

SCHOOL DISTRICT
OF THE
TOWN OF BELVIDERE

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

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2013

Comprehensive Annual

Financial Report

of the

Town of Belvidere Board of Education

Belvidere, New Jersey

For the Fiscal Year Ending June 30, 2013

Prepared by

Town of Belvidere Board of Education

Finance Department

OUTLINE OF CAFR

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Introductory Section

TOWN OF BELVIDERE SCHOOL DISTRICT

809 Oxford Street, Belvidere, New Jersey 07823

Dirk Swaneveld
Superintendent of Schools

Rachelle Tjalma
Business Administrator

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

August 31, 2013

Dear Board Members:

The Comprehensive Annual Financial Report of the Belvidere School District for the fiscal year ended June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Belvidere Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial report is presented in four sections: introductory, financial, statistical and single audit. The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments" and the New Jersey Treasury Circular Letter 04-04 OMB. "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit Section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and vocational, as well as special education for classified students. The District completed the 2012-13 fiscal year with an enrollment of 793 students, which is 10 students less than the previous year's enrollment. The following details the changes in student enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	
	<u>Enrollment</u>	<u>Percent Change</u>
2008-09	885	-4.32%
2009-10	905	2.20%
2010-11	860	-5.10%
2011-12	803	-6.63%
2012-13	793	-1.24%

2. ECONOMIC CONDITION AND OUTLOOK:

The economic condition of the Belvidere area remained stable during the 2012-13 school year with little evidence of any single factor having a major impact on the District's programs. Residential development in the area has been minimal and declining enrollment may be a facility consideration in the future.

3. MAJOR INITIATIVES:

Budgetary constraints prevented any major new initiatives in 2012-13. The District was able to maintain all existing programs and staffing and to address all ongoing facility maintenance concerns through careful monitoring of the budget. The continuing escalation of salaries and fringe benefits, primarily health insurance, consume approximately 85% of all available funds.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

As part of the District's Single Audit described above, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the Town of Belvidere. Annual

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance totaling \$142,981 at June 30, 2013.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the Financial Section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the General and Special Revenue Fund revenues and expenditures for the fiscal year ended June 30, 2013 and the amount and percentage changes in relation to the previous year (see Exhibit A-2):

Revenues:				
<u>Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase Amount</u>	<u>(Decrease) Percent</u>
Local	8,161,917	69.96%	\$ (610,637)	(6.96)%
State	3,308,024	28.35	(510,036)	(13.36)
Federal	<u>197,396</u>	<u>1.69</u>	<u>(111,585)</u>	<u>(36.11)</u>
Total	\$11,667,337	100.0%	\$(1,232,258)	(9.55)%

The decrease in revenues related primarily to an decrease in tuition from the sending districts.

Expenditures:				
<u>Classification</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase Amount</u>	<u>(Decrease) Percent</u>
Current Expense				
Instruction	5,139,903	42.81%	\$(142,124)	(2.69)%
Undistributed	<u>6,443,059</u>	<u>53.66</u>	<u>(289,126)</u>	<u>(4.29)</u>
Total	11,582,962	96.47	(431,250)	(3.59)
Capital Outlay	222,316	1.85	167,182	303.23
Special Revenue	<u>201,696</u>	<u>1.68</u>	<u>(3,037)</u>	<u>(1.48)</u>
Total	\$12,006,974	100.0%	\$ (267,105)	(2.18)%

The decrease in Current Expense related primarily to plant operations and maintenance, and other across the board budget savings. Capital Outlay funds were expended on several equipment items during the prior year.

8. DEBT ADMINISTRATION:

At June 30, 2013, the District had no outstanding bonded debt.

9. CASH MANAGEMENT:

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

10. RISK MANAGEMENT:

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

11. OTHER INFORMATION:

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

12. ACKNOWLEDGEMENT:

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

Respectfully submitted,

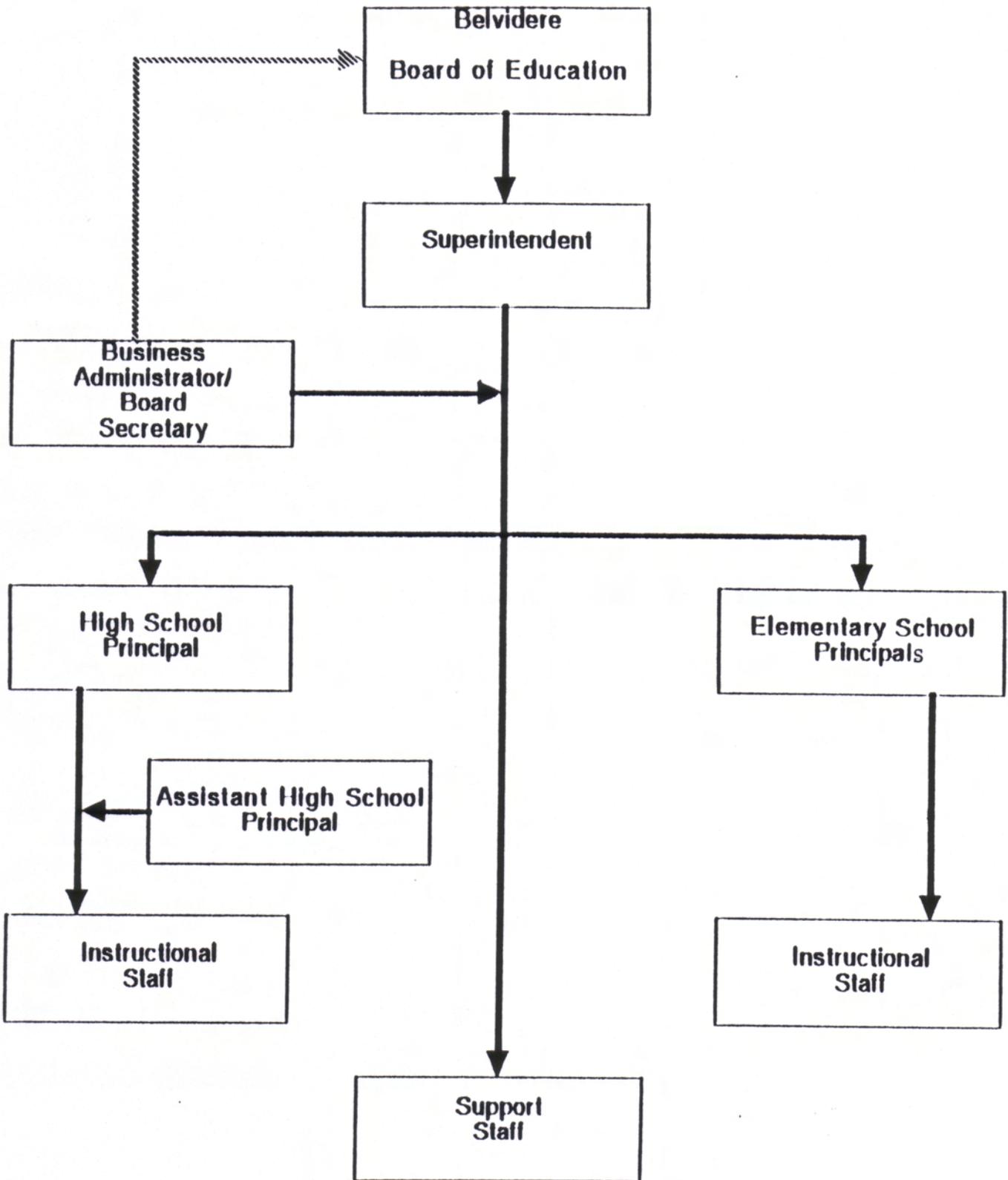


Dirk Swaneveld
Superintendent of Schools



Rachelle Tjalma
Business Administrator / Board Secretary

ORGANIZATIONAL CHART OF THE BELVIDERE SCHOOL DISTRICT



BELVIDERE SCHOOL DISTRICT
Belvidere, New Jersey

ROSTER OF OFFICIALS

June 30, 2013

Members of the Board of Education

Term Expires

Donald Mitchell, <i>President</i>	2013
Shawn McInerney, <i>Vice-President</i>	2014
David Cheatham	2015
Robert Czopoth	2015
Maryann Stephen	2015
Robert Blum	2014
Jane Bullis	2014
Brian Smith	2014
Peter Grogan	2013

David Rader - White Township Representative

John Lucas - Hope Township Representative

Laura Murphy - Harmony Township Representative

Other Officials

Dirk Swaneveld, *Superintendent*

Rachelle Tjalma, CPA, *Business Administrator/Board Secretary*

Randy Wilson, *Treasurer*

**BELVIDERE SCHOOL DISTRICT
BOARD OF EDUCATION**

Consultants and Advisors

AUDIT FIRM

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

BOARD ATTORNEY

Schwartz Simon Edelstein Celso & Kessler, LLP
Ten James Street
Florham Park, New Jersey 07932

OFFICIAL DEPOSITORY

PNC Bank
101 Mansfield Street
Belvidere, New Jersey 07823

Financial Section

Independent Auditor's Report



ARDITO & Co., LLP

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

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

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the government activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Belvidere School District Board of Education, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Belvidere School District Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

-Continued-

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Belvidere School District Board of Education, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8 through 8.7 and 36 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Belvidere School District Board of Education's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules, statistical section, and schedule of state financial assistance, as required by New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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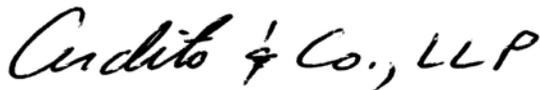
The combining and individual fund financial statement information, long-term debt schedules, and the schedule of state financial assistance, as required by New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statement information, long-term debt schedules, and schedule of state financial assistance, as required by New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2013, on our consideration of the Town of Belvidere School District Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



ARDITO & CO., LLP
August 31, 2013



Licensed Public School Accountant No. 2369

Required Supplementary Information -
Part I

Management's Discussion and Analysis

TOWN OF BELVIDERE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

The discussion and analysis of Belvidere School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2013 are as follows:

- ◆ In total, net position decreased \$344,515 which represents a 10.0 percent decrease from 2012.
- ◆ General revenues accounted for \$3,491,187 in revenue or 27.4 percent of all revenues. Program specific revenues in the form of charges for services, operating grants were \$9,254,012 or 72.6 per cent of total revenues of \$12,745,199.
- ◆ Total assets of governmental activities decreased by \$154,735 as cash and cash equivalents decreased by \$56,160, receivables decreased by \$79,658, and capital assets decreased by \$21,989.
- ◆ The School District had \$13,089,714 in expenses; only \$9,254,012 of these expenses were offset by program specific charges for services, grants or contributions. General Revenues (primarily property taxes) of \$3,491,187 were adequate to provide for these programs.
- ◆ Among major funds, the General Fund had \$12,322,050 in revenues and \$12,661,687 in expenditures. The General Fund's surplus balance decreased by \$339,637 compared to a budgeted decrease (use of surplus) of \$571,392.

Using this Generally Accepted Accounting Principals Report (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Belvidere School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Belvidere School District, the General Fund is by far the most significant fund.

TOWN OF BELVIDERE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 10. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

TOWN OF BELVIDERE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

Governmental Funds

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

The School District as a Whole

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

Table 1 provides a summary of the School District's net position for 2013 compared to 2012.

