

SCHOOL DISTRICT

OF

BELMAR



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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

BELMAR BOARD OF EDUCATION

BELMAR, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PREPARED BY

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

BELMAR SCHOOL DISTRICT

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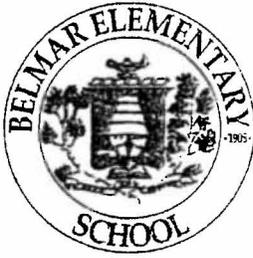
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INTRODUCTORY SECTION



BELMAR BOARD OF EDUCATION

1101 MAIN STREET, BELMAR, NEW JERSEY 07719

DAVID R. HALLMAN
SUPERINTENDENT
732-681-8888

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

December 3, 2015

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

Dear Board Members:

The comprehensive annual financial report for the Belmar Borough School District for the fiscal year ending June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rest with the management of the Belmar Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the districts organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, and the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments" and the State 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 and structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

*Inspired • United • Prepared
Soaring To Excellence*

The district provides a full range of educational services appropriate to grade levels Pre-K through eight. Students in grades nine through twelve are assigned by board policy to Manasquan, Asbury Park, Red Bank Regional, Marine Academy of Science and Technology, High Tech High School, Allied Health and Science Academy, Class Academy, Communications High School and the Academy High School Charter School. The district provides a comprehensive special education program for all preschool through eighth grade students. The district also provides for the educational needs of all resident students of Lake Como in grades Pre-K through eight and in the area of special education. The district completed the 2014/15 fiscal year with an average enrollment of 532, which is slightly higher than the previous year's average enrollment. The following details the changes in student enrollment of the district over the last ten years:

<u>Average Daily Enrollment</u>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014/2015	532	(3.6)
2013/2014	552	(2.8)
2012/2013	568	2.1
2011/2012	556	0.7
2010/2011	560	0.2
2009/2010	559	4.8
2008/2009	533	1.9
2007/2008	523	(2.0)
2006/2007	534	(1.7)
2005/2006	543	(3.4)

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

3) MAJOR INITIATIVES: During the 2014/15 SY, we move into Year 4 of the district's independent reading program, Action 100, which uses a readers' workshop instructional standard grounded in a response to intervention model. This research-based literacy program differentiates instruction through leveled texts, self-selected reading, and daily individual student/teacher conferencing to ensure that all students master the intended learning objectives. An internal leadership team, developed and trained during

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at a year end are canceled or included as reappropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

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

7) DEBT ADMINISTRATION: As of June 30, 2015, the district's outstanding debt was \$2,360,000. The debt is currently comprised of two funding sources. The District's two loans to provide funds for the 17,000 square foot addition to the Belmar Elementary School in 1993 were paid in full during the 2103/14 school year. In July, 2003 the Board of Education retired the present value of an unfunded liability to the Teachers' Pension and Annuity fund for an early retirement incentive by issuing refunding bonds in the amount of \$540,000. The refinancing of this debt saved the district \$239,348 in interest expense. Also, bonds in the amount of \$3,370,000 were issued in August, 2003 to fund the local share of the capital project that was passed by referendum in March, 2003 and partially funded by the State of New Jersey, Economic Development Authority. The proceeds of the bonds along with the grant from the State of New Jersey was used to complete \$5,600,000 in renovations to the Belmar Elementary School. These bonds were refunded in 2012 saving the district 7.65% net present value or \$193,192 over the remaining life of the refunded bonds.

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

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

10) OTHER INFORMATION: Independent Audit-State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart & Company, CPAs and Registered Municipal Accountants conducted the annual audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 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 past year, provides Tier 3 intervention for those students who fail to respond to in-class supports, and facilitates consistent teacher-modeling and staff development to ensure that teachers are implementing the program with fidelity. Electronic benchmarking for ELA and Math will continue to be administered three times per year to monitor student progress and assist teachers in planning for instruction.

Students will become proficient in taking the electronic assessments through a variety of digital media, including mobile devices such as ChromeBooks. In this way, the district continues to prepare itself for the transition to the PARCC assessments, which will ultimately be delivered in an electronic format. Teachers will also receive focused staff development in utilizing a component of the program which allows teachers to create customized, common assessments. Curriculum for ELA and Math has been rewritten and aligned with the Common Core State Standards, with teachers working in professional learning communities twice per week to build out curricular frameworks of differentiated activities, resources, and meaningful technology integration.

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

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

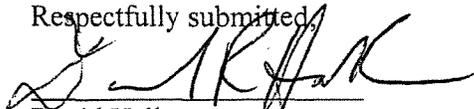
As part of the district's single audit described earlier, tests are made to determine the adequacy of internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine the district has complied with applicable laws and regulations.

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

combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit report of this report.

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

Respectfully submitted,



David Hallman
Superintendent/Principal



Loretta Hill
Board Secretary/School
Business Administrator

BELMAR BOARD OF EDUCATION**BELMAR, NEW JERSEY****ROSTER OF OFFICIALS****JUNE 30, 2015**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Cherie Adams, President	2016
Mark Walsifer, Vice-President	2017
Karen Barry	2016
Richard Brand	2015
Aileen Byrne-Fahy	2016
Mark Furey	2017
Joanne Gray	2015
Rebecca Herbert	2017
Christine Kurzweil	2015
Deborah Hilliard (Sending district representative)	2015
<u>Other Officials</u>	
David Hallman, Superintendent/Principal	
Loretta Hill, School Business Administrator/Board Secretary	
Eileen F. Ertle, Treasurer of School Monies	
Michael Gross, Board Attorney	

BELMAR BOARD OF EDUCATION**CONSULTANT AND OFFICIALS****JUNE 30, 2015****AUDIT FIRM**

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

ATTORNEY

Michael Gross
130 Maple Ave
Red Bank, NJ 07701

OFFICIAL DEPOSITORY

Ocean First Bank
Rt. 71
Spring Lake, NJ 07762

INSURERS

Boynton and Boynton
P.O. Box 887
Red Bank, New Jersey 07701

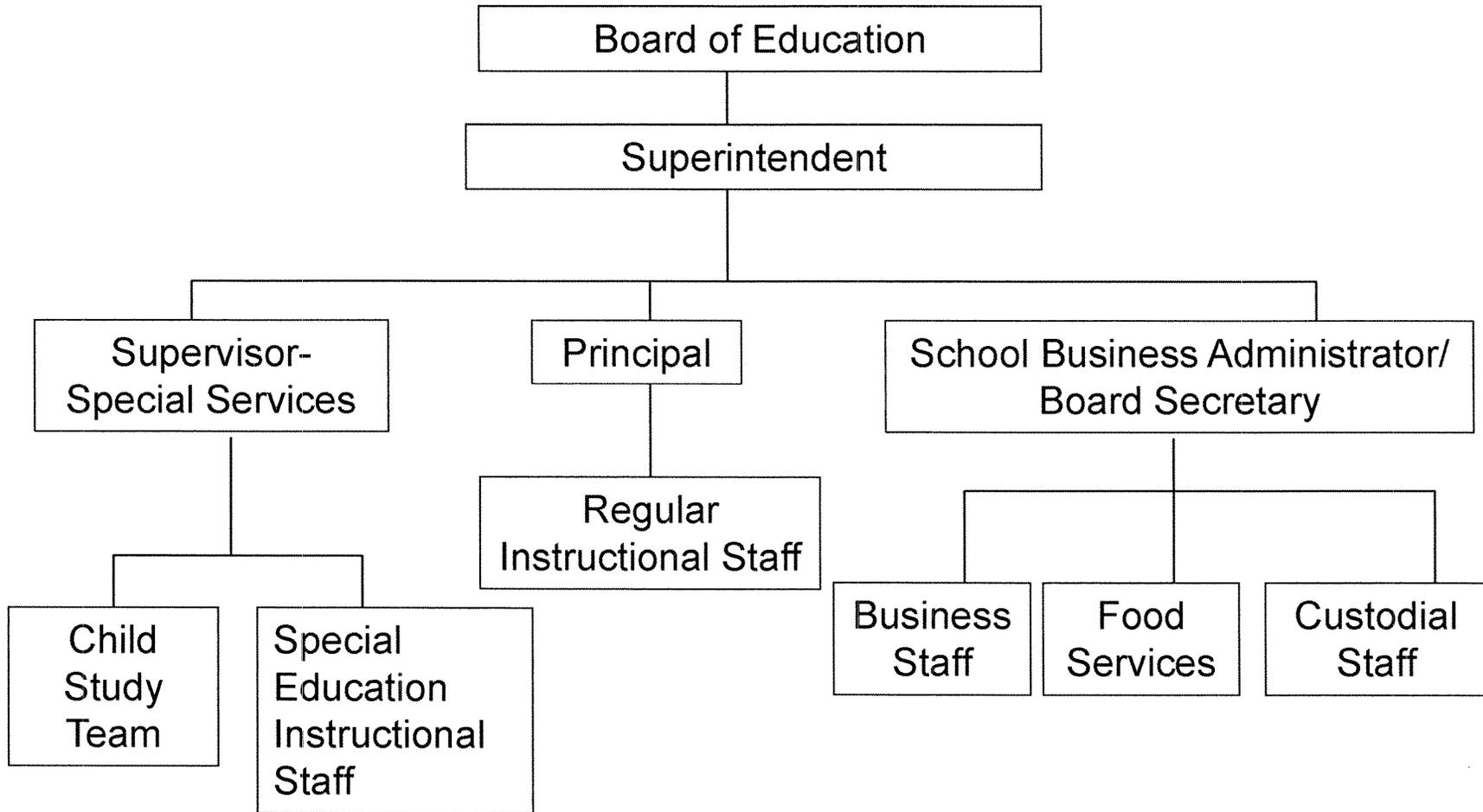
ARCHITECT

Tomaino, Tomaino, and Iamello
136 Brighton Avenue
Deal, New Jersey 07723

BELMAR BOARD OF EDUCATION

ORGANIZATIONAL CHART

(UNIT CONTROL)



FINANCIAL SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

9.

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

Telecopier:
(732) 280-8888

e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409
Wall, New Jersey 07719-1409
(732) 681-4990

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Belmar School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Belmar School District, in the County of Monmouth, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

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

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

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2015 on our consideration of the Belmar's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Belmar Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

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

December 3, 2015

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

BELMAR PUBLIC SCHOOL DISTRICT
BOROUGH OF BELMAR
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The discussion and analysis of Belmar Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

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

Financial Highlights

Key Financial highlights for the 2014-2015 fiscal year are as follows:

- General revenues accounted for \$10,517,506 in revenue or 75% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,417,511 or 25% percent to total revenues of \$13,935,017.
- Total assets of governmental activities decreased by \$320,417 as cash and cash equivalents decreased by \$272,759, receivables increased by \$297,577 and capital assets decreased by \$345,235.
- The School District had \$13,776,147 in expenses; only \$3,417,511 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes, tuition and state aid) of \$10,517,506 plus designated surplus and withdrawals from tuition reserve and maintenance reserve of \$300,000 were adequate to provide for these programs.
- The General Fund had \$11,865,331 in revenues and \$11,876,867 in expenditures. The General Fund's balance decreased \$431,546 over 2014. This decrease was anticipated by the Board of Education, as a withdrawal was made from Capital Reserve to fund the local share of a Capital Project that was 40% funded by the State of New Jersey School Development Authority.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the 2014-2015 fiscal year?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

Table 1 provides a summary of the School District's Net Position for fiscal year 2014 and 2015.

Table 1
Net Position

	2014	2015
Assets		
Current and Other Assets	\$ 1,693,254	\$ 2,411,374
Capital Assets, Met	4,968,318	4,580,072
Total Assets	<u>\$ 6,661,572</u>	<u>\$ 6,991,446</u>
Liabilities		
Long-Term Liabilities	\$ 2,503,390	\$ 3,252,961
Other Liabilities	441,810	358,228
Total Liabilities	<u>\$ 2,945,200</u>	<u>\$ 3,611,189</u>
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 2,656,228	\$ 2,743,402
Restricted	1,866,109	1,655,543
Unrestricted	289,688	(1,060,994)
Total Net Assets	<u>\$ 4,812,025</u>	<u>\$ 3,337,951</u>

Table 2 shows the changes in Net Position for fiscal year 2014 and 2014.

Table 2
Changes in Net Position

<u>Revenues</u>	<u>2014</u>	<u>2015</u>
Program Revenues		
Charges for Services	\$ 1,968,284	\$ 2,096,296
Operating Grants and Contributions	1,302,032	1,321,215
General Revenues		
Property Taxes	7,998,552	8,165,667
Grants and Entitlements	1,782,045	2,247,961
Other	174,732	103,878
Total Revenues	<u>\$ 13,225,645</u>	<u>\$ 13,935,017</u>
<u>Program Expenses</u>		
Instruction	\$ 4,392,490	\$ 4,201,402
Support Services		
Pupils and Instructional Staff	4,031,618	4,279,817
General Administration, School Administration, Business Services, Unalloc. Benefits	3,308,104	3,703,627
Operations and Maintenance of Facilities	591,461	661,159
Pupil Transportation	390,153	530,737
Special Schools/Charter School	26,058	27,083
Interest on Debt	94,510	87,047
Food Service	277,298	285,275
Total Expenses	<u>\$ 13,111,692</u>	<u>\$ 13,776,147</u>
Increase/(Decrease) in Net Assets	\$ 113,953	\$ 158,870

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to seek voter approval for the School District operations, only if the school district exceeds the statutory cap, which is 2% plus allowable cap adjustments. Property taxes made up 60% percent of revenues and tuition from other school districts made up 15% of revenues for governmental activities for the Belmar Public School District for fiscal year 2015. The District's total revenues were \$13,935,017 for the fiscal year ended June 30, 2015. Federal and state grants, as well as miscellaneous revenue accounted for 25%.

Business-Type Activities

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

- Food service revenues exceeded expenditures by \$13,778 and for the 8th year in a row, the Board did not subsidize the food services operation. The food service program shows an increase of \$13,778 change in Net Position.
- Charges for services represent \$88,716 of revenue. This represents amounts paid by patrons for daily food services.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$210,277.

Governmental Activities

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

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

The School District's Funds

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

As the School Board completed the fiscal year ended June 30, 2015 it reported a combined net asset balance of \$4,812,025. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in Net Position.

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

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

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

The General Fund finished the fiscal year with approximately \$529,336 less in expenditures than budgeted. The General Fund generated \$163,589 more in Revenues than budgeted. The additional revenue over expenditures will be carried forward to the following year beginning fund balance. In June, 2015 the Board approved \$225,000 increase in reserves for tuition for the upcoming years. The balance of unreserved surplus at July 1, 2015 is \$265,238.

