

Northfield

Community School

"Children First"



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

**County of Atlantic
Northfield, New Jersey**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2017**

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2017

BOARD OF EDUCATION
OF THE
CITY OF NORTHFIELD
SCHOOL DISTRICT

County of Atlantic
Northfield, New Jersey

Prepared By
City of Northfield Board of Education
Finance Department

CITY OF NORTHFIELD SCHOOL DISTRICT

Table of Contents

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1 - 6
Organizational Chart	7
Roster of Officials	8
Consultants and Advisors	9
FINANCIAL SECTION	
Independent Auditors' Report	10 - 12
Required Supplementary Information - Part I	
Management's Discussion and Analysis	13 - 18
Basic Financial Statements	
A District-Wide Financial Statements	
A-1 Statement of Net Position	19
A-2 Statement of Activities	20
B Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	21 - 22
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	23
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
PROPRIETARY FUNDS	
B-4 Statement of Net Position	25
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	26
B-6 Statement of Cash Flows	27
FIDUCIARY FUNDS	
B-7 Statement of Fiduciary Net Position	28
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	29 - 53

CITY OF NORTHFIELD SCHOOL DISTRICT

Table of Contents (Continued)

PAGE

Required Supplementary Information - Part II

C Budgetary Comparison Schedules

C-1	Budgetary Comparison Schedule - General Fund	54 - 65
C-1a	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b	Budgetary Comparison Schedule - General Fund - Education Jobs Fund 18	N/A
C-2	Budgetary Comparison Schedule - Special Revenue Fund	66

Notes to the Required Supplementary Information

C-3	Budget to GAAP Reconciliation	67
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Required Supplementary Information - Part III

L-1	District's Proportionate Share of Net Pension Liability (PERS)	68
L-2	District's Contribution (PERS)	69
L-3	District's Proportionate Share of Net Pension Liability (TPAF)	70

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 Schedule of Program Revenues and Expenditures Special Revenue Fund - Budgetary Basis	71 - 72
E-2	Schedule(s) of Preschool Education Aid Expenditures - Preschool - All Programs - Budgetary Basis	N/A

F Capital Projects Fund

F-1	Summary Schedule of Project Expenditures	73
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	74
F-3	Schedule(s) of Project Revenues, Expenditures, Project Status - Budgetary Basis	75
F-4	Schedule of Bond Anticipation Notes	N/A

CITY OF NORTHFIELD SCHOOL DISTRICT

Table of Contents (Continued)

	PAGE
G Proprietary Funds	
Enterprise Fund	
G-1 Combining Statement of Net Position	76
G-2 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	77
G-3 Combining Statement of Cash Flows	78
Internal Service Fund	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H Fiduciary Funds	
H-1 Combining Statement of Fiduciary Net Position	79
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	80
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	81
I Long-Term Debt	
I-1 Schedule of Serial Bonds	82
I-2 Schedule of Obligations Under Capital Lease	83
I-3 Debt Service Fund Budgetary Comparison Schedule	84
STATISTICAL SECTION (Unaudited)	
Introduction to the Statistical Section	85
Financial Trends	
J-1 Net Position by Component	86
J-2 Changes in Net Position	87 - 89
J-3 Fund Balances - Governmental Funds	90
J-4 Changes in Fund Balances - Governmental Funds	91
J-5 General Fund Other Local Revenue by Source	92
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	93
J-7 Direct and Overlapping Property Tax Rates	94
J-8 Principal Property Taxpayers	95
J-9 Property Tax Levies and Collections	96

CITY OF NORTHFIELD SCHOOL DISTRICT

Table of Contents (Continued)

	PAGE
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	97
J-11 Ratios of General Bonded Debt Outstanding	98
J-12 Direct and Overlapping Governmental Activities Debt	99
J-13 Legal Debt Margin Information	100
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	101
J-15 Principal Employers	102
Operating Information	
J-16 Full-Time Equivalent District Employees by Function/Program	103
J-17 Operating Statistics	104
J-18 School Building Information	105
J-19 Schedule of Required Maintenance Expenditures by School Facility	106
J-20 Insurance Schedule	107
SINGLE AUDIT SECTION	
K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	108 - 109
K-2 Report on Compliance with For Each State Major Program and Report on Internal Control Over Compliance and on the Schedules of Expenditures of Federal Awards and State Financial Assistance	110 - 112
K-3 Schedule of Expenditures of Federal Awards - Schedule A	113
K-4 Schedule of Expenditures of State Financial Assistance - Schedule B	114
K-5 Notes to the Schedules of Awards and Financial Assistance	115 - 116
K-6 Schedule of Findings and Questioned Costs	117 - 120
K-7 Summary Schedule of Prior Audit Findings	121

INTRODUCTORY SECTION

Northfield Community School District

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District Website: www.ncs-nj.org

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Superintendent
Telephone: (609) 407-4000

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

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

September 29, 2017

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

Dear Board Members:

The Comprehensive Annual Financial Report of the City of Northfield School District (District) for the fiscal year ending June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the 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:

- The Introductory Section includes this transmittal letter, the District's organizational chart and a roster of officials.
- The Financial Section includes the Independent Auditors' Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section in which the District is required to undergo an annual single audit in conformity with provisions of the U.S. Office of Management and Budget Circular Title 2 U.S. Code of Federal Regulation part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and State of New Jersey OMB's Circular 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.

"Children First"

1) **REPORTING ENTITY AND ITS SERVICES:** The District is an independent reporting entity within the criteria set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The City of Northfield Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2016-2017 fiscal year with an enrollment of 920 students, which is 8 greater students than the previous year's enrollment. The following details the October 15th official count changes in the student enrollment of the District over the last ten years.

Year	Enrollment	Change
2016-17	920	0.88%
2015-16	912	(2.15%)
2014-15	932	(5.28%)
2013-14	984	(3.46%)
2012-13	1,018	(2.77%)
2011-12	1,047	(0.76%)
2010-11	1,055	(1.22%)
2009-10	1,068	(3.17%)
2008-09	1,103	2.61%
2007-08	1,075	(1.19%)

2) **ECONOMIC CONDITION AND OUTLOOK:** For the past ten years enrollments have been consistently declining which is believed to be a result of the difficult economy that surrounds the Atlantic City region. The 2016-17 school year was the first year in seven that saw an increase in enrollments. Atlantic County has lagged surrounding areas and the nation in economic recovery and the housing market continues to be slow. In a recent Standard & Poor's Rating for bonds sold, the county's high unemployment rate and participation in the Atlantic City region caused economic pressures given recent casino closures. However, the District received a bond rating of A+/Stable due to the fact that Northfield had a mature, primary residential local economy with good incomes, moderate debt burden, and the District maintained a strong total general fund balance on a GAAP basis of accounting, despite two consecutive drawdowns. Furthermore, the consequences of the economic downturn and legalized gambling in adjacent states was higher unemployment rates in the region, which includes Northfield. The decrease in housing requirements in Northfield of the casino industry continue to impact community services including schools, but may leveling as economic conditions are starting to improve.

3) **MAJOR INITIATIVES:** The 2016-17 school year started and maintained a high level of involvement, motivation and momentum by staff, students and parents and several new teachers and support staff were approved by the Board of Education.

Throughout the 2016-17 academic year, programs and activities which benefited all Northfield Community School students were sponsored by the district, the active Parent Teacher Organization (PTO), the Sports Booster Club, and the Northfield Board of Education. The level of parent participation continues to grow in Northfield. In addition, the quality of our staff is impressive, with one hundred percent of our teachers deemed highly qualified. In the 2016-17 school year a new 5 Year Strategic Plan was created by Board of Education members, staff, and community stakeholders. Goals for the next 5 years were identified and action plans were developed.

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

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

The 2017-18 budget was developed by the Administration, Board Finance Committee, and full Board of Education, and it was reviewed by the Atlantic County Superintendent of Schools' office. The 2017-18 general fund budget was increased by 0.83%, resulting in a tax increase of 2.30%, or 2.54 cents on the local school tax levy. The District debt service was decreased in the prior year, 2015-2016, which resulted in a permanent tax levy decrease. Another significant factor affecting the tax levy is the declining net valuation of taxable property in the City. Net valuation of taxable property has been declining since 2010 following the housing and subprime mortgage crisis.

State Aid remained the same as the prior year at \$3,908,678, representing the sixth consecutive year of significantly low or no State Aid increases followed by the very large decrease in the 2010-2011 budget year. State Aid still remains \$90,000 lower than the 2009-2010 school year.

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

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

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

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

Technology integration and developing 21st century skill is a high priority as well as preparing for PARCC testing. This budget provided funds for the continuation of technology infrastructure, continued development of a STEAM (Science, Technology, Engineering, Art, and Mathematics) programming, curriculum upgrades in the form of a new writing program and professional development of staff.

The 2017-2018 budget also provided funds for District maintenances of building and grounds. With funds made available through the District's recent sale of \$5,678,000 of Bonds, in conjunction with \$1,731,377 in approved New Jersey School Development Authority Grants, the District made major upgrades to the building's HVAC, roofing, exterior and interior doors with enhanced security features, lighting, and exterior improvements. This project has been part of the District's long term facilities plan developed by the Administration and the Board of Education to address building systems that were approaching useful life and to maintain a modern and well-functioning structure. The improvements began at the end of the 2014-15 school year and continued over the 2015-16 school year. The project was scheduled to be finalized in the 2016-17 school year, however, some issues remain and will be concluded 2017-2018.

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards 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 and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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.

7) **DEBT ADMINISTRATION:** At June 30, 2017, the District's outstanding debt issues included \$5,371,000 in Bonds, and \$50,641 for the lease of Network and HVAC upgrades and equipment.

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

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

10) **OTHER INFORMATION:** Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Accounting firm of Preziosi ~ Nicholson & Associates PA, CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of U.S. Office of Management and Budget Circular Title 2 U.S. Code of Federal Regulation part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

Pedro Bretones

Pedro Bretones
Superintendent of Schools

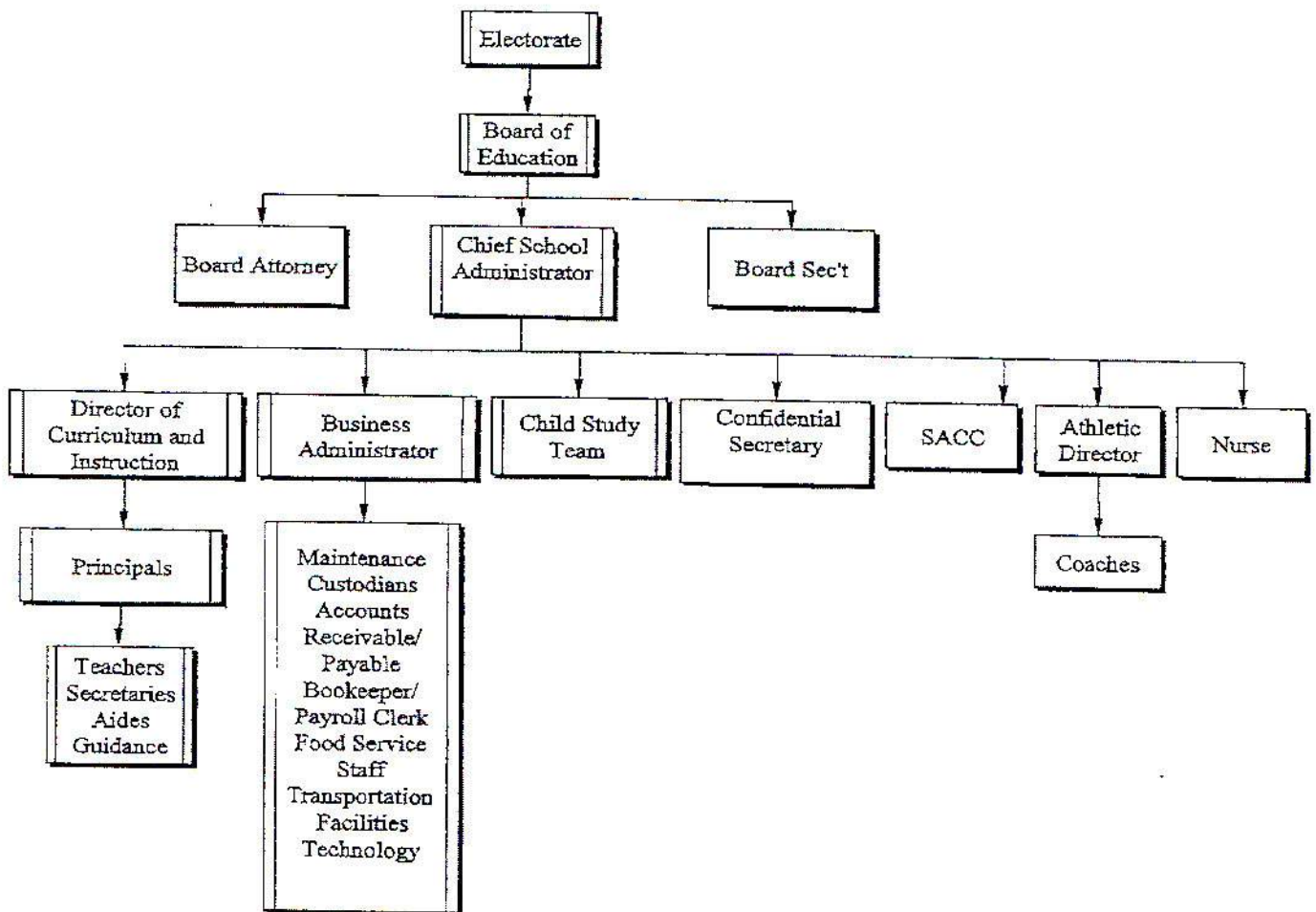
Linda Albright

Linda Albright
Business Administrator/

CITY OF NORTHFIELD SCHOOL DISTRICT

County of Atlantic
Northfield, New Jersey

ORGANIZATIONAL CHART



CITY OF NORTHFIELD SCHOOL DISTRICT

**County of Atlantic
Northfield, New Jersey**

ROSTER OF OFFICIALS

June 30, 2017

Members of the Board of Education		Term Expires
Deborah Levitt	President	2018
Stephanie Woodhouse	Vice-President	2017
Jon Barnhart	Board Member	2017
Mark Bruno	Board Member	2019
Angelic Delcher	Board Member	2018
Christopher Kennedy	Board Member	2017
Brad Levari	Board Member	2019
Kerrie Marrone	Board Member	2018
Zubair Syed	Board Member	2019

Other Officials

Pedro Bretones	Superintendent of Schools
Linda Albright	Business Administrator
Linda Albright	Treasurer

CITY OF NORTHFIELD SCHOOL DISTRICT

Consultants and Advisors

Architect

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Attorney

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Scarinci & Hollenbeck, LLC
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Lyndhurst, NJ 07071

Audit Firm

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Preziosi Nicholson & Associates, P.A.
Certified Public Accountants
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Continuing Disclosure Agent

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Official Depository

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Linwood, NJ 08221

FINANCIAL SECTION

PREZIOSI·NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

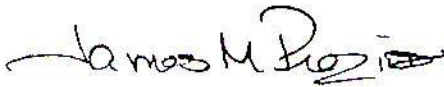
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated September 29, 2017 on our consideration of the City of Northfield School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Northfield School District's internal control over financial reporting and compliance.

Respectfully submitted,

PREZIOSI • NICHOLSON & ASSOCIATES

Certified Public Accountants



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

September 29, 2017
Millville, NJ

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

CITY OF NORTHFIELD SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017

This section of the City of Northfield School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements-and Management's Discussion and Analysis - for State and Local Governments. Certain comparative information is required to be presented.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended June 30, 2017 year include the following:

- Net Position for Governmental and Business-Type activities was \$9,519,919 and \$226,050 totaling \$9,745,969.
- Net Position for both activities decreased by \$30,206.
- The fund balance of the General Funds as of June 30, 2017 was \$1,766,652, an increase of \$119,033 when compared with the beginning balance of \$1,647,619.
- The District's outstanding bonded debt at June 30, 2017 is \$5,371,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplemental information, an optional section that presents combining statements for special revenue, capital projects, and fiduciary funds. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the government-wide statements.
 - a. The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
 - b. Proprietary funds statements offer short-term and long-term financial information about the activities that the District operates like businesses.
 - c. Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Table A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

CITY OF NORTHFIELD SCHOOL DISTRICT

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2017**

Table A-1 MAJOR FEATURES OF THE GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

	Government-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except Fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as regular and special education, building maintenance and transportation	Activities the District operates similar to private businesses: Food Service Fund, School Age Child Care	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities
Required Financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows	Statement of Net Position Statement of Changes in Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

CITY OF NORTHFIELD SCHOOL DISTRICT

Management's Discussion and Analysis (Continued) For the Fiscal Year Ended June 30, 2017

Government-wide Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position – the District's assets and deferred outflows of resources, less deferred inflows of resources and liabilities – is a measure of the District's financial health or position.

- Over a period of time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities should be considered.

In the government-wide financial statements the District's activities are shown in two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- *Business-type activities* – The district charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund and Community Program Fund are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on the most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

The District has three kinds of funds:

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

CITY OF NORTHFIELD SCHOOL DISTRICT

Management's Discussion and Analysis (Continued) For the Fiscal Year Ended June 30, 2017

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The Statement of Net Position reports all financial and capital resources. The difference between the District's assets and liabilities is its net position.

