

SCHOOL DISTRICT  
OF  
BEVERLY CITY  
OF BURLINGTON COUNTY

Beverly City Board of Education  
Beverly, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Fiscal Year Ended June 30, 2015

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

Of the

Beverly City Board of Education  
of Burlington County

Beverly, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

Beverly City Board of Education  
Finance Department

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## INTRODUCTORY SECTION

# BEVERLY CITY SCHOOL

601 BENTLEY AVENUE, BEVERLY, NJ 08010

Telephone: (609) 387-2200

Fax: (609) 387-4447



November 20, 2015

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

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's Organizational chart, a roster of principal officials and a list of consultants and advisors. The financial section includes the basic financial statements and schedules, as well as the auditor's report and the Management's Discussion and Analysis. 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 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." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.



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

Educational services are provided for regular and special education programs for handicapped youngsters. The Beverly City School District (Pre-K through Grade 8) completed the 2015 fiscal year with an enrollment of 295 students.

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

Enrollment, Pre-K-8

<u>Fiscal Year</u>	<u>Student Enrollment Change</u>	<u>Percent</u>
2014-15	295	0.0%
2013-14	295	(0.4%)
2012-13	310	1.6%
2011-12	305	2.3%
2010-11	298	25.7%
2009-10	237	8.2%
2008-09	219	(0.4%)
2007-08	220	(1.5%)

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

3. MAJOR INITIATIVES: The District engaged in the following initiatives during the 2014-2015 school year:

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

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

4. INTERNAL ACCOUNTING CONTROLS (Continued):

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

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

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

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

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

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

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


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

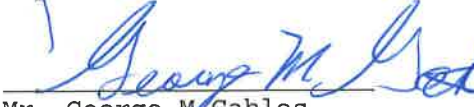
10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to: general liability, comprehensive/collision, student and volunteer accident, hazard and theft insurance on property and contents, earthquake, flood and fidelity bonds. Annual reviews of the entire program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

11. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry & Company, LLP, was selected by the Board to provide this service. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and New Jersey OMB's Circular 04-04. The auditor's report on the basic financial statements and combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports specifically related to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

  
Ms. Elizabeth Giacobbe  
Superintendent of Schools/Principal

  
Mr. George M. Gahles  
School Business Administrator

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

Beverly City Board of Education  
Beverly, New Jersey

Organization Chart  
(Unit Control)

Board of Education

Attorney / Auditor / Custodian of School Moneys Committees

Superintendent / Principal

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

Custodian

Food Service

Transportation

Teaching Staff

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

Pupils

Beverly City Board of Education  
Beverly, New Jersey

Roster of Officials  
June 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Richard Wolbert, President	2014
Stacey Atkinson, Vice President	2014
Mary Ellen Knudson	2015
Dale Thompson	2015
Heather Hennigan*	2014
Ronald Murphy	2015
Jean Wetherill	2016
Doris Jennings	2016

\*Transition board member seat

**OTHER OFFICIALS**

Elizabeth Giacobbe, Superintendent of Schools

George M. Gahles, School Business Administrator

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

Pablo Canela, Treasurer of School Monies

Beverly City Board of Education  
601 Bentley Avenue  
Consultants and Advisors

**AUDIT FIRM**

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

**ATTORNEY**

Stephen J. Mushinski  
Parker, McCay & Criscuolo  
9000 Midlantic Drive, Suite 300  
Mount Laurel, New Jersey 08054

**BOND COUNSEL**

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

**OFFICIAL DEPOSITORIES**

Beneficial Bank  
1149 Cooper Street  
Beverly, New Jersey 08010

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

**Report of the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beverly City Board of Education in the County of Burlington, 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 School District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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



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

### **Opinion**

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

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Other Information*

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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2015 on our consideration of the Board of Education of the Beverly City Board of Education in the County of Burlington, State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Beverly City Board of Education in the County of Burlington, State of New Jersey's internal control over financial reporting and compliance.

Respectfully Submitted,



Jump, Perry & Company L.L.P.  
Toms River, NJ



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

November 20, 2015  
Toms River, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Beverly City Board of Education  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015

Unaudited

The discussion and analysis of Beverly City Board of Education's financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2015 are as follows:

In total, net position totaled \$678,118, which represents a (52.84) percent decrease from 2014.

General revenues accounted for \$7,107,146 in revenue or 92.15 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 \$605,145 or 7.85 percent of total revenues of \$7,712,291.

Total assets changed by \$(1,497,911) as cash and cash equivalents changed by \$(684,218), receivables changed by \$141,297 and capital assets changed by \$845,436 from 2014.

The District had \$7,388,817 in expenses; only \$605,145 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$7,107,146 were adequate to provide for these programs.

Among major funds, the General Fund had \$7,007,139 in revenues and \$6,779,229 in over expenditures and transfers. The General Fund's balance increased \$227,910 over 2014. The General Fund's balance is \$1,303,744. The Maintenance Reserve Fund balance is \$300,000, a difference of \$100,000 compared to 2014. The Tuition Reserve Fund balance is \$250,000, a difference of \$0 compared to 2014. The Capital Reserve Fund balance is \$743,232, a difference of \$250,493 compared to 2014. The changes were anticipated by the Board of Education.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

**The District as a Whole**

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

Table 1 provides a summary comparison of the School District's net position for 2015 and 2014.