Capital Assets

At June 30, 2015, the School Board had approximately \$4,580,072 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2015 and 2016 fiscal year.

Table II

	2014	2015
Capital Assets		
<u>Governmental Activities</u>		
Land	\$ 481,300	\$ 481,300
Construction in Progress	-	-
Buildings & Machinery and Equipment	5,406,607	5,061,372
Total Governmental Activities	<u>\$ 5,887,907</u>	<u>\$ 5,542,672</u>
<u>Business Type Activities</u>		
Machinery & Equipment	\$ 43,011.00	\$ 42,130.00
Total Capital Assets	<u>\$ 5,930,918</u>	<u>\$ 5,584,802</u>

Debt Administration

At June 30, 2015, the School District had \$3,552,961 as outstanding debt. Of this amount \$146,432 is for compensated absences and \$2,360,000 is for bonds for school construction. Beginning with the 2014/15 school year School Districts are required to show the liability for the actuarial value of their pension liability, for the Belmar School District this amount is \$1,046,529. On March 11, 2003 the voters of the Borough of Belmar approved the renovation to the Elementary school in the amount of \$5,616,977. The state of New Jersey funded 40% or \$2,246,791 and Bonds were issued for the remaining \$3,370,000. During 2012 the District took advantage of favorable rates and refunded these bonds for a NPV savings of 7.65%.

Economic Factors and Next Year's Budget

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

The district has a net position of \$3,337,951 for all governmental activities representing the accumulated results of all past years' operations. The unrestricted portion of the net position is \$(1,060,994). This means that if the School Board had to pay off all bills today, including all of the School Board's noncurrent liabilities such as compensated absences, the School Board would have a deficit of \$(1,060,994). The district also has \$678,643 in capital reserve monies and \$225,000 in Tuition Reserve, \$110,005 in Emergency Reserve, and \$207,450 in Maintenance Reserve, as well as the fair market value of the capital assets.

Total State Aid decreased in 2014/15 to \$1,134,167 an increase of \$59,255 over 2013/14 State Aid. Over the past seven years the amount of state aid to the District has decreased significantly. In 2008/2009 the District received \$1,383,388 in State Aid. This amount decreased to \$1,018,000 in 2009/2010, \$966,613 in 2010/2011, and \$1,089,794 in 2011/12. The district supplemented the loss of state aid with surplus funds and cost savings through salary negotiations and a minimal reduction in staff. The student population has remained relatively constant over the past for years. In the future, the tax levy will be the area that will need to absorb any increase in budget obligations and that is limited to a 2% cap.

The School Board anticipates that enrollment for the 2015-2016 school year will remain fairly stable but will increase slightly. The School Board cannot accurately forecast future enrollment, but many school Districts in Monmouth County faced decreased enrollments over the past few years while the enrollment in Belmar has increased.

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

BELMAR SCHOOL DISTRICT**STATEMENT OF NET POSITION**

Exhibit A-1

JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ (98,453)	21,176	(77,277)
Receivables, Net	443,168	39,982	483,150
Inventory		1,530	1,530
Restricted Assets:			
Cash and Cash Equivalents	844,028		844,028
Cash-Capital Reserve	678,643		678,643
Capital Assets Not Being Depreciated	481,300		481,300
Capital Assets, Net	4,580,072		4,580,072
Total Assets	<u>6,928,758</u>	<u>62,688</u>	<u>6,991,446</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>87,663</u>		<u>87,663</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>172,099</u>		<u>172,099</u>
<u>Liabilities</u>			
Deferred Revenue	5,306		5,306
Accounts Payable	52,922		52,922
Noncurrent Liabilities:			
Due Within One Year	300,000		300,000
Due Beyond One Year	3,252,961		3,252,961
Total Liabilities	<u>3,611,189</u>	<u>-</u>	<u>3,611,189</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	2,701,372	42,030	2,743,402
Restricted For:			
Debt Service	2		2
Capital Projects	24,722		24,722
Other Purposes	1,630,819		1,630,819
Unrestricted	<u>(1,123,782)</u>	<u>62,788</u>	<u>(1,060,994)</u>
Total Net Position	<u>\$ 3,233,133</u>	<u>104,818</u>	<u>3,337,951</u>

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

BELMAR SCHOOL DISTRICT

Exhibit A-2

Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs						
Governmental Activities:						
Instruction:						
Regular	\$ 2,727,329			(2,727,329)		(2,727,329)
Special Education	606,763			(606,763)		(606,763)
Other Special Instruction	769,782		662,588	(107,194)		(107,194)
Other Instruction	97,528			(97,528)		(97,528)
Support Services:						
Tuition	3,020,346	2,007,520		(1,012,826)		(1,012,826)
Student & Instruction Related Services	1,259,471		448,350	(811,121)		(811,121)
General Administrative Services	241,640			(241,640)		(241,640)
School Administrative Services	482,501			(482,501)		(482,501)
Plant Operations and Maintenance	661,159			(661,159)		(661,159)
Pupil Transportation	530,737			(530,737)		(530,737)
Unallocated Employee Benefits	2,613,153			(2,613,153)		(2,613,153)
Unallocated Depreciation	366,333			(366,333)		(366,333)
Interest on Long-Term Debt	87,047			(87,047)		(87,047)
Special Schools	27,083			(27,083)		(27,083)
Total Government Activities	<u>13,490,872</u>	<u>2,007,520</u>	<u>1,110,938</u>	<u>(10,372,414)</u>	<u>-</u>	<u>(10,372,414)</u>
Business-Type Activities:						
Food Service	285,275	88,776	210,277		13,778	13,778
Total Business-Type Activities	<u>285,275</u>	<u>88,776</u>	<u>210,277</u>	<u>-</u>	<u>13,778</u>	<u>13,778</u>
Total Primary Government	<u>13,776,147</u>	<u>2,096,296</u>	<u>1,321,215</u>	<u>(10,372,414)</u>	<u>13,778</u>	<u>(10,358,636)</u>

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

BELMAR SCHOOL DISTRICT

Exhibit A-2

Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purpose, Net	7,785,979		7,785,979
Taxes Levied for Debt Service	379,688		379,688
Federal and State Aid Not Restricted	2,247,961		2,247,961
Investment Earnings and Miscellaneous Income	103,878		103,878
Total General Revenues	<u>10,517,506</u>	<u>-</u>	<u>10,517,506</u>
Change in Net Position	145,092	13,778	158,870
Restatement for Pension	(1,046,529)		(1,046,529)
Net Position - Beginning	<u>4,134,570</u>	<u>91,040</u>	<u>4,225,610</u>
Net Position - Ending	<u>\$ 3,233,133</u>	<u>104,818</u>	<u>3,337,951</u>

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents	\$ (98,455)			2	(98,453)
Restricted Cash and Cash Equivalents	1,521,098	1,573			1,522,671
Interfund Receivable	149,612				149,612
Receivables, Net	106,506	56,655	280,007		443,168
Total Assets	<u>\$ 1,678,761</u>	<u>58,228</u>	<u>280,007</u>	<u>2</u>	<u>2,016,998</u>
<u>Liabilities and Fund Balance</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ -	52,922			52,922
Interfund Payable			149,612		149,612
Deferred Revenue		5,306			5,306
Total Liabilities	<u>-</u>	<u>58,228</u>	<u>149,612</u>	<u>-</u>	<u>207,840</u>
<u>Fund Balance:</u>					
<u>Restricted for:</u>					
<u>Designated for Subsequent</u>					
Years Expenditures - Tuition Reserve Budgeted Withdrawal	225,000				225,000
<u>Tuition Reserve:</u>					
2014-2015	225,000				225,000
Maintenance Reserve	207,450				207,450
Emergency Reserve	110,005				110,005
Capital Reserve Account	678,643				678,643
<u>Designated for Subsequent</u>					
<u>Assigned to:</u>					
Other Purposes	4,048		105,673		109,721
Designated for Subsequent Years Expenditures - BOE	75,000				75,000
<u>Unassigned:</u>					
General Fund	153,615				153,615
Capital Projects			24,722		24,722
Debt Service				2	2
Total Fund Balances	<u>1,678,761</u>	<u>-</u>	<u>130,395</u>	<u>2</u>	<u>1,809,158</u>
Total Liabilities and Fund Balance	<u>\$ 1,678,761</u>	<u>58,228</u>	<u>280,007</u>	<u>2</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$11,583,134 and the accumulated depreciation is \$6,521,762.	5,061,372
Deferred outflow of resources - contributions to the pension plan	87,663
Deferred inflow of resources - acquisition of assets applicable to future reporting periods	(172,099)
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.	(3,552,961)
Net Position of Governmental Activities	<u>\$ 3,233,133</u>

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

BELMAR SCHOOL DISTRICT

Exhibit B-2

Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 7,785,979			379,688	8,165,667
Tuition Charges	2,007,520				2,007,520
Miscellaneous	103,878	11,840			115,718
Total Local Sources	<u>9,897,377</u>	<u>11,840</u>	<u>-</u>	<u>379,688</u>	<u>10,288,905</u>
State Sources	1,944,229	503,474	280,007		2,727,710
Federal Sources	23,725	595,624			619,349
Total Revenues	<u>11,865,331</u>	<u>1,110,938</u>	<u>280,007</u>	<u>379,688</u>	<u>13,635,964</u>
<u>Expenditures</u>					
Current:					
Regular Instruction	2,727,329				2,727,329
Special Education Instruction	606,763	662,588			1,269,351
Other Special Instruction	107,194				107,194
Other Instruction	97,528				97,528
Support Services and Undistributed Costs:					
Tuition	3,020,346				3,020,346
Student and Instruction Related Services	811,121	448,350			1,259,471
General Administrative Services	241,640				241,640
School Administrative Services	482,501				482,501
Plant Operations and Maintenance	661,159				661,159
Pupil Transportation	530,737				530,737
Unallocated Benefits	2,525,675				2,525,675
Debt Service:					
Principal				290,000	290,000
Interest and Other Charges				89,687	89,687
Capital Outlay	37,791		675,295		713,086
Special Schools	27,083				27,083
Total Expenditures	<u>11,876,867</u>	<u>1,110,938</u>	<u>675,295</u>	<u>379,687</u>	<u>14,042,787</u>

BELMAR SCHOOL DISTRICT

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(11,536)</u>	<u>-</u>	<u>(395,288)</u>	<u>1</u>	<u>(406,823)</u>
Other Financing Sources (Uses):					
Transfer from Capital Reserve to Capital Projects	<u>(420,010)</u>	<u>-</u>	<u>420,010</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(420,010)</u>	<u>-</u>	<u>420,010</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(431,546)</u>	<u>-</u>	<u>24,722</u>	<u>1</u>	<u>(406,823)</u>
Fund Balance - July 1	<u>2,110,307</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>2,110,308</u>
Fund Balance - June 30	<u>\$ 1,678,761</u>	<u>-</u>	<u>24,722</u>	<u>2</u>	<u>1,703,485</u>

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

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

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$	(406,823)
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	(366,333)		
Capital Outlays	<u>713,086</u>		
			346,753
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.			290,000
In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).			(3,042)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position			87,663
Pension related deferrals			(172,099)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.			<u>2,640</u>
Change in Net Position of Governmental Activities		\$	<u><u>145,092</u></u>

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

BELMAR SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

Exhibit B-4

	<u>Enterprise Fund</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 21,176
Accounts Receivable:	
State	712
Federal	39,270
Inventories	1,530
Total Current Assets	<u>62,688</u>
Noncurrent Assets:	
Equipment	60,637
Less: Accumulated Depreciation	<u>(18,507)</u>
Total Noncurrent Assets	<u>42,130</u>
Total Assets	<u><u>\$ 104,818</u></u>
 <u>Net Position</u>	
Investment in Capital Assets	\$ 42,030
Unrestricted	<u>62,788</u>
Total Net Position	<u><u>\$ 104,818</u></u>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit B-5

IN FUND NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2015

	<u>Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Daily Sales Reimbursable Programs	\$ 88,776
Total Operating Revenue	<u>88,776</u>
Operating Expenses:	
Cost of Food	118,535
Salaries	117,583
Management Fee	11,000
Insurance	16,016
Cost of Supplies	8,424
Depreciation	3,421
Audit	1,000
Miscellaneous	9,296
Total Operating Expenses	<u>285,275</u>
Operating (Loss)/Profit	(196,499)
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	3,577
Federal Sources:	
National School Lunch Program	161,824
HHFKA Lunch Program	4,171
Federal Breakfast Program	29,426
Food Distribution Program	11,279
Total Non-Operating Revenues	<u>210,277</u>
Change in Net Position	13,778
Adjustment for Fixed Assets	2,540
Net Position, July 1	<u>88,500</u>
Net Position, June 30	<u>\$ 104,818</u>

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

BELMAR SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDS

JUNE 30, 2015

	<u>Enterprise Fund</u>
Cash Flows from Operating Activities:	
Receipts from Daily Sales	\$ 88,776
Payments to Employees	(117,583)
Payments to Suppliers	(181,181)
Net Cash Used by Operating Activities	<u>(209,988)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	3,577
Federal Sources	195,421
Net Cash Provided by Noncapital Financing Activities	<u>198,998</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(10,990)
Cash and Cash Equivalents July 1	<u>32,166</u>
Cash and Cash Equivalents June 30	<u><u>\$ 21,176</u></u>
Cash Flows from Operating Activities:	
Operating (Loss)/Profit	\$ (196,499)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Depreciation	3,421
Federal Commodities Consumed	11,279
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	(25,980)
Increase/(Decrease) in Accounts Payable	(2,540)
(Increase)/Decrease in Inventory	331
Net Cash Used by Operating Activities	<u><u>\$ (209,988)</u></u>

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

BELMAR SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

FIDUCIARY FUNDS

JUNE 30, 2015

	<u>Scholarship Fund</u>
Assets:	
Cash and Cash Equivalents	<u>\$ 834</u>
Total Assets	<u><u>\$ 834</u></u>
Net Position:	
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 834</u>
Total Net Position	<u><u>\$ 834</u></u>

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Exhibit B-8

FIDUCIARY FUNDS

JUNE 30, 2015

	<u>Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>
<u>Additions</u>		
Investment Earnings:		
Interest	\$ -	25
Net Investments Earnings	-	25
<u>Deductions</u>		
Fees	26	
Interest and Balance Transferred	-	28,560
Total Deductions	26	28,560
Change in Net Position	(26)	(28,535)
Net Position - Beginning of Year	860	28,535
Net Position - End of the Year	\$ 834	-

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
BELMAR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Belmar School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Belmar School District had an approximate enrollment at June 30, 2015 of 533 students.

