
Total	<u>402,828</u>

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

Long-Term Expected Rate of Return:

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

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 Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

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:

	1% Decrease (2.98 %)	Current Discount Rate (3.98 %)	1% Increase (4.98 %)
District's proportionate share of the net pension liability	1,870,654	1,526,587	1,242,530

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

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by the N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years or 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.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

Contribution Requirements

Year Funding June 30,	<u>Three-Year Trend Information for PERS</u>		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2017	\$ 46,728	100 %	\$ -
2016	44,495	100 %	-
2015	43,410	100 %	-

Year Funding June 30,	<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2017	\$ 415,394	100 %	\$ -
2016	306,142	100 %	-
2015	277,000	100 %	-

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 6.78% 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 included funding for 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.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

Contribution Requirements (Cont'd)

There was a current year contribution to the TPAF post-retirement medical benefits made by the State of New Jersey on behalf of the Board in the amount of \$415,394. The State did not make any normal contributions on behalf of the Board. Also, in accordance with N.J.S.A 18A: 66-66, the State of New Jersey reimbursed the District \$161,123 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 revenues and expenditures in accordance with governmental accounting standards.

Defined Contribution Retirement Plan (DCRP)

The Defined Contribution Retirement Plan is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A.43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential not later than the fifth business day after the date on which the employee is paid for that pay period.

The District's contributions to the DCRP for June 30, 2017 were \$0. There was no liability for unpaid contributions at June 30, 2017.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the School District.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

14. Post-Retirement Benefits

Legislation enacted during 1991 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1992 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The District will assume the increased cost for the early retirement as it affects their district.

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 premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

15. Deferred Compensation

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

Prudential

16. Risk Management

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

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

17. Contingent Liabilities

Grant Programs

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

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

18. Deficit Fund Balances

P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, Governmental accounting rules require that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes as asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

18. Deficit Fund Balances (Cont'd)

Pursuant to P.L. 2003, c.97 any negative unreserved, undesignated fund balance that is reported a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements in the General Fund of (\$25,287) is equal to less than the last state payments.

19. Fund Balance Appropriated

Fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used.

- Nonspendable Fund Balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- Restricted Fund Balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed Fund Balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned Fund Balance - amounts a District intends to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
- Unassigned Fund Balance - amounts that are available for any purpose; these amounts are reported only in the General Fund.

Fund balance reporting is the result of State Statutes, New Jersey Department of Education regulations and motions (resolutions/ordinances) that are passed at Board meetings. The Board acts on these motions under the guidance of the District's Superintendent and Business Administrator.

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of each fiscal year, utilizing adjusting journal entries.

First, non-spendable fund balances are determined; then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Any remaining fund balance amounts for the non-General Funds are classified as restricted fund balances.

There is a potential for the non-General Funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceed the positive fund balances for the non-General Funds.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2017

19. Fund Balance Appropriated (Cont'd)

Classification Totals

Fund	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Balances:					
Restricted	3,047,002	-	-	-	3,047,002
Committed	-	-	-	(233,869)	(233,869)
Assigned	44,264	-	-	-	44,264
Unassigned	(25,287)	-	-	-	(25,287)
	<u>3,065,979</u>	<u>-</u>	<u>-</u>	<u>(233,869)</u>	<u>2,832,110</u>

20. Calculation of Excess Surplus

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$503,168. The excess surplus at June 30, 2016 was \$300,602.

21. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2017. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open year prior to June 30, 2014.

22. Subsequent Events

Management has evaluated subsequent events through November 21, 2017, the date the financial statements were available to be issued.

23. Tax Abatement

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BEVERLY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General 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:					
Local tax levy	\$ 2,845,921	\$ -	\$ 2,845,921	\$ 2,845,921	\$ -
Interest	-	-	-	2,494	2,494
Miscellaneous	2,000	-	2,000	149,475	147,475
Total - local sources	<u>2,847,921</u>	<u>-</u>	<u>2,847,921</u>	<u>2,997,890</u>	<u>149,969</u>
State sources:					
Transportation aid	193,173	-	193,173	193,173	-
Special education aid	170,576	-	170,576	170,576	-
Equalization aid	2,420,975	-	2,420,975	2,420,975	-
Extraordinary aid	10,000	-	10,000	41,346	31,346
Categorical Security	87,320	-	87,320	87,320	-
Adjustment Aid	840,178	-	840,178	840,178	-
Non-public transportation	-	-	-	12,876	12,876
PARCC readiness aid	3,550	-	3,550	3,550	-
Per Pupil growth aid	3,550	-	3,550	3,550	-
Professional learning community aid	2,980	-	2,980	2,980	-
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	1,280	1,280
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	188,221	188,221
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	225,893	225,893
TPAF social security (reimbursed - Non-budgeted)	-	-	-	161,123	161,123
Total state sources	<u>3,732,302</u>	<u>-</u>	<u>3,732,302</u>	<u>4,353,041</u>	<u>620,739</u>
Federal Sources					
Impact Aid	-	-	-	30,495	30,495
Medicaid reimbursement	-	-	-	33,709	33,709
Total Federal Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,204</u>	<u>64,204</u>
Total revenues	<u>6,580,223</u>	<u>-</u>	<u>6,580,223</u>	<u>7,415,135</u>	<u>834,912</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	139,729	5,210	144,939	144,731	208
Grades 1-5 - Salaries of teachers	647,124	(99,000)	548,124	514,558	33,566
Grades 6-8 - Salaries of teachers	350,370	(45,500)	304,870	295,821	9,049
Regular Programs - Home Instruction:					
Salaries of teachers	5,000	5,700	10,700	10,618	82
Purchased professional-educational services	3,000	(3,000)	-	-	-
Regular Programs - Undistributed Instruction					
Other salaries for instruction	145,096	-	145,096	80,389	64,707
Purchased professional-educational services	40,000	(39,360)	640	-	640
Purchased technical services	40,000	26,110	66,110	65,551	559
Other purchased services (400-500 series)	40,000	(400)	39,600	39,238	362
General supplies	78,000	57,400	135,400	125,633	9,767
Textbooks	60,000	(57,100)	2,900	2,682	218
Other objects - misc. exp.	6,000	(5,000)	1,000	231	769
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>1,554,319</u>	<u>(154,940)</u>	<u>1,399,379</u>	<u>1,279,452</u>	<u>119,927</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of teachers	114,127	61,500	175,627	174,434	1,193
Other salaries for instruction	-	48,300	48,300	45,063	3,237
General supplies	1,000	(1,000)	-	-	-
Total Learning and/or Language Disabilities	<u>115,127</u>	<u>108,800</u>	<u>223,927</u>	<u>219,497</u>	<u>4,430</u>
Resource Room/Resource Center:					
Salaries of teachers	211,759	(23,750)	188,009	187,910	99
General supplies	3,800	(3,800)	-	-	-
Total Resource Room/Resource Center	<u>215,559</u>	<u>(27,550)</u>	<u>188,009</u>	<u>187,910</u>	<u>99</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>330,686</u>	<u>81,250</u>	<u>411,936</u>	<u>407,407</u>	<u>4,529</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	60,898	72,501	133,399	133,208	191
Total Basic Skills/Remedial - Instruction	<u>60,898</u>	<u>72,501</u>	<u>133,399</u>	<u>133,208</u>	<u>191</u>
Bilingual Education - Instruction					
Salaries of teachers	52,994	1	52,995	52,994	1
Total Bilingual Education - Instruction	<u>52,994</u>	<u>1</u>	<u>52,995</u>	<u>52,994</u>	<u>1</u>