Table 1  
Statement of Net Position  
June 30, 2015 and 2014

	2015	2014
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 1,738,039	\$ 1,053,821
Receivables	139,131	280,428
Inventories	4,355	3,118
Other Assets	152,672	44,355
Capital Assets	<u>978,641</u>	<u>133,205</u>
<b>Total Assets</b>	<u><b>3,012,838</b></u>	<u><b>1,514,927</b></u>
Deferred outflows of resources	<u>31,768</u>	<u>-</u>
<b>Liabilities:</b>		
Interfund payable	22,474	18,521
Deferred Revenue	-	-
<b>Noncurrent Liabilities:</b>		
Due Within One Year	106,710	11,036
Due Beyond One Year	<u>2,050,260</u>	<u>47,545</u>
<b>Total Liabilities</b>	<u><b>2,179,444</b></u>	<u><b>77,102</b></u>
Deferred inflows of resources	<u>60,206</u>	<u>-</u>
<b>Net Position</b>		
Invested in Capital Assets, Net of Related Debt	272,792	133,205
<b>Restricted for:</b>		
Capital Projects	743,232	492,739
Debt Service	-	-
Other Purposes	870,952	878,640
Unrestricted	<u>(1,208,858)</u>	<u>(66,759)</u>
<b>Total Net Position</b>	<u><b>\$ 678,118</b></u>	<u><b>\$ 1,437,825</b></u>

Table 2 provides a comparison analysis of District-wide changes in net position from fiscal years 2015 and 2014.

Table 2

Changes in Net Position

	2015	2014
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 24,014	\$ 23,509
Operating Grants and Contributions	581,131	496,157
Capital Grants and Contributions	-	-
General Revenues:		
Property Taxes	2,768,851	2,719,959
Grants and Entitlements	4,310,518	4,423,712
Other	<u>27,777</u>	<u>41,826</u>
Total Revenues	<u>7,712,291</u>	<u>7,705,163</u>
<u>Program Expenses</u>		
Instruction	2,261,444	2,214,842
Support Services:		
Pupils and Instructional Staff	2,587,175	3,007,366
General Administration, School Administration		
Business Operations and Maintenance of		
Facilities	2,021,300	1,766,834
Pupil Transportation	321,680	399,825
Food Service	187,189	183,564
Interest on Long-Term Debt	<u>10,029</u>	<u>-</u>
Total Expenses	<u>7,388,817</u>	<u>7,572,431</u>
Increase in Net Position	<u>323,474</u>	<u>\$ 132,732</u>

**The District's Funds**

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

As the School Board completed the fiscal year ended June 30, 2015, it reported total net position of \$678,118 on June 30, 2015. This is a change of (52.84)% from the previous year. The balance includes \$300,000 of Maintenance Reserve funds, \$200,000 of Tuition Reserve funds, and \$743,232 in Capital Reserve. The Board of Education approved this transfer of funds at the June 2015 meeting. The Reconciliation of the Statement of Revenue & Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities, Exhibit B-3, on page 23 presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

**General Fund Budgeting Highlights**

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

During the course of the fiscal year 2015, the District amended its General Fund budget as needed. The District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. Transfers from one program to another must be approved by the Business Administration, Superintendent and Board of Education. Transfers were necessitated by:

- Staffing changes based on student needs.
- Building required maintenance and renovation projects.
- Changes in appropriations to prevent budget overruns.

While the District final budget for the General Fund anticipated that revenues and expenditures would roughly equal, the actual results for the year show a \$227,910 free balance.

Actual revenues were \$7,007,139.  
Actual expenditures and transfers were \$6,779,229.

**Capital Assets**

At the end of the fiscal year 2015, the School District had \$111,292 invested in land, buildings, and machinery and equipment.

Table 3  
Capital Assets (net of accumulated depreciation)  
June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Land, Buildings & Building Improvements	\$ 996,975	\$ 996,975
Furniture, Vehicles & Equipment	<u>296,156</u>	<u>271,448</u>
Subtotal	1,293,131	1,268,423
Less: Accumulated Depreciation	<u>(1,181,839)</u>	<u>(1,135,218)</u>
Net Capital Assets	\$ <u>111,292</u>	\$ <u>133,205</u>

Overall capital assets change by \$(21,913) from fiscal year 2014 to 2015.

## **For the Future**

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

The use of Capital Reserve and State Facility Grants provides funding for capital improvements. The District has been diligent in its efforts to fund a maintenance reserve to maintain its investment in its buildings and grounds.

The District Board of Education practices long-term financial planning. The District is proud of its system for financial planning, budgeting, and internal financial controls.

The District anticipates the approved 2015-2016 budget will be adequate to satisfy all financial needs for the fiscal year, barring any significant unexpected situation or conditions unforeseen at this time.

## **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 District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Beverly City Board of Education, 601 Bentley Avenue, Beverly, NJ 08010.



BASIC FINANCIAL STATEMENTS

**BEVERLY CITY SCHOOL DISTRICT**  
**Statement of Net Positions**  
**June 30, 2015**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,721,255	\$ 16,784	\$ 1,738,039
Receivables - state	28,775	104	28,879
Receivables - federal	102,000	8,252	110,252
Receivables - other	-	-	-
Interfund receivable	134,151	18,521	152,672
Inventories	-	4,355	4,355
Capital assets, non-depreciable	-	-	-
Capital assets, net:	966,615	12,026	978,641
Total assets	<u>2,952,796</u>	<u>60,042</u>	<u>3,012,838</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - PERS	31,768	-	31,768
	<u>31,768</u>	<u>-</u>	<u>31,768</u>
<b>LIABILITIES</b>			
Accounts payable	-	-	-
Other liabilities	22,474	-	22,474
Interfund payable	126,838	-	126,838
Noncurrent liabilities:			
Due within one year	106,710	-	106,710
Due beyond one year	2,050,260	-	2,050,260
Total liabilities	<u>2,306,282</u>	<u>-</u>	<u>2,306,282</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - PERS	60,206	-	60,206
	<u>60,206</u>	<u>-</u>	<u>60,206</u>
<b>NET POSITION</b>			
Net investment in capital assets	260,766	12,026	272,792
Restricted for:			
Capital projects	743,232	-	743,232
Debt service	-	-	-
Other purposes	870,952	-	870,952
Unrestricted	(1,256,874)	48,016	(1,208,858)
Total net position	<u>\$ 618,076</u>	<u>\$ 60,042</u>	<u>\$ 678,118</u>