Summary of Net Position

	Governmental Activities		Business Activities	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Current and Other Assets	\$ 2,216,469	\$ 2,716,720	\$ 236,900	\$ 163,071
Capital Assets	16,771,649	16,649,437	49,037	59,322
Deferred Outflows	1,557,936	604,332		
Total Assets	20,546,054	19,970,489	285,937	222,393
Long-Term Liabilities	6,160,360	9,952,522		
Other Liabilities	139,076	267,297	59,886	48,993
Deferred Inflows	71,699	147,894		
Total Liabilities	6,371,135	10,367,713	59,886	48,993
Net Position				
Invested in Capital Assets	10,893,968	10,647,821	49,037	59,322
Restricted	2,233,431	2,672,502		
Unrestricted	(3,607,479)	(3,717,547)	177,013	114,079
Total Net Position	\$ 9,519,920	\$ 9,602,776	\$ 226,050	\$ 173,401

Summary of Changes in Net Position

	Governmental Activities		Business Activities		Total	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Revenues						
Program Revenue						
Charges for Services	\$ -	\$ -	\$ 443,057	\$ 423,452	\$ 443,057	\$ 423,452
Grants and Entitlements	6,563,456	5,137,252	139,757	134,383	6,703,213	5,271,635
General Revenues						
Property Taxes	9,663,514	10,136,778			9,663,514	10,136,778
Grants and Entitlements	3,293,236	4,685,591			3,293,236	4,685,591
Other	97,292	60,484	248	173	97,540	60,657
Total Revenues	19,617,498	20,020,105	583,062	558,008	20,200,560	20,578,113
Expenses						
Instruction	13,621,350	12,269,171			13,621,350	12,269,171
Support Services	5,425,769	5,084,353			5,425,769	5,084,353
Capital Outlay	16,481	71,029			16,481	71,029
Interest on Debt	123,721	134,995			123,721	134,995
Unallocated Depreciation	499,582	497,241			499,582	497,241
Charter School	13,454				13,454	-
Business-Type Activities			530,413	508,890	530,413	508,890
Transfers		16,318		(16,318)	-	-
Total Expenses	19,700,357	18,073,107	530,413	492,572	20,230,770	18,565,679
Change in Net Position	\$ (82,859)	\$ 1,946,998	\$ 52,649	\$ 65,436	\$ (30,210)	\$ 2,012,434

CITY OF NORTHFIELD SCHOOL DISTRICT

Management's Discussion and Analysis (Continued) For the Fiscal Year Ended June 30, 2017

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Fund Balances

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Change</u>
Restricted			
Capital Reserve	\$ 363,091	\$ 311,891	\$ 51,200
Capital Projects	359,049	\$ 915,095	(556,046)
Maintenance Reserve	252,000	242,000	10,000
Debt Service	4	3	1
Excess Surplus	1,195,809	1,200,071	(4,262)
Assigned			
Encumbrances	63,477	2,242	61,235
Unassigned			
General	(107,725)	(108,585)	860
Total	<u>\$ 2,125,705</u>	<u>\$ 2,562,717</u>	<u>\$ (437,012)</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

Revenues

	<u>Budget</u>		
	<u>Original</u>	<u>Revised</u>	<u>Actual</u>
General Fund	\$ 13,097,510	\$ 13,082,019	\$ 13,135,614
On-Behalf Non-Budgeted			
TPAF Pension Contribution			1,259,273
TPAF Social Security			494,602
	<u>\$ 13,097,510</u>	<u>\$ 13,082,019</u>	<u>\$ 14,889,489</u>

Expenditures

	<u>Budget</u>		
	<u>Original</u>	<u>Revised</u>	<u>Actual</u>
General Fund	\$ 13,759,251	\$ 13,661,491	\$ 13,012,639
On-Behalf Non-Budgeted			
TPAF Pension Contribution			1,259,273
TPAF Social Security			494,602
	<u>\$ 13,759,251</u>	<u>\$ 13,661,491</u>	<u>\$ 14,766,514</u>

CITY OF NORTHFIELD SCHOOL DISTRICT

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2017**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2017 the District had \$18,412,631 invested in land, building, and equipment. For more detailed information, please refer to the Notes to the Financial Statements.

	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total</u>	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Facilities and Improvements	\$ 17,284,253	\$ 17,284,253	\$ -	\$ -	\$ 17,284,253	\$ 17,284,253
Equipment	828,134	803,517	300,244	327,374	1,128,378	1,130,891
	<u>\$ 18,112,387</u>	<u>\$ 18,087,770</u>	<u>\$ 300,244</u>	<u>\$ 327,374</u>	<u>\$ 18,412,631</u>	<u>\$ 18,415,144</u>

Debt Administration

At the end of fiscal year 2017, the School District had \$5,877,680 of outstanding debt. Of this amount, \$456,039 is for compensated absences, \$48,312 is for capital leases, and \$5,371,000 is for general obligation bonds. Additional information on the District's long-term obligations can be found in the notes the basic financial statements of this report.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

CITY OF NORTHFIELD SCHOOL DISTRICT

Statement of Net Position
June 30, 2017

See Accompanying Notes to the Basic Financial Statements

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,418,001.16	\$ 185,917.62	\$ 1,603,918.78
Accounts Receivable	183,376.79	13,390.94	196,767.73
Inventory		16,786.50	16,786.50
Interfund		20,804.41	20,804.41
Restricted Cash and Cash Equivalents	615,090.93		615,090.93
Construction in Progress	6,825,069.59		6,825,069.59
Capital Assets, Net	9,946,578.86	49,037.00	9,995,615.86
Total Assets	18,988,117.33	285,936.47	19,274,053.80
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	1,557,936.00		1,557,936.00
Total Deferred Outflows of Resources	1,557,936.00	-	1,557,936.00
LIABILITIES			
Liabilities			
Accounts Payable	40,419.66	18,881.96	59,301.62
Accrued Interest	48,311.95		48,311.95
Interfund	20,804.41		20,804.41
Grantor Advances	29,539.81		29,539.81
Unearned Revenues		41,004.47	41,004.47
Noncurrent Liabilities			
Due Within One Year	705,640.72		705,640.72
Due Beyond One Year	5,172,039.25		5,172,039.25
Net Pension Liability	4,937,679.29		4,937,679.29
Total Liabilities	10,954,435.09	59,886.43	11,014,321.52
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	71,699.00		71,699.00
Total Deferred Inflows of Resources	71,699.00	-	71,699.00
NET POSITION			
Invested in Capital Assets, Net of Related Debt	10,893,968.48	49,037.00	10,943,005.48
Restricted For			
Debt Service	3.57		3.57
Capital Projects	722,140.07		722,140.07
Other Purposes	1,511,286.56		1,511,286.56
Unrestricted	(3,607,479.44)	177,013.04	(3,430,466.40)
Total Net Position	\$ 9,519,919.24	\$ 226,050.04	\$ 9,745,969.28

CITY OF NORTHFIELD SCHOOL DISTRICT
Statement of Activities
For The Fiscal Year Ended June 30, 2017

See Accompanying Notes to the Basic Financial Statements

Function/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
Instruction						
Regular	\$ 9,781,714.41	\$ -	\$ 3,592,713.77	\$ (6,189,000.64)	\$ -	\$ (6,189,000.64)
Special Education	3,395,988.26	-	1,723,540.39	(1,672,447.88)	-	(1,672,447.88)
School Sponsored Activities	51,816.38	-	-	(51,816.38)	-	(51,816.38)
Other Special	391,831.06	-	-	(391,831.06)	-	(391,831.06)
Support Services						
Tuition	131,929.60	-	-	(131,929.60)	-	(131,929.60)
Student and Instruction	1,963,855.05	-	666,669.41	(1,297,185.63)	-	(1,297,185.63)
General Administration	703,758.87	-	225,268.77	(478,490.10)	-	(478,490.10)
School Administrative	610,561.08	-	195,436.74	(415,124.33)	-	(415,124.33)
Central Services	273,670.18	-	-	(273,670.18)	-	(273,670.18)
Administrative Information Technology	172,796.90	-	-	(172,796.90)	-	(172,796.90)
Plant Operations and Maintenance	994,505.37	-	-	(994,505.37)	-	(994,505.37)
Pupil Transportation	207,078.22	-	14,004.00	(193,074.22)	-	(193,074.22)
Other Support Services						
Unallocated Benefits	367,614.29	-	-	(367,614.29)	-	(367,614.29)
Interest on Long-Term Debt	123,720.75	-	145,823.00	22,102.25	-	22,102.25
Capital Outlay	16,481.00	-	-	(16,481.00)	-	(16,481.00)
Unallocated Depreciation	499,582.00	-	-	(499,582.00)	-	(499,582.00)
Total Governmental Activities	19,686,903.42	-	6,563,456.08	(13,123,447.34)	-	(13,123,447.34)
Business-Type Activities						
Food Service	326,263.33	200,655.63	139,757.43	-	14,149.73	14,149.73
School Aged Child Care Program	204,149.59	242,401.25	-	-	38,251.66	38,251.66
Total Business-Type Activities	530,412.92	443,056.88	139,757.43	-	52,401.39	52,401.39
Total Primary Government	\$ 20,217,316.34	\$ 443,056.88	\$ 6,703,213.51	(13,123,447.34)	52,401.39	(13,071,045.95)
General Revenues						
Tax Levy						
Property Taxes Levied for General Purpose				9,090,632.00		9,090,632.00
Taxes Levied for Debt Service				572,882.00		572,882.00
Unrestricted Federal and State Aid				3,293,236.65		3,293,236.65
Investment Earnings				3,128.32	248.06	3,376.38
Other Income				94,165.95		94,165.95
Transfers				(13,454.00)		(13,454.00)
Total General Revenues And Transfers				13,040,590.92	248.06	13,040,838.98
Change in Net Position				(82,856.42)	52,649.45	(30,206.97)
Net Position, July 1				9,602,775.66	173,400.59	9,776,176.25
Net Position, June 30				\$ 9,519,919.24	\$ 226,050.04	\$ 9,745,969.28

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CITY OF NORTHFIELD SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2017

See Accompanying Notes to the Basic Financial Statements

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
ASSETS					
Cash and Cash Equivalents	\$ 1,122,712.33	\$ 11,542.06	\$ 283,743.20	\$ 3.57	\$ 1,418,001.16
Accounts Receivable					
Due From Other Governments	83,805.85	24,265.00	75,305.94		183,376.79
Restricted Cash and Cash Equivalents	615,090.93				615,090.93
Total Assets	\$ 1,821,609.11	\$ 35,807.06	\$ 359,049.14	\$ 3.57	\$ 2,216,468.88
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 37,365.46	\$ 3,054.20	\$ -	\$ -	\$ 40,419.66
Interfund Payable	17,591.36	3,213.05			20,804.41
Grantor Advances					
Federal		29,539.81			29,539.81
Total Liabilities	54,956.82	35,807.06	-	-	90,763.88
FUNDS BALANCES					
Restricted					
Capital Reserve	363,090.93				363,090.93
Maintenance Reserve	252,000.00				252,000.00
Capital Projects			359,049.14		359,049.14
Excess Surplus	1,195,809.11				1,195,809.11
Debt Service Fund				3.57	3.57
Assigned					
Excess Surplus					-
Other Purposes	63,477.45				63,477.45
Unassigned	(107,725.20)				(107,725.20)
Total Fund Balance	1,766,652.29	-	359,049.14	3.57	2,125,705.00
Total Liabilities and Fund Balances	\$ 1,821,609.11	\$ 35,807.06	\$ 359,049.14	\$ 3.57	\$ 2,216,468.88

CITY OF NORTHFIELD SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2017

Total Governmental Fund Balances	\$ 2,125,705.00
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds and consist of:	
Construction in Progress	6,825,069.59
Cost of Capital Assets	18,112,386.86
Accumulated Depreciation	(8,165,808.00)
Deferred Outflows related to pension contributions subsequent to the Net Position Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements	
	1,557,936.00
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements	
	(71,699.00)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the fund statements	
	(4,937,679.29)
The costs associated with the issuance of various bonds are expensed in the governmental funds in the year the bonds are issued, but are capitalized in the Statement of Net Assets	
	-
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. Long-Term liabilities consist of:	
Accrued Interest	(48,311.95)
Bond Payable	(5,371,000.00)
Capital Leases	(50,640.72)
Compensated Absences Payable	(456,039.25)
	(456,039.25)
Total Net Position - Governmental Activities	\$ 9,519,919.24

CITY OF NORTHFIELD SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenses and Changes in Fund Balances
For The Fiscal Year Ended June 30, 2017

See Accompanying Notes to the Basic Financial Statements

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
REVENUES					
Local Sources					
Local Tax Levy	\$ 9,090,632.00	\$ -	\$ -	\$ 572,882.00	\$ 9,663,514.00
Tuition Charges	9,932.75				9,932.75
Interest Earned	3,128.32				3,128.32
Miscellaneous	78,734.85	5,498.35			84,233.20
	9,182,427.92	5,498.35	-	572,882.00	9,760,808.27
Federal Sources		492,737.77			492,737.77
State Sources	5,703,119.96			145,823.00	5,848,942.96
Total Revenues	14,885,547.88	498,236.12	-	718,705.00	16,102,489.00
EXPENDITURES					
Current					
Regular Instruction	4,761,217.54	460,184.30			5,221,401.84
Special Education Instruction	1,811,904.22				1,811,904.22
School Sponsored Activities	51,816.38				51,816.38
Other Instruction	391,831.06				391,831.06
Support Services					
Tuition	131,929.60				131,929.60
Student and Instruction	1,009,748.40	38,051.82			1,047,800.22
General Administration	375,485.30				375,485.30
School Administrative	325,760.31				325,760.31
Central Services	273,670.18				273,670.18
Information Technology	172,796.90				172,796.90
Plant Operations and Maintenance	994,505.37				994,505.37
Pupil Transportation	207,078.22				207,078.22
Other Support Services					-
Employee Benefits	4,163,088.94				4,163,088.94
Debt Service					
Principal				530,000.00	530,000.00
Interest				188,704.22	188,704.22
Capital Outlay	82,228.52		556,045.81		638,274.33
Total Expenditures	14,753,060.94	498,236.12	556,045.81	718,704.22	16,526,047.09
Excess (Deficiency) of Revenues Over Expenditures	132,486.94	-	(556,045.81)	0.78	(423,558.09)
OTHER FINANCING SOURCES (USES)					
Transfer to Charter School	(13,454.00)				(13,454.00)
Total Other Financing Sources (Uses)	(13,454.00)	-	-	-	(13,454.00)
Net Changes in Fund Balance	119,032.94	-	(556,045.81)	0.78	(437,012.09)
Fund Balance, July 1	1,647,619.35	-	915,094.95	2.79	2,562,717.09
Fund Balance, June 30	\$ 1,766,652.29	\$ -	\$ 359,049.14	\$ 3.57	\$ 2,125,705.00

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

See Accompanying Notes to the Basic Financial Statements

Total Net Change in Fund Balances - Governmental Funds	(B-2)	\$ (437,012.09)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
<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 current fiscal year.</p>		
Depreciation Expense		(499,582.00)
Capital Outlay		638,274.33
Non-Depreciable Items		(16,481.00)
<p>Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.</p>		
Repayments of Bond Principle		530,000.00
Repayments of Capital Leases		49,975.99
<p>Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>		
Bond Proceeds		
Capital Lease Proceeds		
<p>In the statement of activities, pension expenses are measured by the liability accrued during the year. In the governmental funds, however, expenditures are reported in the amount of the financial resources used (paid).</p>		
		(367,614.29)
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).</p>		
(Increase) Decrease in Accrued Compensated Absences		(45,400.43)
<p>Bond issue costs are reported in the governmental fund as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.</p>		
<p>In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.</p>		
(Increase) Decrease in Accrued Interest		64,983.47
Change in Net Position of Governmental Activities		\$ (82,856.42)

PROPRIETARY FUNDS

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

See Accompanying Notes to the Basic Financial Statements

	Business Type Activities Enterprise Funds		Totals
	Food Service	School Aged Child Care	
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 22,171.27	\$ 163,746.35	\$ 185,917.62
Accounts Receivable	13,390.94	-	13,390.94
Interfund Receivable	-	25,534.81	25,534.81
Inventories	16,786.50	-	16,786.50
Total Current Assets	52,348.71	189,281.16	241,629.87
Noncurrent Assets			
Equipment	177,466.00	122,778.00	300,244.00
Less: Accumulated Depreciation	167,589.00	83,618.00	251,207.00
Total Noncurrent Assets	9,877.00	39,160.00	49,037.00
Total Assets	62,225.71	228,441.16	290,666.87
LIABILITIES			
Current Liabilities			
Accounts Payable	17,018.85	1,863.11	18,881.96
Unearned Revenue	-	41,004.47	41,004.47
Interfund Payable	4,730.40	-	4,730.40
Total Current Liabilities	21,749.25	42,867.58	64,616.83
NET POSITION			
Invested in Capital Assets Net of Related Debt	9,877.00	39,160.00	49,037.00
Unrestricted	30,599.46	146,413.58	177,013.04
Total Net Position	\$ 40,476.46	\$ 185,573.58	\$ 226,050.04

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

See Accompanying Notes to the Basic Financial Statements

	Business Type Activities Enterprise Funds		Totals
	Food Service	School Aged Child Care	
OPERATING REVENUES			
Charges For Services			
Daily Sales			
Reimbursable Programs	\$ 99,703.38	\$ -	\$ 99,703.38
Non-Reimbursable Programs	100,952.25		100,952.25
Program Revenue		242,401.25	242,401.25
Total Operating Revenue	<u>200,655.63</u>	<u>242,401.25</u>	<u>443,056.88</u>
OPERATING EXPENSES			
Instructor Costs		21,230.66	21,230.66
Cost of Sales	121,464.87		121,464.87
Salaries	123,742.85	132,586.09	256,328.94
Payroll Taxes	18,317.89	10,533.47	28,851.36
Employee Benefits	26,272.12	-	26,272.12
General Supplies	4,425.52	9,033.28	13,458.80
Depreciation	2,329.00	7,956.00	10,285.00
Management Fee	22,330.14		22,330.14
Other	7,380.94	22,810.09	30,191.03
Total Operating Expenses	<u>325,263.33</u>	<u>204,149.59</u>	<u>530,412.92</u>
Operating Income (Loss)	<u>(125,607.70)</u>	<u>38,251.66</u>	<u>(87,356.04)</u>
NONOPERATING REVENUES (EXPENSES)			
State Sources			
State School Lunch and Breakfast Program	2,727.78		2,727.78
Federal Sources			
National School Lunch and Breakfast Program	110,239.99		110,239.99
Food Distribution Program	26,789.66		26,789.66
Interest on Investments	44.06	204.00	248.06
Total Nonoperating Revenues (Expenses)	<u>139,801.49</u>	<u>204.00</u>	<u>140,005.49</u>
Income (Loss) Before Contributions and Transfers	14,193.79	38,455.66	52,649.45
Transfers In	-		-
Change in Net Position	14,193.79	38,455.66	52,649.45
Net Position, July 1	<u>25,282.67</u>	<u>147,117.92</u>	<u>173,400.59</u>
Net Position, June 30	<u>\$ 40,476.46</u>	<u>\$ 185,573.58</u>	<u>\$ 226,050.04</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For The Fiscal Year Ended June 30, 2017