**BEVERLY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School Sponsored Co-curricular-Instruction					
Salaries	\$ 7,000	\$ -	\$ 7,000	\$ 4,184	\$ 2,816
Purchased Services (300-500) Series	3,000	(610)	2,390	2,390	-
Other Objects	-	700	700	681	19
Total School Sponsored Co-curricular-Instruction	<u>10,000</u>	<u>90</u>	<u>10,090</u>	<u>7,255</u>	<u>2,835</u>
School-Spon. Athletics - Instruction					
Salaries	4,500	-	4,500	4,434	66
Supplies and materials	4,000	(90)	3,910	699	3,211
Total School-Spon. Athletics - Instruction	<u>8,500</u>	<u>(90)</u>	<u>8,410</u>	<u>5,133</u>	<u>3,277</u>
Total Instruction	<u>2,017,397</u>	<u>(1,188)</u>	<u>2,016,209</u>	<u>1,885,449</u>	<u>130,760</u>
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state-regular	343,753	1	343,754	321,611	22,143
Tuition to other LEAs within the state - special	258,980	(127,500)	131,480	-	131,480
Tuition to County Voc. School Dist-regular	149,808	(18,268)	131,540	123,424	8,116
Tuition to CSSD & Reg. Day Schools	595,915	(112,000)	483,915	481,976	1,939
Tuition to private schools for the handicapped - Within state	151,197	101,000	252,197	154,305	97,892
Tuition - State Facilities	35,465	-	35,465	-	35,465
Tuition - Other	35,041	-	35,041	-	35,041
Total Undistributed Expenditures - Instruction:	<u>1,570,159</u>	<u>(156,767)</u>	<u>1,413,392</u>	<u>1,081,316</u>	<u>332,076</u>
Undist. Expend. - Attend & Social Work					
Salaries	27,585	2,800	30,385	30,375	10
Purchased professional and technical services	2,000	1,200	3,200	3,183	17
Total Undistributed Expenditures - Attend & Social Work	<u>29,585</u>	<u>4,000</u>	<u>33,585</u>	<u>33,558</u>	<u>27</u>
Undist. Expend. - Health Services					
Salaries	73,399	1	73,400	73,384	16
Purchased professional and technical services	3,000	66,999	69,999	63,455	6,544
Supplies and materials	2,500	(650)	1,850	1,810	40
Other objects	500	(400)	100	85	15
Total Undistributed Expenditures - Health Services	<u>79,399</u>	<u>65,950</u>	<u>145,349</u>	<u>138,734</u>	<u>6,615</u>
Undist. Expend. - Speech Services					
Salaries of other professional staff	74,273	-	74,273	71,042	3,231
Purchased professional - educational services	30,000	14,200	44,200	34,298	9,902
Supplies and materials	2,000	(200)	1,800	286	1,514
Total Undist. Expend.-Speech Srvs	<u>106,273</u>	<u>14,000</u>	<u>120,273</u>	<u>105,626</u>	<u>14,647</u>
Undist. Expend. - Other Support Services - Students - Extraordinary Services					
Salaries	13,720	-	13,720	-	13,720
Purchased professional - educational services	8,000	(4,000)	4,000	-	4,000
Total Undist. Expend.-Othr Sprt Srvc Students-Extraordinary Srvc	<u>21,720</u>	<u>(4,000)</u>	<u>17,720</u>	<u>-</u>	<u>17,720</u>
Undist. Expend.- Other Support Services Students-Regular					
Salaries of secretarial and clerical assistants	15,150	-	15,150	14,723	427
Purchased professional - educational services	3,500	3,400	6,900	6,869	31
Total Undist. Expend. - Other Support Services - Students-Regular	<u>18,650</u>	<u>3,400</u>	<u>22,050</u>	<u>21,592</u>	<u>458</u>
Undist. Expend. - Other Support Services - Students-Special					
Salaries of other professional staff	211,195	(27,900)	183,295	166,784	16,511
Salaries of secretarial and clerical assistants	21,466	350	21,816	21,802	14
Purchased professional - educational services	58,000	(26,800)	31,200	31,033	167
Other purchased professional services	66,000	(62,550)	3,450	3,074	376
Supplies and materials	2,800	1,000	3,800	3,207	593
Other objects	1,780	3,000	4,780	4,664	116
Total Undist. Expend. - Other Support Services - Students-Special	<u>361,241</u>	<u>(112,900)</u>	<u>248,341</u>	<u>230,564</u>	<u>17,777</u>
Undist. Expend. - Improvement of Instruction Services					
Salaries of supervisor of instruction	182,174	-	182,174	174,757	7,417
Salaries of other professional staff	8,000	100	8,100	8,063	37
Salaries of secretarial and clerical assist.	2,500	185	2,685	2,650	35
Other salaries	6,000	-	6,000	5,864	136
Other purchased professional and technical services	-	8,565	8,565	8,524	41
Other purchased services (400-500)	-	-	-	-	-
Supplies and materials	2,600	(2,600)	-	-	-
Total Undist. Expend. - Improvement of Instruction Services	<u>201,274</u>	<u>6,250</u>	<u>207,524</u>	<u>199,858</u>	<u>7,666</u>
Undist. Expend. - Educational Media Services/School Library					
Purchased professional and technical services	1,420	(400)	1,020	1,000	20
Other purchased services (400-500 series)	1,500	(1,400)	100	-	100
Supplies and materials	1,000	3,300	4,300	3,775	525
Other objects	1,000	(900)	100	-	100
Total Undist. Expend. - Educational Media Services/School Library	<u>4,920</u>	<u>600</u>	<u>5,520</u>	<u>4,775</u>	<u>745</u>
Undist. Expend. - Instruction Staff Training Services					
Purchased professional- Ed Services	-	-	-	-	-
Purchased professional and technical services	1,000	(650)	350	-	350
Other purchased services (400-500 series)	8,000	18,300	26,300	25,327	973
Total Undist. Expend. - Instruction Staff Training Services	<u>9,000</u>	<u>17,650</u>	<u>26,650</u>	<u>25,327</u>	<u>1,323</u>

**BEVERLY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General 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>
Undist. Expend. - Support Service - General Administration					
Salaries	\$ 142,852	\$ 1,159	\$ 144,011	\$ 140,219	\$ 3,792
Legal services	27,000	(800)	26,200	13,968	12,232
Audit fees	18,000	2,000	20,000	15,750	4,250
Other purchased professional services	4,000	(1,300)	2,700	2,685	15
Purchased technical services	2,000	(1,105)	895	-	895
Communications/Telephone - Bus	3,000	30	3,030	3,026	4
BOE other purchased prof. svc.	1,000	-	1,000	-	1,000
Other purchased services (400-500 series)	5,000	1,575	6,575	6,511	64
General supplies	4,000	300	4,300	4,236	64
BOE membership dues and fees	7,000	-	7,000	4,235	2,765
Miscellaneous expenditures	3,000	-	3,000	250	2,750
Miscellaneous expenditures - Board of Ed	-	-	-	-	-
Total Undist. Expend. - Support Service - General Administration	<u>216,852</u>	<u>1,859</u>	<u>218,711</u>	<u>190,880</u>	<u>27,831</u>
Undist. Expend. - Support Service - School Administration					
Salaries of secretarial and clerical assistants	16,001	1,200	17,201	17,183	18
Supplies and materials	3,500	800	4,300	2,378	1,922
Other objects	500	-	500	500	-
Total Undist. Expend. - Support Service - School Administration	<u>20,001</u>	<u>2,000</u>	<u>22,001</u>	<u>20,061</u>	<u>1,940</u>
Undist. Expend. - Central Services					
Salaries	168,377	-	168,377	164,904	3,473
Purchased technical services	9,000	(3,375)	5,625	5,220	405
Misc. Pur Serv (400-500 series)	4,000	20,000	24,000	-	24,000
Supplies and materials	4,000	525	4,525	4,516	9
Miscellaneous Expenditures	3,200	(150)	3,050	-	3,050
Total Undist. Expend. - Central Services	<u>188,577</u>	<u>17,000</u>	<u>205,577</u>	<u>174,640</u>	<u>30,937</u>
Undist. Expend. - Admin. Info. Technology					
Purchased technical services	12,000	3,000	15,000	14,952	48
Total Undist. Expend. - Admin. Info. Technology	<u>12,000</u>	<u>3,000</u>	<u>15,000</u>	<u>14,952</u>	<u>48</u>
Undist. Expend. - Required Maintenance for School Facilities					
Cleaning, repair and maintenance services	66,000	(37,000)	29,000	28,954	46
General supplies	35,000	5,900	40,900	39,779	1,121
Total Undist. Expend. - Allowed Maintenance for School Facilities	<u>101,000</u>	<u>(31,100)</u>	<u>69,900</u>	<u>68,733</u>	<u>1,167</u>
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries - Custodians	119,190	(150)	119,040	118,932	108
Salaries - Café./Playground Aides	16,152	(7,700)	8,452	8,398	54
Purchased professional and technical services	25,000	13,750	38,750	38,727	23
Cleaning, repair and maintenance services - up keep	46,000	243,177	289,177	286,596	2,581
Rental of land and building other than lease	18,000	(17,577)	423	423	-
Other purchased property services	4,000	(2,500)	1,500	1,458	42
Insurance	28,600	2,400	31,000	30,866	134
Miscellaneous purchased services	7,000	(3,900)	3,100	2,973	127
General supplies	6,000	-	6,000	5,801	199
Energy (Heat and Electricity)	65,000	(16,400)	48,600	47,046	1,554
Other objects	5,000	(4,800)	200	166	34
Energy (Natural Gas)	61,000	(45,000)	16,000	11,422	4,578
Total Undist. Expend. - Other Operation & Maintenance Of Plant	<u>400,942</u>	<u>161,300</u>	<u>562,242</u>	<u>552,808</u>	<u>9,434</u>
Undist. Expend. - Student Transportation Services					
Salaries for pupil transportation(between home and school)-Special	14,660	100	14,760	14,734	26
Salaries for pupil trans. (other than between home and school)	14,660	100	14,760	14,734	26
Contract services -(between home and school)-Vendor	40,499	-	40,499	30,866	9,633
Contract services (other than between home & school) - Vendors	10,000	-	10,000	5,280	4,720
Contract services -(between home and school)-Joint	12,000	-	12,000	1,468	10,532
Contract services - (special education students) - Vendors	20,000	-	20,000	4,628	15,372
Contract services-(special education students)-Joint	16,000	-	16,000	5,650	10,350
Contract services-(regular students)ESC's & CTSA's	92,700	-	92,700	55,249	37,451
Contract services-(special education students)-ESC's & CTSA's	220,000	(48,000)	172,000	84,071	87,929
Aid in lieu of payments	40,000	(200)	39,800	38,984	816
Total Undist. Expend. - Student Transportation Services	<u>480,519</u>	<u>(48,000)</u>	<u>432,519</u>	<u>255,664</u>	<u>176,855</u>
UNALLOCATED EMPLOYEE BENEFITS					
Group insurance	47,287	(45,200)	2,087	2,087	-
Social security contributions	70,000	-	70,000	66,320	3,680
Other retirement contributions - PERS	56,119	(8,000)	48,119	46,728	1,391
Other retirement contributions - Regular	1,000	(500)	500	488	12
Unemployment Compensation	30,000	(12,200)	17,800	13,640	4,160
Workmen's compensation	35,000	9,000	44,000	43,929	71
Health benefits	697,618	9,540	707,158	577,070	130,088
Tuition reimbursement	30,000	(13,200)	16,800	15,543	1,257
Other employee benefits	-	31,550	31,550	29,387	2,163
TOTAL UNALLOCATED EMPLOYEE BENEFITS	<u>967,024</u>	<u>(29,010)</u>	<u>938,014</u>	<u>795,192</u>	<u>142,822</u>