BEVERLY CITY SCHOOL DISTRICT  
Statement of Activities  
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Positions		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Current:							
Regular instruction	\$ 1,758,381	\$ -	\$ -	\$ -	\$ (1,758,381)	\$ -	\$ (1,758,381)
Special education instruction	369,920	-	-	-	(369,920)	-	(369,920)
Other special instruction	133,143	-	-	-	(133,143)	-	(133,143)
Support services and undistributed costs:							
Instruction	1,857,639	-	-	-	(1,857,639)	-	(1,857,639)
Attendance and social work	28,803	-	-	-	(28,803)	-	(28,803)
Health services	72,830	-	-	-	(72,830)	-	(72,830)
Other support services	619,725	-	-	-	(619,725)	-	(619,725)
Improvement of instr. services	-	-	-	-	-	-	-
Educational media services	2,710	-	-	-	(2,710)	-	(2,710)
Instruction staff training	5,468	-	-	-	(5,468)	-	(5,468)
General administrative services	218,018	-	-	-	(218,018)	-	(218,018)
School administrative services	18,341	-	-	-	(18,341)	-	(18,341)
Central services	142,852	-	-	-	(142,852)	-	(142,852)
Admin. information technology	13,824	-	-	-	(13,824)	-	(13,824)
Allowed maintenance for school facilities	112,042	-	-	-	(112,042)	-	(112,042)
Other operation & maintenance of plant	402,109	-	-	-	(402,109)	-	(402,109)
Student transportation services	321,680	-	-	-	(321,680)	-	(321,680)
Other support services	-	-	-	-	-	-	-
Unallocated employee benefits	680,591	-	-	-	(680,591)	-	(680,591)
Non-budgeted expenditures	433,523	-	433,523	-	-	-	-
Special schools	-	-	-	-	-	-	-
Interest expense	10,029	-	-	-	(10,029)	-	(10,029)
Total governmental activities	7,201,628	-	433,523	-	(6,768,105)	-	(6,768,105)
Business-type activities:							
Enterprise fund	187,189	24,014	147,608	-	-	(15,567)	(15,567)
Total business-type activities	187,189	24,014	147,608	-	-	(15,567)	(15,567)
Total primary government	\$ 7,388,817	\$ 24,014	\$ 581,131	\$ -	(6,768,105)	(15,567)	(6,783,672)
<b>General revenues:</b>							
Taxes:							
Property taxes levied for general purpose					2,768,851	-	2,768,851
Taxes levied for debt service					-	-	-
Federal and state aid not restricted					3,640,995	-	3,640,995
Federal aid restricted					669,523	-	669,523
Miscellaneous income					25,589	-	25,589
Investment earnings					2,188	-	2,188
Total general revenues, special items, extraordinary items and transfers					7,107,146	-	7,107,146
<b>Change in net positions</b>					339,041	(15,567)	323,474
<b>Net position—beginning</b>					279,035	75,609	354,644
<b>Net position—ending</b>					\$ 618,076	\$ 60,042	\$ 678,118

**BEVERLY CITY SCHOOL DISTRICT**  
**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>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 646,555	\$ -	\$ 331,468	\$ -	\$ 978,023
Capital reserve	743,232	-	-	-	743,232
Interfund receivable	134,151	-	-	-	134,151
Receivables from federal	-	102,000	-	-	102,000
Receivables from State	28,775	-	-	-	28,775
Other receivables	-	-	-	-	-
Total assets	<u>1,552,713</u>	<u>102,000</u>	<u>331,468</u>	<u>-</u>	<u>1,986,181</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	-	-	-	-	-
Interfund payable	18,521	102,000	6,317	-	126,838
Total liabilities	<u>18,521</u>	<u>102,000</u>	<u>6,317</u>	<u>-</u>	<u>126,838</u>
Fund Balances:					
Restricted for:					
Excess surplus - current year	159,224	-	-	-	159,224
Excess surplus - prior year- designated for Subsequent year's expenditures	175,747	-	-	-	175,747
Capital reserve account	743,232	-	-	-	743,232
Maintenance reserve account	300,000	-	-	-	300,000
Tuition reserve account	200,000	-	-	-	200,000
Debt services	-	-	-	-	-
Committed to:					
Other purposes	-	-	325,151	-	325,151
Assigned to:					
Designated by the BOE for subsequent year's expenditures	35,981	-	-	-	35,981
Unassigned:					
General fund	(79,992)	-	-	-	(79,992)
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Permanent fund	-	-	-	-	-
Total fund balances	<u>1,534,192</u>	<u>-</u>	<u>325,151</u>	<u>-</u>	<u>1,859,343</u>
Total liabilities and fund balances	<u>\$ 1,552,713</u>	<u>\$ 102,000</u>	<u>\$ 331,468</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$1,210,329 and the accumulated depreciation is \$1,093,276.	966,615
Deferred outflows related to the PERS pension plan	31,768
Deferred inflows related to the PERS pension plan	(60,206)
Bond premium received upon issuance of debt. Total amount \$12,445.	(12,168)
Accrued interest for the interest due this year but not paid until next year.	(10,306)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds	<u>(2,156,970)</u>
Net position of governmental activities	<u>\$ 618,076</u>