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

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

B. Government-Wide Financial Statements

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

D. Fund Accounting:

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

Governmental Fund Types

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

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

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

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

Proprietary Fund Type

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Fiduciary Fund Types

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

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

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

Stoner Scholarship Fund

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

E. Basis of Accounting:

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 were insignificant.

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

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

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

G. Encumbrances:

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

H. Short-Term Interfund Receivables/Payables:

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

I. Inventories and Prepaid Expenses

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

J. Capital Assets and Depreciation

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

The District contracted with an outside service company to provide a report with a comprehensive detail of capital assets and depreciation which is updated annually. Accumulated depreciation for fiscal year 2015, fiscal year 2015 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

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

Capital asset activity for the year ended June 30, 2015 was as follows:

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

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2015</u>
Governmental Activities:				
Capital Assets that are				
Not Being Depreciated:				
Land	\$ 481,300	_____	_____	481,300
Site Improvements and				
Buildings	10,673,418			10,673,418
Machinery and Equipment	413,450	14,966	_____	428,416
Totals	<u>11,086,868</u>	<u>14,966</u>	_____	<u>11,101,834</u>
Less: Accumulated				
Depreciation for:				
Sites Improvements and Buildings	(6,022,131)	(326,652)		(6,348,783)
Equipment	(139,430)	(39,681)	6,132	(172,979)
Total Accumulated Depreciation	<u>(6,161,561)</u>	<u>(366,333)</u>	<u>6,132</u>	<u>(6,521,762)</u>
Net Depreciable Assets	<u>4,925,307</u>	<u>(351,367)</u>	<u>6,132</u>	<u>4,580,072</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 5,406,607</u>	<u>(351,367)</u>	<u>6,132</u>	<u>5,061,372</u>
Business-Type Activities:				
Equipment	\$ 58,097	2,540		60,637
Less: Accumulated				
Depreciation for:				
Equipment	(15,086)	(3,421)	_____	(18,507)
Business-Type Activities				
Capital Assets, Net	<u>\$ 43,011</u>	<u>881</u>	_____	<u>42,130</u>

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

K. Accrued Salaries and Wages

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

L. Compensated Absences

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

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

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

M. Deferred Revenue

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

N. Long-Term Obligations

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

O. Fund Equity

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

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

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

Q. Tuition Payable

Tuition charges for the fiscal year 2014-2015 was based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined. The District has elected to reserve \$225,000.00 for future tuition adjustment liabilities, which is within the 10% ceiling allowed by the Department of Education, State of New Jersey.

2014-2015 School Year	\$ 225,000
2015-2016 School Year	<u>225,000</u>
Balance June 30, 2015	450,000
To be Utilized in 2015-2016	<u>225,000</u>
Available for Future Years	<u>\$ 225,000</u>

NOTE 2: Cash and Cash Equivalents and Investments

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

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

Deposits

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

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

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

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

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

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

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

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

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

As of June 30, 2015, the District's deposits and investments are summarized as follows:

FDIC	\$ 250,834
GUPDA	<u>1,794,291</u>
	<u>\$ 2,045,125</u>

As of June 30, 2015, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash
	<u>Equivalents</u>
Interest Bearing Checking Accounts	<u>\$ 1,478,427</u>

The carrying amount of the Board's cash, cash equivalents and investments at June 30, 2015 was \$1,478,427 and the bank balance was \$2,045,125. Of the bank balance \$250,834 was covered by federal depository insurance and \$1,794,291 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Custodial Credit Risk – Deposits

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

The District had no uninsured deposits.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Long-Term</u> <u>Portion</u>	<u>2015-16</u> <u>Payment</u>
Compensated Absences Payable	\$ 143,390	3,042		146,432	146,432	
Bonds Payable	2,650,000		290,000	2,360,000	2,060,000	300,000
Pension Liability		<u>1,046,529</u>		<u>1,046,529</u>	<u>1,046,529</u>	
	<u>\$ 2,793,390</u>	<u>1,049,571</u>	<u>290,000</u>	<u>3,552,961</u>	<u>3,252,961</u>	<u>300,000</u>

A. Bonds Authorized But Not Issued

As of June 30, 2015, the Board had no authorized but not issued bonds.

B. Bonds Payable

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 300,000	80,937	380,937
2017	305,000	70,738	375,738
2018	315,000	60,250	375,250
2019	270,000	50,850	320,850
2020	280,000	41,200	321,200
2021-2013	<u>890,000</u>	<u>54,000</u>	<u>944,000</u>
	<u>\$ 2,360,000</u>	<u>357,975</u>	<u>2,717,975</u>

Bonds issued 7/8/03 for \$540,000 at interest from 5.00% to 5.50% maturing 10/1/2017 with a balance of \$140,000 at June 30, 2015.

Bonds Issued 2/1/12 for \$2,490,000 at interest from 2% to 4% maturing 8/1/22 with a balance of \$2,220,000 at June 30, 2015. These bonds refunded the bonds issued at 8/1/03.

NOTE 4: Pension Plans

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

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

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

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

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

NOTE 4: Pension Plans (Continued)

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

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

Three-Year Trend Information for PERS

Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Funding</u>			
6/30/15	\$ 54,755	100%	\$ 0
6/30/14	50,500	100%	\$ 0
6/30/13	52,531	100%	0

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

Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Funding</u>			
6/30/15	\$ 553,599	100%	0
6/30/14	432,659	100%	0
6/30/13	530,635	100%	0

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$553,599 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$322,722 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenue and expenditure in accordance with GASB 24.

NOTE 4: Pension Plans (Continued)**Pension Expense Deferred Outflows/Inflows – PERS**

For the year ended June 30, 2015, the District recognized pension expense of \$54,755. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$	
Changes of Assumptions	32,908	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		62,367
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions		109,732
District Contributions Subsequent to the Measurement Date	<u>54,755</u>	<u> </u>
Total	<u>\$ 87,663</u>	<u>172,099</u>

\$87,663 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Additional Information

Collective balances at December 31, 2013 and 2014 are as follows:

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Collective Deferred Outflows of Resources	\$ 87,663	
Collective Deferred Inflows of Resources	172,099	
Collective Net Pension Liability	1,046,529	1,198,190
District's Proportion	.00559%	.00627%

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

The components of the net pension liability of the participating employers for PERS as of June 30, 2014 and 2013 are as follows:

	2014		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,777,950,141	39,071,470,586	67,849,420,727
Plan Fiduciary Net Position	<u>8,650,846,191</u>	<u>20,348,735,583</u>	<u>28,999,581,774</u>
Net Pension Liability	<u>\$ 20,127,103,950</u>	<u>18,722,735,003</u>	<u>38,849,838,953</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	30.06%	52.08%	42.74%

	2013		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 27,515,277,069	37,272,295,162	64,787,572,231
Plan Fiduciary Net Position	<u>8,216,653,950</u>	<u>18,160,308,251</u>	<u>26,376,962,201</u>
Net Pension Liability	<u>\$ 19,298,623,119</u>	<u>19,111,986,911</u>	<u>38,410,610,030</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	29.86%	48.72%	40.71%

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2103, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15% - 4.40% Based on Age
Thereafter	3.15% – 5.40% Based on Age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

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

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2014 and 2013, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2014</u>		
	<u>At 1%</u>	<u>At Current</u>	<u>At 1%</u>
	<u>Decrease (4.39%)</u>	<u>Rate (5.39%)</u>	<u>Increase (6.39%)</u>
State	\$ 23,772,450,916	20,127,103,950	17,069,920,644
Local	<u>23,553,838,159</u>	<u>18,722,735,003</u>	<u>14,665,837,859</u>
Total	<u>\$ 47,326,289,075</u>	<u>38,849,838,953</u>	<u>31,735,758,503</u>
	<u>2013</u>		
	<u>At 1%</u>	<u>At Current</u>	<u>At 1%</u>
	<u>Decrease (4.55%)</u>	<u>Rate (5.55%)</u>	<u>Increase (6.55%)</u>
State	\$ 22,822,255,839	19,298,623,119	16,351,193,705
Local	<u>23,791,905,551</u>	<u>19,111,986,911</u>	<u>15,190,834,283</u>
Total	<u>\$ 46,614,161,390</u>	<u>38,410,610,030</u>	<u>31,542,027,988</u>

Teachers Pensions and Annuity Fund (TPAF)**Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Total Pension Liability	\$ 81,095,320,000	76,678,639,671
Plan Fiduciary Net Position	<u>27,282,252,461</u>	<u>25,888,126,040</u>
Net Pension Liability	<u>\$ 53,813,067,539</u>	<u>50,790,513,631</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

NOTE 4: Pension Plans (Continued)

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2014</u>	<u>2013</u>
District's Liability	<u>\$ 20,708,273</u>	<u>19,478,521</u>
District's Proportion	.03848%	.03835%

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvements. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

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

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

Discount Rate

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
2014 (3.68%, 4.68%, 5.68%)	\$ 64,722,984,539	53,813,067,539	44,738,870,539
2013 (3.95%, 4.95%, 5.95%)	61,017,578,926	50,790,513,631	42,351,665,847

NOTE 5: Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

NOTE 6: Contingent Liabilities

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

NOTE 7: Equity Balance

At June 30, 2015, the General Fund equity balance was as follows:

Recapitulations:	
Restricted for:	
Emergency Reserve	\$ 110,005
Maintenance Reserve	207,450
Capital Reserve	678,643
Reserve for Tuition	225,000
Designated for Subsequent Year's Expenditures – Tuition Reserve Budgeted Withdrawal	225,000
Committed to:	
Other Purposes	4,048
Assigned to:	
Designated for Subsequent Year's Expenditures – BOE	75,000
Unassigned	<u>265,238</u>
	<u>\$ 1,790,384</u>

Reserved for encumbrances represents outstanding purchase orders which will be rolled into the 2015-2016 budget and expended therefrom.

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

2% Calculation of Excess Surplus

2014-15 Total General Fund Expenditures Per the CAFR	\$ 11,876,867
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>(876,321)</u>
Adjusted 14-15 General Fund Expenditures	<u>\$ 11,000,546</u>
2% of Adjusted 2014-15 General Fund Expenditures	<u>\$ 220,011</u>
Enter Greater of Above or \$250,000	\$ 250,000
Increased by Allowable Adjustment	<u>42,066</u>
Maximum Unassigned Fund Balance	<u>\$ 292,066</u>

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

Total General Fund – Fund Balance @ 6-30-15	\$ 1,790,380
Decreased by:	
Reserved for Encumbrances	(4,048)
Designated for Subsequent Year’s Expenditures – Tuition Reserve Budgeted Withdrawal	(225,000)
Designated for Subsequent Years Expenditures	(75,000)
Other Reserves	<u>(1,221,098)</u>
Total Unassigned Fund Balance	<u>\$ 265,234</u>
Restricted Fund Balance – Excess Surplus	<u>\$ 0</u>

Section 3

Reserved Fund Balance - Excess Surplus – Designated for Subsequent Year’s Expenditures	<u>\$ 0</u>
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Detail of Allowable Adjustments

Extraordinary Aid	\$ 41,332
Nonpublic Transportation	<u>734</u>
Total Adjustments	<u>\$ 42,066</u>

Detail of Other Restricted Fund Balance

Tuition Reserve	\$ 225,000
Maintenance Reserve	207,450
Emergency Reserve	110,005
Capital Reserve	<u>678,643</u>
Total Other Restricted Fund Balance	<u>\$ 1,221,098</u>

NOTE 8: Risk Management

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

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

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

NOTE 8: Risk Management (Continued)

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Transferred</u>	<u>Ending Balance</u>
2012-2013	0	7,874	46,578		28,528
2013-2014	41	0	34		28,353
2014-2015	25	0	0	28,560	0

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

NOTE 9: Capital Reserve Account

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

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

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance July 1, 2014	\$ 1,098,653
Transfer to Capital Projects per Budget	<u>(420,010)</u>
Balance June 30, 2015	<u>\$ 678,643</u>

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

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

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

NOTE 10: Fair Values of Financial Instruments

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

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

NOTE 11: Fund Balance Appropriated

General Fund – Of the \$1,790,384 General Fund balance at June 30, 2015, \$4,048 is reserve for encumbrances; \$225,000 is designated for subsequent years expenditures – tuition reserve; \$75,000 is designated for subsequent years expenditures by the Board of Education; \$110,005 is emergency reserve; \$678,643 is capital reserve; \$207,450 is maintenance reserve; \$225,000 is tuition reserve; and \$265,238 is unassigned at June 30, 2015.

NOTE 12: Economic Dependency

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

NOTE 13: General Fund Emergency Reserve Account

The reserve account is to be used to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonable unforeseeable. The emergency reserve balance may not exceed \$250,000 or 1% of the District's general fund budget up to a maximum of \$100,000 whichever is greater. Withdrawals require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health costs greater than four percent. Belmar's emergency reserve balance as of June 30, 2015 is \$110,005.