BEVERLY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General 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>
On-behalf TPAF LTDI (non-budgeted)	\$ -	\$ -	\$ -	\$ 1,280	\$ (1,280)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	188,221	(188,221)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	225,893	(225,893)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	161,123	(161,123)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>576,517</u>	<u>(576,517)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>967,024</u>	<u>(29,010)</u>	<u>938,014</u>	<u>1,371,709</u>	<u>(433,695)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>4,789,136</u>	<u>(84,768)</u>	<u>4,704,368</u>	<u>4,490,797</u>	<u>213,571</u>
TOTAL GENERAL CURRENT EXPENSE	<u>6,806,533</u>	<u>(85,956)</u>	<u>6,720,577</u>	<u>6,376,246</u>	<u>344,331</u>
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 1-5	-	4,930	4,930	4,813	117
Grades 6-8	-	5,000	5,000	4,813	187
Special Education - Instruction:					
Multiple disabilities	-	-	-	-	-
Basic skills/Remedial - Instruction	-	-	-	-	-
Bilingual education - Instruction	-	-	-	-	-
School - Sponsored and other instructional program	-	-	-	-	-
Undistributed:					
Undistributed expenditures - Instruction	-	-	-	-	-
Undistributed expenditures - Instructional equip.	-	-	-	-	-
Undistributed expenditures - Non-Instructional equip.	4,000	(2,000)	2,000	-	2,000
Undistributed expenditures - Support services - Regular	-	-	-	-	-
Undistributed expenditures - Support services - Special	-	-	-	-	-
Undistributed expenditures - General administration	-	-	-	-	-
Undistributed expenditures - School administration	-	-	-	-	-
Undistributed expenditures - Operation & maint. of plant services	-	58,250	58,250	58,230	20
Undistributed expenditures - Student transportation	-	-	-	-	-
Undistributed expenditures - Business/Other support services	-	-	-	-	-
Total Equipment	<u>4,000</u>	<u>66,180</u>	<u>70,180</u>	<u>67,856</u>	<u>2,324</u>
Facilities Acquisition and Construction Services					
Construction services	-	-	-	-	-
Other Purchases Prof. & Tech Services	-	1,820	1,820	1,818	2
Lease Purchase Agreements-Principal	-	17,955	17,955	17,730	225
Debt Service Assessment	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>19,775</u>	<u>19,775</u>	<u>19,548</u>	<u>227</u>
Capital reserve - Transfer to	-	-	-	-	-
TOTAL CAPITAL OUTLAY	<u>4,000</u>	<u>85,955</u>	<u>89,955</u>	<u>87,404</u>	<u>2,551</u>
Transfer of funds to charter schools					
TOTAL EXPENDITURES	<u>6,810,533</u>	<u>(1)</u>	<u>6,810,532</u>	<u>6,463,650</u>	<u>346,882</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(230,310)</u>	<u>1</u>	<u>(230,309)</u>	<u>951,485</u>	<u>1,181,794</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(230,310)</u>	<u>1</u>	<u>(230,309)</u>	<u>951,485</u>	<u>1,181,794</u>
Fund Balance, July 1	2,468,408	-	2,468,408	2,468,408	-
Fund Balance, June 30	<u>\$ 2,238,098</u>	<u>\$ 1</u>	<u>\$ 2,238,099</u>	<u>\$ 3,419,893</u>	<u>\$ 1,181,794</u>
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				1,728,232	
Maintenance reserve				300,000	
Tuition reserve				215,000	
Excess surplus - Designated for subsequent year's expenditures				300,602	
Excess surplus - Current year				503,168	
Committed Fund Balance:					
Year-end encumbrances				-	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				44,264	
Unassigned Fund Balance				<u>328,627</u>	
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				(353,914)	
Fund balance per governmental funds (GAAP)				<u>(25,287)</u>	

BEVERLY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	302,862	-	302,862	302,862	-
Federal sources	281,129	41,476	322,605	322,605	-
Total Revenues	<u>583,991</u>	<u>41,476</u>	<u>625,467</u>	<u>625,467</u>	<u>-</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	331,565	50,761	382,326	382,326	-
Other salaries for instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	-
General supplies	9,754	-	9,754	9,754	-
Tuition	101,566	11,051	112,617	112,617	-
Total instruction	<u>442,885</u>	<u>61,812</u>	<u>504,697</u>	<u>504,697</u>	<u>-</u>
Support services:					
Salaries of program director	-	-	-	-	-
Personal services	-	-	-	-	-
Purchased professional - educational services	-	-	-	-	-
Other purchased professional services	-	-	-	-	-
Purchased technical services	26,782	(1,954)	24,828	24,828	-
Travel	-	-	-	-	-
Employee Benefits	87,497	8,445	95,942	95,942	-
Miscellaneous purchased services (400-500 series)	26,827	(26,827)	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Supplies & materials	-	-	-	-	-
Total support services	<u>141,106</u>	<u>(20,336)</u>	<u>120,770</u>	<u>120,770</u>	<u>-</u>
EXPENDITURES (CONT'D):					
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>583,991</u>	<u>41,476</u>	<u>625,467</u>	<u>625,467</u>	<u>-</u>
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	<u>583,991</u>	<u>41,476</u>	<u>625,467</u>	<u>625,467</u>	<u>-</u>
Excess (deficiency) of revenues					
Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				-	
Fund balance per governmental funds (GAAP)				<u>\$ -</u>	

**BEVERLY CITY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2017**

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 7,415,135	[C-2]	\$ 625,467
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(225,893)		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year		(353,914)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		365,904		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 7,201,232</u>	[B-2]	<u>\$ 625,467</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 6,463,650	[C-2]	\$ 625,467
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(225,893)		
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.		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 6,237,757</u>	[B-2]	<u>\$ 625,467</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

BEVERLY CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-PERS
For the Fiscal Year Ended June 30, 2017

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.0053958974%	0.0050259860%	0.0051544052%
District's proportionate share of the net pension liability	\$ 1,053,470	\$ 1,174,024	\$ 1,526,587
District's covered-employee payroll	345,539	359,143	347,570
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	304.88%	326.90%	22.77%
Plan fiduciary net position as a percentage of the total pension liability	67.89%	61.84%	45.35%

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

**BEVERLY CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District Contributions-PERS
For the Fiscal Year Ended June 30, 2017**

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contributions	44,483	44,495	46,728
Contributions in relation to the contractually required contribution	59,764	44,495	46,728
Contribution deficiency (excess)	(15,281)	-	-
District's covered-employee payroll	345,539	359,143	347,570
Contributions as a percentage of covered-employee payroll	12.87%	12.39%	13.44%

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

BEVERLY CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-TPAF
For the Fiscal Year Ended June 30, 2017

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.0183641908%	0.0198012861%	0.0174542012%
District's proportionate share of the net pension liability	\$ 9,815,062	\$ 12,515,258	\$ 13,730,586
District's covered-employee payroll	1,986,064	2,117,683	2,163,122
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	494.20%	590.99%	15.75%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%

The District has a special funding situation as is not required to make any payments for this liability therefore it is not recorded on the CAFR.

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

Beverly City School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2017

Assumptions

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, applied to all periods in the measurement:

Inflation Rate	3.08 %
Salary increases: 2012-2021	1.65 - 4.15 % based on age
Thereafter	2.65 - 5.15 % based on age
Investment rate of return	7.65 %

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement 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 and Female Mortality Tables (set back 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.

OTHER SUPPLEMENTARY INFORMATION

BEVERLY CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	TITLE II 16/17	IDEA PRESCHOOL 16/17	IDEA Basic 16/17	TITLE I 16/17
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	30,428	3,162	112,617	176,398
Total revenues	<u>30,428</u>	<u>3,162</u>	<u>112,617</u>	<u>176,398</u>
Expenditures:				
Instruction:				
Salaries of teachers	5,600	3,162	-	139,999
Other salaries/instruction	-	-	-	-
Purchased professional services	-	-	-	-
General supplies	-	-	-	-
Tuition	-	-	112,617	-
Textbooks	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total instruction	<u>5,600</u>	<u>3,162</u>	<u>112,617</u>	<u>139,999</u>
Support services:				
Other support services - students - special:				
Other professional staff salaries	-	-	-	-
Personal Services	-	-	-	-
Purchased professional services	-	-	-	-
Other purchased professional services	24,828	-	-	-
Purchased technical services	-	-	-	-
Employee benefits	-	-	-	36,399
Travel	-	-	-	-
General supplies	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total other support services - students - special	<u>24,828</u>	<u>-</u>	<u>-</u>	<u>36,399</u>
Total support services	<u>24,828</u>	<u>-</u>	<u>-</u>	<u>36,399</u>
Equipment:				
Regular programs instruction	-	-	-	-
Non-instructional equipment	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 30,428</u>	<u>\$ 3,162</u>	<u>\$ 112,617</u>	<u>\$ 176,398</u>

BEVERLY CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017

(Continued from prior page)

	Preschool Edu. Aid 16/17	Total 2017
Revenues:		
Local sources	\$ -	\$ -
State sources	302,862	302,862
Federal sources	-	322,605
	302,862	625,467
Expenditures:		
Instruction:		
Salaries of teachers	233,565	382,326
Other salaries/instruction	-	-
Purchased professional services	-	-
General supplies	9,754	9,754
Tuition	-	112,617
Textbooks	-	-
Miscellaneous expenses	-	-
	243,319	504,697
Support services:		
Other support services -		
students - special:		
Other professional		
staff salaries	-	-
Personal Services	-	-
Purchased professional services	-	-
Other purchased professional	-	24,828
services	-	-
Purchased technical services	-	-
Employee benefits	59,543	95,942
Travel	-	-
General supplies	-	-
Miscellaneous expenses	-	-
	59,543	120,770
Total other support services -		
students - special	59,543	120,770
	59,543	120,770
Total support services	59,543	120,770
Equipment:		
Regular programs instruction	-	-
Non-instructional equipment	-	-
	-	-
Total equipment	-	-
Total expenditures	\$ 302,862	\$ 625,467

BEVERLY CITY SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 233,565	\$ 233,565	\$ -
Other Salaries for Instruction	-	-	-
General Supplies	9,754	9,754	-
Total instruction	<u>243,319</u>	<u>243,319</u>	<u>-</u>
Support services:			
Salaries of Other Professional Staff	-	-	-
Personal Services - Employee Benefits	59,543	59,543	-
Other Purchased Professional Services	-	-	-
Other Objects	-	-	-
Total support services	<u>59,543</u>	<u>59,543</u>	<u>-</u>
Facilities acquisition and cont. serv:			
Instructional equipment	-	-	-
Noninstructional Equipment	-	-	-
Total Facilities acquisition and cont. serv.	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 302,862</u>	<u>\$ 302,862</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2016-17 PreK/ECPA Aid Allocation	\$ 302,862
Add: Actual PreK/ECPA Aid Carryover June 30, 2016	-
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2016-17 Budget	<u>302,862</u>
Less: 2015-16 Budgeted PreK/ECPA (Including prior year budgeted carryover)	<u>302,862</u>
Available & Unbudgeted Funds as of June 30, 2017	-
Add: June 30, 2016 Unexpended PreK Aid	-
2016- Actual Carryover - PreK Aid	<u>\$ -</u>
2016-17 PreK Aid Carryover Budgeted in 2018-FY	<u>\$ -</u>