**BEVERLY CITY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2015**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	GAAP Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 2,768,851	\$ -	\$ -	\$ -	\$ 2,768,851
Tuition charges	-	-	-	-	-
Interest on investments	1,686	-	-	-	1,686
Interest earned on capital reserve funds	502	-	-	-	502
Miscellaneous	25,589	-	-	-	25,589
Total - local sources	2,796,628	-	-	-	2,796,628
State sources	4,074,518	317,284	-	-	4,391,802
Federal sources	19,033	333,206	-	-	352,239
Total revenues	6,890,179	650,490	-	-	7,540,669
<b>EXPENDITURES</b>					
Current:					
Regular instruction	1,239,880	518,501	-	-	1,758,381
Special education instruction	369,920	-	-	-	369,920
Other special instruction	119,476	-	-	-	119,476
School sponsored/other instructional	13,667	-	-	-	13,667
Support services and undistributed costs:					
Instruction	1,857,639	-	-	-	1,857,639
Attendance and social work services	28,803	-	-	-	28,803
Health services	72,830	-	-	-	72,830
Other support services	487,736	131,989	-	-	619,725
Improvement of instr. services	-	-	-	-	-
Educational media services	2,710	-	-	-	2,710
Instruction staff training	5,468	-	-	-	5,468
General administrative services	218,018	-	-	-	218,018
School administrative services	18,341	-	-	-	18,341
Central services	142,852	-	-	-	142,852
Admin. info. technology	13,824	-	-	-	13,824
Allowed maintenance for school facilities	66,132	-	-	-	66,132
Other operation & maintenance of plant	359,614	-	-	-	359,614
Student transportation services	321,680	-	-	-	321,680
Business and other support services	-	-	-	-	-
Unallocated employee benefits	667,945	-	-	-	667,945
Non-budgeted expenditures	433,523	-	-	-	433,523
Special schools	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	232,118	-	705,849	-	937,967
Total expenditures	6,672,176	650,490	705,849	-	8,028,515
Excess (deficiency) of revenues over expenditures					
	218,003	-	(705,849)	-	(487,846)
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	1,031,000	-	1,031,000
Transfers in	-	-	-	-	-
Transfers out	12,445	-	-	-	12,445
Total other financing sources and uses	12,445	-	1,031,000	-	1,043,445
Net change in fund balances					
	230,448	-	325,151	-	555,599
Fund balance-July 1	1,303,744	-	-	-	1,303,744
Fund balance-June 30	\$ 1,534,192	\$ -	\$ 325,151	\$ -	\$ 1,859,343

See accompanying notes to financial statements.

**BEVERLY CITY SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2015**

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>\$</b>	<b>555,599</b>
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense		(42,495)
Capital outlays		892,057
		849,562
<p>In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey</p>		
		1,273
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		(1,031,000)
<p>Payment of a long-term liability is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		(12,168)
<p>In the Statement of Activities, the principal payments on pension liability are recorded as a reduction in the long-term liability. In the governmental funds, the payments is an expenditure.</p>		
		1,731
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid. This year, sick leave was decreased.</p>		
		(25,956)
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>339,041</b>

BEVERLY CITY SCHOOL DISTRICT  
Statement of Net Position  
Proprietary Funds  
June 30, 2015

		<u>Business-type Activities - Enterprise Fund</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$	16,784
Interfund receivable		18,521
Receivable from state		104
Receivable from federal		8,252
Inventories		4,355
Total current assets		<u>48,016</u>
Noncurrent assets:		
Restricted cash and cash equivalents		-
Furniture, machinery and equipment		58,094
Less accumulated depreciation		<u>(46,068)</u>
Total noncurrent assets		<u>12,026</u>
Total assets		<u><u>60,042</u></u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable		-
Compensated absences		-
Total current liabilities		<u>-</u>
Noncurrent Liabilities:		
Compensated absences		-
Total noncurrent liabilities		<u>-</u>
Total liabilities		<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets		12,026
Restricted for:		
Capital projects		-
Unrestricted		<u>48,016</u>
Total net position		<u>60,042</u>
Total liabilities and net position	\$	<u><u>60,042</u></u>

**BEVERLY CITY SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2015**

		<b>Business-type Activities - Enterprise Fund</b>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$	14,983
Daily sales - non-reimbursable programs		9,031
Miscellaneous		-
Total operating revenues		24,014
Operating expenses:		
Cost of sales		79,129
Salaries		63,037
Employee benefits		10,044
Other purchased professional services		11,650
General supplies		19,203
Depreciation		4,126
Total Operating Expenses		187,189
Operating income (loss)		(163,175)
Nonoperating revenues (expenses):		
State sources:		
State school lunch program		1,790
Federal sources:		
National school lunch program		88,661
National school breakfast program		41,971
Food distribution program		15,186
Interest and investment revenue		-
Miscellaneous expense		-
Total nonoperating revenues (expenses)		147,608
Change in net position		(15,567)
Total net position-beginning		75,609
Total net position-ending	\$	60,042



BEVERLY CITY SCHOOL DISTRICT  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2015

		<u>Business-type Activities - Enterprise Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$	24,014
Payments to employees		(73,081)
Payments to suppliers		(99,151)
Net cash provided by (used in) operating activities		<u>(148,218)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State sources		1,686
Federal sources		122,380
Interest income		-
Net cash provided by (used in) non-capital financing activities		<u>124,066</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from revenue anticipation loan		-
Payments of revenue anticipation loan		-
Purchases of capital assets		-
Net cash provided by (used for) capital and related financing activities		<u>-</u>
Net increase (decrease) in cash and cash equivalents		(24,152)
Balances—beginning of year		13,969
Balances—end of year	\$	<u>(10,183)</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>		
Operating income	\$	(163,175)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		4,126
Federal commodities		-
Decrease in interfund receivable, net		-
Decrease in accounts receivable, net		-
Increase in inventories		(4,355)
Decrease in interfund payable		-
Increase in accounts payable		-
Total adjustments		<u>(229)</u>
Net cash provided by (used in) operating activities	\$	<u>(163,404)</u>

See accompanying notes to financial statements.

**BEVERLY CITY SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**June 30, 2015**

	<u>Student Activity</u>	<u>Agency Fund</u>	<u>Total Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,136	\$ 36,422	\$ 42,558
Interfund receivable	-	-	-
Total assets	<u>6,136</u>	<u>36,422</u>	<u>42,558</u>
<b>LIABILITIES</b>			
Accounts payable	-	-	-
Payroll deductions and withholdings	-	10,588	10,588
Payable to student groups	6,136	-	6,136
Interfund payable	-	25,834	25,834
Other current liabilities	-	-	-
Total liabilities	<u>6,136</u>	<u>36,422</u>	<u>42,558</u>
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	-	-	-
Total net position	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 6,136</u>	<u>\$ 36,422</u>	<u>\$ 42,558</u>

See accompanying notes to financial statements.