NOTE 14: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2015. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2015 through December 31, 2015.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

BELMAR SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 12

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 7,785,979		7,785,979	7,785,979	-
Tuition	1,960,056		1,960,056	2,007,520	47,464
Interest Earned on Investments			-	2,610	2,610
ARRA/SEMI				7,402	7,402
Miscellaneous	74,000		74,000	93,866	19,866
Total Local Sources	<u>9,820,035</u>	<u>-</u>	<u>9,820,035</u>	<u>9,897,377</u>	<u>77,342</u>
State Sources:					
Categorical Special Education Aid	314,554		314,554	314,554	-
Categorical Transportation Aid	122,321		122,321	122,321	-
Extraordinary Aid	50,000		50,000	91,332	41,332
Categorical Security Aid	135,146		135,146	135,146	-
Adjustment Aid	397,649		397,649	397,649	-
PARCC Readiness Aid	5,650		5,650	5,650	-
Per Pupil Growth Aid	5,650		5,650	5,650	-
Extraordinary-Prior Year				753	753
Non-Public Transportation Aid				734	734
TPAF Pension (On Behalf-Non-Budgeted)			-	553,599	553,599
TPAF Social Security (Reimbursed - Non-Budgeted)			-	322,722	322,722
Total State Sources	<u>1,030,970</u>	<u>-</u>	<u>1,030,970</u>	<u>1,950,110</u>	<u>919,140</u>
Federal Sources:					
Medical Assistance Program	13,940		13,940	23,725	9,785
Total Federal Sources	<u>13,940</u>	<u>-</u>	<u>13,940</u>	<u>23,725</u>	<u>9,785</u>
Total Revenues	<u>10,864,945</u>	<u>-</u>	<u>10,864,945</u>	<u>11,871,212</u>	<u>1,006,267</u>

BELMAR SCHOOL DISTRICT

**Exhibit C-1
Sheet 2 of 12**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Expenditures:</u>					
Current Expense:					
Regular Programs - Instruction:					
Pre-School - Salaries of Teachers	37,064	102	37,166	37,166	-
Kindergarten - Salaries of Teachers	240,617	(16,000)	224,617	220,840	3,777
Grades 1-5 - Salaries of Teachers	1,639,687	(28,815)	1,610,872	1,591,294	19,578
Grades 6-8 - Salaries of Teachers	646,925	44,815	691,740	680,866	10,874
Regular Programs - Undistributed Instruction:					
General Supplies	134,036	(10,500)	123,536	118,267	5,269
Textbooks	5,000	12,508	17,508	13,683	3,825
Miscellaneous Expenditures	44,200	12,227	56,427	55,358	1,069
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	5,000	10,000	9,855	145
Total Regular Programs - Instruction	<u>2,752,529</u>	<u>19,337</u>	<u>2,771,866</u>	<u>2,727,329</u>	<u>44,537</u>
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	159,645	1,000	160,645	159,600	1,045
Other Salaries for Instruction	43,234	(19,649)	23,585	23,584	1
Purchased Professional Educational Services	10,000	(5,000)	5,000		5,000
Purchased Technical Services	900		900		900
Total Learning and/or Language Disabilities	<u>213,779</u>	<u>(23,649)</u>	<u>190,130</u>	<u>183,184</u>	<u>6,946</u>

BELMAR SCHOOL DISTRICT

**Exhibit C-1
Sheet 3 of 12**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Resource Room/Resource Center:					
Salaries of Teachers	296,026	170	296,196	294,391	1,805
Other Salaries for Instruction		52,006	52,006	42,128	9,878
Purchased Professional-Educational Services	10,000	(8,500)	1,500	205	1,295
General Supplies	2,100		2,100		2,100
Total Resource Room/Resource Center	<u>308,126</u>	<u>43,676</u>	<u>351,802</u>	<u>336,724</u>	<u>15,078</u>
Preschool Disabilities:					
Salaries of Teachers	65,965		65,965	65,915	50
Other Salaries for Instruction	34,699	(18,568)	16,131	16,131	-
Purchase Professional Educational Services	13,000		13,000	3,919	9,081
General Supplies	1,000	677	1,677	890	787
Other Objects	750		750		750
Total Preschool Disabilities	<u>115,414</u>	<u>(17,891)</u>	<u>97,523</u>	<u>86,855</u>	<u>10,668</u>
Total Special Education - Instruction	<u>637,319</u>	<u>2,136</u>	<u>639,455</u>	<u>606,763</u>	<u>32,692</u>
Basic Skills/Remedial Instruction					
Salaries of Teachers	34,776	(20,000)	14,776		14,776
Total Basic Skills/Remedial - Instruction	<u>34,776</u>	<u>(20,000)</u>	<u>14,776</u>	<u>-</u>	<u>14,776</u>
Bilingual Education-Instruction					
Salaries of Teachers	108,265		108,265	107,194	1,071
General Supplies	600		600		600
Total Bilingual Education-Instruction	<u>108,865</u>	<u>-</u>	<u>108,865</u>	<u>107,194</u>	<u>1,671</u>

BELMAR SCHOOL DISTRICT

**Exhibit C-1
Sheet 4 of 12**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	35,000		35,000	29,886	5,114
Other Objects	500		500		500
Total School Sponsored Co-Curricular Activities - Instruction	<u>35,500</u>	<u>-</u>	<u>35,500</u>	<u>29,886</u>	<u>5,614</u>
School Sponsored Athletics - Instruction:					
Salaries	43,103		43,103	41,796	1,307
Supplies and Materials	8,000		8,000	7,621	379
Other Objects	2,000		2,000	2,000	-
Transfer to Cover Deficit	4,000		4,000	4,000	-
Total School Sponsored Athletics - Instruction	<u>57,103</u>	<u>-</u>	<u>57,103</u>	<u>55,417</u>	<u>1,686</u>
Other Supplemental /At-Risk Programs - Instruction:					
Salaries of Reading Specialists	25,065		25,065	12,225	12,840
Total Other Supplemental /At-Risk Programs - Instruction	<u>25,065</u>	<u>-</u>	<u>25,065</u>	<u>12,225</u>	<u>12,840</u>
Total Instruction	<u>3,651,157</u>	<u>1,473</u>	<u>3,652,630</u>	<u>3,538,814</u>	<u>113,816</u>
Undistributed Expenditures-Instruction:					
Tuition to Other LEAs in State - Regular	1,769,680	55,100	1,824,780	1,819,399	5,381
Tuition to Other LEAs in State - Special	188,353	83,000	271,353	270,667	686
Tuition to County Vocational School:					
Regular	82,000	6,100	88,100	88,100	-
Special	75,000	(29,240)	45,760	45,760	-
Tuition to Private School for Handicapped within State	955,081	(123,900)	831,181	796,420	34,761
Total Undistributed Expenditures-Instruction	<u>3,070,114</u>	<u>(8,940)</u>	<u>3,061,174</u>	<u>3,020,346</u>	<u>40,828</u>

BELMAR SCHOOL DISTRICT

**Exhibit C-1
Sheet 5 of 12**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures-Health:					
Salaries	75,765		75,765	74,983	782
Purchased Professional and Technical Services	9,200	8,550	17,750	13,575	4,175
Supplies and Materials	2,000		2,000	1,357	643
Total Undistributed Expenditures-Health:	<u>86,965</u>	<u>8,550</u>	<u>95,515</u>	<u>89,915</u>	<u>5,600</u>
Undistributed Expenditures-Other Sup. Serv.					
Students-Related Serv.:					
Salaries of Teachers	87,865		87,865	85,745	2,120
Purchased Professional Educational Services	4,900	2,700	7,600	7,600	-
Supplies and Materials	450		450		450
Total Undistributed Expenditures-Other Sup. Serv.					
Students-Related Serv.	<u>93,215</u>	<u>2,700</u>	<u>95,915</u>	<u>93,345</u>	<u>2,570</u>
Undistributed Expenditures-Extraordinary Sup. Serv.					
Purchased Professional Educational Services	5,000		5,000	5,000	-
Supplies and Materials	2,500		2,500	2,470	30
Total Undistributed Expenditures-Extraordinary Sup. Serv.	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>7,470</u>	<u>30</u>
Undistributed Expenditures-Other Supp. Serv.					
Students - Reg.:					
Salaries of Other Professional Staff	81,565	(2,650)	78,915	78,427	488
Supplies and Materials	400		400	400	-
Other Objects	250		250	24	226
Total Undistributed Expenditures-Other Supp. Serv.	<u>82,215</u>	<u>(2,650)</u>	<u>79,565</u>	<u>78,851</u>	<u>714</u>

BELMAR SCHOOL DISTRICT

Exhibit C-1
Sheet 6 of 12

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures-Other Sup. Serv.					
Students-Spec. Serv.:					
Salaries of Other Professional Staff	241,159	4,150	245,309	244,105	1,204
Salaries of Secretarial and Clerical Assts.	43,891		43,891	43,891	-
Other Purchased Professional Services	32,000	(6,000)	26,000	26,000	-
Other Purchased Services	750	1,500	2,250	1,701	549
Supplies and Materials	5,400	2,794	8,194	8,190	4
Other Objects	1,000		1,000	920	80
Total Undistributed Expenditures-Other Sup. Serv.					
Students-Spec. Serv.	<u>324,200</u>	<u>2,444</u>	<u>326,644</u>	<u>324,807</u>	<u>1,837</u>
Undistributed Expenditures - Imp. of Instructional Services:					
Salaries of Supervisors of Instruction	<u>53,524</u>		<u>53,524</u>	<u>53,524</u>	<u>-</u>
Undistributed Expenditures - Edu. Media Serv./Sch. Library:					
Salaries	59,385		59,385	59,385	-
Salaries of Technology Coordinators	90,000	651	90,651	90,650	1
Purchased Professional and Technical Services	1,000		1,000	1,000	-
Supplies and Materials	6,000	(1,000)	5,000	4,976	24
Total Undistributed Expenditures - Edu. Media Serv./					
School Library	<u>156,385</u>	<u>(349)</u>	<u>156,036</u>	<u>156,011</u>	<u>25</u>
Undistributed Expenditures - Instr. Staff Training Serv:					
Purchased Professional-Educational Services	8,000	(6,000)	2,000	1,928	72
Other Purchased Services	4,500	1,000	5,500	5,270	230
Total Undistributed Expenditures - Instructional					
Staff Training Serv.	<u>12,500</u>	<u>(5,000)</u>	<u>7,500</u>	<u>7,198</u>	<u>302</u>

BELMAR SCHOOL DISTRICT

**Exhibit C-1
Sheet 7 of 12**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Supp. Serv. - General Administration:					
Salaries	177,268		177,268	165,554	11,714
Legal Services	18,000	1,200	19,200	12,093	7,107
Audit Fees	13,500		13,500	13,500	-
Other Purchased Professional Services	9,000	(3,000)	6,000	5,558	442
Communications/Telephone	16,500	(2,000)	14,500	13,368	1,132
Other Purchased Services BOE	2,500	(1,000)	1,500	1,499	1
Other Purchased Services (400-500)	5,100	1,000	6,100	5,402	698
General Supplies	2,500	(1,260)	1,240	560	680
Miscellaneous Expenditures	17,000	2,079	19,079	18,476	603
BOE Membership Dues and Fees	6,000		6,000	5,630	370
Total Undistributed Expenditures - Supp. Serv. General Administration	<u>267,368</u>	<u>(2,981)</u>	<u>264,387</u>	<u>241,640</u>	<u>22,747</u>
Undistributed Expenditures-Support Serv.-School Admin.					
Salaries of Principals/Assistant Principals	134,841	(1,300)	133,541	132,841	700
Salaries of Secretarial/Clerical Assistants	82,623	1,831	84,454	82,320	2,134
Other Purchased Services	1,000	1,300	2,300	700	1,600
Supplies and Materials	3,500	(1,960)	1,540	729	811
Other Objects	2,000		2,000	1,740	260
Total Undistributed Expend.-Supp. Serv.-School Admin.	<u>223,964</u>	<u>(129)</u>	<u>223,835</u>	<u>218,330</u>	<u>5,505</u>

BELMAR SCHOOL DISTRICT

**Exhibit C-1
Sheet 8 of 12**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Undistributed Expenditures-Central Services					
Salaries	210,027	8,057	218,084	217,637	447
Purchased Professional Services	27,250	9,600	36,850	36,850	-
Other Purchased Services	5,000	(600)	4,400	4,074	326
Supplies and Materials	2,750	(1,000)	1,750	1,716	34
Other Objects	3,500	400	3,900	3,894	6
Total Undistributed Expend.-Central Services	<u>248,527</u>	<u>16,457</u>	<u>264,984</u>	<u>264,171</u>	<u>813</u>
Undistributed Expenditures-Allow. Maint. School Facilities:					
Cleaning, Repair and Maintenance Services	64,950	60,808	125,758	119,047	6,711
Total Undistributed Expenditures-Allow. Maint. School Facilities	<u>64,950</u>	<u>60,808</u>	<u>125,758</u>	<u>119,047</u>	<u>6,711</u>
Undistributed Expenditures-Other Oper. & Maint. Of Plant:					
Salaries of Non-Instructional Aides	27,000	8,500	35,500	33,281	2,219
Purchased Professional and Technical Services	31,750	(245)	31,505	27,519	3,986
Cleaning, Repair, and Maintenance Services	253,439	35,540	288,979	288,863	116
Other Purchased Property Services	14,000	(2,000)	12,000	6,348	5,652
Insurance	62,000	(1,000)	61,000	58,783	2,217
Misc. Purchased Services	9,350	(1,500)	7,850	6,217	1,633
General Supplies	17,000	(10,500)	6,500	4,440	2,060
Energy - Heat	45,000	(7,000)	38,000	37,970	30
Energy - Electricity	80,000		80,000	78,691	1,309
Total Undistributed Expenditures-Other Oper. & Maint. of Plant	<u>539,539</u>	<u>21,795</u>	<u>561,334</u>	<u>542,112</u>	<u>19,222</u>

BELMAR SCHOOL DISTRICT

**Exhibit C-1
Sheet 9 of 12**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Undistributed Expenditures - Operation & Maintenance of Plant Services	<u>604,489</u>	<u>82,603</u>	<u>687,092</u>	<u>661,159</u>	<u>25,933</u>
Undistributed Expenditures - Student Transportation Serv:					
Contr. Serv. (Other Than Bet. Home & Sch.)-Vendors	21,000	6,200	27,200	25,749	1,451
Contr. Serv. (Bet. Home & Sch.)-Joint Agreements.	30,000		30,000	29,214	786
Contr. Serv.(Sp Ed Stds)-Vendors	500	(200)	300		300
Contr. Serv. (Reg. Students) ESC & CTSA	160,000	54,292	214,292	214,291	1
Contr. Serv. (Sp. Ed. Stds.) ESC & CTSA	220,000	38,816	258,816	258,502	314
Contr. Serv. Aid in Lieu	<u>5,000</u>	<u>(2,000)</u>	<u>3,000</u>	<u>2,981</u>	<u>19</u>
Total Undistributed Expenditures - Student Transportation Serv.	<u>436,500</u>	<u>97,108</u>	<u>533,608</u>	<u>530,737</u>	<u>2,871</u>
Unallocated Benefits:					
Social Security Contributions	89,000	(29,783)	59,217	59,060	157
TPAF Contributions - ERIP	2,800	(2,800)	-		-
Other Retirement Contributions - PERS	73,300	(18,350)	54,950	54,755	195
Unemployment	25,000	(11,323)	13,677	10,837	2,840
Tuition Reimbursement	25,000	24,892	49,892	49,872	20
Other Employee Benefits	7,500		7,500	1,468	6,032
Workmen's Compensation	51,000	(2,200)	48,800	48,581	219
Health Benefits	<u>1,524,065</u>	<u>(84,501)</u>	<u>1,439,564</u>	<u>1,424,781</u>	<u>14,783</u>
Total Unallocated Benefits	<u>1,797,665</u>	<u>(124,065)</u>	<u>1,673,600</u>	<u>1,649,354</u>	<u>24,246</u>