**Table 1
Net Position**

	<u>2013</u>	<u>2012</u>
Assets		
Current and Other Assets	\$ 1,574,403	\$ 1,707,149
Capital Assets	<u>2,014,802</u>	<u>2,036,791</u>
Total Assets	<u>3,589,205</u>	<u>3,743,940</u>
 Liabilities		
Long-Term Liabilities	57,957	92,499
Other Liabilities	<u>438,830</u>	<u>214,508</u>
Total Liabilities	<u>496,787</u>	<u>307,007</u>
 Net Position		
Invested in Capital Assets, Net of Debt	2,014,802	2,036,791
Restricted	905,000	936,392
Unrestricted	<u>172,616</u>	<u>463,750</u>
Total Net Position	<u>\$ 3,092,418</u>	<u>\$ 3,436,933</u>

TOWN OF BELVIDERE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

Total assets decreased \$154,735. Cash and cash equivalents decreased by \$56,160, receivables decreased by \$79,658, and capital assets decreased by \$21,989. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District increased by \$291,134 mainly due to budgeted use of surplus of \$421,392 to balance the 2012-2013 budget.

Table 2 shows the changes in net position from fiscal year 2012.

**Table 2
Changes in Net Position**

	<u>2013</u>	<u>2012</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 4,828,866	\$ 5,606,878
Operating Grants and Contributions	4,425,146	4,199,707
General Revenues:		
Property Taxes	3,460,105	3,367,750
Federal and State Aid for Capital Asset Projects		-
Investment Income	1,500	1,540
Other	<u>29,582</u>	<u>15,467</u>
Total Revenues	<u>12,745,199</u>	<u>13,191,342</u>
Program Expenses		
Instruction	7,751,956	7,591,515
Support Services:		
Tuition	135,688	102,279
Pupils and Instructional Staff	1,670,787	1,614,451
General Administration, School Administration, Business	1,644,069	1,625,563
Operations and Maintenance of Facilities	1,550,330	1,310,116
Pupil Transportation	96,423	89,756
Business-Type Activities	239,013	290,261
Interest and Fiscal Charges	<u>1,448</u>	<u>1,055</u>
Total Expenses	<u>13,089,714</u>	<u>12,624,996</u>
 Increase in Net Position	 <u>\$ (344,515)</u>	 <u>\$ 566,346</u>

TOWN OF BELVIDERE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 27.1 percent of revenues for governmental activities for the Belvidere School District for the fiscal year 2013.

Instruction comprises 59.2 percent of district expenses. Support services expenses make up 38.9 percent of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2012. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	Total Cost of Services <u>2013</u>	Net Cost of Services <u>2013</u>	Total Cost of Services <u>2012</u>	Net Cost of Services <u>2012</u>
Instruction	\$ 7,751,956	\$ 1,799,139	\$7,591,515	\$1,322,621
Support Services:				
Tuition	135,688	135,688	102,279	102,279
Pupils and Instructional Staff	1,670,787	330,725	1,614,451	202,598
General Administration, School				
Administration, Business	1,644,069	381,255	1,625,563	294,218
Operation and Maintenance of Facilities	1,550,330	1,073,464	1,310,116	807,370
Pupil Transportation	96,423	96,423	89,756	89,756
Other Fiscal Charges	1,448	1,448	1,055	1,055
Business-Type Activities	<u>239,013</u>	<u>17,560</u>	<u>290,261</u>	<u>(1,486)</u>
Total Expenses	<u>\$13,089,714</u>	<u>\$3,835,702</u>	<u>\$12,624,996</u>	<u>\$2,818,411</u>

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

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

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

TOWN OF BELVIDERE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

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

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

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

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

The dependence upon tax revenues is apparent. Over 23.2 percent of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 29.3 percent. The remaining 70.7 per cent of expenditures is financed by tuition income and state and federal grants.

The School District's Funds

Information about the School District's major funds starts on page 11 (Balance Sheet/Exhibit B-1) . These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$12,523,746 and expenditures of \$12,863,386. The net change in fund balance for the year was most significant in the General Fund, an decrease of \$339,637 mainly due to the budgeted use of surplus and maintenance reserve of \$571,392 to fund the 2012-2013 budget. The use of surplus was partially offset by expense efficiencies yielding a lower than expected decrease in surplus.

General Fund Budgeting Highlights

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

During the course of the fiscal 2013 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

TOWN OF BELVIDERE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

For the General Fund, budget basis revenue and other financing sources, excluding TPAF on-behalf amount, was \$11,050,917, \$108,653 over budgeted estimates of \$10,942,264. This difference was due primarily to extraordinary aid of \$62,243, and additional tuition revenue of \$32,328.

The General fund expenditures and other financing uses of the School District exceeded revenues by approximately \$336,316, compared to a budgeted deficit of \$571,392 due to planned use of surplus anticipated in the budget. The planned use of surplus was offset by additional revenues as noted above, and budget efficiencies in expense line items.

Capital Assets

At the end of the fiscal year 2013, the School District had \$1,986,620 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2013 balances compared to 2012.

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

	<u>2013</u>	<u>2012</u>
Land	\$ 853,550	\$ 853,550
Land Improvements		
Buildings and Improvements	1,044,674	1,075,729
Machinery and Equipment	<u>88,396</u>	<u>79,201</u>
Totals	<u>\$ 1,986,620</u>	<u>\$ 2,008,480</u>

Overall governmental fund capital assets decreased \$21,860 from fiscal year 2012 to fiscal year 2013, net of depreciation expenses for the year.

Major capital assets of \$220,868 were added during the year, which included fire alarm upgrades, coputer servers, and other various equipment.

Debt Administration

At June 30, 2013, the School District had \$57,957 as outstanding debt. This amount is for compensated absences.

At June 30, 2013, the School District's overall legal debt margin was \$9,394,774 and the unvoted debt margin was the same at \$9,394,774.

TOWN OF BELVIDERE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

For the Future

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

During the prior year, elections were moved to November, eliminating the requirement for voter approval of the annual budget. It has been increasingly difficult to balance educational needs with increases in property tax rates with a steady decrease in state aid. The Belvidere School District is primarily a residential community and the Warren County Seat, with very few ratables, thus the burden is focused on homeowners to bear the tax burden.

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

Contacting the School District's Financial Management

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

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

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

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2013

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,386,593	\$ 17,790	\$ 1,404,383
Receivables from Other Governments	129,505	2,500	132,005
Interfunds Receivable		32,015	32,015
Inventory		6,000	6,000
Capital Assets, Net (Note 5):	1,986,620	28,182	2,014,802
Total Assets	<u>3,502,718</u>	<u>86,487</u>	<u>3,589,205</u>
LIABILITIES			
Accounts Payable	403,708		403,708
Interfund Payable	32,015		32,015
Unearned Revenue		3,107	3,107
Noncurrent Liabilities (Note 6):			
Due Within One Year			
Due Beyond One Year	57,957		57,957
Total Liabilities	<u>493,680</u>	<u>3,107</u>	<u>496,787</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	1,986,620	28,182	2,014,802
Restricted for:			
Other Purposes	905,000		905,000
Unrestricted	117,418	55,198	172,616
Total Net Position	<u>\$ 3,009,038</u>	<u>\$ 83,380</u>	<u>\$ 3,092,418</u>

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

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Functions/Programs						
Governmental Activities:						
Instruction:						
Regular	\$ 5,960,899	\$ 2,358,718	\$ 2,278,300		\$ (1,323,881)	\$ (1,323,881)
Special Education	1,351,784	695,939	619,860		(35,985)	(35,985)
Other Special Instruction	439,273				(439,273)	(439,273)
Support Services:						
Tuition	135,688				(135,688)	(135,688)
Student & Instruction Related Serv.	1,670,787	695,939	644,123		(330,725)	(330,725)
School Administrative Services	955,374	401,683	357,771		(195,920)	(195,920)
Business Administrative Services	688,695	266,232	237,128		(185,335)	(185,335)
Plant Operations and Maintenance	1,550,330	252,219	224,647		(1,073,464)	(1,073,464)
Pupil Transportation	96,423				(96,423)	(96,423)
Other Fiscal Charges	1,448				(1,448)	(1,448)
Total Governmental Activities	<u>12,850,701</u>	<u>4,670,730</u>	<u>4,361,829</u>		<u>(3,818,142)</u>	<u>(3,818,142)</u>
Business-Type Activities:						
Food Service	239,013	158,136	63,317		\$ (17,560)	(17,560)
Total Business-Type Activities	<u>239,013</u>	<u>158,136</u>	<u>63,317</u>		<u>(17,560)</u>	<u>(17,560)</u>
Total Primary Government	<u>\$ 13,089,714</u>	<u>\$ 4,828,866</u>	<u>\$ 4,425,146</u>		<u>\$ (3,818,142)</u>	<u>\$ (17,560)</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes,Net				\$ 3,460,105		\$ 3,460,105
Investment Earnings				1,500		1,500
Miscellaneous Income				29,582		29,582
Total General Revenues, Special Items, Extraor. Items and Transfers				<u>3,491,187</u>		<u>3,491,187</u>
Change in Net Position				(326,955)	\$ (17,560)	(344,515)
Net Position—Beginning				<u>3,335,993</u>	<u>100,940</u>	<u>3,436,933</u>
Net Position—Ending				<u>\$ 3,009,038</u>	<u>\$ 83,380</u>	<u>\$ 3,092,418</u>

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

FUND FINANCIAL STATEMENTS

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

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2013

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,386,593		\$ 1,386,593
Interfund Receivables	2,846		2,846
Receivables from Other Governments	111,587	\$ 17,918	129,505
TOTAL ASSETS	\$ 1,501,026	\$ 17,918	\$ 1,518,944
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 388,636	\$ 15,072	\$ 403,708
Interfund Payable	32,015	2,846	34,861
Total Liabilities	420,651	17,918	438,569
Fund Balances:			
<u>Restricted for:</u>			
Capital Reserve	50,000		50,000
Maintenance Reserve	555,000		555,000
<u>Assigned to:</u>			
Year-End Encumbrances	142,981		142,981
General Fund-Designated for Subsequent Year's Expend.	300,000		300,000
<u>Unassigned:</u>			
General Fund	32,394		32,394
Special Revenue Fund			
Total Fund Balances	1,080,375		1,080,375
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,501,026	\$ 17,918	\$ 1,518,944

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$8,964,183 and the accumulated depreciation is \$6,977,563.	\$ 1,986,620
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 (see Note 6)	<u>(57,957)</u>
Net Position of governmental activities	<u>\$ 3,009,038</u>