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

**1. Summary of Significant Accounting Policies**

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

**A. Reporting Entity:**

The Beverly City Board of Education is a Type II district located in the county of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of eight members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK-8. The Beverly City Board of Education had an approximate enrollment of 295 students at June 30, 2015.

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

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

**B. Basis of Presentation, Basis of Accounting:**

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

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

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

**B. Basis of Presentation (cont'd):**

The School District has Bond Costs which have been classified as a Deferred Outflow and the Bond Premium has been classified as a Deferred Inflow. The implementation of the new pension standards (GASB No. 68) as noted below and as calculated in Note 11 has created deferred outflows and inflows in the current year.

GASB Implemented in the current Fiscal Year: In June, 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27 ("GASB No. 68). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2014.

District-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the District as a whole. These Statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These Statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

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

**B. Basis of Presentation (Cont'd):**

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

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

The District reports the following governmental funds:

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

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

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

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

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

**B. Basis of Presentation (Cont'd):**

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

The District reports the following proprietary funds:

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

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

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

The District reports the following fund types:

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

**Expandable Trust Fund** - An Expandable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund and the Scholarship Account.

**Agency Funds** - Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

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

**C. Basis of Accounting**

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

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

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

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

**D. Property Taxes**

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

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

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

**E. Budgets/Budgetary Control**

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

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

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

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. At June 30, 2015, there was a reconciling difference of \$ 79,690 between the budgetary basis and GAAP basis in the General Fund and of \$37,238 in the Special Revenue Fund.



Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

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

**F. Encumbrances**

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

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

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

**G. Interfund Transactions**

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

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

**H. Inventories**

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

**I. Deferred Outflows/Inflows of Resources**

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

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

Beverly City Board of Education  
Notes to Financial Statements  
For the Year Ended June 30, 2015

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

**J. Capital Assets**

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

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

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

**K. Compensated Absences**

The Districts account for Compensated Absences (e.g., unused vacation, sick leave) as directed by the Governmental Accounting Board. A liability for Compensated Absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and the employee is accrued as the employees earn the rights to the benefits.

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

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

The liability for vested compensated absences of the proprietary fund-types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the Food Service Fund.

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

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

**L. Unearned/Deferred Revenue**

Unearned/deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance fiscal year 2014 operations, have been recorded as Unearned/deferred revenue. Grants and entitlement received before the eligibility requirements are met are also recorded as Unearned/deferred Revenue.

**M. Accrued Liabilities and Long-Term Obligations**

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

**N. Net Position**

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

**O. Fund Balance Reserves**

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

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

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

**P. Revenues - Exchange and Nonexchange Transactions**

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

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

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

**Q. Operating Revenues and Expenses**

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

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

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

**R. Allocation of Indirect Expenses**

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

**S. Extraordinary and Special Items**

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

**T. Management Estimates**

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

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

**2. Capital Reserve Account**

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

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes or by transfer by Board Resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the excess approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C 6:23A-5.1(d)7, the balance in the Account cannot at any time exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

The activity of the Capital Reserve for the June 30, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance	June 30, 2014	\$	492,739
Add:			
Increase per Resolution			250,000
Interest Earnings			493
Less:			
Withdrawals			<u>          -</u>
Ending Balance,	June 30, 2015	\$	<u>743,232</u>

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

**3. Maintenance Reserve Account**

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

Funds placed in the Maintenance Reserve Account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP). Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2015.

The activity of the Maintenance Reserve for the June 30, 2014 to June 30, 2015 fiscal year is as follows:

Balance, June 30, 2014	\$ 200,000
Add:	
Board Contribution	100,000
Less:	
Withdrawals	<u>          -</u>
Balance, June 30, 2015	<u>\$ 300,000</u>

**4. Tuition Reserve Account**

A tuition reserve account may be established in accordance with N.J.A.C.6a:23-3.1(f) for tuition between two Boards of Education that are in a formal sending/receiving relationship. The maximum amount that may be restricted at year end is 10% of the estimated contract year. Upon certification of tuition rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be reserved and budgeted for tax relief. The District's tuition reserve account balance of \$200,000 as of June 30, 2015.

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

**5. Transfers to Capital Outlay**

During the year ending June 30, 2015, the District transferred \$236,630 to the Capital Outlay Account.

**6. Deposits and Investments**

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

	<b>Type</b>	<b>Carrying Value</b>
Deposits		
	Demand Deposits	<u>\$ 1,780,597</u>
	Total Deposits	<u>\$ 1,780,597</u>

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

Governmental Activities	\$ 1,721,255
Business-Type Activities	16,784
Fiduciary Funds	<u>42,558</u>
Total Cash & Cash Equivalents	<u>\$ 1,780,597</u>

Deposits

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

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the Risk that, in the event of a bank failure, the Board's deposit might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$ 250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Board relative to the happening of a future condition. All of the School District's bank balances of \$1,780,597 as of June 30, 2015 were insured and collateralized.



Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

**7. Receivables**

Receivables at June 30, 2015, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State Aid	28,775	28,879
Federal Aid	102,000	110,252
Other	-	-
Interfunds	<u>134,151</u>	<u>152,672</u>
	264,926	291,803
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	\$ <u>264,926</u>	\$ <u>291,803</u>

**8. Interfund Balances and Transfers**

Balances due to/from other funds at June 30, 2015 consist of the following:

\$ 25,834	Due to General Fund from Trust & Agency Fund representing cash advance.
18,521	Due to Enterprise Fund from General Fund representing cash advance.
102,000	Due to General Fund from Special Revenue Fund representing cash advance.
<u>6,317</u>	Due to General Fund from Capital Project Fund representing cash advance.
\$ <u>152,672</u>	

**9. Inventory**

As of June 30, 2015, the District had the following inventory:

Food	\$ 3,435
Supplies	<u>920</u>
	\$ <u>4,355</u>

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

10. Capital Assets

The following schedule is a summarization of the general fixed assets by source for the fiscal year ended June 30, 2015:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Construction in Progress	\$ <u>        -</u>	\$ <u>867,349</u>	\$ <u>        -</u>	\$ <u>867,349</u>
Total Capital Assets Not Being Depreciated	<u>        -</u>	<u>867,349</u>	<u>        -</u>	<u>867,349</u>
Capital Assets Being Depreciated				
Site Improvements	84,750	-	-	84,750
Building and Building Improvements	912,225	-	-	912,225
Machinery and Equipment	<u>213,354</u>	<u>24,708</u>	<u>        -</u>	<u>238,062</u>
Totals at Historical Cost	<u>1,210,329</u>	<u>24,708</u>	<u>        -</u>	<u>1,235,037</u>
Less Accumulated Depreciation for:				
Site Improvements	(84,750)	(444)	-	(85,194)
Building and Building Improvements	(840,805)	(18,245)	-	(859,050)
Machinery and Equipment	<u>(167,721)</u>	<u>(23,806)</u>	<u>        -</u>	<u>(191,527)</u>
Total Accumulated Depreciation	<u>(1,093,276)</u>	<u>(42,495)</u>	<u>        -</u>	<u>(1,135,771)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>117,053</u>	<u>(17,787)</u>	<u>        -</u>	<u>99,266</u>
Government Activity Capital Assets, Net	<u>117,053</u>	<u>849,562</u>	<u>        -</u>	<u>966,615</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Building Improvements	-	-	-	-
Equipment	58,094	-	-	58,094
Less Accumulated Depreciation	<u>(41,942)</u>	<u>(4,126)</u>	<u>        -</u>	<u>(46,068)</u>
Enterprise Fund Capital Assets, Net	\$ <u>16,152</u>	\$ <u>(4,126)</u>	\$ <u>        -</u>	\$ <u>12,026</u>

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

Depreciation expense was charged to functions as follows:

Other operation and maintenance of plant	\$ <u>42,495</u>
Total	\$ <u>42,495</u>

Beverly City Board of Education  
Notes to Financial Statements  
For the Year Ended June 30, 2015

**11. Long-Term Obligations**

**A. Long-Term Obligation Activity:**

Changes in Long-Term Obligations for the year ended June 30, 2015, are as follows:

	<u>Balance</u> <u>June 30, 2014</u>	<u>Increases/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental</u>				
<u>Activities:</u>				
Compensated				
Absences Payable	\$ 56,850	\$ 15,650	\$ 72,500	\$ 12,500
Pension Payable	1,731	(1,731)	-	-
Bonds Payable	-	1,031,000	1,031,000	51,000
Pension liability -				
PERS	<u>-</u>	<u>1,053,470</u>	<u>1,053,470</u>	<u>43,210</u>
	<u>\$ 58,581</u>	<u>\$ 2,098,389</u>	<u>\$ 2,156,970</u>	<u>\$ 106,710</u>

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

**B. Unfunded Pension Liability**

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

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

**11. Long-Term Obligations (continued)**

**C. Debt Service Requirements:**

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

2015 School Bonds

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

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

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

Redemption

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

Debt Service Requirements on serial bonds payable at June 30, 2015 are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 51,000	\$ 24,794	\$ 75,794
2017	55,000	23,827	78,827
2018	60,000	22,694	82,694
2019	60,000	21,494	81,494
2020	60,000	20,294	80,294
2021-2025	340,000	81,581	421,581
2026-2030	<u>405,000</u>	<u>33,646</u>	<u>438,646</u>
	\$ <u>1,031,000</u>	\$ <u>228,330</u>	\$ <u>1,259,330</u>

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

**11. Long-Term Obligations (continued)**

**D. Bonds Authorized But Not Issued**

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

**E. Capital Leases**

As of June 30, 2015, the District had no capital leases.

**12. Operating Leases**

As of June 30, 2015, the District had various operating leases.

**13. Pension Plans**

**Description of Plans**

All required employees of the District are covered by either the Public Employees' Retirement System ("PERS"), the Teachers' Pension and Annuity Fund ("TPAF") or the Defined Contribution Retirement Program (DCRP) which have been established by State statute and are administered by the New Jersey Division of Pension and Benefits ("Division"). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund ("TPAF")**

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

For the year ended June 30, 2015, the District recognized pension expense of \$107,053 and revenue of \$107,053 for support provided by the State on the fund financials. These amounts are not included in the district-wide financials as required by GASB 68.

At June 30, 2015, the District has no deferred outflow, deferred inflows or pension liability for the TPAF plan as all future costs are to be incurred by the State of New Jersey. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed. These items are not included on the district-wide financials. The District's proportionate share is 0.0183641908% of the total plan. The information below was provided from the State of New Jersey June 30, 2014 audit of the TPAF fund and has been adjusted to the District's proportionate share:

Beverly City Board of Education  
Notes to Financial Statements  
For the Year Ended June 30, 2015

**13. Pension Plans (Cont'd)**

**Description of Plans (Cont'd)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,007
Changes of assumptions	420,709	-
Net difference between projected and actual earnings on pension plan investments	-	317,587
Changes in proportion and differences between District contributions and proportionate share of contributions	-	15,304
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 420,709</u>	<u>\$ 336,898</u>

The District's proportionate share of the pension liability at June 30, 2014 as it relates to the District is \$9,815,062.

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

Year ended June 30:		
2015	\$	(24,000)
2016		(24,000)
2017		(24,000)
2018		(24,000)
2019		55,941
Thereafter		<u>139,853</u>
Total		<u>99,794</u>

**Public Employees' Retirement System ("PERS")**

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

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

13. Pension Plans (Cont'd)

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

For the year ended June 30, 2015, the District recognized pension expense of \$43,210. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed and recorded. These items are included on the district-wide financials. The District's proportionate share is 0.0053958974% of the total plan. The information below was provided from the State of New Jersey June 30, 2014 audit of the PERS fund and has been adjusted to the District's proportionate share. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	31,768	-
Net difference between projected and actual earnings on pension plan investments	-	60,206
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 31,768</u>	<u>\$ 60,206</u>

The District's proportionate share of the pension liability at June 30, 2014 as it relates to the District is \$1,010,260 and has been recorded on the district-wide financials. The current portion due in April 2016 for the June 30, 2015 liability is \$43,210 and has been included on the district-wide financials. The total PERS pension liability at June 30, 2015 is \$1,053,470.