See Accompanying Notes to the Basic Financial Statements

	Business Type Activities Enterprise Funds		Totals
	Food Service	School Aged Child Care	
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts From Customers and Other Funds	\$ 197,759.63	\$ 246,449.72	\$ 444,209.35
Payments to Employees	(123,742.85)	(132,586.09)	(256,328.94)
Payments to Suppliers	(200,737.20)	(52,279.20)	(253,016.40)
Net Cash Provided By (Used In) Operating Activities	<u>(126,720.42)</u>	<u>61,584.43</u>	<u>(65,135.99)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	2,720.24		2,720.24
Federal Sources	136,858.33		136,858.33
Operating Subsidies and Transfers	-	-	-
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>139,578.57</u>	<u>-</u>	<u>139,578.57</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	-	-	-
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	44.06	204.00	248.06
Net Cash Provided By (Used In) Investing Activities	<u>44.06</u>	<u>204.00</u>	<u>248.06</u>
Net Increase (Decrease) In Cash and Cash Equivalents	12,902.21	61,788.43	74,690.64
Cash and Cash Equivalents, July 1	9,269.06	101,957.92	111,226.98
Cash and Cash Equivalents, June 30	<u>\$ 22,171.27</u>	<u>\$ 163,746.35</u>	<u>\$ 185,917.62</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Operating Income (Loss)	\$ (125,607.70)	\$ 38,251.66	\$ (87,356.04)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Depreciation	2,329.00	7,956.00	10,285.00
(Increase) Decrease			
Accounts Receivable	(2,896.00)		(2,896.00)
Inventories	(10,258.30)		(10,258.30)
Other Current Assets			
Increase (Decrease)			
Accounts Payable	9,712.58	11,328.30	21,040.88
Accrued Expenses			
Unearned Revenue		4,048.47	4,048.47
Net Cash Provided By (Used In) Operating Activities	<u>\$ (126,720.42)</u>	<u>\$ 61,584.43</u>	<u>\$ (65,135.99)</u>

FIDUCIARY FUNDS

CITY OF NORTHFIELD SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2017

See Accompanying Notes to the Basic Financial Statements

	<u>Agency Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 103,977.98
Total Assets	<u>103,977.98</u>
LIABILITIES	
Accounts Payable	
Payroll Deductions	88,054.90
Interfund Payable	
Payable to Student Groups	<u>15,923.08</u>
Total Liabilities	<u>103,977.98</u>
NET POSITION	
Reserved	
Total Net Position	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

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

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

Reporting Entity

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

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

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

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

Government-Wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's general, special revenue, capital projects, and debt service are classified as Governmental Activities. The District's food service program is classified as Business-type Activities.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

In the Government-wide Statement of Net Position, both the Governmental and Business-type Activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts: invested in capital assets, net of related debt; restricted net position; and net position. The District first utilizes restricted resources to finance qualifying activities.

The Government-wide Statement of Activities reports both the gross and net costs of each of the District's functions and Business-type Activity. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student and instruction related services, etc.) or Business-type Activities. Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The net costs (by function or Business-type Activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. The government-wide financial statements do not include fiduciary activity.

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The District reports the following Governmental Funds:

Governmental Funds

The focus of the Governmental Funds' measurement (in the fund statements) is upon determination of financial position and change in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the District.

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

As required by the New Jersey State Department of Education, the District included budgeted capital outlays 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.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

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

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

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

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

Proprietary Funds

The focus of the Proprietary Funds' measurement is upon the determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The following is a description of the Proprietary Funds of the District:

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

The District reports the following major proprietary funds:

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

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

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

Fiduciary Funds

Fiduciary Funds are used to report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other Governments and therefore not available to support District programs. The reporting focus is on net position, changes in net position, and is reported using accounting principles similar to Proprietary Funds.

The emphasis in fund financial statements is on the major funds in either the Governmental or Business-type Activities categories. Non-major funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

The District's Fiduciary Funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the Government-wide statements.

The Fiduciary Funds include the Student Activity Fund, Payroll, and Payroll Agency Funds which are custodial in nature (assets equal liabilities) and not involve measurement of results of operations.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported on the financial statements. It also relates to the timing of the measurement made regardless of the measurement focus applied.

Both Governmental and Business-type Activities in the Government-wide financial statements and the Proprietary and Fiduciary Fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The Governmental Funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Proceeds of general obligation long-term debt, if any, is recognized when due.

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.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

For purposes of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

New Jersey School Districts are limited to the types of investments and types of financial institutions they may invest in. However, NJSA 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School Districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of 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.

NJSA 17:9-41 et seq. established the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks), and savings banks; the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Inventories

Inventories in the General Fund consist of expendable supplies held for the District's use and are carried at cost using first-in first-out method. Inventories in the Enterprise Fund are valued at cost, which approximates market, using first-in first-out method.

Capital Assets

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical costs or estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. Additions, improvements or other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs are maintenance are expensed as incurred. Depreciation on all assets is computed using the straight-line method over the estimated useful lives:

Asset Class	Estimated Useful
Land Improvements	10-20 Years
Building and Improvements	10-50 Years
Furniture and Equipment	5-20 Years
Vehicles	5-10 Years

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues

Substantially all Governmental Fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey State statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue based on GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met and are reported as advances by the provider and deferred revenue by the recipient.

Expenditures

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when items are used, rather than in the period purchased.

Compensated Absences

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

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

Interfund Receivables/Payables

Transfers between Governmental and Business-Type Activities on the District-wide statements are reported in the same manner as general revenues. 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 other non-operating revenues/expenses in the Enterprise Fund. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the Statement of Net Assets, except for amounts due between governmental and Business-type Activities or Governmental and Agency Funds, which are presented as internal balances.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office for approval and are approved as long as the District budget is within State mandated CAP's, there is no public vote on the budget. If the budget exceeds state mandated CAP's, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:23-2(g). Budget amendments/transfers of appropriations must be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. All budget amendments 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 projects appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The Capital Projects Fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the 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 one or more June state aid payments 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 grants accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognized 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.

Encumbrances

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

Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, Governmental Fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, which 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.

Allocation of Indirect Expenses

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

Extraordinary and Special Items

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 3 RESERVE ACCOUNT (CONTINUED)

Capital Reserve (continued)

A district may also appropriate additional amounts when the express approval of the voters has been obtained either by separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23 A-5.1(d) 7, the balance in the account cannot at any time exceed the support costs of uncompleted capital projects in its approved LRFP.

Maintenance Reserve

Maintenance reserve accounts may be established by New Jersey school districts for the accumulation of funds for the use of required maintenance of a facility. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the reserve accounts for the year is as follows:

Beginning Balance; July 1, 2016	\$	553,890.93
Deposits		
Interest Earned		1,200.00
Board Approval		100,000.00
Withdrawals		
Approved at Election		40,000.00
Ending Balance; June 30, 2017	\$	615,090.93

Allocation of Reserve Account at June 30, 2017:

Capital Reserve	\$	363,090.93
Maintenance Reserve		252,000.00
	\$	615,090.93

NOTE 4 CAPITAL ASSETS

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

	Beginning	Additions	Disposal	Ending
Governmental Activities				
Buildings and Improvements	\$ 17,284,252.77	\$ -	\$ -	\$ 17,284,252.77
Equipment	803,516.57	65,747.52	41,130.00	828,134.09
Total Historical Costs	18,087,769.34	65,747.52	41,130.00	18,112,386.86
Accumulated Depreciation	7,707,356.00	499,582.00	41,130.00	8,165,808.00
	\$ 10,380,413.34	\$ (433,834.48)	\$ -	\$ 9,946,578.86

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 4 CAPITAL ASSETS (CONTINUED)

	<u>Beginning</u>	<u>Additions</u>	<u>Disposal</u>	<u>Ending</u>
Business-Type Activities				
Buildings and Improvements	\$ -	\$ -	\$ -	\$ -
Equipment	327,374.00		27,130.00	300,244.00
Total Historical Costs	327,374.00	-	27,130.00	300,244.00
Accumulated Depreciation	268,052.00	10,285.00	27,130.00	251,207.00
	<u>\$ 59,322.00</u>	<u>\$ (10,285.00)</u>	<u>\$ -</u>	<u>\$ 49,037.00</u>

NOTE 5 LONG-TERM OBLIGATIONS

During the year ended June 30, 2017 the following changes occurred in long-term obligations:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Compensated Absences	\$ 410,638.82	\$ 45,400.43	\$ -	\$ 456,039.25
Capital Leases	100,616.31		49,975.59	50,640.72
Bonds	5,901,000.00		530,000.00	5,371,000.00
	<u>\$ 6,412,255.13</u>	<u>\$ 45,400.43</u>	<u>\$ 579,975.59</u>	<u>\$ 5,877,679.97</u>

Capital Leases Payable

The District is leasing equipment under the following capital leases:

	<u>Original Lease</u>	<u>Balance Due June 30, 2017</u>
Effective 7/19/13, lease purchase of network switches and HVAC. Lease is payable in 5 annual installments, which includes interest at a rate of 1.33% per annum. The first payment of principal only was due 12/01/13	\$ 257,351.00	\$ 50,640.72
	<u>\$ 257,351.00</u>	<u>\$ 50,640.72</u>

As of June 30, 2017, minimum lease payments in future years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2018	\$ 50,640.72	\$ 674.00	\$ 51,314.72

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (continued)

When an expenditure is incurred for purposes for which both Restricted and Unrestricted Fund balances are available, the District considers Restricted Funds to have been spent first. When an expenditure is incurred for which Committed, Assigned, or Unassigned Fund balance are available, the District considers amounts to have been spent first out of Committed Funds, then Assigned Funds, and finally Unassigned Funds, as needed.

Recent Accounting Pronouncements

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement, which is effective for fiscal periods beginning after June 15, 2017, the impact of this statement on the net position of the entity is anticipated to be significant.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81 "Irrevocable Split-Interest Agreements". This statement, which is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations". This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement 84, "Fiduciary Activities". This statement, which is effective for fiscal periods beginning after December 31, 2018, will not have any effect on the District's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 85, "Omnibus 2017". This statement, which is effective for fiscal periods beginning after December 31, 2018, will not have any effect on the District's financial reporting.

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86, "Certain Debt Extinguishment Issues". This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk Related to Deposits

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

As of June 30, 2017, the District's bank balances of \$2,482,698.18 were exposed to custodial credit risk as follows:

Insured FDIC	\$ 250,000.00
Uninsured but collateralized with bank – GUDPA	2,232,698.18
	\$ 2,482,698.18

Interest Rate Risk – The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, NJSA 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk – NJSA 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are: Bonds of the United States of America or of the District or the local units in which the District is located; obligations of Federal agencies not exceeding 397 days; Government Money Market Mutual Funds; the State of New Jersey Cash Management Plan; local Government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk – The District places no limit on the amount the District may invest in any one issuer.

NOTE 3 RESERVE ACCOUNT

Capital Reserve

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Bonds Payable

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

As of June 30, 2017, debt service requirements in future years are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 655,000.00	\$ 114,362.76	\$ 769,362.76
2019	660,000.00	99,140.26	759,140.26
2020	658,000.00	83,853.26	741,853.26
2021	600,000.00	69,856.26	669,856.26
2022	600,000.00	57,106.26	657,106.26
2023	575,000.00	44,621.85	619,621.85
2024	550,000.00	32,325.00	582,325.00
2025	550,000.00	19,606.25	569,606.25
2026	523,000.00	6,537.50	529,537.50
	<u>\$ 5,371,000.00</u>	<u>\$ 527,409.40</u>	<u>\$ 5,898,409.40</u>

Bonds Authorized But Not Issued

As of June 30, 2017, the Board has \$0 of bonds authorized but not issued.

Other

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the federal government based on the requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceed legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in Governmental Funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the Federal Government. Thus, rebatable arbitrage liabilities related to Governmental debt will be accrued as incurred at least annually (at fiscal year-end) on the District-wide financial statements.

Compensated Absences

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

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 6 PENSION PLANS

Description of Plans

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

Teacher's Pension and Annuity Fund (TPAF)

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

Public Employees' Retirement System (PERS)

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employees. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.78% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS.

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

Year of Funding	Amount
June 30, 2017	\$ 686,465
June 30, 2016	\$ 476,130
June 30, 2015	\$ 339,150

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 6 PENSION PLANS (CONTINUED)

Funding Policy (Continued)

Three Year Trend Information for PERS

<u>Year of Funding</u>	<u>Amount</u>
June 30, 2017	\$ 148,109
June 30, 2016	\$ 135,588
June 30, 2015	\$ 134,735

The State of New Jersey contributed the following amounts to the TPAF for post-retirement medical benefits and life insurance premiums on behalf of the Board:

<u>Year of Funding</u>	<u>Amount</u>
June 30, 2017	\$ 572,808
June 30, 2016	\$ 566,940
June 30, 2015	\$ 538,399

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

<u>Year of Funding</u>	<u>Amount</u>
June 30, 2017	\$ 494,602
June 30, 2016	\$ 476,603
June 30, 2015	\$ 471,172

The amounts contributed by the State of New Jersey listed above are not required to be budgeted, have been included in the financial statements, and the combining and individual fund account group statements and schedules as revenues and expenditures in accordance with GASB 27.

PERS and TPAF Vesting and Benefit Provisions

The vesting and benefits provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 6 PENSION PLANS (CONTINUED)

Public Employees' Retirement System

At June 30, 2017, the District reported a liability of \$4,937,679 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability is based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the District's proportion was 0.0167%.

For the year ended June 30, 2017, the District recognized pension expense of \$518,376 and reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 91,826	\$ -
Changes of Assumptions	1,022,823	
Net Differences Between Projected and Actual Earnings on Investments	188,278	
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	255,009	71,699
District's Subsequent Contribution	148,109	
Total	\$ 1,706,045	\$ 71,699

The amount of \$148,109, reported as deferred outflows of resources related to pensions, resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

June 30,	
2018	\$ 326,972
2019	326,972
2020	386,422
2021	312,110
2022	133,761
	\$ 1,486,237

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 6 PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions – The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016 using the following assumptions:

Inflation:	3.08%
Salary Increase:	
2015-2026	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. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male 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.

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.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	5.00%	0.87%
US Treasuries	1.55%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.10%	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%

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 6 PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. Based on those assumptions, the plan's fiduciary net position was projected to be available to make future benefit payments of current plan members through 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 due date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate – The following presents the collective net pension liability as of June 30, 2016, calculated using the discount rate disclosed above, as well as what the collective net pension liability would be if it were 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 Net Pension Liability	\$ 5,915,339	\$ 4,937,679	\$ 4,129,381

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

Teacher's Pension and Annuity Fund (TPAF)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the District employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployed contributing entity. Since the District (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the District.

For the year ended June 30, 2017, the District recognized pension expense of \$3,515,012 and revenue of \$3,515,012 for support provided by the State. The measurement period for the pension expense and revenue reported in the District's financial statements (A-2) at June 30, 2017 is based upon changes in the collective net pension liability with a measurement period of June 30, 2015 through June 30, 2016. Accordingly, the pension expense and the related revenue associated with the support provided by the State are based upon changes in the collective net pension liability between July 1, 2015 and June 30, 2016.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 6 PENSION PLANS (CONTINUED)

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

At June 30, 2017 the State's portion of the net pension liability that was associated with the District was \$46,781,937 as measured on June 30, 2016 and \$39,649,051 as measured on June 30, 2015.

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

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

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

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

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

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

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 6 PENSION PLANS (CONTINUED)

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

Discount Rate – The discount rate used to measure the State's total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plans investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at current member contribution rates and that contributions from employers (State of New Jersey) will be made based on an average of the last five years. Based on those assumption, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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 pay.

Sensitivity of the District's proportionate share of net pension liability to change in the discount rate – Since the District has no proportionate share in the net person liability of the special funding situation, the District would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pesion/pdf/financial/gasb68-tpaf15.pdf>.

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

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program ("DCRP") established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 45:15C-1 et seq.). The DCRP is a cost sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with tax-sheltered, defined contribution retirement benefits, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

NOTE 7 POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990,c.6 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 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 prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 7 POST-RETIREMENT BENEFITS (CONTINUED)

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

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP.

NOTE 8 DEFERRED COMPENSATION

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

NOTE 9 RISK MANAGEMENT

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

Property and Liability Insurance

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

New Jersey Unemployment Compensation Insurance

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

NOTE 10 INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$	\$ 17,591.36
Special Revenue Fund		3,213.05
Enterprise Fund	<u>20,804.41</u>	
Total	<u>\$ 20,804.41</u>	<u>\$ 20,804.41</u>

The interfund balance resulted from payments made by certain funds on behalf of other funds. The District expects to liquidate such interfunds.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 11 INVENTORY

Inventory in the Food Service Fund at June 30, 2017 consisted of the following:

Food	\$	2,025.00
Commodities		14,046.00
Supplies		<u>715.50</u>
	\$	<u>16,786.50</u>

The value of Federal donated commodities as reflected on Schedule A is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

NOTE 12 FUND BALANCES

Restricted

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

General Fund

For Excess Surplus - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7 as amended. New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess surplus balance at June 30, 2017 is \$1,195,809.11.

For Capital and Maintenance Reserve - At of June 30, 2017, the balance in the capital reserve account was \$363,090.93 and the balance in maintenance reserve account was \$252,000. These funds are restricted for future expenditures.

Debt Service Fund - The Debt Service Fund restricted fund balance at June 30, 2017 is \$3.57.

Assigned

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

General Fund

Other Purposes - At of June 30, 2017, the District had \$63,4770.45 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 12 FUND BALANCES (CONTINUED)

Unassigned

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

General Fund

The District has a deficit fund balance of \$107,725.20 in the General Fund as of June 30, 2017 as reported in the fund statements (modified accrual basis). P.L. 2004, c. 97 provides that in the event a state school aid payment is not made until the following school budget year, Districts must record the last payment as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the District cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the General Fund balance deficit does not alone indicate that the District is facing financial difficulties. Pursuant N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated General Fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered a violation of New Jersey statute and regulation nor in need of corrective action.