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

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local sources:			
Local Tax Levy	\$ 3,460,105		\$ 3,460,105
Tuition	4,670,730		4,670,730
Miscellaneous	31,082		31,082
Total - Local Sources	<u>8,161,917</u>		<u>8,161,917</u>
State Sources	4,160,133	\$ 4,300	4,164,433
Federal Sources		197,396	197,396
Total Revenues	<u>12,322,050</u>	<u>201,696</u>	<u>12,523,746</u>
EXPENDITURES			
Current:			
Regular Instruction	3,879,978	177,433	4,057,411
Special Education Instruction	820,652		820,652
Other Special Instruction	439,273		439,273
Support services and undistributed costs:			
Tuition	135,688		135,688
Student and Instruction Related Services	1,109,809	24,263	1,134,072
School Administrative Services	649,155		649,155
Other Administrative Services	489,583		489,583
Plant Operations and Maintenance	1,333,656		1,333,656
Pupil Transportation	96,423		96,423
Unallocated Benefits	3,456,889		3,456,889
Transfer to Charter School	28,265		28,265
Capital Outlay	<u>222,316</u>		<u>222,316</u>
Total Expenditures	<u>12,661,687</u>	<u>201,696</u>	<u>12,863,383</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(339,637)</u>		<u>(339,637)</u>
Net Change in Fund Balances	(339,637)		(339,637)
Fund Balance—July 1	1,420,012		1,420,012
Fund Balance—June 30	<u>\$ 1,080,375</u>	<u>-</u>	<u>\$ 1,080,375</u>

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

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (339,637)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation Expense	\$ (242,728)	
	Capital Outlays	<u>220,868</u>	(21,860)

Repayment of long-term liabilities, such as compensated absences, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

34,542

Change in Net Position of Governmental Activities \$ (326,955)

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

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
 PROPRIETARY FUNDS

June 30, 2013

		Business-Type Activities- Enterprise Funds	
		<u>Food Service</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$	17,790	\$ 17,790
Accounts Receivable		2,500	2,500
Interfund Receivables		32,015	32,015
Inventories		6,000	6,000
Total Current Assets		58,305	58,305
Noncurrent Assets:			
Furniture, Machinery and Equipment		216,903	216,903
Less Accumulated Depreciation		(188,721)	(188,721)
Total Noncurrent Assets		28,182	28,182
Total Assets		86,487	86,487
LIABILITIES			
Current liabilities:			
Deferred Revenue		3,107	3,107
Total Current Liabilities		3,107	3,107
Total Liabilities		3,107	3,107
NET POSITION			
Invested in Capital Assets Net of Related Debt		28,182	28,182
Unrestricted		55,198	55,198
Total Net Position	\$	83,380	\$ 83,380

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable/Non-Reimb. Programs	\$ 157,894	\$ 157,894
Miscellaneous	242	242
Total Operating Revenues	<u>158,136</u>	<u>158,136</u>
Operating Expenses:		
Cost of Sales	104,784	104,784
Salaries	81,723	81,723
Employee Benefits	20,916	20,916
Other Purchased Professional Services	10,867	10,867
Miscellaneous	9,268	9,268
Depreciation	11,455	11,455
Total Operating Expenses	<u>239,013</u>	<u>239,013</u>
Operating Income (Loss)	<u>(80,877)</u>	<u>(80,877)</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	2,298	2,298
Federal Sources:		
National School Lunch Program	49,373	49,373
Food Distribution Program	11,646	11,646
Total Nonoperating Revenues (Expenses)	<u>63,317</u>	<u>63,317</u>
Income (Loss) Before Contributions and Transfers	(17,560)	(17,560)
Transfers In (Out)		
Change in Net Position	<u>(17,560)</u>	<u>(17,560)</u>
Total Net Position—Beginning	100,940	100,940
Total Net Position—Ending	<u>\$ 83,380</u>	<u>\$ 83,380</u>

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

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2013

	Business-Type Activities- Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 157,894	\$ 157,894
Payments to Employees	(81,723)	(81,723)
Payments for Employee Benefits	(2,091)	(2,091)
Payments to Suppliers	(133,255)	(133,255)
Net Cash Provided by (used for) Operating Activities	<u>(59,175)</u>	<u>(59,175)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal and State Subsidy Transfer from Other Funds	80,000	80,000
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>80,000</u>	<u>80,000</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital Asset Additions	(11,326)	(11,326)
Net Cash Provided by (used for) Capital Financing Activities	<u>(11,326)</u>	<u>(11,326)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	9,499	9,499
Balances—Beginning of Year	8,291	8,291
Balances—End of Year	<u>\$ 17,790</u>	<u>\$ 17,790</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	(80,877)	(80,877)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Depreciation and Net Amortization	11,455	11,455
Federal Commodities	11,646	11,646
(Increase) Decrease in Accounts Receivable, Net		
(Increase) Decrease in Inventories	(1,399)	(1,399)
Increase (Decrease) in Accounts Payable		
Total Adjustments	<u>21,702</u>	<u>21,702</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (59,175)</u>	<u>\$ (59,175)</u>

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

TOWN OF BELVIDERE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

Exhibit B-7

June 30, 2013

	<u>Agency Fund</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 389,876</u>
Total Assets	<u>\$ 389,876</u>
LIABILITIES	
Payroll Deductions and Withholdings	\$ 9,926
Accrued Salaries and Wages- Summer Payment Plan	271,307
Accounts Payable	836
Payable to Student Groups	<u>107,807</u>
Total Liabilities	<u>\$ 389,876</u>

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

Notes to Financial Statements

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the CAFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities. The implementation of these statements had no effect on equity balances as previously reported for the fiscal year ended June 30, 2012.

A. Reporting Entity:

The Belvidere School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms and three sending district members appointed annually. The purpose of the district is to educate students in grades K-12. The Belvidere School District had an approximate enrollment at June 30, 2013, of 793 students.

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

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

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

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

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

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

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

GOVERNMENTAL FUNDS

The District reports the following governmental funds:

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

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

GOVERNMENTAL FUNDS (Continued)

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

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

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

PROPRIETARY FUNDS

The District reports the following proprietary fund:

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

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the District reports the following fund type:

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

Basis of Accounting

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

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets/Budgetary Control:

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

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

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

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

D. Encumbrance Accounting:

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

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

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

TOWN OF BELVIDERE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

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

Interfund Transactions:

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

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

Inventories:

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

Allowance for Uncollectible Accounts:

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

Capital Assets:

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

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

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

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

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

Compensated Absences:

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

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

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

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

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

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

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Net Position:

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

Fund Balance Reserves:

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

Revenues—Exchange and Nonexchange Transactions

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

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

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

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

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

NOTE 2: CASH AND CASH EQUIVALENTS

Deposits:

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

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

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

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

TOWN OF BELVIDERE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2013, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2013, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents (A-1)</u>	<u>Cash and Cash Equivalents (B-7)</u>	Total
Checking	<u>\$ 1,404,383</u>	<u>\$ 389,876</u>	<u>\$ 1,794,259</u>
	<u>\$ 1,404,383</u>	<u>\$ 389,876</u>	<u>\$ 1,794,259</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2013, was \$1,794,259 and the bank balance was \$1,984,226. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$1,734,226 was covered by collateral pool.

NOTE 3: RECEIVABLES

Receivables at June 30, 2013, consisted of tuition accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Government-Wide Financial Statements</u>
State Government	\$ 82,775	\$ 82,882
Federal Government	17,918	20,311
Tuition Receivable	25,442	25,442
Other Local Govern. Receivables	<u>3,370</u>	<u>3,370</u>
Gross Receivable	129,505	132,005
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	<u>\$ 129,505</u>	<u>\$ 132,005</u>

TOWN OF BELVIDERE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 4: INVENTORY

Inventory in the Food Service Fund at June 30, 2013 consisted of the following:

Food	\$ 1,882
Supplies	4,118
	<u>\$ 6,000</u>

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

NOTE 5: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 853,550			\$ 853,550
Total Capital Assets Not Being Depreciated	<u>853,550</u>	-		<u>853,550</u>
<i>Capital Assets Being Depreciated:</i>				
Buildings and Building Improvements	6,918,875	\$ 176,830		7,095,705
Machinery and Equipment	970,890	44,038		1,014,928
Total at Historical Cost	<u>7,889,765</u>	<u>220,868</u>		<u>8,110,633</u>
Less Accumulated Depreciation for:				
Building and Improvements	(5,843,146)	(207,885)		(6,051,031)
Equipment	(891,689)	(34,843)		(926,532)
Total Accumulated Depreciation	<u>(6,734,835)</u>	<u>(242,728)</u>		<u>(6,977,563)</u>
Total Capital Assets Being Depreciated, net of Accum. Depreciation	<u>1,154,930</u>	<u>(21,860)</u>		<u>1,133,070</u>
Government Activity Capital Assets, Net	<u>\$ 2,008,480</u>	<u>\$ (21,860)</u>		<u>\$ 1,986,620</u>

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

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 160,929
Special Education	16,991
Support Services	22,574
General Administration	2,427
School Administration	9,466
Maintenance and Plant	30,341
Total	<u>\$ 242,728</u>

TOWN OF BELVIDERE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 6: LONG-TERM OBLIGATIONS

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

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2013, are as follows:

	Balance			Balance	Amounts
Governmental Activities:	<u>7/1/12</u>	<u>Increases</u>	<u>Decreases</u>	<u>6/30/13</u>	<u>Due Within</u>
Other Liabilities:					<u>One Year</u>
Compensated Absences Payable	\$ 92,499	\$ 10,294	\$ 44,836	\$ 57,957	
Total Other Liabilities	<u>\$ 92,499</u>	<u>10,294</u>	<u>\$ 44,836</u>	<u>\$ 57,957</u>	<u>-</u>

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

TOWN OF BELVIDERE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 7: PENSION PLANS

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

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

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

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years).

Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

TOWN OF BELVIDERE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 7: PENSION PLANS (Continued)

Significant Legislation - Legislation enacted during the year ended June 30, 1997, (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets.

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

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2013	\$111,037	100 %	-0-
6/30/2012	\$112,156	100	-0-
6/30/2011	\$113,368	100	-0-

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

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2013	-0-	100 %	-0-
6/30/2012	-0-	100	-0-
6/30/2011	-0-	100	-0-

During the fiscal year ended June 30, 2013, the State of New Jersey did contribute \$856,409 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$418,045 during the year ended June 30, 2013, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the District-wide financial statements, and the fund-based statements and schedules as revenues and expenditures in accordance with GASB Statement No.24.

TOWN OF BELVIDERE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 8: POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2012 there were 97,661 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The state is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

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

NOTE 9: DEFERRED COMPENSATION

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

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

TOWN OF BELVIDERE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 10: COMPENSATED ABSENCES

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

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2013, no liability existed for compensated absences in the proprietary fund types.

NOTE 11: RISK MANAGEMENT

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

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

NOTE 12: CONTINGENT LIABILITIES

GRANT PROGRAMS

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

LITIGATION

The Board is involved in a claim by a prior employee concerning various work environment issues. Legal counsel expresses no opinion as to the probable outcome of the matter.

TOWN OF BELVIDERE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 13: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$1,080,375 General Fund fund balance at June 30, 2013, \$555,000 is reserved in the Maintenance Reserve Account, \$50,000 is reserved in the Capital Reserve Account, \$142,981 is reserved for encumbrances; \$300,000 has been appropriated and included as anticipated revenue as of June 30, 2014; and \$32,394 is unreserved and undesignated.

NOTE 14: ACCRUED SALARIES AND WAGES

Certain District employees, who provide services to the District over the ten month academic year, have the option to have a percentage of their salary withheld, deposited in a trust account and disbursed over the summer months (summer pay plan). New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2013, the amount earned by these employees but not disbursed was \$271,307. (Exhibit H-4).