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

Year ended June 30:	
2015	\$ (9,212)
2016	(9,212)
2017	(9,212)
2018	(9,212)
2019	5,840
Thereafter	<u>2,569</u>
Total	<u>(28,439)</u>

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

13. Pension Plans (Cont'd)

**Long-Term Expected Rate of Return:**

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



Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

13. Pension Plans (Cont'd)

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

The following presents the collective net pension liability of the participating employers as of June 30, 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:

	1% Decrease ( 4.39 %)	Current Discount Rate ( 5.39 %)	1% Increase ( 6.39 %)
District's proportionate share of the net pension liability	1,270,941	1,010,260	791,354

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

**Vesting and Benefit Provisions**

The vesting and benefit provisions for PERS are set by the N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years or service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

**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 6.78% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution included funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

**13. Pension Plans (Cont'd)**

**Contribution Requirements (Cont'd)**

During the year ended June 30, 2015, the State of New Jersey contributed \$149,621 to the TPAF for NCGI premiums and \$127,379 for post-retirement medical 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 \$147,712 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 a revenues and expenditures in accordance with governmental accounting standards.

**Defined Contribution Retirement Plan (DCRP)**

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

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

The District's contributions to the DCRP for June 30, 2015 were \$4,821. There was no liability for unpaid contributions at June 30, 2015.

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

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

**14. Post-Retirement Benefits**

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

**Three-Year Trend Information for PERS**

<b>Year Funding June 30,</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
2015	\$ 43,410	100 %	\$ -
2014	36,984	100 %	-
2013	35,332	100 %	-

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

<b>Year Funding June 30,</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
2015	\$ 277,000	100 %	\$ -
2014	205,067	100 %	-
2013	246,474	100 %	-

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, 2013, there were 100,134 retirees eligible for post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost of attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education of county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in fiscal year 2013.

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

**15. Deferred Compensation**

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

Prudential

**16. Risk Management**

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

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

**17. Contingent Liabilities**

**Grant Programs**

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

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

**18. Deficit Fund Balances**

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

Beverly City Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2015

**18. Deficit Fund Balances (continued)**

Pursuant to P.L. 2003, c.97 any negative unreserved, undesignated fund balance that is reported a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements in the General Fund of (\$79,992) is equal to less than the last state payments.

**19. Fund Balance Appropriated**

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

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

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

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

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

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

Beverly City Board of Education  
Notes to Financial Statements  
For the Year Ended June 30, 2015

**19. Fund Balance Appropriated (continued)**

Classification Totals

Fund	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Balances:					
Restricted	1,578,203	-	-	-	1,578,203
Committed	-	-	-	325,151	325,151
Assigned	35,981	-	-	-	35,981
Unassigned	<u>(79,992)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79,992)</u>
	<u>1,534,192</u>	<u>-</u>	<u>-</u>	<u>325,151</u>	<u>1,859,343</u>

**20. Calculation of Excess Surplus**

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$159,224.

**21. Uncertain Tax Positions**

The school district had no unrecognized tax benefits at June 30, 2015. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open year prior to June 30, 2012.

**22. Subsequent Events**

Management has evaluated subsequent events through November 20, 2015, the date the financial statements were available to be issued.

**23. Prior Period Adjustment**

The implementation of GASB 68 resulted in recording the Deferred Outflows, Deferred Inflows and Pension liability on the June 30, 2015 district-wide financials. The balances at June 30, 2014 have been recorded into the beginning net position for a change of \$1,083,181. This net recording into the net position created non-comparability in the MD&A and has been acknowledged and allowed by the GASB.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