BEVERLY CITY SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2017

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2017</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Roof Replacement - SP 0380-025-14-1003-G04	1/6/2014	\$ 766,767	\$ 735,751	\$ -	\$ 31,016
HVAC Replacement - SP 0380-025-14-1002-G04	1/6/2014	804,161	733,640	66,485	\$ 4,036
Boiler Replacement - SP 0380-025-14-1001-G04	1/6/2014	512,000	379,219	-	\$ 132,781
Window Replacement - SP 0380-025-14-1004-G04	1/6/2014	<u>640,000</u>	<u>476,433</u>	<u>-</u>	<u>\$ 163,567</u>
Totals		<u>\$ 2,722,928</u>	<u>\$ 2,325,043</u>	<u>\$ 66,485</u>	<u>\$ 331,400</u>

BEVERLY CITY SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2017

Revenues and Other Financing Sources

State Sources - Grant	
Bond proceeds and transfers	-
Capital lease proceeds	-
Transfer from capital reserve	-
Total revenues	-

Expenditures and Other Financing Uses

Purchased professional and technical services	-
Construction services	66,485
Supplies	-
Total expenditures	66,485

Excess (deficiency) of revenues over (under) expenditures	(66,485)
---	----------

Fund balance - beginning	(167,384)
--------------------------	-----------

Fund balance - ending	(233,869)
-----------------------	-----------

BEVERLY CITY SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
ROOF REPLACEMENT
For the Fiscal Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - Grant	\$ -	\$ -	\$ -	\$ 477,500
Bond proceeds and transfers	290,000	-	290,000	290,000
Local Revenue	-	-	-	-
Total revenues	290,000	-	290,000	767,500
Expenditures and Other Financing Uses				
Purchased prof. and technical services	16,529		16,529	35,500
Construction services	719,222		719,222	732,000
Supplies	-	-	-	-
Total expenditures	735,751	-	735,751	767,500
Excess (deficiency) or revenues over (under) expenditures	\$ (445,751)	\$ -	\$ (445,751)	\$ -
 Additional project information:				
Project Number	SP 0380-025-14-1003-G04			
Grant Date	1/6/2014			
Bond Authorization Date	1/22/2015			
Bonds Authorized	\$ 1,031,000			
Bonds Issued	1,031,000			
Original Authorized Cost	767,500			
Additional Authorized Cost	-			
Revised Authorized Cost	767,500			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	96%			
Original target completion date	2016			
Revised target completion date	2016			

BEVERLY CITY SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
HVAC PROJECT
For the Fiscal Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - Grant	\$ -	\$ -	\$ -	\$ 499,541
Bond proceeds and transfers	304,620	-	304,620	304,620
Local Revenue	-	-	-	-
Total revenues	304,620	-	304,620	804,161
Expenditures and Other Financing Uses				
Purchased prof. and technical services	17,164	-	17,164	61,778
Construction services	716,476	66,485	782,961	742,383
Supplies	-	-	-	-
Total expenditures	733,640	66,485	800,125	804,161
Excess (deficiency) or revenues over (under) expenditures	\$ (429,020)	\$ (66,485)	\$ (495,505)	\$ -

Additional project information:

Project Number	SP 0380-025-14-1002-G04
Grant Date	1/6/2014
Bond Authorization Date	1/22/2015
Bonds Authorized	\$ 1,031,000
Bonds Issued	1,031,000
Original Authorized Cost	804,161
Additional Authorized Cost	-
Revised Authorized Cost	804,161
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.994981105
Original target completion date	2016
Revised target completion date	2016

BEVERLY CITY SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
BOILER REPLACEMENT
For the Fiscal Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - Grant	\$ -	\$ -	\$ -	\$ 318,052
Bond proceeds and transfers	193,945	-	193,945	193,945
Local Revenue	-	-	-	-
Total revenues	193,945	-	193,945	511,997
Expenditures and Other Financing Uses				
Purchased prof. and technical services	14,841	-	14,841	41,112
Construction services	364,378	-	364,378	470,885
Supplies	-	-	-	-
Total expenditures	379,219	-	379,219	511,997
Excess (deficiency) or revenues over (under) expenditures	\$ (185,274)	\$ -	\$ (185,274)	\$ -

Additional project information:

Project Number	SP 0380-025-14-1001-G04
Grant Date	1/6/2014
Bond Authorization Date	1/22/2015
Bonds Authorized	\$ 1,031,000
Bonds Issued	1,031,000
Original Authorized Cost	511,997
Additional Authorized Cost	-
Revised Authorized Cost	511,997
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.740666449
Original target completion date	2016
Revised target completion date	2016

BEVERLY CITY SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
WINDOW REPLACEMENT
For the Fiscal Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - Grant	\$ -	\$ -	\$ -	\$ 397,565
Bond proceeds and transfers	242,435	-	242,435	242,435
Local Revenue	-	-	-	-
Total revenues	242,435	-	242,435	640,000
Expenditures and Other Financing Uses				
Purchased prof. and technical services	15,896		15,896	40,270
Construction services	460,537		460,537	599,730
Supplies	-	-	-	-
Total expenditures	476,433	-	476,433	640,000
Excess (deficiency) or revenues over (under) expenditures	\$ (233,998)	\$ -	\$ (233,998)	\$ -

Additional project information:

Project Number	SP 0380-025-14-1004-G04
Grant Date	1/6/2014
Bond Authorization Date	1/22/2015
Bonds Authorized	\$ 1,031,000
Bonds Issued	1,031,000
Original Authorized Cost	640,000
Additional Authorized Cost	-
Revised Authorized Cost	640,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.744426563
Original target completion date	2016
Revised target completion date	2016

BEVERLY CITY SCHOOL DISTRICT
Enterprise Fund
Statement of Net Position
June 30, 2017

	<u>Food Services</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 41,308
Accounts receivable:	
State	481
Federal	18,534
Interfunds	14,240
Inventories	<u>3,535</u>
Total current assets	<u>78,098</u>
Fixed assets:	
Equipment	62,375
Accumulated depreciation	<u>(58,544)</u>
Total fixed assets	<u>3,831</u>
Total assets	<u><u>81,929</u></u>
Liabilities and Net Position:	
Liabilities:	
Accounts payable	-
Revenue anticipation loan	<u>-</u>
Total liabilities	<u>-</u>
Net position:	
Net investment in capital assets	3,831
Restricted for other purposes	-
Unrestricted net position	<u>78,098</u>
Total net position	<u>81,929</u>
Total liabilities and net position	<u><u>\$ 81,929</u></u>

BEVERLY CITY SCHOOL DISTRICT
Enterprise Fund
Statement of Revenues, Expenses and
Changes in Net Position
for the Fiscal Years ended June 30, 2017

	<u>Food Services</u>
Operating revenues:	
Local sources:	
Daily sales-reimbursable programs:	
School breakfast program	\$ 67
School lunch program	28
	<hr/>
Total-daily sales-reimbursable programs	95
	<hr/>
Daily sales-non-reimbursable programs:	
Adult & Ala carte	11,218
Special functions	-
	<hr/>
Total-daily sales-non-reimbursable programs	11,218
	<hr/>
Total operating revenues	11,313
	<hr/>
Operating expenses:	
Salaries	47,568
Benefits & payroll taxes	9,104
Supplies and materials	16,835
Management fee	11,767
Depreciation	6,238
Cost of sales - reimbursable programs	-
Cost of sales - non-reimbursable programs	75,790
	<hr/>
Total operating expenses	167,302
	<hr/>
Operating loss	(155,989)
	<hr/>
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	1,813
Federal sources:	
National school lunch program	120,666
National school breakfast program	30,918
Food distribution program	17,968
Interest income	-
	<hr/>
Total nonoperating revenues	171,365
	<hr/>
Change in net position	15,376
	<hr/>
Total net position beginning	66,553
	<hr/>
Total net position ending	<u>\$ 81,929</u>

BEVERLY CITY SCHOOL DISTRICT
Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2017

		<u>Business-type Activities - Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$	11,313
Payments to employees		(47,568)
Payments for employee benefits		(9,104)
Payments to suppliers		(85,990)
Net cash provided by (used in) operating activities		<u>(131,349)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State sources		1,616
Federal sources		152,479
Interest income		-
Net cash provided by (used in) non-capital financing activities		<u>154,095</u>
Net increase (decrease) in cash and cash equivalents		22,746
Balances—beginning of year		18,562
Balances—end of year	\$	<u><u>41,308</u></u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$	(155,989)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		6,238
Federal commodities		17,968
Decrease in interfund receivable, net		-
Increase in accounts receivable, net		
Decrease in inventories		434
Decrease in interfund payable		-
Increase in accounts payable		-
Total adjustments		<u>24,640</u>
Net cash provided by (used in) operating activities	\$	<u><u>(131,349)</u></u>

BEVERLY CITY SCHOOL DISTRICT
Statement of Agency Fund Assets and Liabilities
Fiduciary Funds
June 30, 2017

	<u>Payroll Agency</u>	<u>Student Activity</u>	<u>FSA</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 36,713	\$ 7,078	\$ 3	\$ 43,794
Investments	-	-	-	-
Intergovernmental accounts receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	<u>36,713</u>	<u>7,078</u>	<u>3</u>	<u>43,794</u>
LIABILITIES				
Accounts payable	-	-	-	-
Payroll deductions and withholdings	10,879	-	-	10,879
Payable to student groups	-	7,078	-	7,078
Interfund payable	25,834	-	-	25,834
Other current liabilities	-	-	3	3
Total liabilities	<u>36,713</u>	<u>7,078</u>	<u>3</u>	<u>43,794</u>
NET POSITION				
Held in trust for unemployment claims and other purposes	-	-	-	-
Total net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 36,713</u>	<u>\$ 7,078</u>	<u>\$ 3</u>	<u>\$ 43,794</u>