NOTE 13 DEFICIT UNRESTRICTED NET POSITION

The governmental activities have a deficit in unrestricted net position of \$3,607,479.44. This deficit is attributable to the allocation of compensated absences balances payable, accrued interest payable and net position liability to unrestricted net assets.

NOTE 14 SOLAR RENEWABLE ENERGY CERTIFICATES

Solar Renewable Energy Certificates (SREC) are accumulated for every megawatt-hour of solar electricity created. The SREC is sold separately from the electricity and represents the "solar" aspect of the electricity that was produced. The value of a SREC is determined by the market subject to supply and demand constraints.

All accumulated SREC's were sold by the District and the amount recorded as a receivable at year end was \$0.

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 15 CONTINGENT LIABILITIES

Federal and State Grants

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

General

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

NOTE 16 TAX ABATEMENTS

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 revenues because NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

NOTE 17 SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred as of September 29, 2017 the date that the financial statements were issued for possible disclosure and recognition in the financial statements and no items were noted for disclosure or adjustment.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

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

Fund Balance Reserves

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

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

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

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

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

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

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 9,090,632.00	\$ -	\$ 9,090,632.00	\$ 9,090,632.00	\$ -
Tuition				9,932.75	9,932.75
Interest Earned on Investments	1,200.00		1,200.00	1,928.32	1,928.32
Interest Earned on Capital Reserve Funds	37,000.00		37,000.00	1,200.00	-
Miscellaneous				78,734.85	41,734.85
Total Local Sources	9,128,832.00	-	9,128,832.00	9,182,427.92	53,595.92
State Sources					
Equalization Aid	3,230,115.00		3,230,115.00	3,230,115.00	-
Special Education Categorical Aid	597,038.00		597,038.00	597,038.00	-
Categorical Security Aid	28,076.00		28,076.00	28,076.00	-
Categorical Transportation Aid	14,004.00		14,004.00	14,004.00	-
Nonpublic Transportation Reimbursement		5,041.00	5,041.00	5,041.00	-
Extraordinary Special Education Aid	60,000.00	(20,532.00)	39,468.00	39,468.00	-
Professional Learning Community Aid	8,830.00		8,830.00	8,830.00	-
Under Adequacy Aid	11,295.00		11,295.00	11,295.00	-
PARCC Readiness Aid	9,660.00		9,660.00	9,660.00	-
Per Pupil Growth Aid	9,660.00		9,660.00	9,660.00	-
On-Behalf Payments Non-Budgeted					
TPAF Pension				686,465.00	686,465.00
TPAF Post Retirement Medical				572,808.00	572,808.00
TPAF Social Security				494,601.96	494,601.96
Total State Sources	3,968,678.00	(15,491.00)	3,953,187.00	5,707,061.96	1,753,874.96
Total Revenues	13,097,510.00	(15,491.00)	13,082,019.00	14,889,489.88	1,807,470.88

CITY OF NORTHFIELD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
Current Expense					
Regular Programs - Instruction					
Preschool - Salaries of Teachers					
Kindergarten - Salaries of Teachers	403,118.00	6,743.94	409,861.94	409,716.94	145.00
Grades 1-5 - Salaries of Teachers	2,160,312.00	(2,572.30)	2,157,739.70	2,157,739.70	-
Grades 6-8 - Salaries of Teachers	1,819,539.00	(1,493.66)	1,818,045.34	1,817,938.00	107.34
Regular Programs - Home Instruction					
Salaries of Teachers	5,000.00	(5,000.00)	-	-	-
Regular Programs - Undistributed Instruction:					
Other Purchased Services (400-500 series)	40,000.00	(9,741.59)	30,258.41	26,165.42	4,092.99
General Supplies	296,000.00	34,049.91	330,049.91	310,737.94	19,311.97
Textbooks	40,000.00	(5,662.55)	34,337.45	34,118.83	218.62
Other Objects	10,425.00	(918.15)	9,506.85	4,800.71	4,706.14
Total Regular Programs - Instruction	4,774,394.00	15,405.50	4,789,799.60	4,761,217.54	28,582.06
Multiple Disabilities					
Salaries of Teachers	171,268.00	2,488.00	173,756.00	173,755.95	0.05
Other Salaries for Instruction	208,028.00	76,509.00	284,537.00	284,536.94	0.06
General Supplies	5,000.00	(1,070.00)	3,930.00	3,848.08	81.92
Other Objects	500.00	(500.00)	-	-	-
Total Multiple Disabilities	384,796.00	77,427.00	462,223.00	462,140.97	82.03
Resource Room/Resource Center					
Salaries of Teachers	914,232.00	2,977.89	917,209.89	917,148.43	61.46
Other Salaries for Instruction	303,306.00	20,856.11	324,162.11	324,160.11	2.00
General Supplies	6,000.00	(1,320.00)	4,680.00	4,676.37	3.63
Other Objects					
Total Resource Room/Resource Center	1,223,538.00	22,514.00	1,246,052.00	1,245,984.91	67.09

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Autism					
Salaries of Teachers					
Other Salaries for Instruction					
General Supplies					
Other Objects					
Total Autism					
Preschool Disabilities - Part-Time					
Salaries of Teachers	49,171.00	4,177.41	53,348.41	52,748.97	599.44
Other Salaries for Instruction	51,580.00	(15,982.41)	35,597.59	35,234.09	363.50
General Supplies	1,500.00	(450.00)	1,050.00	990.28	59.72
Other Objects	200.00	(200.00)			
Total Preschool Disabilities - Part-Time	102,451.00	(12,455.00)	89,996.00	88,973.34	1,022.66
Home Instruction					
Salaries of Teachers	20,000.00	(5,195.00)	14,805.00	14,805.00	
Total Home Instruction	20,000.00	(5,195.00)	14,805.00	14,805.00	
Total Special Education - Instruction	1,730,785.00	82,291.00	1,813,076.00	1,811,904.22	1,171.78
Basic Skills/Remedial - Instruction					
Salaries of Teachers	363,049.00	(23,951.27)	339,097.73	339,058.13	39.60
Total Basic Skills/Remedial - Instruction	363,049.00	(23,951.27)	339,097.73	339,058.13	39.60
Bilingual Education - Instruction					
Salaries of Teachers	52,289.00	490.00	52,779.00	52,772.93	6.07
General Supplies					
Total Bilingual Education - Instruction	52,289.00	490.00	52,779.00	52,772.93	6.07

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Co curricular Activities - Instruction					
Salaries	20,791.00		20,791.00	16,018.90	4,772.10
Other Objects	1,500.00		1,500.00	586.28	913.72
Total School-Sponsored Co curricular Activities - Instruction	22,291.00		22,291.00	15,605.18	5,685.82
School-Sponsored Co curricular Athletics - Instruction					
Salaries	31,460.00		31,460.00	30,544.00	916.00
Purchased Services (300-500 series)	6,750.00		6,750.00	4,667.20	2,082.80
Total School-Sponsored Co curricular Athletics - Instruction	38,210.00		38,210.00	35,211.20	2,998.80
Total Instruction and At-Risk Programs	6,981,078.00	74,235.33	7,055,253.33	7,016,769.20	38,484.13
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular	266,302.00	(27,454.00)	238,848.00	127,259.60	111,588.40
Tuition to CSSD and Regional Day Schools	12,735.00		12,735.00	4,670.00	8,065.00
Tuition - Other					
Total Undistributed Expenditures - Instruction	279,037.00	(27,454.00)	251,583.00	131,929.60	119,653.40
Undistributed Expenditures - Attendance and Social Work					
Salaries					
Purchased Professional and Technical Services					
Total Undistributed Expenditures - Attendance and Social Work					
Undistributed Expenditures - Health Services					
Salaries	118,714.00	(3,515.00)	115,199.00	100,999.72	14,199.28
Other Purchased Services (400-500 series)					
Supplies and Materials	3,000.00	515.00	3,515.00	3,421.02	93.98
Total Undistributed Expenditures - Health Services	121,714.00	(3,000.00)	118,714.00	104,420.74	14,293.26

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Support Services - Students - Related Services					
Salaries	175,653.00	(3,357.00)	172,296.00	172,295.97	0.03
Purchased Professional - Educational Services	47,500.00	(17,572.00)	29,928.00	23,175.00	6,753.00
Supplies and Materials	3,900.00		3,900.00	3,582.66	317.34
Other Objects					
Total Support Services - Students - Related Services	227,053.00	(20,929.00)	206,124.00	199,053.63	7,070.37
Other Support Services - Students - Extraordinary					
Salaries	15,000.00		15,000.00	14,311.04	688.96
Purchased Professional - Educational Services					
Other Objects					
Total Support Services - Students - Extraordinary	15,000.00		15,000.00	14,311.04	688.96
Undistributed Expenditures - Guidance Services					
Salaries of Other Professional Staff	140,071.00	2,484.50	142,555.50	142,555.50	
Supplies and Materials	1,500.00		1,500.00	1,196.76	303.24
Total Undistributed Expenditures - Guidance Services	141,571.00	2,484.50	144,055.50	143,752.26	303.24
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	243,374.00	(6,299.39)	237,074.61	214,120.37	22,954.24
Salaries of Secretarial and Clerical Assistants	55,288.00	839.89	56,127.89	56,127.89	
Purchased Professional - Educational Services	1,500.00		1,500.00	800.00	700.00
Other Purchased Professional and Technical Services	10,000.00		10,000.00	9,515.00	485.00
Miscellaneous Purchased Services	100.00		100.00	36.58	63.42
Supplies and Materials	5,000.00	1,328.64	6,328.64	4,802.99	1,525.65
Other Objects					
Total Undistributed Expenditures - Child Study Teams	315,262.00	(4,130.86)	311,131.14	285,402.83	25,728.31

CITY OF NORTHFIELD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Support Services - General Administration					
Salaries	192,435.00	(9,795.00)	182,640.00	182,639.88	0.12
Legal Services	45,000.00	45,155.16	90,155.16	90,155.16	-
Audit Fees	14,500.00	(300.00)	14,200.00	14,200.00	-
Architectural/Engineering Services					
Other Purchased Professional Services	13,500.00		13,500.00	12,010.88	1,489.12
Purchased Technical Services	4,750.00	161.10	4,911.10	4,911.10	-
Communications/Telephone	35,000.00	(716.10)	34,283.90	24,095.45	10,188.45
Miscellaneous Purchased Services (400-500 Series Other Than 530/585)	30,000.00	500.00	30,500.00	30,356.15	143.85
General Supplies	7,000.00		7,000.00	4,294.70	2,705.30
Judgements Against the School					
Miscellaneous Expenditures	7,500.00	(64.45)	7,435.55	4,989.53	2,446.02
Board of Education Membership Dues and Fees	7,768.00	64.45	7,832.45	7,832.45	-
Total Undistributed Expenditures - Support Services - General Administration	357,453.00	35,005.16	392,458.16	375,485.30	16,972.86
Undistributed Expenditures - Support Services - School Administration					
Salaries of Principals/Assistant Principals/Program Directors	223,403.00	(859.00)	222,544.00	208,969.73	13,574.27
Salaries of Secretarial and Clerical Assistants	103,847.00	859.00	104,706.00	104,052.27	653.73
Other Purchased Services (400-500 series)					
Supplies and Materials	10,500.00		10,500.00	9,990.11	509.89
Other Objects	5,172.00		5,172.00	2,748.20	2,423.80
Total Undistributed Expenditures - Support Services - School Administration	342,922.00	-	342,922.00	325,760.31	17,161.69

CITY OF NORTHFIELD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Central Services					
Salaries	240,281.00	13,550.00	253,831.00	253,273.58	557.42
Purchased Professional Services	2,100.00	4,150.00	6,250.00	5,835.00	415.00
Purchased Technical Services	9,552.00		9,552.00	9,360.96	191.04
Miscellaneous Purchased Services (400-500 Series)	7,500.00	(5,700.00)	1,800.00	850.42	949.58
Supplies and Materials	3,500.00		3,500.00	2,744.11	755.89
Interest on Bond Anticipation Notes					
Miscellaneous Expenditures	2,500.00		2,500.00	1,606.11	893.89
Total Undistributed Expenditures - Central Services	265,433.00	12,000.00	277,433.00	273,670.18	3,762.82
Undistributed Expenditures - Administration Information Technology					
Salaries	75,748.00		75,748.00	75,383.86	364.14
Purchased Technical Services		5,350.00	5,350.00	1,250.00	4,100.00
Other Purchased Services (400-500 series)	25,658.00		25,658.00	25,657.36	0.64
Supplies and Materials	17,000.00	(7,962.03)	9,037.97	7,458.57	1,579.40
Other Objects	50,000.00	13,048.00	63,048.00	63,047.11	0.89
Total Undistributed Expenditures - Administration Information Technology	168,406.00	10,435.97	178,841.97	172,796.90	6,045.07
Undistributed Expenditures - Required Maintenance for School Facilities					
Salaries	97,062.00	6,617.65	103,679.65	103,679.65	-
Cleaning, Repair, and Maintenance Services	150,000.00	(37,148.14)	112,851.86	50,912.99	61,938.87
General Supplies	50,000.00	35.67	50,035.67	42,497.81	7,537.86
Total Undistributed Expenditures - Required Maintenance for School Facilities	297,062.00	(30,494.82)	266,567.18	197,090.45	69,476.73

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Custodial Services					
Salaries	338,726.00	(1,362.00)	337,364.00	320,449.08	16,914.92
Salaries of Non-Instructional Aides	24,334.00		24,334.00	22,684.17	1,649.83
Other Purchased Property Services	33,158.00		33,158.00	32,040.64	1,117.36
Insurance	54,335.00		54,335.00	53,496.00	839.00
Miscellaneous Purchased Services	1,500.00	1,500.00	3,000.00	2,250.00	750.00
General Supplies	40,000.00	(1,500.00)	38,500.00	25,622.26	12,877.74
Energy - Gas	90,000.00	(20,000.00)	70,000.00	48,953.81	21,046.19
Energy - Electricity	310,000.00	(12,080.73)	297,919.27	262,807.07	35,112.20
Total Undistributed Expenditures - Custodial Services	892,053.00	(33,442.73)	858,610.27	768,303.03	90,307.24
Undistributed Expenditures - Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	23,000.00	(833.89)	22,166.11	12,640.00	9,526.11
Other Objects					
Total Undistributed Expenditures - Care and Upkeep of Grounds	23,000.00	(833.89)	22,166.11	12,640.00	9,526.11
Undistributed Expenditures - Security					
Salaries	14,278.00	2,193.89	16,471.89	16,471.89	-
Other Objects					
Total Undistributed Expenditures - Security	14,278.00	2,193.89	16,471.89	16,471.89	-
Total Undistributed Expenditures - Operations & Maintenance Of Plant	1,226,393.00	(62,577.55)	1,163,815.45	994,505.37	169,310.08

CITY OF NORTHFIELD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Student Transportation Services					
Contracted Services - Aid In Lieu of Payment for Non-Public Students	15,912.00	1,768.00	17,680.00	17,660.00	3,370.00
Contracted Services (Other than Between Home and School)-Vendors	12,000.00		12,000.00	8,630.00	8,138.88
Contracted Services - (Between Home and School) - Joint Agreements	9,500.00	1,450.00	10,950.00	2,811.12	6,782.00
Contracted Services - (Special Education Students) - Vendors	20,000.00	(13,218.00)	6,782.00		
Contracted Services - (Special Education Students) - Joint Agreements	200,000.00		200,000.00	177,957.10	22,042.90
Total Undistributed Expenditures - Student Transportation Services	257,412.00	(10,000.00)	247,412.00	207,078.22	40,333.78
Unallocated Benefits					
Group Insurance					
Social Security Contributions	170,000.00	(1,657.46)	168,342.54	162,250.68	6,091.86
Other Retirement Contributions - PERS	155,000.00		155,000.00	153,908.02	1,091.98
Other Retirement Contributions - Regular	30,000.00		30,000.00	16,930.70	13,069.30
Unemployment Compensation	35,000.00	1,657.46	36,657.46	36,657.46	
Workmen's Compensation	74,000.00	(300.00)	73,700.00	72,707.00	993.00
Health Benefits	2,150,000.00	(163,751.50)	1,986,248.50	1,869,798.15	116,450.35
Tuition Reimbursement	23,000.00	2,000.00	25,000.00	25,000.00	
Other Employee Benefits	30,000.00	2,651.50	32,651.50	30,561.97	2,089.53
Unused Sick Payments	24,000.00	17,400.00	41,400.00	41,400.00	
Total Unallocated Benefits	2,691,000.00	(142,000.00)	2,549,000.00	2,409,213.98	139,786.02
On-Behalf Contributions					
TPAF Pension (On-Behalf Non-Budgeted)				686,465.00	(686,465.00)
TPAF Post Retirement Medical (On-Behalf Non-Budgeted)				572,808.00	(572,808.00)
TPAF Social Security (Reimbursed Non-Budgeted)				494,601.96	(494,601.96)
Total On-Behalf Contributions				1,753,874.96	(1,753,874.96)
Total Personal Services - Employee Benefits	2,691,000.00	(142,000.00)	2,549,000.00	4,163,088.94	(1,614,088.94)
Total Undistributed Expenditures	6,681,033.00	(206,893.78)	6,474,139.22	7,654,063.22	(1,179,924.00)
Total Current Expense	13,862,051.00	(132,658.45)	13,529,392.55	14,670,832.42	(1,141,439.87)

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital Outlay					
Equipment					
Regular Programs - Instruction					
Equipment Grades 1-5	15,000.00		15,000.00	15,000.00	-
Equipment Grades 6-8					
Undistributed Expenditures					
Instructional Equipment		19,482.49	19,482.49	19,482.49	-
Support Services - General Administration	31,000.00	1,962.03	32,962.03	32,962.03	-
Equipment - Technology	30,000.00		30,000.00	14,784.00	15,216.00
Required Maintenance for School Facility					
Non-Instructional Equipment					
Total Equipment	76,000.00	21,444.52	97,444.52	82,228.52	15,216.00
Facilities Acquisition and Construction Services					
Total Facilities Acquisition and Construction Services					
Assets Acquired Under Capital Leases (Non-Budgeted)					
Assets Acquired Under Capital Leases (non-budgeted)					
Total Capital Outlay	76,000.00	21,444.52	97,444.52	82,228.52	15,216.00
Transfer of Funds to Charter Schools		13,454.00	13,454.00	13,454.00	-
TOTAL EXPENDITURES	13,738,051.00	(97,759.93)	13,640,291.07	14,766,514.94	(1,126,223.87)
Excess (Deficiency) of Revenues Over(Under) Expenditures	(640,541.00)	82,268.93	(558,272.07)	122,974.94	681,247.01