BELMAR SCHOOL DISTRICT

**Exhibit C-1
Sheet 10 of 12**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
On-Behalf TPAF Pension Contributions (Non-Budgeted)	-	-	-	553,599	(553,599)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	322,722	(322,722)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>876,321</u>	<u>(876,321)</u>
Total Undistributed Expenditures	<u>7,465,131</u>	<u>65,748</u>	<u>7,530,879</u>	<u>8,273,179</u>	<u>(742,300)</u>
Total Current Expense	<u>11,116,288</u>	<u>67,221</u>	<u>11,183,509</u>	<u>11,811,993</u>	<u>(628,484)</u>
Capital Outlay:					
Undistributed Expenditures:					
Equipment:					
CST Support		2,100	2,100		2,100
Facilitates Acquisition and Construction Services:					
Construction		18,350	18,350	18,350	-
Capital Reserve to Capital Projects	420,010		420,010		420,010
Assessment for Debt Service on SDA Funding	19,441		19,441	19,441	-
Total Capital Outlay	<u>439,451</u>	<u>20,450</u>	<u>459,901</u>	<u>37,791</u>	<u>422,110</u>
Special Schools:					
Salaries of Teachers	17,000	1,666	18,666	17,499	1,167
Other Salaries for Instruction	11,250	(1,666)	9,584	9,584	-
Total Special Schools	<u>28,250</u>	<u>-</u>	<u>28,250</u>	<u>27,083</u>	<u>1,167</u>
Total Expenditures	<u>11,583,989</u>	<u>87,671</u>	<u>11,671,660</u>	<u>11,876,867</u>	<u>(205,207)</u>

BELMAR SCHOOL DISTRICT

**Exhibit C-1
Sheet 11 of 12**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(719,044)</u>	<u>(87,671)</u>	<u>(806,715)</u>	<u>(5,655)</u>	<u>801,060</u>
Other Financing Sources (Uses):					
Transfer Capital Reserve To Capital Projects	<u></u>	<u></u>	<u></u>	<u>(420,010)</u>	<u>(420,010)</u>
Total Other Financing Sources (Uses):	<u></u>	<u></u>	<u></u>	<u>(420,010)</u>	<u>(420,010)</u>
Excess (Deficiency) Of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	<u>(719,044)</u>	<u>(87,671)</u>	<u>(806,715)</u>	<u>(425,665)</u>	<u>381,050</u>
Fund Balance July 1	<u>2,216,045</u>	<u></u>	<u>2,216,045</u>	<u>2,216,045</u>	<u></u>
Fund Balance June 30	<u>\$ 1,497,001</u>	<u>(87,671)</u>	<u>1,409,330</u>	<u>1,790,380</u>	<u>381,050</u>

BELMAR SCHOOL DISTRICT

Exhibit C-1
Sheet 12 of 12

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted Fund Balance:					
Emergency Reserve				\$ 110,005	
Maintenance Reserve				207,450	
Capital Reserve				678,643	
Tuition Reserve				225,000	
Designated for Subsequent Year's Expenditures - Tuition Reserve Budgeted Withdrawal				225,000	
Assigned Fund Balance:					
Year-End Encumbrances				4,048	
Designated for Subsequent Year's Expenditures - BOE				75,000	
Unassigned Fund Balance				<u>265,234</u>	
				1,790,380	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(111,619)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 1,678,761</u>	

BELMAR SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources	\$ 11,840		11,840	11,840	
State Sources	556,396		556,396	503,479	52,917
Federal Sources	626,024		626,024	598,451	27,573
Total Revenues	<u>\$ 1,194,260</u>	<u>-</u>	<u>1,194,260</u>	<u>1,113,770</u>	<u>80,490</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 354,620	(1,488)	353,132	353,132	
Other Salaries for Instruction	114,375		114,375	114,375	
Purchased Professional and Technical Services	23,725		23,725	8,392	15,333
Textbooks	44,685		44,685	43,617	1,068
General Supplies	145,904		145,904	145,904	
Total Instruction	<u>683,309</u>	<u>(1,488)</u>	<u>681,821</u>	<u>665,420</u>	<u>16,401</u>
Support Services:					
Personal Services - Employee Benefits	109,933	1,488	111,421	111,421	
Purchased Professional and Technical Services	393,753		393,753	329,664	64,089
Contracted Services	2,000		2,000	2,000	
General Supplies	5,265		5,265	5,265	
Total Support Services	<u>510,951</u>	<u>1,488</u>	<u>512,439</u>	<u>448,350</u>	<u>64,089</u>
Total Expenditures	<u>\$ 1,194,260</u>	<u>-</u>	<u>1,194,260</u>	<u>1,113,770</u>	<u>80,490</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

BUDGET TO GAAP RECONCILIATION

NOTE TO RSI

JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 11,871,212	1,113,770
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(2,827)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	105,738	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(111,619)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 11,865,331</u>	<u>1,110,943</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 11,876,867	1,113,770
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(2,827)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 11,876,867</u>	<u>1,110,943</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

BELMAR SCHOOL DISTRICT**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE****NET PENSION LIABILITY - PERS**

Exhibit L-1

LAST TWO FISCAL YEARS

	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,046,529	1,198,190
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>
Total	<u>\$ 1,046,529</u>	<u>1,198,190</u>
District's Covered-Employee Payroll	\$ 408,600	378,520
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	39.04%	31.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.74%	40.71%

BELMAR SCHOOL DISTRICT**SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS**

Exhibit L-2

LAST TWO FISCAL YEARS

	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 50,500	52,531
Contributions in Relation to the Contractually Required Contribution	<u>50,500</u>	<u>52,531</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 408,600	378,520
Contributions as a Percentage of Covered-Employee Payroll	12.36%	13.88%

BELMAR SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - TPAF

Exhibit L-3

LAST TWO FISCAL YEARS

	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>20,708,273</u>	<u>19,478,521</u>
Total	<u>\$ 20,708,273</u>	<u>19,478,521</u>
District's Covered-Employee Payroll	\$ 3,796,845	3,864,360
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	18.33%	19.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

BELMAR SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS

Exhibit E-1

Sheet 1 of 2

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Chapter 192</u>			<u>Chapter 193</u>			<u>Non-Public Technology</u>	<u>Non-Public Textbooks</u>	<u>Non-Public Nursing</u>
	<u>Home Instruction</u>	<u>Compensatory Education</u>	<u>Transportation</u>	<u>Examination & Classification</u>	<u>Corrective Speech</u>	<u>Supplementary Instruction</u>			
Revenues:									
Federal Sources	\$ -	-							
State Sources	5,719	47,394	19,714	50,276	22,088	48,102	23,515	43,617	70,411
Local Sources									
Total Revenue	\$ 5,719	47,394	19,714	50,276	22,088	48,102	23,515	43,617	70,411
Expenditures:									
Instruction:									
Salaries of Teachers	\$ -	-							
Other Salaries for Instruction									
General Supplies									
Purchased Professional & Technical Services	5,719		19,714	50,276	22,088	48,102		43,617	
Textbooks									
Total Instruction	5,719	-	19,714	50,276	22,088	48,102	-	43,617	-
Support Services:									
Personal Services - Employee Benefits									
Purchased Professional and Technical Services		47,394					23,515		70,411
Contracted Services									
General Supplies									
Total Support Services	-	47,394	-	-	-	-	-	-	70,411
Total Expenditures	\$ 5,719	47,394	19,714	50,276	22,088	48,102	23,515	43,617	70,411

BELMAR SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS

Exhibit E-1
Sheet 2 of 2

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>I.D.E.A. Part B Basic</u>	<u>I.D.E.A. Part B Pre-School</u>	<u>Preschool Education Aid</u>	<u>Sandy Relief Grant</u>	<u>Totals June 30, 2015</u>
Revenues:								
Federal Sources	257,064	44,855	26,268	262,171	8,093			598,451
State Sources						172,638		503,474
Local Sources							11,840	11,840
Total Revenue	<u>257,064</u>	<u>44,855</u>	<u>26,268</u>	<u>262,171</u>	<u>8,093</u>	<u>172,638</u>	<u>11,840</u>	<u>1,113,765</u>
Expenditures:								
Instruction:								
Salaries of Teachers	201,949	29,500	18,000			103,683		353,132
Other Salaries for Instruction				80,615		33,760		114,375
General Supplies		559	4,523	260		1,500	1,550	8,392
Purchased Professional & Technical Services								145,899
Textbooks								43,617
Total Instruction	<u>201,949</u>	<u>30,059</u>	<u>22,523</u>	<u>80,875</u>	<u>-</u>	<u>138,943</u>	<u>1,550</u>	<u>665,415</u>
Support Services:								
Personal Services - Employee Benefits	51,919	7,670	1,377	21,760		28,695		111,421
Purchased Professional and Technical Services	2,196	7,126		158,786	8,093	3,000	9,143	329,664
Contracted Services						2,000		2,000
General Supplies	1,000		2,368	750			1,147	5,265
Total Support Services	<u>55,115</u>	<u>14,796</u>	<u>3,745</u>	<u>181,296</u>	<u>8,093</u>	<u>33,695</u>	<u>10,290</u>	<u>448,350</u>
Total Expenditures	<u>257,064</u>	<u>44,855</u>	<u>26,268</u>	<u>262,171</u>	<u>8,093</u>	<u>172,638</u>	<u>11,840</u>	<u>1,113,765</u>

BELMAR SCHOOL DISTRICT**SPECIAL REVENUE FUND**

Exhibit E-2

PRESCHOOL EDUCATION AID**SCHEDULE OF EXPENDITURES****BUDGETARY BASIS****FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 103,683	103,683	
Other Salaries for Instruction	33,760	33,760	
General Supplies	1,500	1,500	
Total Instruction	<u>138,943</u>	<u>138,943</u>	<u>-</u>
Support Services:			
Employee Benefits	28,695	28,695	
Contracted Services	3,000	3,000	
General Supplies	2,000	2,000	
Total Support Services	<u>33,695</u>	<u>33,695</u>	<u>-</u>
Total Expenditures	<u>\$ 172,638</u>	<u>172,638</u>	<u>-</u>

Calculation of Budget and Carryover

Total 2014-2015 Budget Preschool Education Aid	\$ 172,638
Less: Budgeted 2014-2015 Preschool Education Aid	<u>172,638</u>
Available and Unbudgeted at June 30, 2015 Preschool Education Aid	<u>\$ -</u>
2014-2015 Carryover Budgeted in 2015-2016 Preschool Education Aid	<u>\$ -</u>

CAPITAL PROJECTS FUND – F

BELMAR SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

Revenues:

SDA Grant	\$ 280,007
Transfer from Capital Reserve	420,010
Total Revenues	<u>700,017</u>

Expenditures:

Other Purchased Professional Services	29,500
Construction Services	645,795
Total Expenditures	<u>675,295</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures 24,722

Fund Balance - Beginning

Fund Balance - Ending \$ 24,722

BELMAR SCHOOL DISTRICT

Exhibit F-1a

CAPITAL PROJECTS FUND**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT****BALANCE, AND PROJECT STATUS - BUDGETARY BASIS****PLAYGROUND EQUIPMENT, SURFACE MATERIAL REPLACEMENT, DRAINAGE,****REPOINT MASONRY AND WINDOWS - ELEMENTARY SCHOOL****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - SDA Grant	\$ -	280,007	280,007	280,007
Transfer from Capital Reserve		420,010	420,010	420,010
Total Revenues	<u>-</u>	<u>700,017</u>	<u>700,017</u>	<u>700,017</u>
<u>Expenditures and Other Financing Uses</u>				
Other Purchased Professional Services		29,500	29,500	35,000
Construction Services		645,795	645,795	665,017
Total Expenditures	<u>-</u>	<u>675,295</u>	<u>675,295</u>	<u>700,017</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>24,722</u>	<u>24,722</u>	<u>-</u>

Additional Project Information

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

Percentage Increase Over Original

Authorized Cost	0%
Percentage Completion	96%
Original Target Completion Date	8/31/2015
Revised Target Completion Date	8/31/2015

PROPRIETARY FUNDS – G

PROPRIETARY FUNDS – G

N/A

FIDUCIARY FUND – H

BELMAR SCHOOL DISTRICT

TRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2015

	<u>Agency</u>		<u>Net</u>	<u>Expendable Trusts</u>	<u>Totals</u>
	<u>Student</u>	<u>Agency</u>	<u>Salary</u>	<u>Scholarship</u>	<u>2015</u>
	<u>Activity</u>	<u>Account</u>	<u>Account</u>	<u>Fund</u>	
Assets:					
Cash and Cash Equivalents	\$ 29,420	2,460	319	834	33,033
Total Assets	<u>\$ 29,420</u>	<u>2,460</u>	<u>319</u>	<u>834</u>	<u>33,033</u>
Liabilities and Net Position:					
Liabilities:					
Due to Student Groups	\$ 29,420				29,420
Payroll Withholdings		2,460	319		2,779
Total Liabilities	<u>29,420</u>	<u>2,460</u>	<u>319</u>	<u>-</u>	<u>32,199</u>
Net Position:					
Unreserved				834	834
Total Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>834</u>	<u>834</u>
Total Liabilities and Net Position	<u>\$ 29,420</u>	<u>2,460</u>	<u>319</u>	<u>834</u>	<u>33,033</u>

BELMAR SCHOOL DISTRICT**EXPENDABLE TRUST FUNDS**

Exhibit H-2

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals 2015</u>
Additions:			
Local Sources:			
Interest	\$ -	25	25
Total Additions	<u>-</u>	<u>25</u>	<u>25</u>
Deductions:			
Fees	26		26
Interest and Balance Transferred		28,560	28,560
Total Deductions	<u>26</u>	<u>28,560</u>	<u>28,586</u>
Change in Net Position	(26)	(28,535)	(28,561)
Net Position, July 1	<u>860</u>	<u>28,535</u>	<u>29,395</u>
Net Position, June 30	<u>\$ 834</u>	<u>-</u>	<u>834</u>

BELMAR SCHOOL DISTRICTSTUDENT ACTIVITY AGENCY FUND

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTSFOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Elementary School:				
Belmar Elementary	\$ 45,555	27,939	46,473	27,021
Referee Account	4,010	4,000	5,611	2,399
Total All Schools	<u>\$ 49,565</u>	<u>31,939</u>	<u>52,084</u>	<u>29,420</u>

BELMAR SCHOOL DISTRICT**PAYROLL AGENCY FUND**

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTS**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Assets:				
Cash and Cash Equivalents	\$ 2,237	2,450,140	2,449,917	2,460
Total Assets	<u>\$ 2,237</u>	<u>2,450,140</u>	<u>2,449,917</u>	<u>2,460</u>
Liabilities:				
Payroll Deductions and Withholdings	\$ 2,237	2,450,140	2,449,917	2,460
Total Liabilities	<u>\$ 2,237</u>	<u>2,450,140</u>	<u>2,449,917</u>	<u>2,460</u>