NOTE 15: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$0.

NOTE 16: CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning balance June 30, 2013	-
Deposits (PL 2007 c.62 (A1)) - June Resolution	\$ 50,000
Ending balance June 30, 2013	<u>\$ 50,000</u>

TOWN OF BELVIDERE SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 17: MAINTENANCE RESERVE ACCOUNT

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

The activity of the maintenance reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning balance July 1, 2012	\$ 515,000
Deposits (PL 2007 c.62 (A1)) - Board Resolution 6/13/12	190,000
Budgeted Withdrawals	<u>(150,000)</u>
Ending balance June 30, 2013	<u>\$ 555,000</u>

NOTE 18: INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables as of June 30, 2013, are as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund		\$ 32,015
Enterprise Fund	<u>\$ 32,015</u>	
	<u>\$ 32,015</u>	<u>\$ 32,015</u>

The general fund interfund payable of \$32,015 is due to the enterprise fund for federal/state lunch subsidies.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

TOWN OF BELVIDERE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Exhibit C-1

Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,460,105		\$ 3,460,105	\$ 3,460,105	
Tuition	4,638,402		4,638,402	4,670,730	\$ 32,328
Miscellaneous	17,000		17,000	31,082	14,082
Total - Local Sources	<u>8,115,507</u>		<u>8,115,507</u>	<u>8,161,917</u>	<u>46,410</u>
State Sources:					
Equalization Aid	2,565,825		2,565,825	2,565,825	
Transportation Aid	1,501		1,501	1,501	
Special Education Aid	250,808		250,808	250,808	
Security Aid	8,623		8,623	8,623	
Other State Aid				62,243	62,243
TPAF Pension and PRM (On-Behalf - Non-Budgeted)				856,409	856,409
TPAF Social Security (Reimbursed - Non-Budgeted)				418,045	418,045
Total State Sources	<u>2,826,757</u>		<u>2,826,757</u>	<u>4,163,454</u>	<u>1,336,697</u>
TOTAL REVENUES	<u>10,942,264</u>		<u>10,942,264</u>	<u>12,325,371</u>	<u>1,383,107</u>

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	18,921	(7,484)	11,437	11,437	
Kindergarten - Salaries of Teachers	27,132	23,773	50,905	50,905	
Grades 1-5 - Salaries of Teachers	711,801	(1,394)	710,407	708,160	2,247
Grades 6-8 - Salaries of Teachers	503,366	666	504,032	502,875	1,157
Grades 9-12 - Salaries of Teachers	2,274,142	(15,222)	2,258,920	2,258,920	
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000		5,000	3,960	1,040
Purchased Professional-Educational Services	6,000		6,000	3,351	2,649
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	500		500		500
General Supplies	213,100	142,480	355,580	337,058	18,522
Other Objects	5,000	1,010	6,010	3,312	2,698
TOTAL REGULAR PROGRAMS - INSTRUCTION	3,764,962	143,829	3,908,791	3,879,978	28,813
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	150,451	2,503	152,954	152,954	
Other Salaries for Instruction	56,389	4,832	61,221	61,215	6
General Supplies	5,500	438	5,938	5,208	730
Total Behavioral Disabilities	212,340	7,773	220,113	219,377	736
Resource Room/Resource Center:					
Salaries of Teachers	509,466	(14,280)	495,186	488,943	6,243
Other Salaries for Instruction	10,000		10,000	7,795	2,205
General Supplies	5,000	4,600	9,600	8,857	743
Total Resource Room/Resource Center	524,466	(9,680)	514,786	505,595	9,191

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Special Education Instruction - Autism					
Salaries of Teachers	59,222		59,222	53,405	5,817
Other Salaries for Instruction		15,920	15,920	15,920	
General Supplies	3,000		3,000	2,647	353
Total Special Education Instruction - Autism	62,222	15,920	78,142	71,972	6,170
Preschool Disabilities - Part-Time:					
Salaries of Teachers	20,686	3,312	23,998	21,783	2,215
Other Salaries for Instruction	6,016		6,016		6,016
General Supplies	2,000		2,000	1,925	75
Total Preschool Disabilities - Part-Time	28,702	3,312	32,014	23,708	8,306
TOTAL SPECIAL EDUCATION - INSTRUCTION	827,730	17,325	845,055	820,652	24,403
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	118,639	(36,173)	82,466	79,427	3,039
Total Basic Skills/Remedial - Instruction	118,639	(36,173)	82,466	79,427	3,039
School Sponsored Co/Extra Curricular Activities-Instruction:					
Salaries	64,888		64,888	59,094	5,794
Supplies and Materials	6,200		6,200		6,200
Other Objects	6,500		6,500	996	5,504
Total School Sponsored Co/Extra Curricular Activities-Instr.	77,588		77,588	60,090	17,498
School Sponsored Athletics-Instruction:					
Salaries	203,827	5,766	209,593	209,593	
Purchased Services (300-500 series)	6,525		6,525	501	6,024
Supplies and Materials	37,550	2,240	39,790	38,253	1,537
Other Objects	102,520	(45,055)	57,465	51,409	6,056
Total School Sponsored Athletics-Instruction	350,422	(37,049)	313,373	299,756	13,617
TOTAL INSTRUCTION	5,139,341	87,932	5,227,273	5,139,903	87,370

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
UNDISTRIBUTED EXPENDITURES					
Instruction:					
Tuition to Other LEAs Within the State - Regular	12,461	16,930	29,391	29,391	
Tuition to County Voc. School Dist - Regular	20,103		20,103	20,103	
Tuition to County Voc. District - Special	3,315	1	3,316	3,316	
Tuition to CSSD & Reg. Day Schools	41,300	(16,352)	24,948	21,028	3,920
Tuition to Private School for the Disables W/I State	61,700	2,439	64,139	61,850	2,289
Total Instruction	138,879	3,018	141,897	135,688	6,209
Health Services:					
Salaries	193,581		193,581	182,042	11,539
Supplies and Materials	4,550		4,550	3,985	565
Total Health Services	198,131		198,131	186,027	12,104
Other Supp. Services Students-Related Services:					
Salaries	139,149	(72,148)	67,001	65,181	1,820
Purchased Professional - Educational Services	40,000	12,301	52,301	51,651	650
Supplies and Materials	3,500		3,500	1,356	2,144
Total Other Supp. Services Students-Related Services	182,649	(59,847)	122,802	118,188	4,614
Other Supp. Services Students-Extra. Services:					
Purchased Professional - Educational Services	78,200	(34,367)	43,833	43,780	53
Supplies and Materials	500		500	113	387
Other Supp. Services Students-Extra. Services	78,700	(34,367)	44,333	43,893	440

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Supp. Services Students-Regular:					
Salaries of Other Professional Staff	145,400	(281)	145,119	144,224	895
Salaries of Secretarial and Clerical Assistants	36,174	281	36,455	36,455	
Supplies and Materials	5,500		5,500	1,563	3,937
Other Objects	5,000		5,000	1,837	3,163
Total Other Supp. Services Students-Regular	<u>192,074</u>		<u>192,074</u>	<u>184,079</u>	<u>7,995</u>
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	325,582		325,582	320,158	5,424
Salaries of Secretarial and Clerical Assistants	16,382	(12,600)	3,782	2,696	1,086
Purchased Professional - Educational Services	36,000	6,225	42,225	40,935	1,290
Misc Pur Serv (400-500 series Other Than Resid Costs)	500		500		500
Supplies and Materials	5,000		5,000	3,118	1,882
Other Objects	2,500	19,519	22,019	21,599	420
Total Other Supp. Services Students-Special	<u>385,964</u>	<u>13,144</u>	<u>399,108</u>	<u>388,506</u>	<u>10,602</u>
Improvement of Instruction Services :					
Salaries of Other Professional Staff	17,500		17,500	14,165	3,335
Other Purch Prof. and Tech Services	3,000		3,000	1,859	1,141
Supplies and Materials	500		500	472	28
Total Improvement of Instruction Services	<u>21,000</u>		<u>21,000</u>	<u>16,496</u>	<u>4,504</u>
Educational Media Services/School Library:					
Salaries	138,567		138,567	137,713	854
Supplies and Materials	17,500	(5)	17,495	17,365	130
Other Objects	2,500	282	2,782	2,777	5
Total Educational Media Services/School Library	<u>158,567</u>	<u>277</u>	<u>158,844</u>	<u>157,855</u>	<u>989</u>
Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	10,000	11,700	21,700	14,765	6,935
Total Instructional Staff Training Services	<u>10,000</u>	<u>11,700</u>	<u>21,700</u>	<u>14,765</u>	<u>6,935</u>

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Supp. Services - General Administration:					
Salaries	125,230	1,770	127,000	127,000	
Legal Services	25,000	3,437	28,437	28,437	
Audit Services	22,000	(750)	21,250	20,828	422
Other Purchased Professional Services	3,000	(3,000)			
Communications/Telephone	31,000	(2,019)	28,981	28,981	
BOE Other Purchased Services	500	69	569	375	194
Other Purchased Services (400-500 series)	24,725	(6,816)	17,909	16,574	1,335
General Supplies	2,500	(1,136)	1,364	1,364	
BOE In-House Training/Meeting Supplies	500		500	106	394
Judgements		28,425	28,425		28,425
Miscellaneous Expenditures	7,500	4,308	11,808	11,808	
BOE Membership Dues and Fees	14,500	(2,311)	12,189	12,189	
Total Supp. Services - General Administration	256,455	21,977	278,432	247,662	30,770
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	425,079	(11,505)	413,574	412,127	1,447
Salaries of Secretarial and Clerical Assistants	229,016	(11,089)	217,927	206,865	11,062
Other Purchased Services (400-500 series)	1,500		1,500	153	1,347
Supplies and Materials	12,000	800	12,800	11,324	1,476
Other Objects	24,500	(300)	24,200	18,686	5,514
Total Support Services - School Administration	692,095	(22,094)	670,001	649,155	20,846
Central Services					
Salaries	163,470	(2,186)	161,284	161,284	
Misc. Purchased Services (400-500)	1,000	(585)	415	93	322
Supplies and Materials	1,500	2,354	3,854	3,854	
Other Objects	15,500	417	15,917	15,917	
Total Central Services	181,470		181,470	181,148	322