CITY OF NORTHFIELD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources (Uses)					
Operating Transfer In (Out)					
Transfer to Capital Reserve	(1,200.00)		(1,200.00)		1,200.00
Transfer to Food Service Fund - Board Contribution	(20,000.00)		(20,000.00)		20,000.00
Capital Leases (non-budgeted)					
Total Other Financing Sources (Uses)	<u>(21,200.00)</u>		<u>(21,200.00)</u>		<u>21,200.00</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(661,741.00)	82,268.93	(579,472.07)	122,974.94	702,447.01
Fund Balance, July 1	2,016,696.35		2,016,696.35	2,016,696.35	
Fund Balance, June 30	<u>\$ 1,354,955.35</u>	<u>\$ 82,268.93</u>	<u>\$ 1,437,224.28</u>	<u>\$ 2,139,671.29</u>	<u>\$ 702,447.01</u>
Recapitulation					
Restricted Fund Balance				\$ 363,090.93	
Capital Reserve				252,000.00	
Maintenance Reserve					
Excess Surplus					
Designated for Subsequent Year's Expenditures Current Year				578,332.48	
Assigned Fund Balance				617,476.63	
Designated for Subsequent Year's Expenditures					
Reserve for Encumbrances				63,477.45	
Unassigned Fund Balance				<u>265,293.80</u>	
Reconciliation to Governmental Funds Statements (GAAP)				2,139,671.29	
Last State Aid Payment Not Recognized on GAAP Basis				<u>(373,019.00)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 1,766,652.29</u>	

CITY OF NORTHFIELD SCHOOL DISTRICT
 Special Revenue Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ -	\$ 10,700.00	\$ 10,700.00	\$ 5,498.35	\$ (5,201.65)
State Sources					
Federal Sources	387,696.00	125,315.00	513,011.00	513,011.00	-
Total Revenues	<u>387,696.00</u>	<u>136,015.00</u>	<u>523,711.00</u>	<u>518,509.35</u>	<u>(5,201.65)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	155,760.00	93,270.50	249,030.50	249,030.50	-
Supplies and Materials	11,616.00	20,384.45	32,000.45	32,000.45	-
Tuition	200,954.00	(27,299.00)	173,655.00	173,655.00	-
Other Objects		10,700.00	10,700.00	5,498.35	5,201.65
Total Instruction	<u>368,330.00</u>	<u>97,055.95</u>	<u>465,385.95</u>	<u>460,184.30</u>	<u>5,201.65</u>
Support Services					
Program Administration		1,008.00	1,008.00	1,008.00	-
Personal Services - Employee Benefits	19,366.00	36,750.16	36,750.16	36,750.16	-
Purchased Professional and Technical Services		(798.50)	18,567.50	18,567.50	-
Purchased Educational Services					
Other Objects		1,999.39	1,999.39	1,999.39	-
Total Support Services	<u>19,366.00</u>	<u>38,959.05</u>	<u>58,325.05</u>	<u>58,325.05</u>	<u>-</u>
Facilities Acquisition					
Building Renovations					
Total Facilities Acquisition	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>387,696.00</u>	<u>136,015.00</u>	<u>523,711.00</u>	<u>518,509.35</u>	<u>5,201.65</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF NORTHFIELD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For The Fiscal Year Ended June 30, 2017

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (Budgetary Basis) revenue from the Budgetary Comparison Schedule	\$ 14,889,489.88	\$ 518,509.35
Difference - Budget to GAAP		
Grant accounting Budgetary Basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		
Encumbrances		
June 30, 2016		4,064.93
June 30, 2017		(24,338.16)
State Aid payment recognized for budgetary purposes, not recognized for GAAP purposes.		
State Aid Payment		
June 30, 2016	369,077.00	
June 30, 2017	(373,019.00)	
Total revenues as reported on the Statements of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 14,885,547.88	\$ 498,236.12
Uses/Outflows of Resources		
Actual amounts (Budgetary Basis) total outflows from the Budgetary Comparison Schedule	\$ 14,766,514.94	\$ 518,509.35
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are recorded in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Encumbrances		
June 30, 2016		4,064.93
June 30, 2017		(24,338.16)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	\$ 14,766,514.94	\$ 498,236.12

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

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

	Measurement Date Ending June 30,			
	2016	2015	2014	2013
School District's Proportion of the Net Pension Liability	0.0166716998%	0.0157709648%	0.0163436872%	0.0152836260%
School District's Proportionate Share of the Net Pension Liability	\$ 4,937,679.29	\$ 3,540,265.57	\$ 3,059,985.24	\$ 2,921,004.60
School District's Covered Employee Payroll	\$ 2,486,765.81	\$ 2,473,397.29	\$ 2,440,473.17	\$ 2,217,266.16
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	198.56%	143.13%	125.38%	131.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.13%	47.93%	52.08%	52.08%

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

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

	2016	Measurement Date Ending June 30,		2013
		2015	2014	
Contractually Required Contribution	\$ 148,109.00	\$ 135,588.00	\$ 134,735.00	\$ 124,089.00
Contributions in Relation to the Required Contribution	(148,109.00)	(135,588.00)	(134,735.00)	(124,089.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Employee Payroll	\$ 2,486,765.81	\$ 2,473,397.29	\$ 2,440,473.17	\$ 2,217,266.16
Contributions as a Percentage of Covered Employee Payroll	5.96%	5.48%	5.52%	5.60%

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

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

	Measurement Date Ending June 30,			
	2016	2015	2014	2013
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School Debt	100.00%	100.00%	100.00%	100.00%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate of the Net Pension Liability Associated with the School Debt	46,781,937.00	39,649,051.00	34,084,659.00	31,883,506.00
	<u>\$46,781,937.00</u>	<u>\$39,649,051.00</u>	<u>\$34,084,659.00</u>	<u>\$31,883,506.00</u>
School District's Covered Employee Payroll	\$ 6,632,902.54	\$ 6,381,729.39	\$ 6,158,582.81	\$ 5,887,285.89
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	705.30%	621.29%	553.45%	541.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.64%

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

OTHER SUPPLEMENTARY INFORMATION

SCHOOL BASED BUDGET SCHEDULES

SPECIAL REVENUE FUND

CITY OF NORTHFIELD SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures
 Budgetary Basis
 For The Fiscal Year Ended June 30, 2017

	Federal	State	Other	Total
REVENUES				
Federal Sources	\$ 513,011.00	\$ -	\$ -	\$ 513,011.00
State Sources				
Local Sources			5,498.35	5,498.35
Total Revenues	\$ 513,011.00	\$ -	\$ 5,498.35	\$ 518,509.35
EXPENDITURES				
Instruction				
Salaries of Teachers	249,030.50			249,030.50
Purchased Professional and Technical Services	-			-
Supplies and Materials	32,000.45			32,000.45
Tuition	173,655.00			173,655.00
Other Objects	-		5,498.35	5,498.35
Total Instruction	454,685.95	-	5,498.35	460,184.30
Support Services				
Program Administration - Salaries	1,008.00			1,008.00
Personal Services - Employee Benefits	36,750.16			36,750.16
Purchased Professional and Technical Services	18,567.50			18,567.50
Purchased Educational Services	-			-
Supplies and Materials	-			-
Other Objects	1,999.39			1,999.39
Total Support Services	58,325.05	-	-	58,325.05
Capital Outlay				
Equipment				
Total Capital Outlay	-	-	-	-
Total Expenditures	\$ 513,011.00	\$ -	\$ 5,498.35	\$ 518,509.35

CITY OF NORTHFIELD SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures
 Budgetary Basis
 For The Fiscal Year Ended June 30, 2017

	No Child Left Behind			I.D.E.A. Part B		Atlantic Care Green House Grant	Green Committee Grant	Totals
	Title I	Title II Part A	Title III	Basic	Preschool			
REVENUES								
Federal Sources	\$ 266,445.00	\$ 20,619.00	\$ -	\$ 214,986.00	\$ 10,961.00	\$ -	\$ -	\$ 513,011.00
State Sources								
Local Sources						4,000.00	1,498.35	5,498.35
Total Federal Revenues	\$ 266,445.00	\$ 20,619.00	\$ -	\$ 214,986.00	\$ 10,961.00	\$ 4,000.00	\$ 1,498.35	\$ 518,509.35
EXPENDITURES								
Instruction								
Salaries of Teachers	\$ 209,360.00	\$ 4,800.00	\$ -	\$ 34,870.50	\$ -	\$ -	\$ -	\$ 249,030.50
Purchased Professional Technical Services								
Supplies and Materials	21,447.45	5,192.00		4,800.00	561.00			32,000.45
Tuition				163,255.00	10,400.00			173,655.00
Other Objects						4,000.00	1,498.35	5,498.35
Total Instruction	230,807.45	9,992.00	-	202,925.50	10,961.00	4,000.00	1,498.35	460,184.30
Support Services								
Program Administration - Salaries				1,008.00				1,008.00
Personal Services - Employee Benefits	33,638.16	367.00		2,745.00				36,750.16
Purchased Professional Technical Services		10,260.00		8,307.50				18,567.50
Purchased Educational Services								
Supplies and Materials								
Other Objects	1,999.39							1,999.39
Total Support Services	35,637.55	10,627.00	-	12,060.50	-	-	-	58,325.05
Capital Outlay Equipment								
Total Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	\$ 266,445.00	\$ 20,619.00	\$ -	\$ 214,986.00	\$ 10,961.00	\$ 4,000.00	\$ 1,498.35	\$ 518,509.35

CAPITAL PROJECTS FUND

CITY OF NORTHFIELD SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For The Fiscal Year Ended June 30, 2017

Project	Approval Date	Revised Budgetary Appropriations	Expenditures to Date		Unexpended Appropriations June 30, 2017
			Prior	Current	
3720-056-14-G04-1003					
3720-057-14-G04-1009					

The replacement of roof top HVAC units and damaged exhaust fans, exterior building envelope improvements, replace exterior doors, fire alarm and phone systems upgrades, lighting upgrades and occupancy sensors, and main entry parking lot improvements to the Northfield Community School, including the acquisition and installation of equipment and any necessary site work.

09/30/14	<u>\$ 7,410,085.00</u>	<u>\$ 6,269,023.78</u>	<u>\$ 556,045.81</u>	<u>\$ 585,015.41</u>
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CITY OF NORTHFIELD SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
 For The Fiscal Year Ended June 30, 2017

REVENUES AND OTHER FINANCING SOURCES	
SDA Grant	
HVAC Security, Roofing and Site Upgrades - 1003	\$ -
Sale of Bonds	
	<hr/>
Total Revenues and Other Financing Sources	<hr/>
EXPENDITURES AND OTHER FINANCING USES	
Purchased Professional and Technical Services	8,375.00
Construction Services	547,670.81
Equipment Purchases	
Transfer to Debt Service	
	<hr/>
Total Expenditures and Other Financing Uses	<u>556,045.81</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(556,045.81)
Fund Balance, July 1	<hr/> 915,094.95
Fund Balance, June 30	<u>\$ 359,049.14</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Balance and Status - Budgetary
 For The Fiscal Year Ended June 30, 2017

	Prior Year	Current Year	Totals	Authorized Costs
HVAC SECURITY ROOFING AND SITE UPGRADES				
3720-056-14-G04-1003				
3720-057-14-G04-1009				
REVENUES AND OTHER FINANCING SOURCES				
Bond Proceeds	\$ 5,678,000.00	\$ -	\$ 5,678,000.00	\$ 5,678,708.00
SDA Grant 5943	507,726.77		507,726.77	588,592.00
SDA Grant 5944	998,391.96		998,391.96	1,142,785.00
Transfer from Capital Reserve				
Total Revenues and Other Financing Sources	<u>7,184,118.73</u>	<u>-</u>	<u>7,184,118.73</u>	<u>7,410,085.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	567,183.90	8,375.00	575,558.90	747,010.00
Construction Services	5,484,139.06	547,670.81	6,031,809.87	6,245,365.00
Equipment Purchases	217,700.82		217,700.82	417,710.00
Total Expenditures and Other Financing Uses	<u>6,269,023.78</u>	<u>556,045.81</u>	<u>6,825,069.59</u>	<u>7,410,085.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 915,094.95</u>	<u>\$ (556,045.81)</u>	<u>\$ 359,049.14</u>	<u>\$ -</u>

Project Information

Bonds Authorized Date	09-30-2014
Bonds Authorized	\$ 5,678,708.00
Bonds Issued	\$ 5,500,000.00
Original Authorized Cost	\$ 7,410,085.00
Additional Authorized Cost	
Revised Authorized Cost	\$ 7,410,085.00
Percentage Completion	92.00%
Original Target Completion Date	12-31-2015
Revised Target Completion Date	09-01-2017

PROPRIETARY FUND

ENTERPRISE FUNDS

CITY OF NORTHFIELD SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Position
June 30, 2017

	Business Type Activities Enterprise Funds		Totals
	Food Service	School Aged Child Care	
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 22,171.27	\$ 163,746.35	\$ 185,917.62
Accounts Receivable - Federal and State	7,230.94		7,230.94
Accounts Receivable - Other	6,160.00		6,160.00
Interfund Receivable		25,534.81	25,534.81
Inventories	16,786.50		16,786.50
Total Current Assets	52,348.71	189,281.16	241,629.87
Noncurrent Assets			
Equipment	177,466.00	122,778.00	300,244.00
Less: Accumulated Depreciation	167,589.00	83,618.00	251,207.00
Total Noncurrent Assets	9,877.00	39,160.00	49,037.00
Total Assets	62,225.71	228,441.16	290,666.87
LIABILITIES			
Current Liabilities			
Accounts Payable	17,018.85	1,863.11	18,881.96
Unearned Revenue		41,004.47	41,004.47
Interfunds Payable	4,730.40		4,730.40
Total Current Liabilities	21,749.25	42,867.58	64,616.83
NET Position			
Invested in Capital Assets Net of Related Debt	9,877.00	39,160.00	49,037.00
Unrestricted	30,599.46	146,413.58	177,013.04
Total Net Position	\$ 40,476.46	\$ 185,573.58	\$ 226,050.04

CITY OF NORTHFIELD SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For The Fiscal Year Ended June 30, 2017

	Business Type Activities Enterprise Funds		Totals
	Food Service	School Aged Child Care	
OPERATING REVENUES			
Charges For Services			
Daily Sales			
Reimbursable Programs	\$ 99,703.38	\$ -	\$ 99,703.38
Non-Reimbursable Programs	100,952.25		100,952.25
Program Revenue		242,401.25	242,401.25
Total Operating Revenue	200,655.63	242,401.25	443,056.88
OPERATING EXPENSES			
Instructor Costs		21,230.66	21,230.66
Cost of Sales	121,464.87		121,464.87
Salaries	123,742.85	132,586.09	256,328.94
Payroll Taxes	18,317.89	10,533.47	28,851.36
Employee Benefits	26,272.12		26,272.12
General Supplies	4,425.52	9,033.28	13,458.80
Depreciation	2,329.00	7,956.00	10,285.00
Management Fee	22,330.14		22,330.14
Other	7,380.94	22,810.09	30,191.03
Total Operating Expenses	326,263.33	204,149.59	530,412.92
Operating Income (Loss)	(125,607.70)	38,251.66	(87,356.04)
NONOPERATING REVENUES (EXPENSES)			
State Sources			
State School Lunch Program	2,727.78		2,727.78
Federal Sources			
National School Lunch and Breakfast Program	110,239.99		110,239.99
Food Distribution Program	26,789.66		26,789.66
Interest on Investments	44.06	204.00	248.06
Total Nonoperating Revenues (Expenses)	139,801.49	204.00	140,005.49
Income (Loss) Before Contributions and Transfers	14,193.79	38,455.66	52,649.45
Transfers In			-
Change in Net Position	14,193.79	38,455.66	52,649.45
Net Position, July 1	26,282.67	147,117.92	173,400.59
Net Position, June 30	\$ 40,476.46	\$ 185,573.58	\$ 226,050.04

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	84,378.00	2,975.00	87,353.00	86,353.56	999.44
Supplies and Materials	150.00	(41.08)	108.92	50.00	58.92
Other Objects	1,200.00	41.08	1,241.08	1,241.08	-
Total Undistributed Expenditures - Improvement of Instructional Services	85,728.00	2,975.00	88,703.00	87,644.64	1,058.36
Undistributed Expenditures - Educational Media Services/School Library					
Salaries	76,867.00	(211.00)	76,656.00	68,959.67	7,696.33
Salaries of Technology Coordinators	37,782.00	210.00	37,992.00	37,965.66	26.34
Purchased Professional and Technical Services	2,250.00		2,250.00	2,245.20	4.80
Other Purchased Services (400-500 Series)	3,500.00		3,500.00	2,944.50	555.50
Supplies and Materials	35,000.00	298.00	35,298.00	34,349.77	948.23
Other Objects	27,000.00		27,000.00	24,917.58	2,082.42
Total Undistributed Expenditures - Educational Media Services/School Library	182,399.00	297.00	182,696.00	171,382.38	11,313.62
Undistributed Expenditures - Instructional Staff Training Services					
Purchased Professional - Educational Services	4,000.00	84.00	4,084.00	3,746.78	337.22
Other Purchased Services (400-500 series)	250.00	(84.00)	166.00	34.10	131.90
Supplies and Materials					
Total Undistributed Expenditures - Instructional Staff Training Services	4,250.00	-	4,250.00	3,780.88	469.12