LONG-TERM DEBT - I

BELMAR SCHOOL DISTRICT

GENERAL LONG-TERM DEBT ACCOUNT GROUP

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2015

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Date</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Beginning Balance July 1, 2014</u>	<u>Retired</u>	<u>Ending Balance June 30, 2015</u>
ERIP Refunding	7/8/03	\$ 540,000	10-1-15-16 10-1-17	\$ 45,000 50,000	5.500%	\$ 185,000	45,000	140,000
2012 Refunding Bonds	2/1/12	2,490,000	8/1/15 8/1/16 8/1/17 8/1/18 8/1/19 8/1/20 8/1/21 8/1/22	255,000 260,000 265,000 270,000 280,000 290,000 295,000 305,000	3.000% 4.000%	2,465,000	245,000	2,220,000
						<u>\$ 2,650,000</u>	<u>290,000</u>	<u>2,360,000</u>

BELMAR SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

Exhibit I-3

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 379,688		379,688	379,688	
Total Revenues	<u>379,688</u>	<u>-</u>	<u>379,688</u>	<u>379,688</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	89,688		89,688	89,687	1
Redemption of Principal	290,000		290,000	290,000	
Total Expenditures	<u>379,688</u>	<u>-</u>	<u>379,688</u>	<u>379,687</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	1	1
Fund Balance July 1	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance June 30	<u>\$ 1</u>	<u>-</u>	<u>1</u>	<u>2</u>	<u>1</u>

STATISTICAL SECTION

(Unaudited)

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

EXHIBIT J-1

	For Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Invested in capital assets, net of related debt	\$ 2,816,034	\$ 3,750,672	\$ 2,890,560	\$ 2,978,400	\$ 2,844,200	\$ 2,633,014	\$ 2,731,882	\$ 2,718,454	\$ 2,613,217	\$ 2,701,372
Restricted	4,068,554	988,106	1,235,415	1,330,557	1,418,992	1,395,164	1,532,442	1,803,111	1,866,109	1,655,543
Unrestricted	126,278	459,189	252,320	154,858	(116,942)	112,321	(6,920)	52,619	244,199	(1,123,782)
Total governmental activities net position	\$ 7,010,866	\$ 5,197,947	\$ 4,478,295	\$ 4,463,815	\$ 4,146,250	\$ 4,140,499	\$ 4,255,404	\$ 4,574,184	\$ 4,723,525	\$ 3,233,133
Business-type activities										
Invested in capital assets, net of related debt	\$ 5,809	\$ 5,171	\$ 4,534	\$ 8,557	\$ 7,448	\$ 19,199	\$ 38,057	\$ 40,732	\$ 43,011	\$ 42,030
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	10,058	10,858	15,254	21,034	31,698	29,024	14,905	26,149	45,489	62,788
Total business-type activities net position	\$ 15,867	\$ 16,029	\$ 19,788	\$ 29,591	\$ 39,146	\$ 48,223	\$ 52,962	\$ 66,881	\$ 88,500	\$ 104,818
District-wide										
Invested in capital assets, net of related debt	\$ 2,821,843	\$ 3,755,843	\$ 2,995,094	\$ 2,986,957	\$ 2,851,648	\$ 2,652,213	\$ 2,769,939	\$ 2,759,186	\$ 2,656,228	\$ 2,743,402
Restricted	4,068,554	988,106	1,235,415	1,330,557	1,418,992	1,395,164	1,532,442	1,803,111	1,866,109	1,655,543
Unrestricted	136,336	470,027	267,574	175,892	(85,244)	141,345	5,985	78,768	289,688	(1,060,994)
Total district net position	\$ 7,026,733	\$ 5,213,976	\$ 4,498,083	\$ 4,493,406	\$ 4,185,396	\$ 4,188,722	\$ 4,308,366	\$ 4,641,065	\$ 4,812,025	\$ 3,337,951

Source: CAFR Schedule A-1

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

EXHIBIT J-2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 1,880,233	\$ 2,018,002	\$ 2,128,393	\$ 2,478,495	\$ 2,786,212	\$ 2,597,886	\$ 2,480,640	\$ 2,744,611	\$ 2,855,239	\$ 2,727,329
Special education	464,629	550,235	1,301,062	1,374,393	1,464,121	1,467,198	1,285,685	1,569,455	1,294,347	1,269,351
Other special education	694,436	691,442	149,400	159,570	77,139	104,200	102,740	140,785	135,205	107,194
Other instruction	67,964	74,993	105,542	89,320	201,512	187,545	202,831	136,474	107,699	97,528
Support Services:										
Tuition	2,562,051	2,303,413	2,460,262	2,643,976	2,596,165	2,923,359	2,831,999	2,539,348	2,817,103	3,020,346
Student & instruction related services	976,778	1,196,579	1,016,954	950,653	791,098	1,017,343	1,277,444	818,063	1,214,515	1,259,471
School administrative services	426,757	295,838	237,748	245,302	328,678	395,442	387,154	372,774	442,216	482,501
General & Business administrative services	177,163	376,389	387,608	401,563	410,033	232,809	224,583	247,032	228,059	241,640
Plant operations and maintenance	484,320	794,047	1,059,709	913,722	727,404	668,888	687,800	729,180	591,461	661,159
Pupil transportation	411,846	452,399	466,068	407,439	435,044	430,071	426,596	355,929	390,153	530,737
Special Schools	308	1,340	2,860	6,100	5,063	4,703	46,767	49,116	26,058	27,083
Charter Schools	30,920	4,779	-	-	-	-	-	-	-	-
Interest on long-term debt	193,316	203,812	181,754	173,166	164,020	154,264	170,361	104,402	94,510	87,047
Unallocated Employee Benefits	1,831,124	1,981,175	2,156,627	1,926,432	2,054,717	1,942,439	1,983,487	2,326,910	2,283,802	2,613,153
Unallocated depreciation	-	15,387	369,257	329,806	345,931	356,430	353,262	353,168	354,027	366,333
Total governmental activities expenses	10,201,845	10,959,830	12,023,244	12,099,937	12,387,137	12,482,577	12,461,349	12,487,247	12,834,394	13,490,872
Business-type activities:										
Food service	211,827	193,322	189,037	208,825	235,735	250,727	244,193	260,337	277,298	285,275
Total business-type activities expense	211,827	193,322	189,037	208,825	235,735	250,727	244,193	260,337	277,298	285,275
Total district expenses	\$ 10,413,672	\$ 11,153,152	\$ 12,212,281	\$ 12,308,762	\$ 12,622,872	\$ 12,733,304	\$ 12,705,542	\$ 12,747,584	\$ 13,111,692	\$ 13,776,147
<small>For use in determining property taxes, the percentage of overlapping unit applicable to estimated utility taxable assessed value Prog values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that Govt is within the district's boundaries and dividing it by each unit's total taxable value.</small>										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,987,540	\$ 1,873,721	\$ 2,007,520
Operating grants and contributions	1,224,588	1,343,542	1,435,919	1,166,721	1,261,119	1,322,626	1,227,044	1,038,687	1,103,387	1,110,938
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	1,224,588	1,343,542	1,435,919	1,166,721	1,261,119	1,322,626	1,227,044	3,026,227	2,977,108	3,118,458
Business-type activities:										
Charges for services										
Food service	78,879	83,225	75,130	83,819	86,131	96,083	88,797	84,528	94,563	88,776
Operating grants and contributions	105,844	110,024	117,185	130,058	159,383	151,075	160,075	189,728	198,645	210,277
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	184,723	193,249	192,315	213,877	245,514	247,158	248,872	274,256	293,208	299,053
Total district program revenues	\$ 1,409,311	\$ 1,536,791	\$ 1,628,234	\$ 1,380,598	\$ 1,506,633	\$ 1,569,784	\$ 1,475,916	\$ 3,300,483	\$ 3,270,316	\$ 3,417,511
Net (Expense)/Revenue										
Governmental activities	\$ (8,977,257)	\$ (9,616,288)	\$ (10,587,325)	\$ (10,933,216)	\$ (11,126,018)	\$ (11,159,951)	\$ (11,234,305)	\$ (9,461,020)	\$ (9,857,286)	\$ (10,372,414)
Business-type activities	(27,104)	(73)	3,278	5,052	9,779	(3,569)	4,679	13,919	15,910	13,778
Total district-wide net expense	\$ (9,004,361)	\$ (9,616,361)	\$ (10,584,047)	\$ (10,928,164)	\$ (11,116,239)	\$ (11,163,520)	\$ (11,229,626)	\$ (9,447,101)	\$ (9,841,376)	\$ (10,358,636)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 6,436,938	\$ 6,454,116	\$ 6,712,280	\$ 6,980,770	\$ 7,124,926	\$ 7,206,020	\$ 7,278,080	\$ 7,483,641	\$ 7,633,313	\$ 7,785,979
Taxes levied for debt service	373,580	356,402	331,264	371,956	396,279	399,148	396,701	378,270	365,239	379,688
Unrestricted grants and contributions	1,291,435	1,601,393	1,667,145	1,744,410	1,453,351	1,426,091	1,711,499	1,886,431	1,782,045	2,247,961
Tuition Received	1,619,891	1,635,091	1,723,733	1,834,281	1,984,333	2,161,851	2,046,099	-	-	-
Investment earnings & Miscellaneous Earnings	127,176	91,890	49,656	19,357	63,967	65,619	29,891	14,768	174,724	103,878
Adjustment for prior debt adjustment	-	-	-	-	-	-	-	-	-	-
Transfers	(35,000)	-	-	-	-	-	-	-	-	-
Total governmental activities	9,814,020	10,138,892	10,484,078	10,950,774	11,022,856	11,258,729	11,462,270	9,763,110	9,955,321	10,517,506
Business-type activities:										
Investment earnings	135	235	481	181	82	81	60	-	8	-
Adjustment for cancellation of APP	8,547	-	-	-	-	-	-	-	-	-
Transfers	35,000	-	-	-	-	-	-	-	-	-
Total business-type activities	43,682	235	481	181	82	81	60	-	8	-
Total district-wide	\$ 9,857,702	\$ 10,139,127	\$ 10,484,559	\$ 10,950,955	\$ 11,022,938	\$ 11,258,810	\$ 11,462,330	\$ 9,763,110	\$ 9,955,329	\$ 10,517,506
Change in Net Assets										
Governmental activities	\$ 836,763	\$ 522,604	\$ (103,247)	\$ 17,558	\$ (103,162)	\$ 98,778	\$ 227,965	\$ 302,090	\$ 98,035	\$ 145,092
Business-type activities	16,578	162	3,759	5,233	9,861	(3,488)	4,739	13,919	15,918	13,778
Total district	\$ 853,341	\$ 522,766	\$ (99,488)	\$ 22,791	\$ (93,301)	\$ 95,290	\$ 232,704	\$ 316,009	\$ 113,953	\$ 158,870

* tuition reported as charge for services

Source: CAFR Schedule A-2

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

EXHIBIT J-3

	For Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 877,798	\$ 1,198,461	\$ 1,240,488	\$ 1,318,738	\$ 1,323,301	\$ 1,362,766	\$ 1,532,442	\$ 1,790,275	\$ 2,027,814	\$ 1,525,146
Unreserved	197,721	215,360	290,493	217,097	175,614	163,063	140,195	178,197	82,493	153,615
Total general fund	<u>\$ 1,075,519</u>	<u>\$ 1,413,821</u>	<u>\$ 1,530,981</u>	<u>\$ 1,535,835</u>	<u>\$ 1,498,915</u>	<u>\$ 1,525,829</u>	<u>\$ 1,672,637</u>	<u>\$ 1,968,472</u>	<u>\$ 2,110,307</u>	<u>\$ 1,678,761</u>
All Other Governmental Funds										
Reserved	\$ 3,190,756	\$ 89,080	\$ 21,022	\$ -	\$ -	\$ -	\$ -	\$ 188,403	\$ 137,951	\$ 52,922
Unreserved, reported in:										
Special revenue fund	-	(20,398)	(26,095)	(11,540)	(10,865)	(18,344)	52,672	15,417	14,319	5,306
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 3,190,756</u>	<u>\$ 68,682</u>	<u>\$ (5,073)</u>	<u>\$ (11,540)</u>	<u>\$ (10,865)</u>	<u>\$ (18,344)</u>	<u>\$ 52,672</u>	<u>\$ 203,820</u>	<u>\$ 152,270</u>	<u>\$ 58,228</u>

Source: CAFR Schedule B-1

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

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

EXHIBIT J-4

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 6,810,518	\$ 6,810,518	\$ 7,043,544	\$ 7,352,726	\$ 7,521,205	\$ 7,605,168	\$ 7,674,781	\$ 7,861,911	\$ 7,998,552	\$ 8,165,667
Tuition charges	1,619,891	1,635,091	1,723,733	1,834,281	1,984,333	2,161,851	2,046,099	1,987,540	1,873,721	2,007,520
Interest Earnings/Miscellaneous	127,176	92,579	53,567	19,357	64,967	65,619	29,891	14,768	260,884	115,718
State sources	2,092,235	2,461,290	2,624,465	2,359,488	1,857,450	2,043,649	2,192,207	2,321,807	2,196,000	2,727,710
Federal sources	425,776	503,354	474,688	551,643	856,020	705,068	746,336	603,311	603,272	619,349
Total revenue	11,075,596	11,502,832	11,919,997	12,117,495	12,283,975	12,581,355	12,689,314	12,789,337	12,932,429	13,635,964
Expenditures										
Instruction										
Regular Instruction	2,044,442	2,054,217	2,125,448	2,476,609	2,808,252	2,597,886	2,480,640	2,768,148	2,855,239	2,727,329
Special education instruction	464,629	550,235	1,301,062	1,374,393	1,464,121	1,467,198	1,285,685	1,569,455	1,294,347	1,269,351
Other special instruction	762,400	766,435	254,942	248,890	278,651	291,745	305,571	277,259	242,904	204,722
Support Services:										
Tuition	2,562,051	2,303,413	2,460,262	2,643,976	2,596,165	2,923,359	2,831,999	2,539,348	2,817,103	3,020,346
Student & instruction related services	976,778	1,196,579	1,016,954	934,896	791,098	1,017,343	1,277,444	818,063	1,214,515	1,259,471
School Administrative services	159,631	295,838	237,748	245,302	328,678	395,442	387,154	372,774	442,216	482,501
Other administrative services	444,289	376,389	387,608	401,563	410,033	232,809	224,583	247,032	228,059	241,640
Plant operations and maintenance	484,320	794,047	1,059,709	913,722	727,404	668,888	687,800	729,180	591,461	661,159
Pupil transportation	411,846	452,399	466,068	407,439	435,044	430,071	426,596	355,929	390,153	530,737
Food Services	43,546	-	-	-	-	-	-	-	-	-
Unallocated employee benefits	1,831,124	1,981,175	2,156,627	1,926,432	2,054,717	1,942,439	2,132,602	2,326,910	2,301,614	2,525,675
Special Schools	308	1,340	2,860	6,100	5,063	4,703	46,767	49,116	26,058	27,083
Charter Schools	30,920	4,779	-	-	-	-	-	-	-	-
Capital outlay	4,002,272	136,327	7,982	146,808	24,715	190,890	27,784	61,609	21,686	713,086
Debt service:										
Principal	195,098	193,484	214,156	216,347	228,571	240,966	148,215	276,198	279,045	290,000
Interest and other charges	201,362	207,088	185,166	176,631	167,708	158,182	248,485	102,072	99,029	89,687
Total	14,615,016	11,313,745	11,876,592	12,119,108	12,320,220	12,561,921	12,511,325	12,493,093	12,803,429	14,042,787
Excess values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total tax:	(3,539,420)	189,087	43,405	(1,613)	(36,245)	19,434	177,989	296,244	129,000	(406,823)
Other Financing sources (uses)										
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-	-	-
Proceeds of refunding debt	-	-	-	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-	-
Par amount of bonds	-	-	-	-	-	-	-	-	-	-
Original issue premium	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Deposit to escrow fund	-	-	-	-	-	-	-	-	-	-
Costs of issuance	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Transfers in	68,057	21,022	-	-	-	-	-	-	-	-
Transfers out	(68,057)	(21,022)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (3,539,420)	\$ 189,087	\$ 43,405	\$ (1,613)	\$ (36,245)	\$ 19,434	\$ 177,989	\$ 296,244	\$ 129,000	\$ (406,823)
Debt service as a percentage of noncapital expenditures	3.7%	3.6%	3.4%	3.3%	3.2%	3.2%	3.2%	3.0%	3.0%	2.8%