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Admin. Info. Tech					
Salaries	44,341	(3,443)	40,898	40,898	
Supplies and Materials	6,000	(525)	5,475	4,129	1,346
Other Objects	16,400	3,969	20,369	15,746	4,623
Total Admin. Info. Tech	<u>66,741</u>	<u>1</u>	<u>66,742</u>	<u>60,773</u>	<u>5,969</u>
Required Maintenance for School Facilities:					
Salaries	123,724	1,066	124,790	124,790	
Cleaning, Repair and Maintenance Services	227,100	290,197	517,297	424,594	92,703
General Supplies	27,300	56,984	84,284	81,946	2,338
Total Required Maintenance for School Facilities	<u>378,124</u>	<u>348,247</u>	<u>726,371</u>	<u>631,330</u>	<u>95,041</u>
Other Operations and Maintenance of Plant:					
Salaries	302,230	(514)	301,716	296,444	5,272
Other Purchased Property Services	69,400	3,473	72,873	51,059	21,814
Insurance	141,804	(72,059)	69,745	64,543	5,202
General Supplies	28,000		28,000	26,881	1,119
Energy (Natural Gas)	125,000	(39,761)	85,239	81,362	3,877
Energy (Electricity)	250,000	(54,197)	195,803	145,044	50,759
Energy (Oil)	75,000	(30,976)	44,024	33,177	10,847
Gasoline		3,816	3,816	3,816	
Total Other Operations and Maintenance of Plant	<u>991,434</u>	<u>(190,218)</u>	<u>801,216</u>	<u>702,326</u>	<u>98,890</u>
Student Transportation Services					
Contracted Services - Aid in Lieu of Payments-Non Public Sch.	2,652	2,652	5,304	5,304	
Contracted Services (Other than Bet. Home and School)-Vendors	60,000		60,000	56,767	3,233
Contracted Services (Spl. Ed Students)-Vendors	27,500	10,000	37,500	31,788	5,712
Contracted Services (Spl. Ed Students)-ESC's and CTSA's		3,200	3,200	2,564	636
Total Student Transportation Services	<u>90,152</u>	<u>15,852</u>	<u>106,004</u>	<u>96,423</u>	<u>9,581</u>

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
UNALLOCATED BENEFITS					
Social Security Contributions	162,000	(13,398)	148,602	129,012	19,590
Other Retirement Contributions - Regular	121,259	(1,768)	119,491	111,037	8,454
Unemployment Compensation	30,000		30,000	27,568	2,432
Workmans Compensation		72,059	72,059	72,059	
Health Benefits	1,924,590	47,668	1,972,258	1,771,965	200,293
Tuition Reimbursement	24,000	(5,995)	18,005	18,005	
Other Employee Benefits	44,280	8,509	52,789	52,789	
TOTAL UNALLOCATED BENEFITS	2,306,129	107,075	2,413,204	2,182,435	230,769
On-behalf TPAF pension and PRM Contrib. (non-budgeted)				856,409	(856,409)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				418,045	(418,045)
TOTAL ON-BEHALF CONTRIBUTIONS				1,274,454	(1,274,454)
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	2,306,129	107,075	2,413,204	3,456,889	(1,043,685)
TOTAL UNDISTRIBUTED EXPENDITURES	6,328,564	214,765	6,543,329	7,271,203	(727,874)
TOTAL GENERAL CURRENT EXPENSE	11,467,905	302,697	11,770,602	12,411,106	(640,504)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures-Operation and Maint. Of Plant	34,300	186,568	220,868	220,868	
Total Equipment	34,300	186,568	220,868	220,868	
Facilities Acquisition and Construction:					
Other Objects	1,448		1,448	1,448	
Total Facilities Acquisition and Construction	1,448		1,448	1,448	
TOTAL CAPITAL OUTLAY	35,748	186,568	222,316	222,316	-

TOWN OF BELVIDERE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Exhibit C-1

Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Transfer to Charter School	10,003	20,293	30,296	28,265	2,031
TOTAL EXPENDITURES	11,513,656	509,558	12,023,214	12,661,687	(638,473)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(571,392)	(509,558)	(1,080,950)	(336,316)	744,634
Fund Balance, July 1	1,695,400		1,695,400	1,695,400	
Fund Balance, June 30	<u>\$ 1,124,008</u>	<u>\$ (509,558)</u>	<u>\$ 614,450</u>	<u>\$ 1,359,084</u>	<u>\$ 744,634</u>
Recapitulation:					
Restricted for:					
Capital Reserve				50,000	
Maintenance Reserve				555,000	
Assigned to:					
Year-End Encumbrances				142,981	
Designated for Subsequent Year's Expenditures				300,000	
Unassigned:					
Unrestricted Fund Balance				<u>311,103</u>	
Fund Balance per Governmental Funds(Budgetary Basis)				1,359,084	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				<u>(278,709)</u>	
Fund Balance per Governmental Funds(GAAP Basis)				<u>\$ 1,080,375</u>	

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources		\$ 4,300	\$ 4,300	\$ 4,300	
Federal Sources	\$ 200,900	(3,504)	197,396	197,396	
Total Revenues	200,900	796	201,696	201,696	-
EXPENDITURES:					
Instruction					
Salaries of Teachers	47,000	2,592	49,592	49,592	
Other Salaries for Instruction	83,900	(3,900)	80,000	80,000	
Other Purchased Serv. - Spec. Ed	40,000		40,000	40,000	
General Supplies	8,000	(159)	7,841	7,841	
Total Instruction	178,900	(1,467)	177,433	177,433	
Support Services					
Personal Services - Employee Benefits	11,750	(1,621)	10,129	10,129	
Purchased Professional Services	7,000	189	7,189	7,189	
Other Purchased Services	3,250	3,695	6,945	6,945	
Total Support Services	22,000	2,263	24,263	24,263	
Total Expenditures	200,900	796	201,696	201,696	
Other Financing Sources (Uses)					
Total Other Financing Sources (Uses)					
Total Outflows					
	\$ 200,900	\$ 796	\$ 201,696	\$ 201,696	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					
Fund Balance per Governmental Funds(Budgetary Basis)				None	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				None	
Fund Balance per Governmental Funds(GAAP Basis)				None	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended June 30, 2013

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 12,325,371	\$ 201,696
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	N/A	N/A
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	275,388	
Adjustment for: Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(278,709)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 12,322,050</u>	<u>\$ 201,696</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 12,661,687	\$ 201,696
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	N/A	N/A
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	<u> </u>	<u> </u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 12,661,687</u>	<u>\$ 201,696</u>

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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

TOWN OF BELVIDERE SCHOOL DISTRICT

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

For the Fiscal Year Ended June 30, 2013

	Title I Part A	Title II Part A	IDEA Basic	IDEA Preschool	Local	Totals
REVENUES						
Local Sources					\$ 4,300	\$4,300
Federal Sources	\$ 48,541	\$ 17,745	\$ 127,189	\$ 3,921		197,396
TOTAL REVENUES	48,541	17,745	127,189	3,921	4,300	201,696
EXPENDITURES:						
Instruction:						
Salaries of Teachers	31,504	14,167		3,921		49,592
Other Salaries for Instruction			80,000			80,000
Other Purchased Serv. - Spec. Ed Tuition			40,000			40,000
General Supplies	7,841					7,841
Total Instruction	39,345	14,167	120,000	3,921	-	177,433
Support Services:						
Personal Services - Employee Bene.	6,896	3,233				10,129
Purchased Professional Serv.			7,189			7,189
Other Purchased Services	2,300	345			4,300	6,945
Total Support Services	9,196	3,578	7,189		4,300	24,263
TOTAL EXPENDITURES	48,541	17,745	127,189	3,921	4,300	201,696
Other Financing Sources (Uses)						
Total Other Financing Sources (Uses)						
Total Outflows	48,541	17,745	127,189	3,921	4,300	201,696
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)						

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

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

N/A

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

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

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

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

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

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

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

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

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

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit H-1

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2013**

	AGENCY FUNDS		
	STUDENT	PAYROLL	
	ACTIVITY	AGENCY	TOTALS
ASSETS:			
Cash and Cash Equivalents	\$ 107,807	\$ 282,069	\$ 389,876
TOTAL ASSETS	<u>\$ 107,807</u>	<u>\$ 282,069</u>	<u>\$ 389,876</u>
LIABILITIES:			
Liabilities:			
Payroll Deductions and Withholdings		9,926	9,926
Accrued Salaries and Wages- Summer Payment Plan		271,307	271,307
Accounts Payable		836	836
Payable to Student Groups	107,807		107,807
Total Liabilities	<u>107,807</u>	<u>282,069</u>	<u>389,876</u>
NET POSITION	<hr/>		
TOTAL LIABILITIES AND NET POSITION	<u>\$ 107,807</u>	<u>\$ 282,069</u>	<u>\$ 389,876</u>

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit H-3

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS
STUDENT ACTIVITY AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<u>ACTIVITY</u>	<u>BALANCE JULY 1, 2012</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE JUNE 30, 2013</u>
High School:				
Student Activities	\$ 67,970	\$ 227,203	\$ 215,165	\$ 80,008
Elementary School:				
Student Activities	27,586	41,574	43,436	25,724
Athletic Account:				
Student Activities	<u>2,527</u>	<u>30,000</u>	<u>30,452</u>	<u>2,075</u>
Totals	<u>\$ 98,083</u>	<u>\$ 298,777</u>	<u>\$ 289,053</u>	<u>\$ 107,807</u>

TOWN OF BELVIDERE SCHOOL DISTRICT

Exhibit H-4

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS
PAYROLL AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	BALANCE <u>July 1, 2012</u>	ADDITIONS	DELETIONS	BALANCE <u>June 30, 2013</u>
ASSETS:				
Cash and Cash Equivalents	\$ 263,617	\$ 8,301,066	\$ 8,282,614	\$ 282,069
Total Assets	<u>\$ 263,617</u>	<u>\$ 8,301,066</u>	<u>\$ 8,282,614</u>	<u>\$ 282,069</u>
LIABILITIES:				
Payroll Deductions & Withholdings	\$ 10,758	\$ 3,436,284	\$ 3,437,116	\$ 9,926
Accrued Salaries & Wages	-			-
Accrued Salaries & Wages-Summer Payment Plan	251,960	4,864,782	4,845,435	271,307
Accounts Payable	<u>899</u>	<u>-</u>	<u>63</u>	<u>836</u>
Total Liabilities	<u>\$ 263,617</u>	<u>\$ 8,301,066</u>	<u>\$ 8,282,614</u>	<u>\$ 282,069</u>

LONG-TERM DEBT SCHEDULES

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

N/A

Town of Belvidere School District
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	51-56
Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	57-60
Debt Capacity (J-10 thru J-13) These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	61-64
Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	65-66
Operating Information (J-16 thru J-20) These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	67-71

Sources:

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

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

Exhibit J-1

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Invested in capital assets, net of related debt	\$ 2,382,971	\$ 2,369,830	\$ 2,205,434	\$ 2,123,421	\$ 2,160,164	\$ 2,099,120	\$ 2,199,595	\$ 2,092,423	\$ 2,008,480	\$ 1,986,620
Restricted	410,155	319,157	(843)	14,626	121,126	440,000	508,000	641,659	936,392	905,000
Unrestricted	(1,672,183)	(1,300,539)	(613,106)	(163,480)	133,284	(129,458)	29,920	37,051	391,121	117,418
Total governmental activities net position	<u>\$ 1,120,943</u>	<u>\$ 1,388,448</u>	<u>\$ 1,591,485</u>	<u>\$ 1,974,567</u>	<u>\$ 2,414,574</u>	<u>\$ 2,409,662</u>	<u>\$ 2,737,515</u>	<u>\$ 2,771,133</u>	<u>\$ 3,335,993</u>	<u>\$ 3,009,038</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 34,605	\$ 27,227	\$ 31,162	\$ 31,656	\$ 41,161	\$ 58,115	\$ 80,526	\$ 99,454	\$ 100,940	\$ 83,380
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	46,294	39,380								
Total business-type activities net position	<u>\$ 80,899</u>	<u>\$ 66,607</u>	<u>\$ 31,162</u>	<u>\$ 31,656</u>	<u>\$ 41,161</u>	<u>\$ 58,115</u>	<u>\$ 80,526</u>	<u>\$ 99,454</u>	<u>\$ 100,940</u>	<u>\$ 83,380</u>
District-wide										
Invested in capital assets, net of related debt	\$ 2,417,576	\$ 2,397,057	\$ 2,236,596	\$ 2,155,077	\$ 2,201,325	\$ 2,157,235	\$ 2,280,121	\$ 2,191,877	\$ 2,109,420	\$ 2,070,000
Restricted	410,155	319,157	(843)	14,626	121,126	440,000	508,000	641,659	936,392	905,000
Unrestricted	(1,625,889)	(1,261,159)	(613,106)	(163,480)	133,284	(129,458)	29,920	37,051	391,121	117,418
Total district net position	<u>\$ 1,201,842</u>	<u>\$ 1,455,055</u>	<u>\$ 1,622,647</u>	<u>\$ 2,006,223</u>	<u>\$ 2,455,735</u>	<u>\$ 2,467,777</u>	<u>\$ 2,818,041</u>	<u>\$ 2,870,587</u>	<u>\$ 3,436,933</u>	<u>\$ 3,092,418</u>