CITY OF NORTHFIELD SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2017

	Business Type Activities Enterprise Funds		Totals
	Food Service	School Aged Child Care	
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts From Customers and Other Funds	\$ 197,759.63	\$ 246,449.72	\$ 444,209.35
Payments to Employees	(123,742.85)	(132,586.09)	(256,328.94)
Payments to Suppliers	(200,737.20)	(52,279.20)	(253,016.40)
Net Cash Provided By (Used In) Operating Activities	<u>(126,720.42)</u>	<u>61,584.43</u>	<u>(65,135.99)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	2,720.24		2,720.24
Federal Sources	136,858.33		136,858.33
Operating Subsidies and Transfers			-
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>139,578.57</u>	<u>-</u>	<u>139,578.57</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	-	-	-
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	44.06	204.00	248.06
Net Cash Provided By (Used In) Investing Activities	<u>44.06</u>	<u>204.00</u>	<u>248.06</u>
Net Increase (Decrease) In Cash and Cash Equivalents	12,902.21	61,788.43	74,690.64
Cash and Cash Equivalents, July 1	9,269.06	101,957.92	111,226.98
Cash and Cash Equivalents, June 30	<u>\$ 22,171.27</u>	<u>\$ 163,746.35</u>	<u>\$ 185,917.62</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Operating Income (Loss)	\$ (125,607.70)	\$ 38,251.66	\$ (87,356.04)
Adjustments to reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Depreciation	2,329.00	7,956.00	10,285.00
(Increase) Decrease			
Accounts Receivable - Other	(2,896.00)		(2,896.00)
Inventories	(10,258.30)		(10,258.30)
Other Current Assets			
Increase (Decrease)			
Accounts Payable	9,712.58	11,328.30	21,040.88
Accrued Expenses			
Unearned Revenue		4,048.47	4,048.47
Net Cash Provided By (Used In) Operating Activities	<u>\$ (126,720.42)</u>	<u>\$ 61,584.43</u>	<u>\$ (65,135.99)</u>

INTERNAL SERVICE FUND

FIDUCIARY FUNDS

CITY OF NORTHFIELD SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2017

	<u>Student Activity</u>	<u>Agency Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 15,923.08	\$ 88,054.90	\$ 103,977.98
Total Assets	<u>15,923.08</u>	<u>88,054.90</u>	<u>103,977.98</u>
LIABILITIES			
Accounts Payable			
Payroll Deductions		88,054.90	88,054.90
Interfund Payable			
Payable to Student Groups	<u>15,923.08</u>		<u>15,923.08</u>
Total Liabilities	<u>15,923.08</u>	<u>88,054.90</u>	<u>103,977.98</u>
NET POSITION			
Reserved			
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
 Student Activity Funds
 Schedule of Receipts and Disbursements
 For The Fiscal Year Ended June 30, 2017

	Balance June 30, 2016	Cash Receipts	Cash Disbursements	Balance June 30, 2017
Elementary School	\$ 16,788.74	\$ 22,997.23	\$ 23,862.89	\$ 15,923.08

CITY OF NORTHFIELD SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For The Fiscal Year Ended June 30, 2017

	<u>Balance June 30, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2017</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,953.83	\$ 12,491,165.52	\$ 12,405,064.45	\$ 88,054.90
Total Assets	<u>\$ 1,953.83</u>	<u>\$ 12,491,165.52</u>	<u>\$ 12,405,064.45</u>	<u>\$ 88,054.90</u>
LIABILITIES				
Net Payroll	\$ -	\$ 5,856,138.96	\$ 5,856,138.96	\$ -
Payroll Deductions and Withholding Due to Other Governments	1,953.83	6,635,026.56	6,548,925.49	88,054.90
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ 1,953.83</u>	<u>\$ 12,491,165.52</u>	<u>\$ 12,405,064.45</u>	<u>\$ 88,054.90</u>

LONG-TERM DEBT

CITY OF NORTHFIELD SCHOOL DISTRICT
Long-Term Debt
Schedule of Bonds Payable
For The Fiscal Year Ended June 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance June 30, 2016	Issued	Retired	Balance June 30, 2017
School Refunding Bonds	7/22/2015	\$ 5,678,000.00	8/1/2017	600,000.00	2.125%	\$ 5,678,000.00		\$ 480,000.00	\$ 5,198,000.00
			8/1/2018	600,000.00	2.125%				
			8/1/2019	600,000.00	2.125%				
			8/1/2020	600,000.00	2.125%				
			8/1/2021	600,000.00	2.125%				
			8/1/2022	575,000.00	2.125%				
			8/1/2023	550,000.00	2.250%				
		8/1/2024	550,000.00	2.375%					
		8/1/2025	523,000.00	2.500%					
Solar Project	12/17/2009	468,000.00	6/30/2018	55,000.00	4.300%	223,000.00	-	50,000.00	173,000.00
			6/30/2019	60,000.00	4.300%				
			6/30/2020	58,000.00	4.300%				
						\$ 5,901,000.00	\$ -	\$ 530,000.00	\$ 5,371,000.00

CITY OF NORTHFIELD SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Obligations Under Capital Lease
 For The Fiscal Year Ended June 30, 2017

Purpose	Date of Lease	Interest Rate Payable	Amount of Original Issue	Balance June 30, 2016	Issued	Retired	Balance June 30, 2017
Network Switches and HVAC	7/19/2013	1.33%	257,351.00	\$ 100,616.31	-	\$ 49,975.59	\$ 50,640.72
				\$ 100,616.31	\$ -	\$ 49,975.59	\$ 50,640.72

CITY OF NORTHFIELD SCHOOL DISTRICT
 Debt Service Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 572,882.00	\$ -	\$ 572,882.00	\$ 572,882.00	\$ -
Interest on Investments					
Total Local Sources	<u>572,882.00</u>	<u>-</u>	<u>572,882.00</u>	<u>572,882.00</u>	<u>-</u>
State Sources					
Debt Service Aid Type I	145,823.00		145,823.00	145,823.00	
Debt Service Aid Type II	145,823.00		145,823.00	145,823.00	
Total State Sources	<u>145,823.00</u>	<u>-</u>	<u>145,823.00</u>	<u>145,823.00</u>	<u>-</u>
Total Revenues	<u>718,705.00</u>	<u>-</u>	<u>718,705.00</u>	<u>718,705.00</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service	188,705.00		188,705.00	188,704.22	0.78
Interest	530,000.00		530,000.00	530,000.00	
Redemption of Principal					
Total Expenditures	<u>718,705.00</u>	<u>-</u>	<u>718,705.00</u>	<u>718,704.22</u>	<u>0.78</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				0.78	0.78
Other Financing Sources					
Operating Transfers In					
Capital Projects Fund					
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures				0.78	0.78
Fund Balance, July 1	279		279	279	
Fund Balance, June 30	\$ 279	\$ -	\$ 279	\$ 357	\$ 0.78

STATISTICAL SECTION

CITY OF NORTHFIELD SCHOOL DISTRICT

Statistical Section Introduction to the Statistical Section

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

FINANCIAL TRENDS

CITY OF NORTHFIELD SCHOOL DISTRICT
Net Position By Component
 Source: CAFR A-1

Exhibit J-1
 Unaudited

	Fiscal Year Ended									
	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008
Governmental Activities										
Invested in										
Capital Assets	\$ 10,893,968.48	\$ 10,647,820.81	\$ 11,355,552.32	\$ 8,081,963.52	\$ 7,187,736.61	\$ 6,216,821.94	\$ 5,085,340.12	\$ 3,654,750.93	\$ 3,430,815.00	\$ 2,678,966.00
Restricted	2,233,430.20	2,672,501.91	(366,124.07)	1,374,107.92	1,361,826.00	1,659,368.44	1,342,277.00	1,412,623.91	1,007,139.00	889,265.00
Unrestricted	(3,607,479.44)	(3,717,547.06)	(3,333,650.18)	(534,864.29)	(520,652.16)	(556,489.05)	(371,812.95)	(111,070.68)	(263,553.00)	(21,552.00)
Total	\$ 9,519,919.24	\$ 9,602,775.66	\$ 7,655,778.07	\$ 8,921,207.15	\$ 8,028,910.45	\$ 7,319,701.33	\$ 6,055,804.17	\$ 4,956,304.16	\$ 4,184,401.00	\$ 3,546,679.00
Business Type Activities										
Invested in										
Capital Assets	\$ 49,037.00	\$ 59,322.00	\$ 61,521.00	\$ 70,189.00	\$ 78,703.00	\$ 91,967.00	\$ 66,610.00	\$ 79,812.00	\$ 74,438.00	\$ 76,450.00
Restricted	177,013.04	114,078.59	46,443.48	73,150.73	81,635.40	87,885.12	163,851.39	101,328.18	61,379.00	48,037.00
Total	\$ 226,050.04	\$ 173,400.59	\$ 107,964.48	\$ 143,339.73	\$ 160,338.40	\$ 179,852.12	\$ 230,461.39	\$ 181,140.18	\$ 135,817.00	\$ 124,493.00
District-Wide										
Invested in										
Capital Assets	\$ 10,943,005.48	\$ 10,707,142.81	\$ 11,417,073.32	\$ 8,152,152.52	\$ 7,266,439.61	\$ 6,308,788.94	\$ 5,151,950.12	\$ 3,734,562.93	\$ 3,505,253.00	\$ 2,755,422.00
Restricted	2,233,430.20	2,672,501.91	(366,124.07)	1,374,107.92	1,361,826.00	1,659,368.44	1,342,277.00	1,412,623.91	1,007,139.00	889,265.00
Unrestricted	(3,430,466.40)	(3,603,468.47)	(3,287,206.70)	(461,713.56)	(439,016.76)	(468,603.93)	(207,961.56)	(9,742.50)	(192,174.00)	(26,485.00)
Total	\$ 9,745,969.28	\$ 9,776,176.25	\$ 7,763,742.55	\$ 9,064,546.88	\$ 8,189,248.85	\$ 7,499,553.45	\$ 6,286,255.56	\$ 5,137,444.34	\$ 4,320,218.00	\$ 3,671,172.00

CITY OF NORTHFIELD SCHOOL DISTRICT

Changes in Net Position

Source: CAFR A-2

Exhibit J-2
Unaudited

Expenses	Fiscal Year Ended									
	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008
Governmental Activities										
Instruction										
Regular	\$ 9,781,714.41	\$ 8,871,544.89	\$ 8,099,518.04	\$ 6,808,412.90	\$ 7,248,523.57	\$ 6,887,104.64	\$ 6,132,109.34	\$ 6,674,888.49	\$ 5,790,380.00	\$ 5,749,342.00
Special Education	3,395,988.26	2,959,332.96	2,672,855.57	2,111,729.94	2,082,986.69	1,855,027.19	2,428,341.71	1,810,546.09	1,711,245.00	1,543,997.00
Other Special Education	51,816.38	55,843.11	56,065.62	51,827.86	49,548.55	47,034.03	47,402.07	64,450.00	626,544.00	574,946.00
Other Instruction	391,831.06	382,450.27	358,555.36	424,594.59	419,986.63	390,268.43	357,306.87	491,214.54	149,598.00	138,049.00
Nonpublic School Programs										
Support Services										
Tuition	131,929.60	167,532.17	244,790.00	242,849.50	27,476.89	16,888.00	7,912.00	4,531.24	325,207.69	305,990.00
Related Services	1,993,855.05	1,833,874.91	1,798,907.57	1,534,038.05	1,545,500.92	1,513,018.34	1,522,566.45	1,549,572.51	1,440,429.00	1,452,751.00
General Administration	703,758.87	739,548.54	585,174.45	783,845.89	749,339.53	519,417.46	477,223.89	577,824.19	574,697.00	565,493.00
School Administrative	610,561.08	590,271.23	541,167.04	483,010.43	458,744.84	472,465.94	442,346.29	524,343.83	495,951.00	505,996.00
Plant Operations	994,505.37	1,081,809.56	1,051,996.70	1,095,478.20	1,151,632.72	928,684.42	927,471.27	936,889.52	1,203,776.00	1,216,228.00
Pupil Transportation	207,078.22	211,301.26	231,823.08	217,772.02	218,224.79	171,587.11	203,488.87	204,228.61	300,638.00	252,924.00
Central Services	273,670.18	286,353.08	282,203.10	255,831.00	265,858.96	229,265.96	195,679.41	204,721.40	269,478.00	252,037.00
Administrative Technology	172,796.90	173,661.63	152,395.68	165,240.87	107,236.77	135,106.33	111,512.89	127,346.94	168,763.00	143,517.00
Unallocated Benefits	367,614.29									
Capital Outlay	16,481.00									
Unallocated Depreciation	499,582.00	497,241.00	504,855.00	510,705.00	484,620.00	477,572.00	452,073.00	434,326.00		
Food Service										
Interest on Long-Term Debt	123,720.75	134,994.57	95,805.09	165,974.84	228,312.01	264,956.86	310,447.80	337,061.01	383,296.00	431,999.00
Total	19,686,903.42	17,885,759.18	16,676,102.30	14,818,310.59	15,037,982.87	13,918,407.71	13,616,871.66	13,941,744.37	13,482,946.00	13,250,493.00
Business-Type Activities										
Food Service Fund	326,263.33	337,062.88	341,591.65	343,644.07	338,733.69	360,987.25	321,955.71	329,071.06	319,632.00	303,921.00
Child Care	204,149.59	171,827.48	199,367.33	203,548.05	222,507.41	261,814.18	198,601.15	175,292.77	204,948.00	211,029.00
Total	530,412.92	508,890.36	540,958.98	547,192.12	561,241.10	622,801.43	520,556.86	504,363.83	524,580.00	514,950.00
Total District-Wide Expenses	\$ 20,217,316.34	\$ 18,494,649.54	\$ 17,217,061.28	\$ 15,365,502.71	\$ 15,699,233.97	\$ 14,541,209.14	\$ 14,137,428.72	\$ 14,446,108.20	\$ 14,007,526.00	\$ 13,765,353.00

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

Source: CAFRA 7

Exhibit J-2
 Unaudited

	Fiscal Year Ended									
	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008
Program Revenues										
Governmental Activities										
Charges For Services	\$ 6,563,456.08	\$ 5,137,251.89	\$ 3,932,897.61	\$ 2,312,279.64	\$ 2,618,221.18	\$ 2,257,043.86	\$ 2,207,546.40	\$ 18,227.45	\$ 11,702.00	\$ 14,345.00
Grants and Contributions								2,029,663.64	1,219,425.00	1,671,269.00
Total	6,563,456.08	5,137,251.89	3,932,897.61	2,324,782.94	2,632,697.14	2,204,960.86	2,209,623.20	2,847,891.09	1,231,127.00	1,685,614.00
Business-Type Activities										
Charges For Services										
Food Service	200,655.63	206,236.36	157,750.01	201,357.56	156,356.47	202,825.39	215,843.78	219,898.95	219,170.00	208,639.00
Child Care	242,401.25	217,215.83	183,623.47	201,362.19	221,301.50	240,248.82	212,837.01	193,736.35	186,960.00	203,988.00
Grants and Contributions										
Food Service	139,757.43	134,383.12	123,912.90	177,338.60	124,858.80	128,238.56	114,135.45	109,066.75	98,885.00	78,304.00
Total	382,814.31	557,835.31	505,486.38	530,058.35	541,516.77	571,310.77	542,816.24	522,702.05	565,015.00	490,931.00
Total	\$ 7,146,270.39	\$ 5,695,087.20	\$ 4,438,383.99	\$ 2,854,841.29	\$ 3,174,213.91	\$ 2,836,271.63	\$ 2,752,439.44	\$ 3,370,593.14	\$ 1,796,142.00	\$ 2,175,545.00
Net (Expense) Revenue										
Governmental Activities	\$ (13,123,447.34)	\$ (12,848,507.29)	\$ (12,743,204.69)	\$ (12,493,527.65)	\$ (12,405,295.73)	\$ (11,653,448.85)	\$ (11,407,248.06)	\$ (11,093,853.28)	\$ (12,251,819.00)	\$ (11,564,769.00)
Business-Type Activities	52,401.39	48,044.95	(35,472.60)	(17,133.77)	(19,724.33)	(51,450.66)	22,259.38	18,388.22	(9,565.03)	(24,019.00)
Total	\$ (12,571,045.95)	\$ (12,799,562.34)	\$ (12,778,677.29)	\$ (12,510,661.42)	\$ (12,425,020.06)	\$ (11,704,907.51)	\$ (11,384,988.68)	\$ (11,075,515.06)	\$ (12,271,384.03)	\$ (11,588,788.00)

	Fiscal Year Ended									
	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes - General Levy	\$ 9,080,632.00	\$ 9,255,118.00	\$ 8,741,845.00	\$ 8,741,845.00	\$ 8,570,534.00	\$ 8,490,117.00	\$ 8,448,154.00	\$ 8,306,886.00	\$ 7,847,193.00	\$ 7,571,998.00
Property Taxes - Debt Service	572,882.00	1,081,660.00	1,033,869.00	1,033,869.00	1,034,624.00	1,039,276.00	1,072,312.00	958,802.00	958,557.00	854,879.00
Unrestricted Grants	3,293,239.55	4,695,591.42	3,615,068.88	3,615,068.88	3,512,604.35	3,340,666.70	3,085,970.52	2,660,347.18	4,111,842.00	3,662,461.00
Investment Earnings	3,129.32	4,242.85	2,389.31	2,389.31	3,482.98	4,883.06	16,623.54	15,497.48	17,997.62	49,996.00
Miscellaneous Income	94,165.95	56,239.61	27,135.16	27,135.16	48,233.33	77,634.25	6,213.93	45,029.49	15,116.90	23,996.00
Special Items	(13,454.00)	(87,347.00)	(34,503.00)	(34,503.00)	(54,973.80)	(34,503.00)	(122,575.32)	(120,889.00)	(61,163.00)	(48,820.00)
Total	13,040,838.98	14,795,504.88	13,385,824.35	13,385,824.35	13,114,504.86	12,917,344.01	12,506,648.67	11,865,753.15	12,889,542.00	12,214,504.00
Business-Type Activities										
Investment Earnings	248.06	173.16	135.10	135.10	210.61	881.39	2,081.83	1,984.96	1,889.00	4,063.00
Special Items							25,000.00	25,000.00	29,000.00	14,243.00
Total	248.06	173.16	135.10	135.10	210.61	881.39	27,081.83	26,984.96	30,889.00	18,306.00
Total District-Wide General Revenues and Other Changes in Net Position	\$ 13,040,838.98	\$ 14,795,504.88	\$ 13,385,824.35	\$ 13,385,824.35	\$ 13,114,715.47	\$ 12,916,225.40	\$ 12,533,730.50	\$ 11,892,738.11	\$ 12,920,431.00	\$ 12,232,810.00
Change in Net Position										
Governmental Activities	\$ (2,856.42)	\$ 1,946,997.59	\$ 642,619.66	\$ 892,206.70	\$ 709,209.13	\$ 1,263,897.16	\$ 1,099,400.01	\$ 771,899.87	\$ 637,723.00	\$ 649,715.00
Business-Type Activities	52,649.45	49,116.11	(35,337.50)	(16,998.67)	(19,513.72)	(50,609.27)	49,321.21	45,323.18	11,324.00	(5,713.00)
Total District-Wide	\$ (30,206.97)	\$ 1,996,115.70	\$ 607,282.16	\$ 875,208.03	\$ 689,695.41	\$ 1,213,287.89	\$ 1,148,721.22	\$ 817,223.05	\$ 649,047.00	\$ 644,002.00