BEVERLY CITY SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
Class funds	\$ 9,872	\$ 15,202	\$ 17,996	\$ 7,078
Total all schools	<u>\$ 9,872</u>	<u>\$ 15,202</u>	<u>\$ 17,996</u>	<u>\$ 7,078</u>

**BEVERLY CITY SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2017**

	<u>Balance July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2017</u>
ASSETS:				
Cash and cash equivalents	\$ 61,480	\$ 3,394,651	\$ 3,419,415	\$ 36,716
Total assets	<u>61,480</u>	<u>3,394,651</u>	<u>3,419,415</u>	<u>36,716</u>
LIABILITIES:				
Payroll deductions and withholdings	35,646	-	24,764	10,882
Accrued salaries and wages	-	-	-	-
Interfund payable	25,834	-	-	25,834
Other current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 61,480</u>	<u>\$ -</u>	<u>\$ 24,764</u>	<u>\$ 36,716</u>

**BEVERLY CITY SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2017**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2017</u>
Series 2015 Bonds	2/5/2015	1,031,000							
			2/1/2018	60,000	2.000%				
			2/1/2019	60,000	2.000%				
			2/1/2020	60,000	2.000%				
			2/1/2021	65,000	2.000%				
			2/1/2022	65,000	2.000%				
			2/1/2023	70,000	2.000%				
			2/1/2024	70,000	2.250%				
			2/1/2025	70,000	2.375%				
			2/1/2026	75,000	3.000%				
			2/1/2027	80,000	3.000%				
			2/1/2028	80,000	3.000%				
			2/1/2029	85,000	3.000%				
			2/1/2030	85,000	3.125%				
						980,000	-	55,000	925,000
						\$ 980,000	\$ -	\$ 55,000	\$ 925,000

**BEVERLY CITY SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 for the Fiscal Years 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	\$ 79,194	\$ -	\$ 79,194	\$ 79,194	\$ -
Interest income	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	-	-	-	-	-
Debt Service Aid Type I	-	-	-	-	-
	-	-	-	-	-
Total - State Sources	-	-	-	-	-
Total Revenues	<u>79,194</u>	<u>-</u>	<u>79,194</u>	<u>79,194</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	24,194	-	24,194	24,194	-
Redemption of Principal	55,000	-	55,000	55,000	-
	79,194	-	79,194	79,194	-
Total Regular Debt Service	<u>79,194</u>	<u>-</u>	<u>79,194</u>	<u>79,194</u>	<u>-</u>
Total expenditures	<u>79,194</u>	<u>-</u>	<u>79,194</u>	<u>79,194</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

**BEVERLY CITY School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	94-98
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the	99-102
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional	103-106
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	107-108
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	109-113

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.*

BEVERLY CITY SCHOOL DISTRICT
Net Assets/Position by Component
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2005	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities											
Net investment in capital assets	\$ 2,853,271	\$ 3,250,516	\$ 3,436,653	\$ 3,540,631	\$ 3,577,656	\$ 3,536,657	\$ 3,422,237	\$ 117,053	\$ 260,766	\$ 1,673,305	\$ 1,761,474
Restricted	262,410	386,314	270,313	326,738	514,354	609,483	703,620	1,371,379	1,614,184	2,174,144	3,091,266
Unrestricted	49,699	241,055	305,235	352,727	266,459	218,594	203,807	(126,216)	(1,256,874)	(1,177,421)	(1,140,178)
Total governmental activities net assets/position	\$ 3,165,380	\$ 3,877,885	\$ 4,012,201	\$ 4,220,096	\$ 4,358,469	\$ 4,364,734	\$ 4,329,664	\$ 1,362,216	\$ 618,076	\$ 2,670,028	\$ 3,712,562
Business-type activities											
Net investment in capital assets	\$ -	\$ -	\$ 929,255	\$ 1,065,639	\$ 1,049,925	\$ 1,023,860	\$ 998,028	\$ 16,152	\$ 12,026	\$ 10,069	\$ 3,831
Restricted	-	919,950	-	-	-	-	-	-	-	-	-
Unrestricted	-	238,132	175,795	149,352	250,461	347,752	352,044	59,457	48,016	56,484	78,098
Total business-type activities net assets/position	\$ -	\$ 1,158,082	\$ 1,105,050	\$ 1,214,991	\$ 1,300,386	\$ 1,371,612	\$ 1,350,072	\$ 75,609	\$ 60,042	\$ 66,553	\$ 81,929
District-wide											
Net investment in capital assets	\$ 2,853,271	\$ 3,250,516	\$ 4,365,908	\$ 4,606,270	\$ 4,627,581	\$ 4,560,517	\$ 4,420,265	\$ 133,205	\$ 272,792	\$ 1,683,374	\$ 1,683,374
Restricted	262,410	1,306,264	270,313	326,738	514,354	609,483	703,620	1,371,379	1,614,184	2,174,144	2,174,144
Unrestricted	49,699	479,187	481,030	502,079	516,920	566,346	555,851	(66,759)	(1,208,858)	(1,120,937)	(1,120,937)
Total district net assets/position	\$ 3,165,380	\$ 5,035,967	\$ 5,117,251	\$ 5,435,087	\$ 5,658,855	\$ 5,736,346	\$ 5,679,736	\$ 1,437,825	\$ 678,118	\$ 2,736,581	\$ 2,736,581

BEVERLY CITY SCHOOL DISTRICT
Changes in Net Assets/Position
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	\$ 1,227,542	\$ 1,179,181	\$ 1,245,862	\$ 1,189,107	\$ 1,268,103	\$ 1,225,160	\$ 1,681,078	\$ 1,758,381	\$ 1,873,420	\$ 1,784,149
Special education	130,033	244,326	250,424	302,575	393,262	306,228	416,758	369,920	423,556	407,407
Other special education	68,764	72,998	81,184	78,568	102,281	122,798	117,006	133,143	170,283	198,590
Support Services:										
Instruction	1,054,712	1,064,404	984,230	804,778	691,863	886,691	2,189,196	1,857,639	1,279,012	1,081,316
Attendance and social work	23,240	24,614	25,521	26,011	12,872	15,771	27,360	28,803	31,525	33,558
Health services	55,357	61,977	69,609	70,854	65,843	56,396	60,070	72,830	123,901	138,734
Improvement of instr. services	44,375	46,527	48,189	48,989	74,344	62,311	-	-	-	-
Educational media services	57,775	47,097	52,726	62,768	47,951	26,272	1,369	2,710	4,447	4,775
Instruction staff training	16,100	2,369	2,368	4,730	7,013	4,088	10,595	5,468	8,584	25,327
School Administrative services	72,778	72,917	75,887	77,057	78,339	73,385	20,460	18,341	18,813	20,061
General administration	127,431	120,072	133,957	132,716	133,846	128,399	217,921	218,018	209,900	190,880
Central Services	74,593	78,434	82,949	81,526	68,584	78,454	140,943	142,852	156,260	174,640
Plant operations and maintenance	377,125	418,970	473,632	444,318	410,104	402,545	469,316	514,151	502,166	675,776
Administrative information technology	3,723	2,926	3,028	3,074	2,615	3,186	13,292	13,824	14,376	14,952
Pupil transportation	69,360	82,133	75,314	121,464	114,042	138,189	399,825	321,680	269,841	255,664
Other support services	167,406	276,234	253,007	301,520	298,351	312,466	718,776	619,725	645,775	678,410
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	24,163	19,350	14,280	8,879	3,280	-	-	10,029	26,205	20,756
Unallocated employee benefits	482,588	490,731	467,394	460,508	470,213	474,693	552,123	680,591	544,562	581,847
Total governmental activities expenses	<u>4,077,065</u>	<u>4,305,260</u>	<u>4,339,561</u>	<u>4,219,442</u>	<u>4,242,906</u>	<u>4,317,032</u>	<u>7,036,088</u>	<u>6,768,105</u>	<u>6,302,626</u>	<u>6,286,842</u>
Business-type activities:										
Enterprise fund	437,484	(188,128)	(109,211)	(84,511)	(70,916)	21,802	16,677	15,567	(6,511)	(15,376)
Child Care	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	<u>437,484</u>	<u>(188,128)</u>	<u>(109,211)</u>	<u>(84,511)</u>	<u>(70,916)</u>	<u>21,802</u>	<u>16,677</u>	<u>15,567</u>	<u>(6,511)</u>	<u>(15,376)</u>
Total district expenses	<u>\$ 4,514,549</u>	<u>\$ 4,117,132</u>	<u>\$ 4,230,350</u>	<u>\$ 4,134,931</u>	<u>\$ 4,171,990</u>	<u>\$ 4,338,834</u>	<u>\$ 7,052,765</u>	<u>\$ 6,783,672</u>	<u>\$ 6,296,115</u>	<u>\$ 6,271,466</u>
Net (Expense)/Revenue										
Governmental activities	(4,077,065)	(4,305,260)	(4,339,561)	(4,219,442)	(4,242,906)	(4,317,032)	(7,036,088)	(6,768,105)	(6,302,626)	(6,286,842)
Business-type activities	(437,484)	188,128	109,211	84,511	70,916	(21,802)	(16,677)	(15,567)	6,511	15,376
Total district-wide net expense	<u>\$ (4,514,549)</u>	<u>\$ (4,117,132)</u>	<u>\$ (4,230,350)</u>	<u>\$ (4,134,891)</u>	<u>\$ (4,171,990)</u>	<u>\$ (4,338,834)</u>	<u>\$ (7,052,765)</u>	<u>\$ (6,783,672)</u>	<u>\$ (6,296,115)</u>	<u>\$ (6,271,466)</u>
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 3,732,953	\$ 3,872,939	\$ 3,940,715	\$ 4,019,640	\$ 3,939,365	\$ 4,012,243	\$ 2,719,959	\$ 2,768,851	\$ 2,831,833	\$ 2,845,921
Taxes levied for debt service	99,163	149,350	149,280	45,383	-	-	-	-	78,035	79,194
Unrestricted grants and contributions	223,030	291,260	277,649	66,030	81,716	103,951	3,667,492	3,640,995	5,030,304	3,929,687
State aid - restricted	57,047	59,021	78,886	70,919	78,837	53,999	756,220	669,523	330,739	322,605
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	20,902	3,551	591	740	-	40	1,889	2,188	2,493	2,494
Miscellaneous income	346,411	63,455	100,335	155,103	149,253	111,729	39,937	25,589	81,174	149,475
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>4,479,506</u>	<u>4,439,576</u>	<u>4,547,456</u>	<u>4,357,815</u>	<u>4,249,171</u>	<u>4,281,962</u>	<u>7,185,497</u>	<u>7,107,146</u>	<u>8,354,578</u>	<u>7,329,376</u>
Business-type activities:										
Investment earnings	-	8,840	730	844	310	262	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>8,840</u>	<u>730</u>	<u>844</u>	<u>310</u>	<u>262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 4,479,506</u>	<u>\$ 4,448,416</u>	<u>\$ 4,548,186</u>	<u>\$ 4,358,659</u>	<u>\$ 4,249,481</u>	<u>\$ 4,282,224</u>	<u>\$ 7,185,497</u>	<u>\$ 7,107,146</u>	<u>\$ 8,354,578</u>	<u>\$ 7,329,376</u>
Change in Net Assets/Position										
Governmental activities	402,441	134,316	207,895	138,373	6,265	(35,070)	149,409	339,041	2,051,952	1,042,534
Business-type activities	-	196,968	109,941	85,395	71,226	(21,540)	(16,677)	(15,567)	6,511	15,376
Total district	<u>\$ 402,441</u>	<u>\$ 331,284</u>	<u>\$ 317,836</u>	<u>\$ 223,768</u>	<u>\$ 77,491</u>	<u>\$ (56,610)</u>	<u>\$ 132,732</u>	<u>\$ 323,474</u>	<u>\$ 2,058,463</u>	<u>\$ 1,057,910</u>