Source: CAFR Schedule A-1

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

Exhibit J-2

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities										
Instruction										
Regular	\$ 4,490,124	\$ 4,835,710	\$ 4,802,254	\$ 5,011,600	\$ 5,179,426	\$ 5,284,809	\$ 5,484,330	\$ 5,479,092	\$ 5,645,113	\$ 5,960,899
Special education	1,189,395	1,244,803	1,322,695	1,364,535	1,466,435	1,494,811	1,550,795	1,375,200	1,402,835	1,351,784
Other special education	430,831	439,471	470,623	431,863	488,373	570,860	632,084	620,085	543,567	439,273
Support Services:										
Tuition	238,281	116,325	57,741	115,174	116,425	138,399	77,350	165,126	102,279	135,688
Student & instruction related services	1,336,129	1,328,551	1,435,138	1,404,111	1,500,204	1,489,057	1,672,266	1,676,564	1,614,451	1,670,787
General administrative services	568,425	684,631	836,541	905,570	944,226	941,591	954,675	998,454	941,163	955,374
School administrative services	687,594	774,247	636,698	668,104	665,600	675,432	691,394	709,807	684,400	688,695
Business administrative services			1,119,911	1,126,779	1,332,992	1,407,820	1,529,182	1,582,188	1,310,116	1,550,330
Plant operations and maintenance	915,538	1,085,817	127,081	119,955	99,043	97,499	132,244	140,663	89,756	96,423
Pupil transportation	172,944	122,297								
Other Fiscal Charges									1,055	1,448
Total governmental activities expenses	<u>10,029,261</u>	<u>10,631,852</u>	<u>10,808,682</u>	<u>11,147,691</u>	<u>11,792,724</u>	<u>12,100,278</u>	<u>12,724,320</u>	<u>12,747,179</u>	<u>12,334,735</u>	<u>12,850,701</u>
Business-type activities:										
Food service	363,746	353,445	352,083	320,936	308,598	301,750	303,068	291,388	290,261	239,013
Child Care										
Total business-type activities expense	<u>363,746</u>	<u>353,445</u>	<u>352,083</u>	<u>320,936</u>	<u>308,598</u>	<u>301,750</u>	<u>303,068</u>	<u>291,388</u>	<u>290,261</u>	<u>239,013</u>
Total district expenses	<u>\$ 10,393,007</u>	<u>\$ 10,985,297</u>	<u>\$ 11,160,765</u>	<u>\$ 11,468,627</u>	<u>\$ 12,101,322</u>	<u>\$ 12,402,028</u>	<u>\$ 13,027,388</u>	<u>\$ 13,038,567</u>	<u>\$ 12,624,996</u>	<u>\$ 13,089,714</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (regular & special education)	\$ 2,303,729	\$ 2,351,973	\$ 2,475,396	\$ 2,534,644	\$ 2,881,380	\$ 3,073,838	\$ 3,497,493	\$ 3,779,266	\$ 3,523,619	\$ 3,054,657
Business and other support services	1,134,673	1,244,316	1,309,613	1,340,958	1,524,399	1,626,220	1,850,355	1,999,428	1,864,178	1,616,073
Operating grants and contributions:	3,882,857	4,197,194	4,107,264	4,315,056	4,403,390	4,000,673	4,352,108	3,731,653	4,127,041	4,361,829
Capital grants and contributions										
Total governmental activities program revenues	<u>7,321,259</u>	<u>7,793,483</u>	<u>7,892,273</u>	<u>8,190,658</u>	<u>8,809,169</u>	<u>8,700,731</u>	<u>9,699,956</u>	<u>9,510,347</u>	<u>9,514,838</u>	<u>9,032,559</u>
Business-type activities:										
Charges for services										
Food service	279,242	287,643	266,545	263,308	260,687	252,402	254,830	235,661	219,081	158,136
Operating grants and contributions:	54,312	51,510	50,093	58,122	57,416	66,302	70,649	74,655	72,666	63,317
Capital grants and contributions										
Total business type activities program revenues	<u>333,554</u>	<u>339,153</u>	<u>316,638</u>	<u>321,430</u>	<u>318,103</u>	<u>318,704</u>	<u>325,479</u>	<u>310,316</u>	<u>291,747</u>	<u>221,453</u>
Total district program revenues	<u>\$ 7,654,813</u>	<u>\$ 8,132,636</u>	<u>\$ 8,208,911</u>	<u>\$ 8,512,088</u>	<u>\$ 9,127,272</u>	<u>\$ 9,019,435</u>	<u>\$ 10,025,435</u>	<u>\$ 9,820,663</u>	<u>\$ 9,806,585</u>	<u>\$ 9,254,012</u>

Continued

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

Exhibit J-2

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/Revenue										
Governmental activities	\$ (2,708,002)	\$ (2,838,369)	\$ (2,916,409)	\$ (2,957,033)	\$ (2,983,555)	\$ (3,399,547)	\$ (3,024,364)	\$ (3,236,832)	\$ (2,819,897)	\$ (3,818,142)
Business-type activities	(30,192)	(14,292)	(35,445)	494	9,505	16,954	22,411	18,928	1,486	(17,560)
Total district-wide net expense	<u>\$ (2,738,194)</u>	<u>\$ (2,852,661)</u>	<u>\$ (2,951,854)</u>	<u>\$ (2,956,539)</u>	<u>\$ (2,974,050)</u>	<u>\$ (3,382,593)</u>	<u>\$ (3,001,953)</u>	<u>\$ (3,217,904)</u>	<u>\$ (2,818,411)</u>	<u>\$ (3,835,702)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, \$	2,940,000	\$ 2,960,556	\$ 3,070,000	\$ 3,238,000	\$ 3,347,000	\$ 3,335,000	\$ 3,325,750	\$ 3,367,750	\$ 3,367,750	\$ 3,460,105
Unrestricted grants and contributions:		88,458		34,839	(821)	-	-	-	-	-
Investment earnings	3,420	7,995	10,854	23,866	17,974	10,717	4,441	2,155	1,540	1,500
Miscellaneous income	39,433	42,110	38,592	43,410	59,409	48,918	22,026	21,101	15,467	29,582
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>2,982,853</u>	<u>3,099,119</u>	<u>3,119,446</u>	<u>3,340,115</u>	<u>3,423,562</u>	<u>3,394,635</u>	<u>3,352,217</u>	<u>3,391,006</u>	<u>3,384,757</u>	<u>3,491,187</u>
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>									
Total district-wide	<u>\$ 2,982,853</u>	<u>\$ 3,099,119</u>	<u>\$ 3,119,446</u>	<u>\$ 3,340,115</u>	<u>\$ 3,423,562</u>	<u>\$ 3,394,635</u>	<u>\$ 3,352,217</u>	<u>\$ 3,391,006</u>	<u>\$ 3,384,757</u>	<u>\$ 3,491,187</u>
Change in Net Position										
Governmental activities	\$ 274,851	\$ 260,750	\$ 203,037	\$ 383,082	\$ 440,007	\$ (4,912)	\$ 327,853	\$ 154,174	\$ 564,860	\$ (326,955)
Business-type activities	(30,192)	(14,292)	(35,445)	494	9,505	16,954	22,411	18,928	1,486	(17,560)
Total district	<u>\$ 244,659</u>	<u>\$ 246,458</u>	<u>\$ 167,592</u>	<u>\$ 383,576</u>	<u>\$ 449,512</u>	<u>\$ 12,042</u>	<u>\$ 350,264</u>	<u>\$ 173,102</u>	<u>\$ 566,346</u>	<u>\$ (344,515)</u>

Source: CAFR Schedule A-2

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

Exhibit J-3

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 295,435	\$ 60,096	\$ 113,827	\$ 58,147	\$ 256,673	\$ 254,420	\$ 293,000	\$ 734,989	\$ 1,389,282	\$ 997,981
Unreserved	138,599	338,253	37,994	113,902	90,517	149,903	205,420	59,507	30,730	32,394
Total general fund	<u>\$ 434,034</u>	<u>\$ 398,349</u>	<u>\$ 151,821</u>	<u>\$ 172,049</u>	<u>\$ 347,190</u>	<u>\$ 404,323</u>	<u>\$ 498,420</u>	<u>\$ 794,496</u>	<u>\$ 1,420,012</u>	<u>\$ 1,030,375</u>
All Other Governmental Funds										
Reserved	\$ 142,545									-
Unreserved, reported in:										
Special revenue fund	(843)	\$ (843)	\$ (843)	\$ (843)	\$ (843)					-
Capital projects fund	3,059			59,716						-
Debt service fund										-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 144,761</u>	<u>\$ (843)</u>	<u>\$ (843)</u>	<u>\$ 58,873</u>	<u>\$ (843)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Source: CAFR Schedule B-1