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

Exhibit J-3
Unaudited

	Fiscal Year Ended										
	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	
General Fund											
Restricted	\$ 1,810,900.04	\$ 1,753,962.10	\$ 1,314,041.89	\$ 1,087,697.20	\$ 1,232,531.73	\$ 1,065,386.45	\$ 762,524.95	\$ -	\$ -	\$ -	
Committed											
Assigned	63,477.45	2,242.07	118,935.34	260,553.43	58,437.48	483,125.07	483,895.37				
Unassigned	(107,725.20)	(108,584.82)	(116,264.31)	(67,882.63)	(82,869.23)	(106,356.00)	(73,575.00)				
Reserved											
Unreserved								1,097,052.13	1,007,139.00	889,265.00	
								(143,270.00)	(71,874.00)	111,561.00	
Total	\$ 1,766,652.29	\$ 1,647,619.35	\$ 1,316,712.92	\$ 1,280,368.00	\$ 1,208,099.98	\$ 1,442,155.52	\$ 1,172,845.32	\$ 953,782.13	\$ 935,265.00	\$ 1,000,826.00	
All Other Governmental Funds											
Restricted	\$ 359,052.71	\$ 2.79	\$ 2.79	\$ 25,257.29	\$ 70,856.79	\$ 110,856.92	\$ 95,856.68	\$ -	\$ -	\$ -	
Committed											
Assigned											
Unassigned											
Reserved								214,767.00			
Unreserved								100,804.78		1854.00	
Total	\$ 359,052.71	\$ 2.79	\$ 2.79	\$ 25,257.29	\$ 70,856.79	\$ 110,856.92	\$ 95,856.68	\$ 315,571.78	\$ -	\$ 1,854.00	

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

Exhibit J-4
 Unaudited

Fiscal Year Ended

	June 30, 2007	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Revenues												
Tax Levy	\$ 9,663,514.00	\$ 10,136,776.00	\$ 9,970,813.00	\$ 9,775,814.00	\$ 9,605,158.00	\$ 9,529,343.00	\$ 9,520,466.00	\$ 9,265,768.00	\$ 8,805,750.00	\$ 8,526,877.00	\$ 8,065,750.00	\$ 8,526,877.00
Tuition Charges	9,932.75	6,000.00		12,503.30	14,475.96		2,074.80	18,227.45	11,702.00	14,345.00	11,702.00	14,345.00
Interest Earned	3,178.32	4,242.85	2,388.49	2,389.31	3,482.98		16,627.54	15,497.48	7,997.00	49,996.00	7,997.00	49,996.00
Local Sources	84,233.20	5,728,239.33	39,604.30	27,135.16	48,233.33		6,713.93	46,691.50	16,798.00	24,843.00	16,798.00	24,843.00
State Sources	5,848,947.96	6,827,593.69	6,335,553.61	5,594,599.45	5,667,554.19		4,794,734.11	4,452,409.51	5,063,804.00	5,013,415.00	5,063,804.00	5,013,415.00
Federal Sources	492,737.77	462,050.90	388,175.61	392,749.07	488,271.34		488,734.81	1,035,939.30	325,781.00	319,564.00	325,781.00	319,564.00
Total Revenues	16,102,489.00	23,165,284.77	16,736,536.21	15,745,190.29	15,802,175.80	15,216,887.87	14,638,847.19	14,834,533.24	14,181,832.00	13,948,940.00	14,181,832.00	13,948,940.00
Expenditures												
Instruction												
Regular	5,221,401.84	5,014,673.14	4,917,271.47	4,543,752.81	4,820,290.64		4,199,752.83	4,573,879.28	4,217,278.00	4,043,588.00	4,217,278.00	4,043,588.00
Special Education	4,811,904.27	1,664,358.79	1,610,507.05	1,405,179.66	1,375,340.79		1,648,605.83	1,269,201.91	1,245,742.00	1,085,939.00	1,245,742.00	1,085,939.00
Other Special Instruction	391,831.06	382,450.27	358,555.30	424,594.59	419,980.63		357,306.67	481,214.54	456,108.00	404,377.00	456,108.00	404,377.00
Other Instruction	51,816.38	55,843.11	56,065.62	51,827.86	49,548.55		47,407.07	64,450.00	108,904.00	97,094.00	108,904.00	97,094.00
Nonpublic School Programs												
Support Services												
Tuition	131,929.60	167,532.17	244,790.00	242,948.50	27,475.89		7,912.00	4,531.24	236,742.00	215,212.00	236,742.00	215,212.00
Student and Instruction	1,647,800.22	1,031,389.80	1,083,916.93	1,018,466.26	1,022,926.14		1,039,782.53	1,086,258.12	1,086,347.00	1,176,674.00	1,086,347.00	1,176,674.00
General Administration	375,485.30	415,929.58	352,592.04	501,621.26	495,958.30		346,657.22	405,057.66	420,164.00	397,725.00	420,164.00	397,725.00
School Administrative	325,760.31	331,974.51	326,075.74	303,737.43	303,625.13		300,241.85	367,567.66	362,708.00	355,882.00	362,708.00	355,882.00
Central Services	273,670.18	286,353.08	282,203.10	255,831.00	265,858.96		196,679.41	204,721.40	196,173.00	177,265.00	196,173.00	177,265.00
Administrative Information	172,796.90	173,661.63	152,395.68	185,240.87	107,236.77		111,512.89	127,348.94	122,857.00	100,940.00	122,857.00	100,940.00
Plant Operations and Maintenance	994,505.37	1,081,809.56	1,051,986.70	1,095,478.20	1,151,632.72		927,471.27	936,889.52	898,140.00	855,410.00	898,140.00	855,410.00
Pupil Transportation	207,078.77	211,301.26	231,823.06	217,772.02	218,224.79		203,488.87	204,228.61	218,857.00	177,889.00	218,857.00	177,889.00
Unallocated Employee Benefits	4,153,058.54	3,804,701.09	3,919,651.17	3,916,833.89	4,096,395.59		3,550,209.78	3,327,719.67	3,106,251.50	3,466,330.00	3,106,251.50	3,466,330.00
Capital Outlay	638,274.33	3,999,219.31	2,349,359.40	282,445.92	195,327.44		382,976.04	380,768.38	145,400.00	287,491.00	145,400.00	287,491.00
Debt Service	718,704.22	1,538,664.00	1,533,956.50	1,532,641.50	1,526,637.76		1,523,284.10	1,466,568.76	1,466,194.00	1,460,569.00	1,466,194.00	1,460,569.00
Total Expenditures	16,526,047.00	20,157,861.30	18,471,149.88	15,975,272.77	16,076,231.47	14,932,577.43	14,814,489.10	15,010,403.69	14,322,127.00	14,195,536.00	14,322,127.00	14,195,536.00
Excess (Deficiency)	(423,558.00)	3,007,423.47	(1,734,613.67)	(230,082.48)	(274,055.67)	(284,319.44)	24,348.09	(175,870.45)	(140,295.00)	(246,596.00)	(140,295.00)	(246,596.00)
Other Financing Sources (Uses)												
Capital Leases (Non-Budgeted)				257,351.00							104,678.00	95,174.00
Bond Proceeds												468,000.00
Transfer	(13,454.00)	(16,318.00)						(25,000.00)			(29,000.00)	(14,243.00)
Total Other Financing Sources (Uses)	(13,454.00)	(16,318.00)		257,351.00				(25,000.00)			(29,000.00)	(14,243.00)
Net Changes in Fund Balance	\$ 437,012.00	\$ 2,991,125.47	\$ 1,734,613.57	\$ 27,268.52	\$ (274,055.67)	\$ 284,319.44	\$ (24,348.09)	\$ 333,996.62	\$ (64,611.00)	\$ (165,665.00)	\$ (64,611.00)	\$ (165,665.00)

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

Exhibit J-5
 Unaudited

<u>Fiscal Year Ended June 30</u>	<u>Interest on Investments</u>	<u>Tuition Revenue</u>	<u>Miscellaneous</u>	<u>Total</u>
2008	\$ 49,996.00	\$ 14,345.00	\$ 23,996.00	\$ 88,337.00
2009	17,997.00	12,483.00	7,000.00	37,480.00
2010	15,497.48	18,227.45	45,029.49	78,754.42
2011	16,623.00	2,075.00	6,214.00	24,912.00
2012	4,883.06	7,917.00	77,634.25	90,434.31
2013	3,482.98	14,475.96	45,916.10	63,875.04
2014	2,389.31	12,503.30	26,597.87	41,490.48
2015	2,388.49	-	39,411.89	41,800.38
2016	4,242.85	6,000.00	38,739.61	48,982.46
2017	3,128.32	9,932.75	78,734.85	91,795.92

Miscellaneous Revenue is comprised of unallocated refunds, prior year purchase order adjustments, renewable energy credits.

REVENUE CAPACITY

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

Fiscal Year Ended June 30,	Land	Improvements	Net Total Taxable Value of Land & Improvements	Less Tax Exempt Property	Personal Property	Net Valuation Taxable	Total Direct School Tax Rate	Equalized Value
2008	\$ -	\$ -	\$552,780,200	\$ -	\$ -	552,780,200	1.569	\$ 1,221,193,024
2009	174,577,700	375,648,100	550,225,800	936,223	551,162,023	1.643	1,246,547,553	
2010	333,447,600	660,017,500	993,465,100	2,073,817	995,538,917	0.949	1,096,167,052	
2011	330,923,800	654,170,800	985,094,600	1,693,246	986,787,846	0.965	1,043,116,116	
2012	328,215,900	647,298,100	975,514,000	1,580,553	977,094,553	0.098	990,365,450	
2013	327,108,500	637,379,000	964,487,500	1,473,879	965,961,379	1.006	930,329,750	
2014	324,541,560	620,586,200	945,127,760	1,219,927	946,347,687	1.047	894,045,996	
2015	323,376,460	610,167,000	933,543,460	1,193,961	934,737,421	1.069	963,704,035	
2016	319,707,510	602,205,950	921,913,460		921,913,460	1.053	900,657,933	
2017	318,289,210	590,286,450	908,575,660		908,575,660	1.079	912,346,090	

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

Fiscal Year Ended June 30,	School District		Mainland Regional District		Overlapping Rates		Total Direct and Overlapping Tax Rates
	Basic Rate	Debt Service	District	City of Northfield	Atlantic County	Total	
2008	\$ 1,390	\$ 0.180	\$ 0.832	\$ 1.268	\$ 0.570	\$ 2,670	\$ 4,240
2009	1,470	0.180	0.849	1,327	0.598	2,774	4,424
2010	0.840	0.110	0.503	0.799	0.319	1,621	2,571
2011	0.860	0.110	0.514	0.827	0.520	1,861	2,831
2012	0.870	0.110	0.521	0.826	0.349	1,696	2,676
2013	0.886	0.120	0.550	0.834	0.418	1,808	2,814
2014	0.933	0.114	0.584	0.857	0.410	1,851	2,898
2015	0.953	0.116	0.627	0.889	0.480	1,996	3,065
2016	0.984	0.068	0.601	0.926	0.468	2,055	3,107
2017	1,011	0.068	0.681	0.956	0.521	2,158	3,237

CITY OF NORTHFIELD SCHOOL DISTRICT

Principal Property Taxpayers

Source: Municipal Tax Assessor

Exhibit J-8
Unaudited

Taxpayer	2016			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Herzel Gurwitz, 9 Tilton Road	\$ 8,078,800	1	0.89%	\$ 5,653,200	2	1.03%
Jack Trocki Development Co., 1601 New Rd	6,471,000	2	0.71%	3,026,845	6	0.55%
Jack Trocki Development Co., 631 Tilton Rd	5,299,100	3	0.58%	2,893,360	7	0.52%
Kansington Square, LLC, 200 Tilton Rd	4,964,300	4	0.55%	5,449,160	3	0.98%
Miljer LLC & Miljer Mgt., 803 Tilton Rd	4,570,400	5	0.50%	3,857,813	5	0.70%
ACG of New Jersey, Inc. 2111 New Rd	4,000,000	6	0.44%	8,215,145	5	1.48%
2805 Shore Road, LLC	3,786,300	7	0.42%			
332 Tilton Rd, LLC	3,372,900	8	0.37%			
ARC BFNRFN1001 LLC, 1141 Tilton Road	3,264,800	9	0.36%			
GIRO Enterprises, 1501 Zion Road	3,089,700	10	0.34%			
Atlantic City County Club, Shore Road				5,300,411	4	0.96%
SJS-450 Tilton Road L.P.				2,188,681	8	0.40%
301 Tilton Road Associates LLC				1,964,295	9	0.35%
Network 1001, LLC				1,830,715	10	0.33%

CITY OF NORTHFIELD SCHOOL DISTRICT

Property Tax Levies and Collections

Source: District Records

Exhibit J-9

Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>School Taxes Levied for the Fiscal Year</u>	<u>Current Tax Collections</u>	<u>Percentage of Tax Levy Collections</u>	<u>Collections in Subsequent Year</u>
2008	\$ 8,526,877.00	\$ 8,526,877.00	100.00%	
2009	8,805,750.00	8,805,750.00	100.00%	
2010	9,265,768.00	9,265,768.00	100.00%	
2011	9,520,466.00	9,520,466.00	100.00%	
2012	9,529,343.00	9,529,343.00	100.00%	
2013	9,605,158.00	9,605,158.00	100.00%	
2014	9,775,814.00	9,775,814.00	100.00%	
2015	9,970,913.00	9,227,748.00	92.55%	743,065.00
2016	10,136,778.00	9,382,185.00	92.56%	754,593.00
2017	9,663,514.00	9,663,514.00	100.00%	

DEBT CAPACITY

CITY OF NORTHFIELD SCHOOL DISTRICT
Ratio of Outstanding Debt By Type
Source: District Records

Fiscal Year Ended June 30	General		Governmental Activities		Business-Type		Total District	Percentage of Personal Income	Per Capita
	Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases				
2008	\$ 9,915,000	\$ -	\$ 103,737	\$ -	\$ -	\$ -	10,018,737	3.569%	\$ 1,266.43
2009	8,850,000	-	152,435	-	-	-	9,002,435	3.143%	1,141.72
2010	8,198,000	-	150,065	-	-	-	8,348,065	2.653%	1,056.98
2011	7,003,000	-	97,957	-	-	-	7,100,957	2.102%	822.92
2012	5,758,000	-	49,320	-	-	-	5,807,320	1.696%	674.02
2013	4,473,000	-	14,144	-	-	-	4,487,144	1.290%	519.29
2014	3,128,000	-	198,607	5,500,000	-	-	3,326,607	0.917%	385.92
2015	1,891,708	-	149,936	-	-	-	7,541,644	2.066%	876.53
2016	5,901,000	-	100,617	-	-	-	6,001,617	1.625%	704.33
2017	5,371,000	-	50,640	-	-	-	5,421,640	1.475%	644.67

CITY OF NORTHFIELD SCHOOL DISTRICT

Ratios of General Bonded Debt Outstanding

Source: District Records

Exhibit J-11

Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2008	\$ 9,915,000.00	-	\$ 9,915,000.00	1.79%	1,253.32
2009	8,850,000.00		8,850,000.00	1.61%	1,122.38
2010	8,198,000.00		8,198,000.00	0.83%	1,037.98
2011	7,003,000.00		7,003,000.00	0.71%	811.57
2012	5,758,000.00		5,758,000.00	0.59%	668.29
2013	4,473,000.00		4,473,000.00	0.46%	517.65
2014	3,128,000.00		3,128,000.00	0.33%	362.88
2015	1,713,000.00		1,713,000.00	0.18%	199.09
2016	5,901,000.00		5,901,000.00	0.64%	692.52
2017	5,371,000.00		5,371,000.00	0.59%	638.64

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

Exhibit J-12
 Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Net Direct Debt of the School District	5,371,000	100.00%	5,371,000
Debt Repaid With Property Taxes			
Local Municipality	9,737,500	100.00%	9,737,500
Other Debt			
Mainland Regional High School District	36,860,000	30.59%	11,275,474
Atlantic County	152,426,901	2.97%	4,527,079
Total Direct and Overlapping Debt			<u>30,911,053</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
 Legal Debt Margin Information
 Source: District Records

Exhibit J-13
 Unaudited

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Year	Equalized Valuation Basis
Debt Limit	\$ 33,314,799	\$ 36,128,996	\$ 35,608,411	\$ 32,513,166	\$ 31,418,539	\$ 29,750,631	\$ 28,253,477	\$ 27,949,729	\$ 27,945,574	\$ 28,061,181	2014	\$ 971,354,327
Total Net Debt Applicable Limit	9,915,000	8,850,000	8,198,000	7,003,000	5,758,000	4,473,000	3,128,000	1,713,000	5,901,000	5,731,000	2015	912,019,793
Legal Debt Margin	\$ 23,399,799	\$ 27,278,996	\$ 27,410,411	\$ 25,510,166	\$ 25,660,539	\$ 25,277,631	\$ 25,125,477	\$ 26,236,729	\$ 22,044,574	\$ 22,330,181	2016	922,743,930
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	29.76%	24.50%	23.02%	21.54%	18.33%	15.03%	11.07%	6.13%	21.12%	20.42%		\$ 2,806,118,050
Average Equalized Valuation of Taxable Property												\$ 935,372,683
School Borrowing Margin												
Average Equalized Valuation of Taxable Property												\$ 935,372,683
												3.00%
Total Bonds and Notes for School Debt												28,061,181
Legal Debt Margin												5,731,000
												\$ 22,330,181