BEVERLY CITY SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2008		2009		2010		2011		Fiscal Year Ending June 30,		2012		2013		2014		2015		2016		2017			
General Fund																								
Reserved	\$	130,686	\$	183,809	\$	313,242	\$	514,354	\$	609,483	\$	703,620	\$	1,371,379	\$	1,614,184	\$	2,174,144	\$	3,091,266				
Unreserved		258,564		355,204		387,905		296,905		245,565		242,559		(67,635)		(79,992)		(71,640)		(25,287)				
Total general fund	\$	<u>389,250</u>	\$	<u>539,013</u>	\$	<u>701,147</u>	\$	<u>811,259</u>	\$	<u>855,048</u>	\$	<u>946,179</u>	\$	<u>1,303,744</u>	\$	<u>1,534,192</u>	\$	<u>2,102,504</u>	\$	<u>3,065,979</u>				
All Other Governmental Funds																								
Reserved	\$	99,796	\$	5,985	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(167,384)	\$	(233,869)		
Unreserved, reported in:																								
Special revenue fund		-		-		-		-		-		-		-		-		-		-		-		
Capital projects fund		165,832		80,519		13,496		-		-		-		-		-		-		-		-		
Debt service fund		-		-		-		-		-		-		-		-		-		-		-		
Permanent fund		-		-		-		-		-		-		-		-		-		-		-		
Total all other governmental funds	\$	<u>265,628</u>	\$	<u>86,504</u>	\$	<u>13,496</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>(167,384)</u>	\$	<u>(233,869)</u>		

BEVERLY CITY SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax levy	3,832,116	4,022,289	4,089,995	4,065,023	3,939,365	4,012,243	2,719,959	2,768,851	2,909,868	2,925,115
Tuition charges	51,700	79,700	130,954	137,100	144,117	107,743	-	-	65,965	-
Interest earnings	20,902	3,551	591	740	-	40	1,889	2,188	2,493	2,494
Miscellaneous	244,711	3,101	1,381	18,003	5,136	3,986	40,657	25,589	15,209	149,475
State sources	559,435	508,673	497,333	286,917	363,281	445,603	4,432,481	4,391,802	5,484,808	4,442,000
Federal sources	57,047	59,021	78,886	70,919	78,837	53,999	344,010	352,239	345,104	386,809
Total revenue	4,765,911	4,676,335	4,799,140	4,578,702	4,530,736	4,623,614	7,538,996	7,540,669	8,823,447	7,905,893
Expenditures										
Instruction										
Regular Instruction	1,227,542	1,179,181	1,245,862	1,189,107	1,268,103	1,225,160	1,681,078	1,758,381	1,873,420	1,784,149
Special education instruction	130,033	244,326	250,424	302,575	393,262	306,228	416,758	369,920	423,556	407,407
Other special instruction	68,764	72,998	81,184	78,568	102,281	122,798	117,006	133,143	170,283	198,590
Support Services:										
Tuition	1,054,712	1,064,404	984,230	804,778	691,863	886,691	2,189,196	1,857,639	1,279,012	1,081,316
Student & inst. related services	196,847	182,584	198,413	213,352	208,023	164,838	99,394	109,811	168,457	202,394
General administration	127,431	120,072	133,957	132,716	133,846	128,399	217,921	218,018	209,900	190,880
School administrative services	72,778	72,917	75,887	77,057	78,339	73,385	20,460	18,341	18,813	20,061
Central services	74,593	78,434	82,949	81,526	68,584	78,454	140,943	142,852	156,260	174,640
Admin. information technology	3,723	2,926	3,028	3,074	2,615	3,186	13,292	13,824	14,376	14,952
Plant operations and maintenance	316,305	310,126	334,255	310,399	274,311	280,173	417,707	425,746	686,129	621,541
Pupil transportation	69,360	82,133	75,314	121,464	114,042	138,189	399,825	321,680	269,841	255,664
Other Support Services	167,406	276,234	253,007	301,520	298,351	312,466	718,776	619,725	645,775	678,410
Employee benefits	826,158	685,684	701,869	686,127	755,253	804,564	961,526	1,101,468	1,083,702	1,145,816
Special Schools	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	125,000	130,000	135,000	140,000	82,000	-	-	-	51,000	55,000
Interest and other charges	24,163	19,350	14,280	8,879	3,280	-	-	-	27,035	24,194
Capital outlay	249,748	184,327	108,355	30,944	12,794	7,952	28,671	937,967	1,670,111	153,889
Total expenditures	4,734,563	4,705,696	4,678,014	4,482,086	4,486,947	4,532,483	7,422,553	8,028,515	8,747,670	7,008,903
Excess (Deficiency) of revenues over (under) expenditures	31,348	(29,361)	121,126	96,616	43,789	91,131	116,443	(487,846)	75,777	896,990
Other Financing sources (uses)										
Transfers in	80,000	-	501	103,496	-	-	-	1,031,000	8	-
Transfers out	(30,000)	-	(32,501)	(103,496)	-	-	-	12,445	(8)	-
Total other financing sources (uses)	50,000	-	(32,000)	-	-	-	-	1,043,445	-	-
Net change in fund balances	81,348	(29,361)	89,126	96,616	43,789	91,131	116,443	555,599	75,777	896,990
Debt service as a percentage of noncapital expenditures	0.079	0.067	0.052	0.038	0.021	0.002	0.004	0.117	0.197	0.030

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

BEVERLY CITY SCHOOL DISTRICT
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Transportation Fees</u>	<u>Special Revenue Interfund</u>	<u>Refunds</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2008	12,128	-	8,915	-	-	19,063	40,106
2009	5,810	-	7,644	-	-	33,269	46,723
2010	1,619	-	-	-	-	17,252	18,871
2011	4,360	-	-	-	-	29,233	33,593
2012	668	-	-	-	-	10,187	10,855
2013	4,486	-	-	82,777	-	22,191	109,454
2014	1,889	-	-	-	3,171	37,486	42,546
2015	1,686	-	-	-	3,171	22,418	27,275
2016	2,485	-	-	-	-	15,209	17,694
2017	2,494	-	-	-	-	149,475	151,969

Source: District records

**BEVERLY CITY SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2008	906,100	75,458,000	4,436,900	2,130,200	400,000	83,331,200	90,800	83,422,000	151,158,917	3.103
2009	960,300	75,849,800	4,268,200	1,932,700	800,400	83,811,400	177,817	83,989,217	154,948,050	3.191
2010	851,300	76,204,300	4,128,100	1,932,700	800,400	83,916,800	96,041	84,012,841	149,985,344	3.215
2011	878,000	76,366,500	4,105,900	1,932,700	712,000	83,995,100	87,019	84,082,119	151,039,336	3.206
2012	1,157,900	111,855,100	5,939,400	2,419,900	960,800	122,333,100	109,860	122,442,960	130,814,824	2.219
2013	1,093,000	111,216,400	5,903,300	2,419,900	960,800	121,593,400	149,602	121,743,002	126,157,962	2.244
2014	1,105,500	110,371,900	6,049,100	2,419,900	960,800	120,907,200	126,223	121,033,423	117,961,711	2.288
2015	1,056,400	109,917,300	5,759,500	2,269,900	960,800	119,963,900	100	119,964,000	113,492,888	2.425
2016	991,700	109,065,000	5,580,900	3,757,900	952,700	120,348,200	100	120,348,300	117,741,157	2.430
2017	859,800	108,182,800	5,294,900	4,507,900	953,200	119,798,600	96	119,798,696	121,679,194	2.445

Source: Municipal Tax Assessor

BEVERLY CITY SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
UNAUDITED
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	BEVERLY CITY School District Direct		Overlapping Rates				Total Direct and Overlapping Tax Rate
	Local School	City Of Beverly	Burlington County	County Open Space	Fire District		
2008	3.103	1.422	0.629	0.072	0.159	5.385	
2009	3.191	1.444	0.706	0.075	0.159	5.575	
2010	3.215	1.542	0.731	0.077	0.159	5.724	
2011	3.206	1.700	0.609	0.072	0.162	5.749	
2012	2.219	1.217	0.405	0.043	0.114	3.998	
2013	2.244	1.367	0.377	0.016	0.116	4.120	
2014	2.288	1.406	0.356	0.015	0.119	4.184	
2015	2.425	1.445	0.354	0.038	0.127	4.389	
2016	2.430	1.472	0.360	0.039	0.138	4.439	
2017	2.445	1.507	0.371	0.041	0.138	4.502	