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

Exhibit J-4

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues										
Tax levy	\$ 2,940,000	\$ 2,960,556	\$ 3,070,000	\$ 3,238,000	\$ 3,347,000	\$ 3,335,000	\$ 3,325,750	\$ 3,367,750	\$ 3,367,750	\$ 3,460,105
Tuition charges	3,127,542	3,367,456	3,401,697	3,591,834	4,122,012	4,700,058	5,347,848	5,778,694	5,387,797	4,670,730
Interest earnings										-
Miscellaneous	42,853	50,105	49,446	67,276	77,383	59,635	26,467	23,256	17,007	31,082
State sources	3,657,086	4,049,299	3,884,278	4,132,680	4,203,219	3,791,671	3,488,897	3,528,536	3,818,060	4,164,433
Federal sources	225,771	236,353	222,986	217,215	199,350	209,002	863,211	203,117	308,981	197,396
Total revenue	9,993,252	10,663,769	10,628,407	11,247,005	11,948,964	12,095,366	13,052,173	12,901,353	12,899,595	12,523,746
Expenditures										
Instruction										
Regular Instruction	3,234,400	3,438,231	3,314,355	3,385,080	3,503,786	3,813,265	3,992,437	3,946,058	3,981,591	4,057,411
Special education instruction	831,270	855,497	905,892	894,934	982,523	1,070,076	1,124,540	944,942	936,955	820,652
Other special instruction	430,831	439,471	470,623	431,863	488,373	570,860	632,084	620,085	543,567	439,273
Other instruction										-
Support Services:										
Tuition	238,281	116,325	57,741	115,174	116,425	138,399	77,350	165,126	102,279	135,688
Student & instruction related services	973,976	935,030	1,014,270	932,624	1,014,506	1,062,695	1,244,168	1,242,266	1,204,536	1,134,072
General administrative services	473,556	549,803	596,218	634,639	665,030	696,540	708,760	750,363	672,544	649,155
School Administrative services	498,962	538,777	480,215	489,834	481,781	514,136	529,674	548,159	509,509	489,583
Business administrative services										-
Plant operations and maintenance	782,785	926,469	951,247	948,418	1,149,885	1,246,841	1,482,283	1,408,757	1,121,493	1,333,656
Pupil transportation	172,944	122,297	127,081	119,955	99,043	97,499	132,244	140,663	89,756	96,423
Unallocated employee benefits	2,437,134	2,759,809	2,944,961	3,214,540	3,215,356	2,815,500	2,798,663	2,798,938	3,047,589	3,456,889
Charter School								8,659	9,126	28,265
Special Revenue										
Capital outlay		163,349	12,332	-	116,831	11,579	78,118	189,016	55,134	222,316
Debt service:										
Principal										
Interest and other charges										
Total expenditures	10,074,139	10,845,058	10,874,935	11,167,061	11,833,539	12,037,390	12,800,321	12,763,032	12,274,079	12,863,383
Excess (Deficiency) of revenues over (under) expenditures	(80,887)	(181,289)	(246,528)	79,944	115,425	57,976	251,852	138,321	625,516	(339,637)
Other Financing Sources (uses)										
Transfers in										
Transfers out										
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (80,887)	\$ (181,289)	\$ (246,528)	\$ 79,944	\$ 115,425	\$ 57,976	\$ 251,852	\$ 138,321	\$ 625,516	\$ (339,637)
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: CAFR Schedule B-2

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

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30.</u>	<u>Interest on</u> <u>Investments</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>WCSSSD</u> <u>Room</u> <u>Rentals</u>	<u>Pepsi</u> <u>Commission</u>	<u>PCFA</u> <u>Lease</u>	<u>Athletics</u> <u>Cocurricular</u> <u>Events</u>	<u>Unexpended</u> <u>Capital</u> <u>Projects</u> <u>Funds</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2004	\$ 3,420		\$ 11,086			\$ 18,258		\$ 3,127,542	\$ 10,089	\$ 3,170,395
2005	7,995		11,500			17,009	\$ 77,767	3,367,456	13,601	3,495,328
2006	10,854		11,500			15,464		3,401,697	11,628	3,451,143
2007	23,866		11,845	\$ 6,627	\$ 5,500	12,122		3,591,834	7,316	3,659,110
2008	17,974		11,845	3,098		20,230		4,122,013	24,236	4,199,396
2009	10,717		12,200	2,845	5,500	12,099		4,700,058	16,274	4,759,693
2010	4,441		3,000	1,466	5,500	8,837		5,347,848	3,223	5,374,315
2011	2,155	\$ 2,599		1,474		13,626		5,778,694	3,402	5,801,950
2012	1,540	1,025		1,572		9,609		5,387,797	3,261	5,404,804
2013	1,500		17,000	940		10,766		4,670,730	876	4,701,812

SOURCE: District Records

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

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <u>a</u>	Net Valuation Taxable	Total Direct School Tax Rate <u>b</u>	Estimated Actual (County Equalized Value)
2004	\$2,498,700	\$98,924,600	\$613,900	\$39,900	\$14,784,600	\$21,378,950	\$2,487,600	\$180,546,723	\$37,705,400	\$2,113,073	\$142,841,323	\$2.059	\$167,886,146
2005	2,552,900	99,107,500	613,900	39,900	14,785,400	24,150,800	2,487,600	182,910,802	37,694,600	1,478,202	145,216,202	2.040	183,041,497
2006	2,786,700	99,081,200	613,900	39,900	14,620,500	24,150,800	2,487,600	183,024,123	37,933,700	1,309,823	145,090,423	2.116	206,376,262
2007	2,690,600	99,719,600	557,300	39,900	14,431,000	24,150,800	2,487,600	183,770,682	38,209,200	1,484,682	145,561,482	2.226	206,376,262
2008	2,725,600	100,123,800	557,300	39,900	14,722,600	24,150,800	2,488,700	184,090,032	37,953,400	1,327,932	146,136,632	2.292	265,418,997
2009	2,704,900	100,419,700	557,300	38,500	14,842,200	21,362,200	2,488,700	181,855,545	38,080,500	1,361,545	143,775,045	2.319	290,557,630
2010	2,630,700	100,914,900	557,300	38,500	14,246,700	20,762,200	2,878,200	181,054,008	38,117,500	908,008	142,936,508	2.327	295,794,971
2011	3,196,200	101,130,000	499,800	40,000	13,950,600	20,142,100	2,878,200	180,644,388	38,120,100	687,388	142,524,288	2.363	280,764,929
2012	3,225,200	101,204,500	512,800	40,000	13,855,900	15,497,100	2,878,200	175,884,521	38,119,600	551,221	137,764,921	2.444	263,927,541
2013	1,816,700	100,931,300	296,100	42,900	13,664,800	10,277,600	2,878,200	168,706,716	38,336,300	462,816	130,370,416	2.654	229,951,463

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Exhibit J-7

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Belvidere Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Belvidere Town	Warren County	
2004	\$2.059	\$0.000	\$2.059	\$0.770	\$0.731	\$3.560
2005	\$2.040	\$0.000	\$2.040	\$0.842	\$0.778	\$3.660
2006	\$2.116	\$0.000	\$2.116	\$0.953	\$0.841	\$3.910
2007	\$2.226	\$0.000	\$2.226	\$1.011	\$0.913	\$4.150
2008	\$2.292	\$0.000	\$2.292	\$1.072	\$1.016	\$4.380
2009	\$2.319	\$0.000	\$2.319	\$1.101	\$1.125	\$4.545
2010	\$2.327	\$0.000	\$2.327	\$1.198	\$1.129	\$4.654
2011	\$2.363	\$0.000	\$2.363	\$1.298	\$1.114	\$4.775
2012	\$2.444	\$0.000	\$2.444	\$1.323	\$1.115	\$4.882
2013	\$2.654	\$0.000	\$2.654	\$1.542	\$1.092	\$5.288

Source: District Records and Municipal Tax Collector

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

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

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

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

Exhibit J-8

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
BASF Corp. Coating and Ink	\$ 9,260,600	1	6.34%	\$ 6,728,150	2	4.88%
DSM Nutritional Products, Inc.(formerly Hoffman LaRoche)	9,250,000	2	6.33%	9,297,000	1	6.74%
Graham Packaging Plastic Products(formerly Owens Illinois)	2,471,600	3	1.69%	2,597,900	3	1.88%
Kasson Belvidere, LLC-Krame Dev.Co.	1,410,000	4	0.96%			
Embarq Corp.	1,327,553	5	0.91%	1,745,174	4	1.27%
ADTI Housing Corp.	1,201,200	6	0.82%			
Georgia Pacific Corp.	1,018,300	7	0.70%	1,008,600	7	0.73%
Transistor Devices Inc.	1,012,100	8	0.69%	887,900	8	0.64%
Sprint	712,800	9	0.49%	864,200	10	0.63%
Briarwood Properties, LTD.	640,500	10	0.44%			
Individual Taxpayer #1				1,513,700	5	1.10%
Belvidere Heights, Inc.				1,410,000	6	1.02%
Synergy Housing Development				875,000	9	0.63%
Total	\$ 28,304,653		19.37%	\$ 26,927,624		19.52%

Source: District CAFR & Municipal Tax Assessor

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2004	\$2,940,000	\$2,940,000	100.00%	-
2005	\$2,960,556	\$2,960,556	100.00%	-
2006	\$3,070,000	\$3,070,000	100.00%	-
2007	\$3,238,000	\$3,238,000	100.00%	-
2008	\$3,347,000	\$3,347,000	100.00%	-
2009	\$3,335,000	\$3,335,000	100.00%	-
2010	\$3,325,750	\$3,325,750	100.00%	-
2011	\$3,367,750	\$3,367,750	100.00%	-
2012	\$3,367,750	\$3,367,750	100.00%	-
2013	\$3,460,105	\$3,460,105	100.00%	-

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

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

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2004	-	-	-	-	-	-	N/A	N/A	
2005	-	-	-	-	-	-	N/A	N/A	
2006	-	-	-	-	-	-	N/A	N/A	
2007	-	-	-	-	-	-	N/A	N/A	
2008	-	-	-	-	-	-	N/A	N/A	
2009	-	-	-	-	-	-	N/A	N/A	
2010	-	-	-	-	-	-	N/A	N/A	
2011	-	-	-	-	-	-	N/A	N/A	
2012	-	-	-	-	-	-	N/A	N/A	
2013	-	-	-	-	-	-	N/A	N/A	

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

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

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

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

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2004	-0-	-0-	-0-	-0-	-0-
2005	-0-	-0-	-0-	-0-	-0-
2006	-0-	-0-	-0-	-0-	-0-
2007	-0-	-0-	-0-	-0-	-0-
2008	-0-	-0-	-0-	-0-	-0-
2009	-0-	-0-	-0-	-0-	-0-
2010	-0-	-0-	-0-	-0-	-0-
2011	-0-	-0-	-0-	-0-	-0-
2012	-0-	-0-	-0-	-0-	-0-
2013	-0-	-0-	-0-	-0-	-0-

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

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

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

**Town of Belvidere School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2013**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Town of Belvidere	\$ 3,251,983	100%	\$ 3,251,983
Other debt			
Warren County	7,645,000	1.76%	<u>134,176</u>
Subtotal, overlapping debt			3,386,159
Town of Belvidere School District Direct Debt	None	100%	<u>None</u>
Total direct and overlapping debt			<u><u>\$ 3,386,159</u></u>

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

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

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

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

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized valuation basis	
2012	\$ 198,120,482
2011	238,383,773
2010	268,103,781
[A]	<u>\$ 704,608,036</u>

Average equalized valuation of taxable property **[A/3]** \$ 234,869,345

Debt limit (4 % of average equalization value)	[B]	9,394,774
Net bonded school debt	[C]	None
Legal debt margin	[B-C]	<u>\$ 9,394,774</u>

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$6,496,491	\$7,175,540	\$8,011,225	\$9,137,095	\$10,314,221	\$11,205,373	\$11,433,034	\$11,433,034	\$10,435,285	\$9,394,774
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$6,496,491</u>	<u>\$7,175,540</u>	<u>\$8,011,225</u>	<u>\$9,137,095</u>	<u>\$10,314,221</u>	<u>\$11,205,373</u>	<u>\$11,433,034</u>	<u>\$11,433,034</u>	<u>\$10,435,285</u>	<u>\$9,394,774</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2004	2,746	\$97,787,806	\$35,611 R	4.1%
2005	2,721	\$100,521,903	\$36,943 R	5.1%
2006	2,694	\$106,391,448	\$39,492 R	5.5%
2007	2,670	\$111,776,880	\$41,864 R	5.1%
2008	2,650	\$116,141,550	\$43,827 R	6.8%
2009	2,642	\$113,793,582	\$43,071 R	11.9%
2010	2,632	\$116,289,656	\$44,183 R	12.2%
2011	2,681	\$120,478,778	\$44,938 R	11.3%
2012	2,673	\$120,119,274	\$44,938 *	11.0%
2013	2,634	\$118,366,692	\$44,938 *	*