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Exhibit J-14
 Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>School District Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2008	7,911	\$ 280,682,280	\$ 35,480	3.10%
2009	7,885	286,422,625	36,325	3.90%
2010	7,898	314,616,830	39,835	7.00%
2011	8,629	337,877,124	39,156	7.10%
2012	8,616	342,451,536	39,746	7.20%
2013	8,641	347,903,942	40,262	7.60%
2014	8,620	362,893,380	42,099	9.90%
2015	8,604	365,024,700	42,425	8.60%
2016	8,521	369,266,056	43,336	7.50%
2017	8,410	367,474,950	43,695	6.00%

CITY OF NORTHFIELD SCHOOL DISTRICT

Principal Employers

Source: NJ Department of Labor

Employer	2017			2006		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Atlantic County Government	774	1	15.86%	610	1	14.54%
Northfield Board of Education	204	2	4.18%	155	2	3.70%
Atlantic City County Club	134	3	2.75%	74	8	1.76%
Berkshire Hathaway & Roach Realtors	129	3	2.64%	140	3	3.34%
Keller Williams Atlantic Shore	120	4	2.46%			
City of Northfield	86	5	1.76%	122	4	2.91%
Ventura's Offshore Cafe	75	6	1.54%	50	10	1.19%
Esthetica Salon & Spa	70	7	1.43%			
Friendly's Family Restaurant	65	8	1.33%			
SDGW	65	8	1.33%	60	9	1.43%
Angelic Hopice	62	9	1.27%			
Balsley Losco Realtors	60	10	1.23%			
Denny's	60	10	1.23%			
Med-Rite Pharmacy				115	5	2.74%
Snelling Personnel				100	6	2.38%
Joule Staffing Services				75	7	1.79%

Operating Information

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction										
Regular	63.0	65.0	64.5	59.7	62.9	59.3	60.0	60.2	61.8	60.8
Special Education	22.0	23.0	23.5	18.5	17.8	18.2	18.2	20.0	21.0	21.2
Other Special Education	17.5	14.5	18.0	18.7	18.5	21.7	23.0	25.3	29.7	25.4
Other Instruction	7.0	7.0	7.0	11.0	8.5	11.1	11.1	9.2	9.5	8.3
Adult/Continuing Education Programs	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Support Services										
Student Related	12.5	12.5	10.0	11.4	11.1	10.4	10.4	10.0	9.4	10.4
General Administrative	5.5	5.5	4.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administrative	3.0	4.0	5.5	6.0	6.0	6.0	6.0	7.0	7.0	7.0
Business Administrative	3.0	3.0	3.0	3.0	3.5	3.6	3.6	3.6	3.6	4.0
Plant Operation	9.0	9.0	9.0	12.7	12.0	12.2	12.2	12.2	12.7	12.7
Food Service	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	<u>144.5</u>	<u>145.5</u>	<u>146.5</u>	<u>145.0</u>	<u>144.3</u>	<u>146.5</u>	<u>148.5</u>	<u>151.5</u>	<u>158.6</u>	<u>153.8</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
Operating Statistics
Source: District Records

Fiscal Year Ended June 30,	(a)		Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio	(c)		% Change in Average Daily Enrollment	Student Attendance Percentage
	Enrollment	Operating Expenditures					Enrollment	Average Daily Attendance		
2008	1,075	12,447,476	11,579	5.31%	91.0	11.9	1,080	1,073	-0.28%	99.35%
2009	1,103	12,710,533	11,524	-0.48%	91.0	11.9	1,081	1,073	0.09%	99.26%
2010	1,076	13,163,068	12,233	6.16%	92.0	11.6	1,066	1,015	-1.39%	95.22%
2011	1,055	12,908,241	12,235	0.02%	96.0	11.0	1,054	1,004	-1.13%	95.26%
2012	1,047	13,195,277	12,603	3.00%	97.0	10.8	1,048	1,028	-0.57%	98.09%
2013	1,018	14,354,482	14,101	11.88%	95.0	10.6	1,003	955	-4.29%	95.21%
2014	984	14,160,185	14,390	2.05%	96.0	10.1	970	933	-3.29%	96.19%
2015	932	14,587,834	15,652	8.77%	97.0	9.5	922	877	-4.95%	95.12%
2016	912	14,621,998	16,033	2.43%	98.0	9.2	906	868	-1.74%	95.81%
2017	920	15,169,069	16,488	2.84%	99.0	9.4	928	890	2.43%	95.91%

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

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

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

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

District Building	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Northfield Community School										
Square Feet	145,797	145,797	147,855	147,855	147,855	147,855	147,855	147,855	147,855	147,855
Capacity	1,035	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Enrollment	1,075	1,103	1,076	1,055	1,047	1,018	984	932	912	920

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

Undistributed Expenditures - Required Maintenance for School Facilities

Facilities	Project Number	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Northfield Community School	N/A	\$ 209,746	\$ 239,479	\$ 243,563	\$ 212,341	\$ 247,281	\$ 417,795	\$ 242,038	\$ 214,595	\$ 209,669	\$ 195,802

CITY OF NORTHFIELD SCHOOL DISTRICT

Insurance Schedule

Source: District Records

Exhibit J-20
Unaudited

Company	Type of Coverage	Amount of Coverage	Deductible
Atlantic and Cape May Counties School Business Officials Joint Insurance Fund	Property, Inland Marine and Automobile Physical Damages		
	Limit of Liability - Per Occurrence	\$ 175,000	
	ACCASBOJIF Self Insured Retention - Per Occurrence	250,000	
	Member District Deductible		\$ 500
	Property Valuation		
	Buildings and Contents	Replacement Cost	
	Contractors Equipment	Actual Cash Value	
	Automobiles	Actual Cash Value	
	Boiler and Machinery		
	Limit of Liability	125,000,000	
	ACCASBOJIF Self Insured Retention	None	
	Member District Deductible		1,000
	Crime		
	Limit of Liability	500,000	
	ACCASBOJIF Self Insured Retention	250,000	
	Member District Deductible		500
	General and Automobile Liability		
	Limit of Liability	20,000,000	
	ACCASBOJIF Self Insured Retention	250,000	
	Member District Deductible		-
	Workers Compensation		
	Limit of Liability	Statutory	
	ACCASBOJIF Self Insured Retention	250,000	
Member District Deductible		-	
Educator's Legal Liability			
Limit of Liability	20,000,000		
ACCASBOJIF Self Insured Retention	175,000		
Member District Deductible		-	
Pollution Legal Liability			
Limit of Liability	3,000,000		
ACCASBOJIF Self Insured Retention	None		
Member District Deductible - Pollution Incident		25,000	
Member District Deductible - Mold Incident		100,000	
Cyber Legal Liability			
Limit of Liability	1,000,000		
ACCASBOJIF Self Insured Retention	None		
Member District Deductible		25,000	
Violent Malicious Acts			
Limit of Liability	1,000,000		
ACCASBOJIF Self Insured Retention	None		
Member District Deductible		15,000	
Disaster Management Services			
Limit of Liability	2,000,000		
ACCASBOJIF Self Insured Retention	None		
Member District Deductible		15,000	
Western Surety Company	Surety Bonds		
	School Business Administrator/Board Secretary & Treasurer	228,000	

SINGLE AUDIT SECTION

PREZIOSI • NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

EXHIBIT K-1

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

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Northfield School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Northfield School District's basic financial statements and have issued our report thereon dated September 29, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

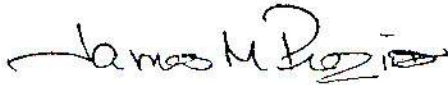
As part of obtaining reasonable assurance about whether the City of Northfield School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have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

Purpose of this Report

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

Respectfully submitted,

PREZIOSI • NICHOLSON & ASSOCIATES
Certified Public Accountants



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

September 29, 2017
Millville, NJ

PREZIOSI·NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

EXHIBIT K-2

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

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major State Program

We have audited the City of Northfield School District's compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on the District's major state programs for the fiscal year ended June 30, 2017. The District's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Program

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

Report on Internal Control Over Compliance

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

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

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

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

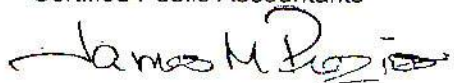
Report on Schedules of Expenditures of Federal Awards Required by Uniform Guidance and State Financial Assistance Required by New Jersey OMB's Circular 15-08

We have audited the financial statements of the City of Northfield School District as of and for the year ended June 30, 2017, and have issued our report thereon dated September 29, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of Federal Awards and State Financial Assistance are presented for the purposes of additional analysis as required by Uniform Guidance and NJ OMB's Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was not derived from and relates directly to the underlying accounting and the other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted.

PREZIOSI • NICHOLSON & ASSOCIATES
Certified Public Accountants



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

September 29, 2017
Millville, NJ

CITY OF NORTHFIELD SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Schedule A
For The Fiscal Year Ended June 30, 2017

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

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Program or Award Amount	Grant Period	Balance at June 30, 2016	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2017	
									Accounts Receivable	Due to Grantor
U.S. Department of Education										
Passed-through State Department of Education										
Special Revenue Fund										
Title I	84.010	266,445.00	7/1/16 - 6/30/17	\$ (1,359.76)	\$ -	\$ 242,180.00	\$ (266,445.00)	\$ -	\$ (24,265.00)	\$ -
Title I	84.010		7/1/15 - 6/30/16			1,359.76				
Title II A	84.367	20,619.00	7/1/16 - 6/30/17	(3,720.00)		20,619.00	(20,619.00)			
Title II A	84.367		7/1/15 - 6/30/16			3,720.00				
Title III	84.031		7/1/16 - 6/30/17	(849.12)		849.12				
Title III	84.031		7/1/15 - 6/30/16							
I.D.E.A. Part B	84.027	214,986.00	7/1/16 - 6/30/17			214,986.00	(214,986.00)			
I.D.E.A. Preschool	84.173	10,961.00	7/1/16 - 6/30/17			10,961.00	(10,961.00)			
Total Special Revenue Fund				(5,928.88)	-	494,674.88	(513,011.00)	-	(24,265.00)	-
U.S. Department of Agriculture										
Passed-through State Department of Education										
Enterprise Fund:										
Food Distribution	10.555	26,789.66	7/1/16 - 6/30/17			40,835.65	(26,789.66)			14,046.00
National School Lunch	10.555	90,606.26	7/1/16 - 6/30/17	(5,876.96)		84,731.60	(90,606.26)		(5,874.66)	
National School Lunch	10.555		7/1/15 - 6/30/16			5,875.96				
School Breakfast	10.553	19,633.73	7/1/16 - 6/30/17	(1,002.73)		18,458.37	(19,633.73)		(1,175.36)	
School Breakfast	10.553		7/1/15 - 6/30/16			1,002.73				
Total Enterprise Fund				(6,878.69)	-	150,904.32	(137,029.65)	-	(7,050.02)	14,046.00
Total Federal Financial Awards				\$ (12,807.57)	\$ -	\$ 645,579.20	\$ (650,040.65)	\$ -	\$ (31,315.02)	\$ 14,046.00

CITY OF NORTHFIELD SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
Schedule B
For The Fiscal Year Ended June 30, 2017

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

State Grantor/Program Title	Project Number	Grant or Period	Program or Award Amount	Balance at June 30, 2016	Cash Received	Budgetary Expenditures	Balance at June 30, 2017		(MEMO) Delayed State Aid Payment
							Accounts Receivable	Grantor Advances	
State Department of Education									
General Fund									
Equalization Aid	17-495-034-5120-078	07/01/15-06/30/17	\$ 3,230,115.00	\$ -	\$ 2,857,096.00	\$ (3,230,115.00)	\$ -	\$ -	\$ (373,019.00)
Special Education Aid	16-495-034-5120-078	07/01/15-06/30/16		(381,433.00)	381,433.00				
Transportation Aid	17-495-034-5120-089	07/01/16-06/30/17	597,038.00		597,038.00	(597,038.00)			
Categorical Security Aid	17-495-034-5120-014	07/01/16-06/30/17	14,004.00		14,004.00	(14,004.00)			
Nonpublic Transportation Aid	17-495-034-5120-084	07/01/16-06/30/17	28,076.00		28,076.00	(28,076.00)			
Nonpublic Transportation Aid	17-495-034-5120-014	07/01/16-06/30/17	5,041.00		5,041.00	(5,041.00)			
Extraordinary Aid	16-495-034-5120-014	07/01/15-06/30/16	39,468.00	(6,392.00)	6,392.00		(39,468.00)		
Extraordinary Aid	17-100-034-5120-473	07/01/16-06/30/17	38,206.00	(38,206.00)	38,206.00				
Professional Learning Aid	17-495-034-5120-101	07/01/16-06/30/17	8,830.00		8,830.00	(8,830.00)			
Under Adequacy Aid	17-495-034-5120-096	07/01/16-06/30/17	11,295.00		11,295.00	(11,295.00)			
PARCC Readiness	17-495-034-5120-098	07/01/16-06/30/17	9,660.00		9,660.00	(9,660.00)			
Per Pupil Growth Aid	17-495-034-5120-097	07/01/16-06/30/17	9,660.00		9,660.00	(9,660.00)			
On Behalf TPAF									
Pension Contributions	17-495-034-5094-002	07/01/16-06/30/17	686,465.00		686,465.00	(686,465.00)			
Post-Retirement Medical	17-495-034-5094-001	07/01/16-06/30/17	571,981.00		571,981.00	(571,981.00)			
Long-Term Disability	17-495-034-5094-004	07/01/16-06/30/17	827.00		827.00	(827.00)			
Social Security Contributions	17-495-034-5095-003	07/01/16-06/30/17	484,601.96		455,305.11	(484,601.96)	(39,296.85)		
Total General Fund				(426,031.00)	5,681,309.11	(5,707,081.96)	(451,783.85)	-	(373,019.00)
Capital Projects Fund									
SDA Grant - HVA Upgrades	3720-056-14-G2UB	07/01/16-06/30/17	507,726.77	(101,604.47)	76,216.13		(25,386.34)	-	-
SDA Grant - Facility Upgrade	3720-056-14-G2UC	07/01/16-06/30/17	988,391.96	(213,874.31)	163,954.71		(49,919.60)		
Total Capital Projects Fund				(315,478.78)	240,172.84	-	(75,305.94)	-	-
Debt Service Fund									
Debt Service Aid	17-495-034-5120-075	07/01/16-06/30/17	145,823.00	-	145,823.00	(145,823.00)	-	-	-
U.S. Department of Agriculture									
Passed-through State Department of Education									
Enterprise Fund									
National School Lunch	17-100-010-3360-067	07/01/16-06/30/17	2,727.78	(222.12)	2,546.86	(2,727.78)	(180.92)		
National School Lunch	16-100-010-3360-067	07/01/15-06/30/16		(222.12)	222.12				
Total Enterprise Fund				(222.12)	2,768.98	(2,727.78)	(180.92)	-	-
Total State Financial Assistance				\$ (741,731.90)	\$ 6,070,073.93	\$ (5,855,612.74)	\$ (527,273.71)	\$ -	\$ (373,019.00)
Less: On-Behalf TPAF Pension Contributions									
					1,259,273.00				
Total for State Financial Assistance For Major Program Determination									\$ (4,596,339.74)

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Schedules of Awards and Financial Assistance
June 30, 2017

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the District's basic financial statements.

NOTE 3 RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

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

CITY OF NORTHFIELD SCHOOL DISTRICT
Notes to Schedules of Awards and Financial Assistance
June 30, 2017

NOTE 3 RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 5,703,119.96	\$ 5,703,119.96
Special Revenue Fund	492,737.77		492,737.77
Debt Service Fund		145,823.00	145,823.00
Capital Projects Fund			
Enterprise Fund	137,029.65	2,727.78	139,757.43
	<hr/>		
Total GAAP	629,767.42	5,851,670.74	6,481,438.16
Budgetary Adjustment			
State Aid Payment			
Current Year		373,019.00	373,019.00
Prior Year		(369,077.00)	(369,077.00)
Encumbrances			
Current Year	24,338.16		24,338.16
Prior Year	(4,064.93)		(4,064.93)
	<hr/>		
Total Budgetary	\$ 650,040.65	\$ 5,855,612.74	\$ 6,505,653.39

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 ADJUSTMENTS

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

NOTE 6 OTHER

Revenues and expenditures reported under the U.S.D.A. Commodities Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2017. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

NOTE 7 MAJOR PROGRAMS

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

CITY OF NORTHFIELD SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2017

PART 1 - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Federal Awards Section

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

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

CITY OF NORTHFIELD SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2017

PART 1 - SUMMARY OF AUDITORS' RESULTS

State Awards Section

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

\$750,000.00

B. Auditee qualified as low-risk auditee?

Yes

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

Unmodified

D. Internal control over major programs.

1. Material weakness(es) identified?

No

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

None Reported

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

No

F. Identification of major programs.

<u>GMS Number(s)</u>	<u>Program Type</u>	<u>Name of State Program</u>
495-034-5120-078	A	State Aid Public
495-034-5120-089	B	Equalization Aid
495-034-5120-084	B	Special Education Categorical Aid
495-034-5120-096	B	Security Aid
495-034-5120-098	B	Under Adequacy Aid
495-034-5120-097	B	PARCC Readiness
495-034-5120-101	B	Per Pupil Growth Aid
		Professional Learning Community Aid

CITY OF NORTHFIELD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2017

PART 2 - SCHEDULE OF FINANCIAL STATEMENT FINDINGS

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

None Noted

CITY OF NORTHFIELD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2017

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

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

FEDERAL AWARDS

N/A

STATE FINANCIAL ASSISTANCE

None

CITY OF NORTHFIELD SCHOOL DISTRICT
Summary Schedule of Prior-Year Findings and
Questioned Costs as Prepared by Management
For The Fiscal Year Ended June 30, 2017

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

Status of Prior Year Finding

None Noted