This schedule does not contain ten years of information as GASB #44 was implemented during fiscal year ending June 30, 2006.
 Source: CAFR Schedule B-2

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

EXHIBIT J-5

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Misc.	Total
2006	30,465	1,619,891	28,654	1,679,010
2007	34,740	1,635,091	36,128	1,705,959
2008	48,605	1,723,733	4,962	1,777,300
2009	14,210	1,834,281	5,147	1,853,638
2010	4,842	1,984,334	59,122	2,048,298
2011	3,100	2,161,851	62,159	2,227,110
2012	3,424	2,046,099	26,467	2,075,990
2013		1,987,540	14,768	2,002,308
2014	3,531	1,873,721	171,193	2,048,445
2015	2,610	2,007,520	101,268	2,111,398

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

Source: District Records

Year Ended December 31,	Vacant Land	Building	Commercial	Apartment	Estimated Full Cash Valuations	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2005	14,956,800	832,791,500	108,677,600	35,692,500	992,118,400		396,629	992,515,029	0.641	85.86%
2006	17,463,300	839,667,700	108,494,500	33,659,900	999,285,400		300,699	999,586,099	0.981	72.06%
2007	21,349,400	847,873,700	104,438,700	31,242,500	1,004,904,300		265,063	1,005,169,363	0.688	61.62%
2008	22,038,100	865,626,900	103,311,200	27,629,400	1,018,605,600		265,245	1,018,870,845	0.709	57.46%
2009	21,222,200	878,124,800	101,268,200	27,629,400	1,028,244,600		494,262	1,028,738,862	0.725	57.24%
2010	18,692,000	884,986,200	101,542,800	26,250,400	1,031,471,400		406,348	1,031,877,748	0.734	58.25%
2011	16,704,900	888,603,800	99,798,100	27,100,400	1,032,207,200		0	1,032,207,200	0.741	59.51%
2012	19,031,200	887,856,100	98,983,200	26,350,400	1,032,220,900		0	1,032,220,900	0.754	62.05%
2013	15,894,000	886,040,765	98,027,600	26,073,500	1,026,035,865		0	1,026,035,865	0.773	66.69%
2014	20,397,000	889,273,305	94,830,300	23,680,500	1,028,181,105			1,028,181,105	0.787	
2015	19,192,400	911,046,500	90,039,600	23,340,900	1,043,619,400			1,043,619,400		

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

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

Reassessment occurs when ordered by the County Board of Taxation

^b Tax rates are per \$100

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

EXHIBIT J-7

(rate per \$100 of assessed value)

Year Ended December 31,	Belmar Board of Education			Borough of Belmar	Monmouth County	Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct			
2005	0.603	0.038	0.641	0.571	0.377	1.589
2006	0.645	0.036	0.681	0.587	0.398	1.666
2007	0.655	0.033	0.688	0.612	0.424	1.724
2008	0.672	0.037	0.709	0.655	0.427	1.791
2009	0.685	0.040	0.725	0.685	0.435	1.845
2010	0.697	0.039	0.736	0.703	0.423	1.862
2011	0.702	0.039	0.741	0.703	0.452	1.896
2012	0.715	0.039	0.754	0.703	0.452	1.909
2013	0.737	0.036	0.773	0.702	0.454	1.929
2014	0.749	0.038	0.787	0.701	0.447	1.935

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

*In 2003 the Borough was reassessed and the tax rate adjusted accordingly.

Note:

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

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

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

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

EXHIBIT J-8

Taxpayer	2014		2002		
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
BMIA, LLC	\$ 4,507,200	0.44%	\$ 2,845,100	4	0.73%
River Ridge Apartments	3,542,700	0.34%			
Pat's Motel Inc	3,084,300	0.30%	2,000,000	3	0.51%
LCS, Inc.	2,704,300	0.26%	1,105,000	10	0.28%
GSK LLC	1,979,200	0.19%	-		
Anza Inc.	1,970,900	0.19%	1,230,000	8	0.31%
Private Homeowner #1	1,904,300	0.18%	-		
Private Homeowner #2	1,878,700	0.18%			
Ocean Harbor Apartments LLC	1,800,000	0.17%	1,540,000	5	0.39%
Belmar Terrace Apts	1,748,800	0.17%	1,148,000	9	0.29%
Total	\$ 25,120,400	2.43%	\$ 9,868,100		2.51%
 Net Valuation Taxable	 \$ 1,032,220,900				

Source: Borough CAFR & Municipal Tax Assessor

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

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	5,867,137	5,867,137	100.00%	-
2006	6,810,518	6,810,518	100.00%	-
2007	6,810,518	6,810,518	100.00%	-
2008	7,043,545	7,043,545	100.00%	
2009	7,352,726	7,352,726	100.00%	
2010	7,521,205	7,521,205	100.00%	
2011	7,605,169	7,605,169	100.00%	
2012	7,674,781	7,674,781	100.00%	
2013	7,861,911	7,861,911	100.00%	
2014	7,998,552	7,998,552	100.00%	
2015	8,165,667	8,165,667	100.00%	

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

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

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

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

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				
2005	4,790,955	-	23,632	-	-	4,814,587	0.91%	43,634	
2006	4,595,856	-	12,087	-	-	4,607,943	1.01%	46,545	
2007	4,388,768	-	-	-	-	4,388,768	1.10%	48,072	
2008	4,174,612	-	-	-	-	4,174,612	1.26%	52,499	
2009	3,958,267	-	-	-	-	3,958,267	1.41%	55,826	
2010	3,719,694	-	-	-	-	3,719,694	1.53%	56,755	
2011	3,488,728	-	-	-	-	3,488,728	1.57%	54,771	
2012	3,205,243	-	-	-	-	3,205,243	1.78%	56,955	
2013	2,929,046	-	-	-	-	2,929,046	1.99%	58,355	
2014	2,650,000	-	-	-	-	2,650,000	2.32%	61,426	
2015 Fo	2,360,000	-	-	-	-	2,360,000	2.80%	66,019	

values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that Source: D is within the district's boundaries and dividing it by each unit's total taxable value.

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

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

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

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

EXHIBIT J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2005	4,790,955	-	4,790,955	0.48%	44,005
2006	4,595,856	-	4,595,856	0.46%	44,591
2007	4,388,768	-	4,388,768	0.44%	48,072
2008	4,174,612	-	4,174,612	0.42%	52,499
2009	3,958,267		3,958,267	0.39%	55,826
2010	3,719,694		3,719,694	0.36%	56,755
2011	3,488,728		3,488,728	0.34%	54,771
2012	3,205,243		3,205,243	0.31%	56,955
2013	2,929,046		2,929,046	0.28%	58,355
2014	2,650,000		2,650,000	0.26%	61,426
2015	2,360,000		2,360,000	0.23%	66,019

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

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

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

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

**Belmar Board of Education
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 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>
(Net) Debt repaid with property taxes			
Borough of Belmar (as of December 31, 2014)	17,698,786	100.000%	17,698,786
Other debt			
*** Belmar Water - Sewer Authority and Beach Utility	17,294,522	100.000%	17,294,522
Subtotal, overlapping debt			34,993,308
Borough of Belmar School District Direct Debt-December 31, 2014			2,360,000
Total direct and overlapping debt			\$ 37,353,308

Sources: Information obtained from Annual Debt Statement Borough of Belmar & Supplementary Data from Borough of Belmar 2014 Financial Statement
 *** Includes Beach Utility

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

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

Legal Debt Margin Calculation for Fiscal Year 2014

Equalized valuation basis

	2012	1,032,220,900
	2013	1,026,035,865
	2014	1,028,181,105
	[A]	<u>\$ 3,086,437,870</u>
Average equalized valuation of taxable property	[A/3]	\$ 1,028,812,623
Debt limit (3 % of average equalization)	[B]	30,864,379 ^a
Net bonded school debt	[C]	2,360,000
Legal debt margin	[B-C]	<u>\$ 28,504,379</u>

	Fiscal Year										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
Debt limit	\$ 36,964,281	\$ 32,247,770	\$ 31,411,920	30,227,953	30,517,545	30,787,279	30,923,295	30,963,058	30,904,640	30,864,379	
Total net debt applicable to limit	<u>4,790,955</u>	<u>4,595,856</u>	<u>4,388,768</u>	<u>4,174,612</u>	<u>3,958,267</u>	<u>3,958,267</u>	<u>3,719,694</u>	<u>2,929,046</u>	<u>2,650,000</u>	<u>2,360,000</u>	
Legal debt margin	<u>\$ 32,173,326</u>	<u>\$ 27,651,914</u>	<u>\$ 27,023,152</u>	<u>\$ 26,053,341</u>	<u>\$ 26,559,278</u>	<u>\$ 26,829,012</u>	<u>\$ 27,203,601</u>	<u>\$ 28,034,012</u>	<u>\$ 28,254,640</u>	<u>\$ 28,504,379</u>	
Total net (For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property as a perce values. Applicable percentages were estimated by det is within the district's boundaries and dividing it by each unit's total taxable value.		12.96%	14.25%	13.97%	13.81%	12.97%	12.86%	12.03%	9.46%	8.57%	7.65%

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

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

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

EXHIBIT J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2005	5,962	\$ 274,663,378	46,069	4.8%
2006	5,923	\$ 282,491,562	47,694	4.9%
2007	5,927	\$ 304,867,099	51,437	4.5%
2008	5,908	\$ 323,764,308	54,801	5.8%
2009	5,897	\$ 334,684,235	56,755	9.4%
2010	5,799	\$ 317,269,089	54,711	9.6%
2011	5,775	\$ 328,915,125	56,955	9.6%
2012	5,751	\$ 335,599,605	58,355	10.0%
2013	5,736	\$ 352,339,536	61,426	7.8%
2014	5,719	\$ 377,562,661	66,019	6.1%

Source:

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

^b Personal income__Per Capita Income * Population

^c Per Capita_For Monmouth County

^d Unemploy For debt repaid with property taxes, the percentage of overlapping debt applicable is estimat
<http://www> values. Applicable percentages were estimated by determining the portion of another gove
<http://www> is within the district's boundaries and dividing it by each unit's total taxable value.

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

Source:

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

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

EXHIBIT J-16

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction										
Regular	41	41	39	40	40	42	44	45	45	44
Special education	7	7	10	11	10	10	10	11	10	11
Other special education	5	5	4	4	4	4	4	4	4	4
Vocational										
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition										
Student & instruction related services	11	11	13	15	15	15	15	17	16	20
General administrative services	2	2	2	2	2	2	2	2	2	2
School administrative services	3	3	3	3	3	3	3	3	4	5
Business administrative services	3	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	4	3	3	2	1	1	1	1	1	1
Pupil transportation	2	-	-	-	-	-	-	-	-	-
Special Schools										
Food Service	3	-	-	-	-	-	-	-	-	-
Child Care										
Total	81	75	77	80	78	80	82	86	85	89

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

**Belmar Board of Education
Operating Statistics
Last Eight Fiscal Years**

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff ^b	K-8				
2005	561	6,654,839	11,862		55	1:12	561	529		94.18%
2006	543	7,003,404	12,898	8.73%	53	1:10	543	513	-3.28%	94.48%
2007	534	7,980,040	14,944	15.87%	53	1:10	534	508	-1.66%	95.13%
2008	523	8,545,903	16,340	9.34%	53	1:10	523	499	-2.06%	95.41%
2009	533	8,618,453	16,170	-1.04%	55	1:10	533	509	1.91%	95.50%
2010	559	8,845,977	15,825	-2.13%	55	1:10	559	532	4.88%	95.17%
2011	560	8,618,453	15,390	-2.75%	54	1:10	560	532	0.18%	95.00%
2012	556	8,679,131	15,610	1.43%	54	1:10	556	533	-0.71%	95.86%
2013	568	9,134,400	16,082	3.02%	56	1:10	568	543	2.16%	95.60%
2014	552	9,178,601	16,628	3.40%	56	1:10	552	530	-2.82%	96.01%
2015	532	9,486,409	17,832	7.24%	58	1:10	532	517	-3.62%	97.18%

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

Note: Enrollment based on Average Daily Enrollment in District

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

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>District Building</u>										
<u>Belmar Elementary School</u>										
Square Feet	85,841	85,841	85,841	85,841	85,841	85,841	85,841	85,841	85,841	85,841
Capacity (students)	704	704	704	704	704	704	704	704	704	704
Enrollment	543	534	523	533	559	560	556	568	552	532
<u>Other</u>										
Administration Building										
Square Feet	3,600	3,600	8,000	3,600	3,600	3,600	3,600	3,600	3,600	3,600

Number of Schools at June 30, 2015 - 1

Source: District records, LRFP

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

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

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

School Facilities	Project # (s)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Belmar Elementary School	N/A	122,347	79,913	74,908	111,510	86,450	82,677	126,297	\$ 290,052	\$ 209,761	\$ 138,672
Total School Facilities		122,347	79,913	74,908	111,510	86,450	82,677	126,297	290,052	209,761	138,672

Source: School Records, Schedule M-1

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

BELMAR BOARD OF EDUCATION
 INSURANCE SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 UNAUDITED

Company	Type of Coverage	Coverage	Deductible
NJ School Boards Assoc Insurance Group (NSBAIG)	Property Blanket Building & Contents- Replacement Cost Values	\$ 18,649,104	\$ 2,500
NJ School Boards Assoc Insurance Group (NSBAIG)	Flood/Earthquake	50,000,000	10,000
Selective Insurance	Flood	10,000	1,000
NJ School Boards Assoc Insurance Group (NSBAIG)	Liability		
	-Each Occurrence	6,000,000	1,000
	Employee Benefits Liability	6,000,000	1,000
	Terrorism	1,000,000	1,000
	-Personal Injury	6,000,000	1,000
	Automotive Coverage	6,000,000	10,000
	Electronic Data Processing	367,290	1,000
	Boiler & Machinery	100,000,000	2,500
	Crime	100,000	500
NJ School Boards Assoc Insurance Group (NSBAIG)	Board of Education		
	-Liability Wrongful Acts Coverage		
	Each Loss	\$ 1,000,000	\$ 5,000
	Aggregate	1,000,000	5,000
NJ School Boards Assoc Insurance Group (NSBAIG)	Worker's Compensation		
	-Covered Payrolls-Professional	4,932,000	N/A
	-Covered Payrolls-Non-Professional	-	N/A
	values. Applicable percentages were estimated by determining the portion of an		
	is within the district's boundaries and dividing it by each unit's total taxable value.		
Selective Insurance	Fidelity Bonds		
	-Treasurer of School Monies	200,000	
	-School Business Administrator/ Board Secretary	25,000	
Peoples Benefit Life	Student Accident Insurance for all students per occurrence	1,000,000	

SINGLE AUDIT SECTION

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

Telecopier:
(732) 280-8888
e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409
Wall, New Jersey 07719-1409
(732) 681-4990

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Belmar Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Belmar Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated December 3, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

December 3, 2015

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

104.