Source: Municipal Tax Collector

R = Reevaluation

* GASB requires that ten years of statistical data be presented, however in current year only the years above need to be presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

**BEVERLY CITY SCHOOL DISTRICT
Principal Property Taxpayers,
Current Year and Nine Years Ago
UNAUDITED**

	2017			2008		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ -		0.00%	\$ -		0.00%
Taxpayer 2	-		0.00%	-		0.00%
Taxpayer 3	-		0.00%	-		0.00%
Taxpayer 4	-		0.00%	-		0.00%
Taxpayer 5	-		0.00%	-		0.00%
Taxpayer 6	-		0.00%	-		0.00%
Taxpayer 7	-		0.00%	-		0.00%
Taxpayer 8	-		0.00%	-		0.00%
Taxpayer 9	-		0.00%	-		0.00%
Taxpayer 10	-		0.00%	-		0.00%
Total	\$ -		0.00%	\$ -		0.00%

Source: Municipal Tax Assessor

BEVERLY CITY SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years
UNAUDITED

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Current Tax Collections	Percentage of Levy	
2008	2,550,119	2,550,119	100.00%	-
2009	2,652,124	2,652,124	100.00%	-
2010	2,702,584	2,702,584	100.00%	-
2011	2,699,728	2,699,728	100.00%	-
2012	2,744,959	2,744,959	100.00%	-
2013	2,744,959	2,744,959	100.00%	-
2014	2,719,959	2,719,959	100.00%	-
2015	2,768,851	2,768,851	0.00%	-
2016	2,909,868	2,909,868	0.00%	-
2017	2,925,115	2,925,115	0.00%	-

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

BEVERLY CITY SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	Total District	Percentage of Personal Income	Per Capita
	Certificates of Participation	Capital Leases			
2008	-	102,755	102,755	-	-
2009	-	70,064	70,064	-	-
2010	-	35,836	35,836	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-

BEVERLY CITY SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
UNAUDITED

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		
2008	-	-	-	0.0000%	-
2009	-	-	-	0.0000%	-
2010	-	-	-	0.0000%	-
2011	-	-	-	0.0000%	-
2012	-	-	-	0.0000%	-
2013	-	-	-	0.0000%	-
2014	-	-	-	0.0000%	-
2015	1,031,000	-	1,031,000	0.0000%	-
2016	980,000	-	980,000	0.0000%	-
2017	925,000	-	925,000	0.0000%	-

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

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

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

BEVERLY CITY SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2017
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
County of Burlington	\$ -	0.000%	\$ -
Subtotal, overlapping debt			-
Total direct and overlapping debt			\$ -

Sources: Burlington County 2008 Abstract of Ratables, Beverly City, County of Burlington

**BEVERLY CITY SCHOOL DISTRICT
Legal Debt Margin Information,
Last Ten Fiscal Years
UNAUDITED**

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized valuation basis	
	2017	119,798,600
	2016	120,348,200
	2015	119,963,900
	[A]	<u>360,110,700</u>
	[A/3]	\$ 120,036,900
Debt limit (3% of average equalization value)	[B]	3,601,107 a
Total Net Debt Applicable to Limit	[C]	-
Legal debt margin	[B-C]	<u>\$ 3,601,107</u>

	Fiscal Year										
	2008	2009	2010	2011	2012	2013	2014	2015	2015	2016	2017
Debt limit	\$ 4,022,905	\$ 4,382,701	\$ 4,382,701	\$ 4,364,726	\$ 4,460,875	\$ 2,902,450	\$ 3,279,216	\$ 3,648,337	\$ 3,624,645	\$ 3,612,193	\$ 3,601,107
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 4,022,905	\$ 4,382,701	\$ 4,382,701	\$ 4,364,726	\$ 4,460,875	\$ 2,902,450	\$ -	\$ -	\$ 3,624,645	\$ 3,612,193	\$ 3,601,107
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.63%	0.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

BEVERLY CITY SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
UNAUDITED

Year	Population ^a	Burlington County	
		Per Capita Personal Income ^c	Unemployment Rate ^d
2008	2,569	47,722	11.6%
2009	2,572	47,569	19.1%
2010*	2,553	47,987	20.2%
2011	2,550	49,698	19.7%
2012	2,559	50,739	20.3%
2013	2,546	51,117	14.1%
2014	2,541	53,014	9.7%
2015	2,528	55,227	7.8%
2016	2,513	-	6.6%
2017	-	-	0.0%

Source:

* 2010 Census

^a Population information provided by the NJ Dept of Labor and Workforce Development^b Personal income estimated^c Per capita information provided by the US Department of Commerce, Bureau of Economic Analysis of Economic Analysis.^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**BEVERLY CITY SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago
UNAUDITED**

<u>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
Information not available						
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

Source:

BEVERLY CITY SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years
UNAUDITED

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction										
Regular	15.0	15.0	14.00	14.00	17.00	18.00	19.00	18.00	18.00	20.00
Special education	7.0	7.0	7.0	7.0	6.0	5.0	5.0	5.0	5.0	6.0
Other special education	5.0	5.0	4.0	4.0	3.0	5.0	5.0	6.0	6.0	5.0
Vocational										
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	7.0	5.0	11.0	11.0	14.0	13.5	11.5	12.0	12.0	13.0
School Administrative Services	2.0	2.0	3.0	3.0	6.0	2.0	1.5	1.5	1.5	2.0
General administration	2.0	2.0	3.0	3.0	3.0	3.5	4.5	4.5	4.5	4.5
Plant operations and maintenance	2.0	2.0	2.0	2.0	3.0	2.5	2.5	2.5	2.5	2.5
Pupil transportation										
Business & Other support services	2.0	3.0	5.0	5.0	3.0	5.0	5.0	5.0	5.0	5.0
Special Schools										
Food Service										
Child Care										
Total	42.0	41.0	49.0	49.0	55.0	54.5	48.0	54.5	54.5	58.0

Source: District Personnel Records

* GASB requires that ten years of statistical data be presented, however in current year only the years above need to be presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

**BEVERLY CITY SCHOOL DISTRICT
Operating Statistics,
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
							Elementary				
2008	220	6,750,407	30,684	-3.52%	22.00		10/1	220.1	201.9	-1.60%	91.73%
2009	219	6,437,662	29,396	-4.20%	23.00		10/1	221.1	207.4	0.50%	93.80%
2010	237	6,569,841	27,721	-5.70%	25.00		9.5/1	227.8	213.5	3.20%	93.72%
2011	298	6,668,780	22,378	-19.27%	25.00		12/1	251.6	215.4	11.10%	85.61%
2012	305	7,092,266	23,253	3.91%	27.00		11.3/1	295.5	277.2	20.40%	93.81%
2013	310	7,288,059	23,510	5.06%	27.00		11.3/1	308.0	289.0	4.50%	93.83%
2014	295	6,709,293	22,743	5.06%	29.00		9.6:1	289.8	271.2	-5.91%	93.58%
2015	295	6,779,229	22,980	5.06%	29.00		10.5/1	302.6	284.5	4.42%	94.02%
2016	291	6,563,796	22,556	0.00%	18.00		10.5/1	294.2	279.9	-2.78%	95.14%
2017	295	6,463,650	21,364	0.00%	31.00		9.5/1	303.8	287.8	3.26%	94.73%

Sources: District records

* GASB requires that ten years of statistical data be presented, however in current year only the years above need to be presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

**BEVERLY CITY SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
UNAUDITED**

	<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>
<u>District Building</u>										
<u>Elementary</u>										
BEVERLY CITY Elementary										
Square Feet	38,112	38,112	38,112	38,112	38,112	38,112	38,112	38,112	38,112	38,112
Capacity (students)	286	286	286	286	286	286	286	286	286	286
Enrollment	220	219	237	298	305	310	295	295	291	295

Number of Schools at June 30, 2017:

Elementary = 1

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the

**BEVERLY CITY SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 UNAUDITED**

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

* School Facilities Project # (s)	Beverly City Elementary School	Total
2008	31,954	31,954
2009	25,945	25,945
2010	45,160	45,160
2011	51,374	51,374
2012	45,836	45,836
2013	155,048	155,048
2014	70,171	70,171
2015	66,132	66,132
2016	69,084	69,084
2017	68,733	68,733
Total School Facilities	\$ 629,437	\$ 629,437

* School facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

BEVERLY CITY SCHOOL DISTRICT
Insurance Schedule
June 30, 2017
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Commercial package policy - SAIF		
Building, Contents, Extra Expense Valuable Papers	\$ 5,304,000	-
	(Blanket Aggregate)	
Liability (General & Auto	5,000,000	-
Automobile Liability	5,000,000	-
Crime	500,000	-
Student Accident - Bollinger	1,000,000	-
School board legal liability - SAIF	5,000,000	-
Worker's compensation - NJSBAIG	2,000,000	-
	Statutory Plus Supplement	-
Public Official Bonds - Selective Insurance Company:		
Treasurer of School Monies	200,000	
Board Secretary/Business Administration	175,000	
Excess Liability - SAIF	5,000,000	
Pollution Liability - SAIF	1,000,000	
Source: District Records		

SINGLE AUDIT SECTION

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

Honorable President and
Members of the Board of Education
Beverly City School District
County of Burlington
Beverly, New Jersey 08010

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Beverly City School District in the County of Burlington, 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 of the Beverly City School District basic financial statements, and have issued our report thereon dated November 21, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Beverly City School District in the County of Burlington, 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 on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Beverly City School District in the County of Burlington, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Beverly City School District's internal control.

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

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

Compliance and Other Matters

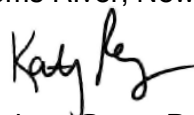
As part of obtaining reasonable assurance about whether the Beverly City School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

Purpose of this Report

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

Respectfully Submitted,

Jump, Perry and Company, L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

Toms River, New Jersey
November 21, 2017

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

Honorable President and
Members of the Board of Education
Beverly City School District
County of Burlington
Beverly, New Jersey 08010

Report on Compliance for Each Major Federal and State Program

We have audited Beverly City School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Beverly City School District's major federal and state programs for the year ended June 30, 2017. Beverly City School District'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 and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Beverly City School District'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 the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, the Uniform Guidance and the New Jersey OMB 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 Beverly City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, Beverly City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Beverly City School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Beverly City School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the 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 Uniform Guidance and the New Jersey OMB 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 Beverly City School District's internal control over compliance.