Source:

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

^b Personal Income provided by US Dept of Commerce

^c Per Capita provided by US Dept of Commerce

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

R =Revised

* Current data unavailable

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

Exhibit J-16

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction										
Regular	60.0	59.5	59.5	54.5	59.5	55.0	57.5	57.5	57.0	55.5
Special education	21.5	21.5	23.5	26.0	25.0	27.0	29.0	28.0	24.1	22.7
Support Services:										
Student & instruction related services	15.0	16.5	17.0	15.5	18.0	18.0	16.5	15.5	14.0	13.0
General administrative services	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
School administrative services	9.0	9.0	9.5	9.5	9.5	9.5	9.5	9.0	9.0	9.0
Business administrative services	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.0	3.0	3.0
Plant operations and maintenance	8.5	8.5	8.5	8.5	8.5	8.5	9.5	8.5	8.5	8.5
Other Support Services - Athletics	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0	1.0	1.0
Total	121.5	122.5	125.5	121.5	127.5	125.0	129.0	125.0	119.1	115.2

Source: District Personnel Records

Town of Belvidere School District
 Operating Statistics
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2004	965	10,074,139	10,440	10.55%	97	1:25	1:15	1:15	961.4	932.6	-1.28%	97.0%
2005	992	10,681,709	10,768	3.15%	98	1:25	1:15	1:15	989.9	919.0	2.96%	92.8%
2006	967	10,862,603	11,233	4.32%	100	1:25	1:15	1:15	957.5	899.3	-3.27%	93.9%
2007	925	11,167,061	12,072	7.47%	96	1:25	1:15	1:15	925.1	868.5	-3.38%	93.9%
2008	925	11,716,708	12,667	4.92%	98	1:25	1:15	1:15	924.7	865.0	-0.04%	93.5%
2009	891	12,025,811	13,497	6.55%	98	1:25	1:15	1:15	884.8	829.7	-4.31%	93.8%
2010	906	12,722,203	14,042	4.04%	101	1:25	1:15	1:15	904.5	846.9	2.23%	93.6%
2011	860	12,574,016	14,621	4.12%	99	1:25	1:15	1:15	865.1	809.4	-4.36%	93.6%
2012	803	12,218,945	15,217	4.07%	94	1:25	1:15	1:15	807.4	742.5	-6.67%	92.0%
2013	793	12,641,067	15,941	4.76%	90	1:25	1:15	1:15	784.8	720.9	-2.80%	91.9%

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

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

Exhibit J-18

<u>District Building</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>Elementary</u>										
Third Street Elementary (1916)										
Square Feet	17,688	17,688	17,688	17,688	17,688	17,688	17,688	17,688	17,688	17,688
Capacity (students)	239	239	239	239	239	239	239	239	239	239
Enrollment	170	153	144	151	151	141	141	130	116	113
Oxford Street Elementary School (1958/1976)										
Square Feet	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500
Capacity (students)	250	250	250	250	250	250	250	250	250	250
Enrollment	246	246	244	219	203	193	183	181	185	193
<u>High School</u>										
Belvidere High School (1938/1958/1976)										
Square Feet	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500
Capacity (students)	940	940	940	940	940	940	940	940	940	940
Enrollment	549	593	579	555	571	548	582	549	502	487
<u>Other</u>										
Storage Building (1958)										
Square Feet	1,548	1,548	1,548	1,548	1,548	1,548	1,548	1,548	1,548	1,548

Number of Schools at June 30, 2013
Elementary = 2
High School = 1

Source: District Facilities Office

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

TOWN OF BELVIDERE SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2013
UNAUDITED

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Total</u>
Third Street Elementary	N/A	\$ 20,122	\$ 40,963	\$ 9,878	\$ 7,489	\$ 9,017	\$ 41,822	\$ 19,747	\$ 20,757	\$ 12,667	\$ 23,359	\$ 144,736
Oxford Elementary	N/A	17,389	18,227	53,859	40,834	49,166	29,756	14,408	15,147	9,243	17,046	229,459
Belvidere High School	N/A	146,119	195,765	171,454	129,990	156,517	244,720	501,655	525,109	320,431	590,925	2,640,801
Total School Facilities		183,630	254,955	235,191	178,313	214,700	316,298	535,810	561,013	342,341	631,330	3,014,996
Other Facilities												
Grand Total		\$ 183,630	\$ 254,955	\$ 235,191	\$ 178,313	\$ 214,700	\$ 316,298	\$ 535,810	\$ 561,013	\$ 342,341	\$ 631,330	\$ 3,014,996

TOWN OF BELVIDERE SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2013

UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
SCHOOL PACKAGE POLICY - NJSBAIG		
Property-Blanket Building and Contents	\$300,000,000	\$1,000
Comprehensive General Liability	11,000,000	
Comprehensive Automobile Liability	11,000,000	1,000
Board of Education Liability	11,000,000	5,000
Worker's Compensation	2,000,000	
PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE		
BLANKET POSITION BOND-NJSBAIG	100,000	500
INDIVIDUAL POSITION BONDS-SELECTIVE INSURANCE CO.		
Business Admin. Bond	25,000	
Treasurer Bond	206,000	

SOURCE: District Records

Single Audit Section



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 Anthony F. Ardito, PA, RMA, PSA

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Belvidere School District Board of Education in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town of Belvidere School District Board of Education's basic financial statements, and have issued our report thereon dated August 31, 2013.

Internal Control Over Financial Reporting

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

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

-Continued-

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

Compliance and Other Matters

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

Purpose of this Report

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

Ardito & Co., LLP

ARDITO & CO., LLP
August 31, 2013

Cynthia Corder

Licensed Public School Accountant No.2369



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Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by New Jersey OMB's Circular 04-04

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the Town of Belvidere School District Board of Education's compliance with the types of compliance requirements described in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2013. The Town of Belvidere School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred.

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

-Continued-

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

Opinion on Each Major State Program

In our opinion, the Town of Belvidere School District Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Town of Belvidere School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Belvidere School District Board of Education's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 04-04, and for New Jersey Department of Education use. Accordingly, this report is not suitable for any other purpose.

ARDITO & Co., LLP

ARDITO & CO., LLP
August 31, 2013

Cynthia Corder

Licensed Public School Accountant No.2369

TOWN OF BELVIDERE SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2013

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	Balance at June 30, 2012			CASH RECEIVED	BUDGETARY EXPEND.	ADJUST.	Balance at June 30, 2013			MEMO		
				DEFER. REVENUE (ACCTS. RECEIV.)	DUE TO GRANTOR	CARRY- OVER AMOUNT				REPAYMENT OF PRIOR YEARS' BALANCES	(ACCTS. RECEIV.)	DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.
STATE DEPARTMENT OF EDUCATION															
General Fund:															
Equalization Aid	13-495-034-5120-078	7/1/12-6/30/13	\$2,565,825				\$2,565,825	\$ (2,565,825)						\$ 252,982	\$ 2,565,825
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	1,501				1,501	(1,501)						148	1,501
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	250,808				250,808	(250,808)						24,729	250,808
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	8,623				8,623	(8,623)						850	8,623
Extraordinary Aid	12-495-034-5120-044	7/1/11-6/30/12	56,668	\$ (56,668)			56,668								56,668
Extraordinary Aid	13-495-034-5120-044	7/1/12-6/30/13	62,243					(62,243)			\$ (62,243)				62,243
On-behalf TPAF Pension Contributions	13-495-034-5095-001	7/1/12-6/30/13	856,409				856,409	(856,409)							856,409
Reimbursed TPAF Soc. Sec. Contrib.	13-495-034-5095-002	7/1/12-6/30/13	418,045		(22,347)		419,860	(418,045)			(20,532)				418,045
Total General Fund				(79,015)			4,159,694	(4,163,454)			(82,775)			278,709	4,220,122
STATE DEPARTMENT OF AGRICULTURE															
Enterprise Fund:															
Nation.School Lunch Prog.(State Share)	12-100-010-3350-023	7/1/11-6/30/12		(98)			98								
Nation.School Lunch Prog.(State Share)	13-100-010-3350-023	7/1/12-6/30/13	2,298				2,191	(2,298)			(107)				2,298
Total Enterprise Fund				(98)			2,289	(2,298)			(107)				2,298
Total State Financial Assistance				\$ (79,113)			\$ 4,161,983	\$ (4,165,752)			\$ (82,882)			\$ 278,709	\$ 4,222,420

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2013

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$3,321) for the general fund and \$-0-for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2013

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,160,133	\$ 4,160,133
Special Revenue Fund	\$ 197,396	4,300	201,696
Food Service Fund	<u>61,019</u>	<u>2,298</u>	<u>63,317</u>
Total Financial Assistance	<u>\$ 258,415</u>	<u>\$ 4,166,731</u>	<u>\$ 4,425,146</u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2013. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2013.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Part I - Summary of Auditor's Results

Financial Statement Section

- A) Type of auditor's report issued: Unqualified

- B) Internal control over financial reporting:
 - 1) Material weakness(es) identified? ___ Yes x No
 - 2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes
x None
Reported

- C) Noncompliance material to financial statements noted? ___ Yes x No

Federal Awards Section

N/A

- D) Dollar threshold used to determine Type A programs: \$300,000

- E) Auditee qualified as low-risk auditee? ___ Yes ___ No

- F) Type of auditor's report on compliance for major programs: Unqualified

- G) Internal Control over compliance:
 - 1) Material weakness(es) identified? ___ Yes ___ No
 - 2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes ___ No

- H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133(Section .510(a))? ___ Yes ___ No

- I) Identification of major programs:

CFDA NUMBER(S)

NAME OF FEDERAL PROGRAM OR CLUSTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Part I - Summary of Auditor's Results

State Financial Assistance Section

- J) Dollar threshold used to determine Type A programs: \$300,000
- K) Auditee qualified as low-risk auditee? (1) x_yes__no
- L) Type of auditor's report on compliance for major programs: Unqualified
- M) Internal Control over compliance:
 1) Material weakness(es) identified? ___yes x no
 2) Were significant deficiencies identified that were not considered to be material weaknesses? ___yes x none reported
- N) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 04-04? ___yes x no
- O) Identification of major programs:

GMIS Number(s)

Name of State Program

13-495-034-5120-078

Equalization Aid

13-495-034-5120-089

Special Education Aid

13-495-034-5095-002

Reimbursed TPAF Soc. Sec. Contributions

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Section II-Financial Statement Findings

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

Section III - State Financial Assistance Findings and Questioned Costs

STATE FINANCIAL ASSISTANCE-There were no federal or state financial assistance findings or questioned costs that are required to be reported in accordance with NJOMB Circular 04-04.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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