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

Telecopier:
(732) 280-8888
e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409
Wall, New Jersey 07719-1409
(732) 681-4990

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's major federal and state programs for the year ended June 30, 2015. The Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and New Jersey OMB's 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 federal and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and 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 Board of Education of the Belmar School District, County of Monmouth, State of New Jersey's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

December 3, 2015

BELMAR SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDING JUNE 30, 2015

Schedule A
K-3

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Grant Period	Program or Award Amount	Balance June 30, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Adjustment	Balance at June 30, 2015		
										(Accounts Receivable)	Deferred Revenue	Due to Grantor
General Fund:												
Medical Assistance Program	93.778	9-1-14 to 8-31-15	\$ 23,726	\$ -		23,726	(23,726)					
						23,726	(23,726)	-	-	-	-	-
U.S. Department of Education:												
Passed Through State Department of Education:												
Title I	84.010	9-1-14 to 8-31-15	253,193			243,391	(253,129)				(9,738)	
Title I	84.010	9-1-13 to 8-31-14	236,674	(711)		4,646	(3,935)					
Title IIA	84.367A	9-1-13 to 8-31-14	42,289	(2,727)		5,147	(2,420)					
Title IIA	84.367A	9-1-14 to 8-31-15	42,631			40,987	(42,435)				(1,448)	
Title III	84.365A	9-1-13 to 8-31-14	20,857			8,612	(8,612)					
Title III	84.365A	9-1-14 to 8-31-15	17,656			6,891	(17,656)				(10,765)	
Special Education Cluster:												
I.D.E.A. Basic	84.027	9-1-14 to 8-31-15	270,257			219,369	(243,192)				(23,823)	
I.D.E.A. Basic	84.027	9-1-12 to 8-31-13	280,180	(22,033)		22,033						
I.D.E.A. Basic	84.027	9-1-13 to 8-31-14	277,402	(15,249)		34,228	(18,979)					
I.D.E.A. Preschool	84.173	9-1-14 to 8-31-15	8,093			8,093	(8,093)					
				(40,720)	-	593,397	(598,451)	-	-	(45,774)	-	-
U.S. Department of Agriculture												
Passed Through State Department of Education:												
Child Nutrition Cluster:												
National School Lunch Program	10.555	7-1-14 to 6-30-15	161,824			129,602	(161,824)				(32,222)	
National School Lunch Program	10.555	7-1-13 to 6-30-14	152,827	(11,325)		11,325						
School Breakfast Program	10.553	7-1-14 to 6-30-15	29,426			23,209	(29,426)				(6,217)	
School Breakfast Program	10.553	7-1-13 to 6-30-14	24,887	(2,116)		2,116						
HHFKA Lunch Program	10.555	7-1-14 to 6-30-15	4,171			3,340	(4,171)				(831)	
HHFKA Lunch Program	10.555	7-1-13 to 6-30-14	4,134	(303)		303						
Food Distribution	10.550	7-1-14 to 6-30-15	11,279			11,279	(11,279)					
Total U.S. Department of Agriculture				(13,744)	-	181,174	(206,700)	-	-	(39,270)	-	-
		18979		\$ (54,464)	-	798,297	(828,877)	-	-	(85,044)	-	-
		15249										

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

BELMAR SCHOOL DISTRICT

SCHEDULE OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program State Department of Education:	Grant or State Project Number	Grant Period	Program or Award Amount	Balance June 30, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Adjustment	Balance at June 30, 2015			MEMO		
										(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures	
Transportation Aid	15-495-034-5120-014	7-1-14 to 6-30-15	\$ 122,321	-	-	122,321	(122,321)	-	-	-	-	-	(13,908)	122,321	
Special Education Aid	15-495-034-5120-089	7-1-14 to 6-30-15	314,554	-	-	314,554	(314,554)	-	-	-	-	-	(35,785)	314,554	
Security Aid	15-495-034-5120-084	7-1-14 to 6-30-15	135,146	-	-	135,146	(135,146)	-	-	-	-	-	(15,370)	135,146	
Adjustment Aid	15-495-034-5120-085	7-1-14 to 6-30-15	397,649	-	-	397,649	(397,649)	-	-	-	-	-	(45,240)	397,649	
PARCC Readiness Aid	15-495-034-5120-098	7-1-14 to 6-30-15	5,650	-	-	5,650	(5,650)	-	-	-	-	-	(658)	5,650	
Per Pupil Growth Aid	15-495-034-5120-097	7-1-14 to 6-30-15	5,650	-	-	5,650	(5,650)	-	-	-	-	-	(658)	5,650	
Non-Public Transportation Aid	14-495-034-5120-014	7-1-13 to 6-30-14	1,505	(1,505)	-	1,505	-	-	-	-	-	-	-	-	
Non-Public Transportation Aid	15-495-034-5120-014	7-1-14 to 6-30-15	734	-	-	-	(734)	-	-	-	(734)	-	-	734	
Reimbursed TPAF Social Security Contributions	15-100-034-5095-002	7-1-14 to 6-30-15	322,723	-	-	308,283	(322,722)	-	-	-	(14,440)	-	-	322,723	
Reimbursed TPAF Social Security Contributions	14-100-034-5095-002	7-1-13 to 6-30-14	293,074	(114,113)	-	114,113	-	-	-	-	-	-	-	-	
Extraordinary Aid	15-495-034-5120-044	7-1-14 to 6-30-15	91,332	-	-	-	(91,332)	-	-	-	(91,332)	-	-	91,332	
Extraordinary Aid	14-495-034-5120-044	7-1-13 to 6-30-14	72,086	-	-	73,559	(753)	-	-	-	-	-	-	-	
				<u>(188,424)</u>	<u>-</u>	<u>1,478,430</u>	<u>(1,396,511)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(106,506)</u>	<u>-</u>	<u>-</u>	<u>(111,619)</u>	<u>1,395,759</u>
Special Revenue:															
Nonpublic Aid:															
Textbook Aid	15-100-034-5120-064	7-1-14 to 6-30-15	44,685	-	-	44,685	(43,617)	-	-	-	-	1,068	-	43,617	
Textbook Aid	14-100-034-5120-064	7-1-14 to 6-30-15	43,386	4,541	-	-	-	(4,541)	-	-	-	-	-	-	
Home Instruction	14-100-034-5120-067	7-1-13 to 6-30-14	419	(419)	-	419	-	-	-	-	-	-	-	-	
Home Instruction	15-100-034-5120-067	7-1-14 to 6-30-15	5,719	-	-	-	(5,719)	-	-	-	(5,719)	-	-	5,719	
Nursing Services	15-100-034-5120-070	7-1-14 to 6-30-15	71,422	-	-	71,422	(70,411)	-	-	-	-	1,011	-	70,411	
Nursing Services	14-100-034-5120-070	7-1-13 to 6-30-14	62,146	2,036	-	-	-	(2,036)	-	-	-	-	-	-	
Technology	15-100-034-5120-373	7-1-14 to 6-30-15	24,000	-	-	24,000	(23,515)	-	-	-	-	485	-	23,515	
Technology	14-100-034-5120-373	7-1-13 to 6-30-14	15,820	205	-	-	-	(205)	-	-	-	-	-	-	
Auxiliary Services:															
Compensatory Education	15-100-034-5120-067	7-1-14 to 6-30-15	82,414	-	-	82,414	(47,394)	-	-	-	-	35,020	-	47,394	
Compensatory Education	14-100-034-5120-067	7-1-13 to 6-30-14	133,533	77,038	-	-	-	(77,038)	-	-	-	-	-	-	
Transportation	15-100-034-5120-067	7-1-14 to 6-30-15	19,714	-	-	19,714	(19,714)	-	-	-	-	-	-	19,714	
Handicapped Services:															
Examination & Classification-Initial	15-100-034-5120-066	7-1-14 to 6-30-15	40,316	-	-	40,316	(28,977)	-	-	-	-	11,339	-	28,977	
Examination & Classification-Initial	14-100-034-5120-066	7-1-13 to 6-30-14	85,776	47,901	-	-	-	(47,901)	-	-	-	-	-	-	
Examination & Classification-Annual	14-100-034-5120-066	7-1-13 to 6-30-14	18,833	4,150	-	-	-	(4,150)	-	-	-	-	-	-	
Examination & Classification-Annual	15-100-034-5120-066	7-1-14 to 6-30-15	22,021	-	-	22,021	(21,299)	-	-	-	-	722	-	21,299	
Corrective Speech	15-100-034-5120-066	7-1-14 to 6-30-15	24,738	-	-	24,738	(22,088)	-	-	-	-	2,650	-	22,088	
Supplementary Instruction	15-100-034-5120-066	7-1-14 to 6-30-15	48,729	-	-	48,729	(48,102)	-	-	-	-	627	-	48,102	
Supplementary Instruction	14-100-034-5120-066	7-1-13 to 6-30-14	37,467	2,081	-	-	-	(2,081)	-	-	-	-	-	-	
Preschool Education Aid	15-495-034-5120-086	7-1-14 to 6-30-15	172,638	-	-	172,638	(172,638)	-	-	-	-	-	-	172,638	
				<u>137,533</u>	<u>-</u>	<u>551,096</u>	<u>(503,474)</u>	<u>(137,952)</u>	<u>-</u>	<u>-</u>	<u>(5,719)</u>	<u>-</u>	<u>52,922</u>	<u>-</u>	<u>503,474</u>
Food Service:															
National School Lunch Program (State Share)	15-100-010-3360-067	7-1-14 to 6-30-15	3,577	-	-	2,864	(3,577)	-	-	-	(713)	-	-	3,577	
National School Lunch Program (State Share)	14-100-010-3360-067	7-1-13 to 6-30-14	3,514	(259)	-	259	-	-	-	-	(713)	-	-	-	
				<u>(259)</u>	<u>-</u>	<u>3,123</u>	<u>(3,577)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(713)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,577</u>
				<u>\$ (51,150)</u>	<u>-</u>	<u>2,032,649</u>	<u>(1,903,562)</u>	<u>(137,952)</u>	<u>-</u>	<u>-</u>	<u>(112,938)</u>	<u>-</u>	<u>52,922</u>	<u>(111,619)</u>	<u>1,902,810</u>

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

BOARD OF EDUCATION

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BELMAR SCHOOL DISTRICT**NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2015****NOTE 1: General**

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

NOTE 2: Basis of Accounting

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

NOTE 3: Relationship to General Purpose Financial Statements

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 1,396,511	503,474	3,577	1,903,563
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized				
On Behalf Payments Recognized for GAAP Statements but Not Included in the Schedule of Expenditures of State Financial Assistance	553,599			553,599
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	<u>(5,881)</u>	_____	_____	<u>(5,881)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 1,944,229</u>	<u>503,474</u>	<u>3,577</u>	<u>2,451,281</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$ 23,726	598,451	206,700	828,877
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	(2,827)	_____	(2,827)
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	<u>\$ 23,726</u>	<u>595,624</u>	<u>206,700</u>	<u>826,050</u>

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state of behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2015.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part 1 - Summary of Auditor's Results

Financial Statement Section

Unmodified

Type of auditor's report issued:

Internal control over financial reporting:

- 1) Material weakness(es) identified?
2) Reportable conditions(s) identified that are not considered to be material weaknesses?

Noncompliance material to general purpose financial statements noted?

Federal Awards

Internal control over compliance:

- 1) Material weakness(es) identified?
2) Reportable condition(s) identified that are not considered to be material weaknesses?

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

Unmodified

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

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

Special Education Cluster:

- 84.027
84.173
84.010
10.550
10.553
10.555

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

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

\$300,000

Auditee qualified as low-risk auditee?

x Yes No

BELMAR SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$300,000.00

Auditee qualified as low-risk auditee? x Yes No

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

Internal Control over major programs:

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

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

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

Identification of major programs:

GMIS Number(s)

Name of State Program

State Cluster
15-495-034-5120-011
15-495-034-5120-084
15-495-034-5120-085
15-495-034-5120-098
15-495-034-5120-097
15-100-034-5095-002

Special Education Aid (Public Cluster)
Security Aid (Public Cluster)
Adjustment Aid (Public Cluster)
PARCC Readiness Aid (Public Cluster)
Per Pupil Growth Aid (Public Cluster)
Reimbursed TPAF Social Security Contributions

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part 2 - Financial Statement Findings

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

FEDERAL AWARDS

Finding: NONE

Information on the Federal Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

STATE AWARDS

Finding: NONE

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

STATE AWARDS (Continued)

Cause: N/A

Recommendation: N/A

Management's response: N/A

BELMAR SCHOOL DISTRICT

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prior Audit Findings:

None