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

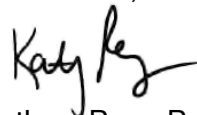
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

Purpose Report

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

Respectfully submitted,

Jump, Perry and Company, L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

Toms River, New Jersey
November 21, 2017

**BEVERLY CITY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
for the Fiscal Year ended June 30, 2017**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	Grant Period		Balance at June 30, 2016	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2017		
			From	To					Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education											
General Fund:											
Medical Assistance Program	ARRA 93.778	435	4/1/09	12/31/09	\$ -	\$ 435	\$ (435)	\$ -	\$ -	\$ -	\$ -
Impact Aid	84.041	30,495	7/1/16	6/30/17	-	30,495	(30,495)	-	-	-	-
					-	-	-	-	-	-	-
					-	30,930	(30,930)	-	-	-	-
U.S. Department of Agriculture											
Passed-through State Department of Education:											
Food Service Fund:											
Food Distribution Program	10.550	-	7/1/15	6/30/16	-	-	-	-	-	-	-
Food Distribution Program	10.550	17,968	7/1/16	6/30/17	-	17,968	(17,968)	-	-	-	-
National School Lunch Program	10.555	93,584	7/1/15	6/30/16	(14,533)	14,533	-	-	-	-	-
National School Lunch Program	10.555	120,666	7/1/16	6/30/17	-	102,132	(120,666)	-	(18,534)	-	-
National School Breakfast Program	10.553	35,235	7/1/15	6/30/16	(4,896)	4,896	-	-	-	-	-
National School Breakfast Program	10.553	30,918	7/1/16	6/30/17	-	30,437	(30,918)	-	(481)	-	-
Total Food Service Fund					(19,429)	169,966	(169,552)	-	(19,015)	-	-
U.S. Department of Education											
Passed-through State Department of Education											
Special Revenue Fund:											
I.D.E.A. Part B, Basic Regular	84.027	112,617	7/1/16	6/30/17	-	-	(112,617)	-	112,617	-	-
I.D.E.A. Part B, Preschool	84.027	3,162	7/1/16	6/30/17	-	-	(3,162)	-	3,162	-	-
Title I, Part A	84.010	176,398	7/1/16	6/30/17	-	-	(176,398)	-	176,398	-	-
Title II, Part A	84.168	30,428	7/1/16	6/30/17	-	-	(30,428)	-	30,428	-	-
Total Special Revenue Fund					-	-	(322,605)	-	322,605	-	-
					\$ (19,429)	\$ 200,896	\$ (523,087)	\$ -	\$ 303,590	\$ -	\$ -

See accompanying notes to schedules of expenditures.

BEVERLY CITY SCHOOL DISTRICT
Schedule of Expenditures of State Awards, Schedule B
for the Fiscal Year ended June 30, 2017

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2016			Balance at June 30, 2017			MEMO	
			From	To	Deferred Revenue (Accts Receivable)	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education												
General Fund:												
Transportation Aid	16-495-034-5120-014	196,255	7/1/15	6/30/16	\$ 19,313	\$ 19,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation Aid	17-495-034-5120-014	193,173	7/1/16	6/30/17	-	174,806	(193,173)	-	-	-	18,367	193,173
Special Education Aid	16-495-034-5120-012	167,839	7/1/15	6/30/16	16,516	16,516	-	-	-	-	-	-
Special Education Aid	17-495-034-5120-012	170,576	7/1/16	6/30/17	-	154,358	(170,576)	-	-	-	16,218	170,576
Equalization Aid	16-495-034-5120-078	2,397,552	7/1/15	6/30/16	235,935	235,935	-	-	-	-	-	-
Equalization Aid	17-495-034-5120-078	2,420,975	7/1/16	6/30/17	-	2,190,790	(2,420,975)	-	-	-	230,185	2,420,975
Extraordinary Aid	16-495-034-5120-044	29,899	7/1/15	6/30/16	(29,899)	29,899	-	-	-	-	-	-
Extraordinary Aid	17-495-034-5120-044	41,346	7/1/16	6/30/17	-	-	(41,346)	(41,346)	-	-	-	41,346
Security Aid	16-495-034-5120-084	86,245	7/1/15	6/30/16	8,487	8,487	-	-	-	-	-	-
Security Aid	17-495-034-5120-084	87,320	7/1/16	6/30/17	-	79,018	(87,320)	-	-	-	8,302	87,320
Adjustment Aid	16-495-034-5120-085	863,310	7/1/15	6/30/16	84,955	84,955	-	-	-	-	-	-
Adjustment Aid	17-495-034-5120-085	840,178	7/1/16	6/30/17	-	760,294	(840,178)	-	-	-	79,884	840,178
PARCC Readiness	16-495-034-5120-098	3,550	7/1/15	6/30/16	349	349	-	-	-	-	-	-
PARCC Readiness	17-495-034-5120-098	3,550	7/1/16	6/30/17	-	3,212	(3,550)	-	-	-	338	3,550
Per Pupil Growth Aid	16-495-034-5120-097	3,550	7/1/15	6/30/16	349	349	-	-	-	-	-	-
Per Pupil Growth Aid	17-495-034-5120-097	3,550	7/1/16	6/30/17	-	3,212	(3,550)	-	-	-	338	3,550
Professional Learning Community Aid	17-495-034-5120-101	2,980	7/1/16	6/30/17	-	2,697	(2,980)	-	-	-	283	-
Non-Public Transportation	16-495-034-5120-014	6,090	7/1/16	6/30/17	-	6,090	(6,090)	-	-	-	-	6,090
Non-Public Transportation	17-495-034-5120-014	6,786	7/1/16	6/30/17	-	-	(6,786)	(6,786)	-	-	-	6,786
On-Behalf TPAF Pension Contribution	17-100-034-5095-002	225,893	7/1/16	6/30/17	-	225,893	(225,893)	-	-	-	-	225,893
On-Behalf TPAF Post-Retirement Medical	17-100-034-5095-001	188,221	7/1/16	6/30/17	-	188,221	(188,221)	-	-	-	-	188,221
On-Behalf TPAF Long-Term Disability Insurance	17-100-034-5095-004	1,280	7/1/16	6/30/17	-	1,280	(1,280)	-	-	-	-	1,280
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	162,727	7/1/15	6/30/16	(8,006)	8,006	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	161,123	7/1/16	6/30/17	-	153,058	(161,123)	(8,065)	-	-	-	161,123
Total General Fund					327,999	4,346,738	(4,353,041)	(56,197)	-	-	353,915	4,350,061
Special Revenue Fund:												
Preschool Education Aid	17-495-034-5120-086	302,862	7/1/16	6/30/17	-	302,862	(302,862)	-	-	-	-	302,862
Total Special Revenue Fund					-	302,862	(302,862)	-	-	-	-	302,862
Capital Projects Fund												
ECFA Funding	-	-	7/1/16	6/30/17	-	-	-	-	-	-	-	-
Total Capital Projects Fund					-	-	-	-	-	-	-	-
Food Service Fund:												
National School Lunch Program (State Shared)	17-100-010-3360-067	1,813	7/1/16	6/30/17	-	1,332	(1,813)	(481)	-	-	-	-
National School Lunch Program (State Shared)	16-100-010-3360-067	1,813	7/1/15	6/30/16	(284)	284	-	-	-	-	-	-
Total Food Services Fund					(284)	1,616	(1,813)	(481)	-	-	-	-
Total State Financial Assistance for testing					\$ 327,715	\$ 4,651,216	\$ (4,657,716)	\$ (56,678)	\$ -	\$ -	\$ 353,915	\$ 4,652,923
State Financial Assistance Not Subject to Single Audit Determination					-	415,394	(415,394)	-	-	-	-	-
Total State Financial Assistance					\$ 327,715	\$ 4,235,822	\$ (4,242,322)	\$ (56,678)	\$ -	\$ -	\$ 353,915	\$ 4,652,923

See accompanying notes to schedules of expenditures.

Beverly City School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2017

1. General

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

2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements.

3. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 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.

Beverly City School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2017

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(213,903) for the general fund and \$- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 64,204	\$ 4,139,138	\$ 4,203,342
Special Revenue Fund	322,605	302,862	625,467
Capital Projects Fund	-	-	-
Food Service Fund	<u>169,552</u>	<u>1,813</u>	<u>171,365</u>
Total awards and financial assistance	<u>\$ 556,361</u>	<u>\$ 4,443,813</u>	<u>\$ 5,000,174</u>

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.

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2017.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 15-08.

Beverly City School District

Schedule of Findings and Questioned Cost

June 30, 2017

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to general-purpose financial statements noted? yes no

Federal Awards Section **N/A**

Internal Control over major programs:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a) of the Uniform Guidance? yes no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
----------------	------------------------------------

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

Auditee qualified as low-risk auditee? yes no

Beverly City School District
Schedule of Findings and Questioned Cost (continued)
June 30, 2017

Section I - Summary of Auditor's Results (continued)

State Awards Section

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

Auditee qualified as low-risk auditee? Yes

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

Internal Control over major programs:

- 1) Material weakness(es) identified? _____yes X no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? _____yes X none reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? _____yes X no

Identification of major programs:

GMIS Number(s)	Name of State Program
<u>State Aid-Public Cluster</u>	
495-034-5020-078	Equalization Aid
495-034-5020-085	Adjustment Aid
495-034-5020-089	Special Education Categorical Aid
495-034-5020-084	Security Aid
495-034-5120-098	PARCC Readiness
495-034-5120-097	Per Pupil Assessment Aid
495-034-5120-101	Professional Learning Comm Aid

Section II - Financial Statement Findings

No matters were reported for the period ended June 30, 2017.

Section III - State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2017.

Beverly City School District
Summary Schedule of Prior Audit Findings

June 30, 2017

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, the Uniform Guidance (section .315 (a)(b)) and New Jersey OMB's Circular 15-08.

No matters were reported for the period ended June 30, 2017.