**BEVERLY CITY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 2,817,744	\$ -	\$ 2,817,744	\$ 2,768,851	\$ (48,893)
Tuition - residents	-	-	-	-	-
Tuition - non-residents	-	-	-	-	-
Interest	-	-	-	1,686	1,686
Interest earned on capital reserve funds	-	-	-	502	502
Transportation fees	-	-	-	-	-
Miscellaneous	2,000	-	2,000	25,589	23,589
<b>Total - local sources</b>	<b>2,819,744</b>	<b>-</b>	<b>2,819,744</b>	<b>2,796,628</b>	<b>(23,116)</b>
State sources:					
Transportation aid	196,255	-	196,255	196,255	-
Special education aid	167,839	-	167,839	167,839	-
Equalization aid	2,397,552	-	2,397,552	2,397,552	-
Extraordinary aid	10,000	-	10,000	14,676	4,676
Categorical Security	86,245	-	86,245	86,245	-
Adjustment Aid	863,310	-	863,310	863,310	-
Non-public transportation	-	-	-	6,786	6,786
Other state aide	7,100	-	7,100	12,847	5,747
TPAF pension (on-behalf - Non-budgeted)	-	-	-	277,000	277,000
TPAF social security (reimbursed - Non-budgeted)	-	-	-	156,523	156,523
<b>Total state sources</b>	<b>3,728,301</b>	<b>-</b>	<b>3,728,301</b>	<b>4,179,033</b>	<b>450,732</b>
Federal Sources					
Impact Aid	-	-	-	14,685	14,685
Medicaid reimbursement	-	-	-	4,348	4,348
<b>Total Federal Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,033</b>	<b>19,033</b>
<b>Total revenues</b>	<b>6,548,045</b>	<b>-</b>	<b>6,548,045</b>	<b>6,994,694</b>	<b>446,649</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of teachers	181,895	(34,100)	147,795	144,400	3,395
Grades 1-5 - Salaries of teachers	624,454	29,000	653,454	607,315	46,139
Grades 6-8 - Salaries of teachers	320,792	(95,725)	225,067	219,078	5,989
<b>Regular Programs - Home Instruction:</b>					
Salaries of teachers	5,000	(700)	4,300	2,748	1,552
Purchased professional-educational services	3,000	(2,000)	1,000	-	1,000
<b>Regular Programs - Undistributed Instruction</b>					
Other salaries for instruction	139,856	(78,700)	61,156	58,436	2,720
Purchased professional-educational services	15,000	(14,800)	200	178	22
Purchased technical services	29,420	7,726	37,146	37,122	24
Other purchased services (400-500 series)	23,000	(12,325)	10,675	9,768	907
General supplies	67,222	87,784	155,006	150,053	4,953
Textbooks	31,161	(20,905)	10,256	10,111	145
Other objects - misc. exp.	6,000	(5,054)	946	671	275
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>1,446,800</b>	<b>(139,799)</b>	<b>1,307,001</b>	<b>1,239,880</b>	<b>67,121</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of teachers	103,464	21,800	125,264	124,536	728
Other salaries for instruction	-	51,000	51,000	50,966	34
General supplies	1,000	(1,000)	-	-	-
<b>Total Learning and/or Language Disabilities</b>	<b>104,464</b>	<b>71,800</b>	<b>176,264</b>	<b>175,502</b>	<b>762</b>
<b>Resource Room/Resource Center:</b>					
Salaries of teachers	200,422	1,200	201,622	194,418	7,204
General supplies	3,800	(3,500)	300	-	300
<b>Total Resource Room/Resource Center</b>	<b>204,222</b>	<b>(2,300)</b>	<b>201,922</b>	<b>194,418</b>	<b>7,504</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>308,686</b>	<b>69,500</b>	<b>378,186</b>	<b>369,920</b>	<b>8,266</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of teachers	56,850	11,901	68,751	68,680	71
<b>Total Basic Skills/Remedial - Instruction</b>	<b>56,850</b>	<b>11,901</b>	<b>68,751</b>	<b>68,680</b>	<b>71</b>
<b>Bilingual Education - Instruction</b>					
Salaries of teachers	51,428	(1)	51,427	50,796	631
<b>Total Bilingual Education - Instruction</b>	<b>51,428</b>	<b>(1)</b>	<b>51,427</b>	<b>50,796</b>	<b>631</b>
<b>School Sponsored Co-curricular-Instruction</b>					
Salaries	5,500	(3,200)	2,300	2,298	2
Purchased Services (300-500) Series	1,500	1,300	2,800	2,632	168
Other Objects	-	575	575	575	-
<b>Total School Sponsored Co-curricular-Instruction</b>	<b>7,000</b>	<b>(1,325)</b>	<b>5,675</b>	<b>5,505</b>	<b>170</b>
<b>School-Spon. Athletics - Instruction</b>					
Salaries	3,800	500	4,300	4,212	88
Supplies and materials	2,000	2,000	4,000	3,950	50
<b>Total School-Spon. Athletics - Instruction</b>	<b>5,800</b>	<b>2,500</b>	<b>8,300</b>	<b>8,162</b>	<b>138</b>
<b>Total Instruction</b>	<b>1,876,564</b>	<b>(57,224)</b>	<b>1,819,340</b>	<b>1,742,943</b>	<b>76,397</b>



**BEVERLY CITY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to other LEAs within the state-regular	\$ 709,371	\$ (70,400)	\$ 638,971	\$ 638,347	\$ 624
Tuition to other LEAs within the state - special	448,917	106,000	554,917	541,503	13,414
Tuition to County Voc. School Dist-regular	149,808	(18,000)	131,808	124,840	6,968
Tuition to CSSD & Reg. Day Schools	640,822	(93,000)	547,822	413,979	133,843
Tuition to private schools for the handicapped - Within state	168,823	(118,000)	50,823	14,118	36,705
Tuition - State Facilities	124,852	-	124,852	124,852	-
Tuition - Other	-	2,141	2,141	-	2,141
<b>Total Undistributed Expenditures - Instruction:</b>	<b>2,242,593</b>	<b>(191,259)</b>	<b>2,051,334</b>	<b>1,857,639</b>	<b>193,695</b>
<b>Undist. Expend. - Attend &amp; Social Work</b>					
Salaries	26,231	3	26,234	26,234	-
Purchased professional and technical services	2,000	597	2,597	2,569	28
<b>Total Undistributed Expenditures - Attend &amp; Social Work</b>	<b>28,231</b>	<b>600</b>	<b>28,831</b>	<b>28,803</b>	<b>28</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	66,191	6,103	72,294	66,887	5,407
Purchased professional and technical services	3,000	(504)	2,496	2,368	128
Supplies and materials	2,500	1,500	4,000	3,293	707
Other objects	500	(200)	300	282	18
<b>Total Undistributed Expenditures - Health Services</b>	<b>72,191</b>	<b>6,899</b>	<b>79,090</b>	<b>72,830</b>	<b>6,260</b>
<b>Undist. Expend. - Speech Services</b>					
Salaries of other professional staff	67,124	1,000	68,124	68,059	65
Purchased professional - educational services	20,000	20,500	40,500	39,974	526
Supplies and materials	2,000	(1,500)	500	215	285
<b>Total Undist. Expend.-Speech Svcs</b>	<b>89,124</b>	<b>20,000</b>	<b>109,124</b>	<b>108,248</b>	<b>876</b>
<b>Undist. Expend. - Other Support Services - Students - Extraordinary Services</b>					
Salaries	12,925	(7,500)	5,425	-	5,425
Purchased professional - educational services	8,000	(3,000)	5,000	-	5,000
<b>Total Undist. Expend.-Othr Sprt Svcs Students-Extraordinary Sr</b>	<b>20,925</b>	<b>(10,500)</b>	<b>10,425</b>	<b>-</b>	<b>10,425</b>
<b>Undist. Expend. - Other Support Services Students-Regular</b>					
Salaries of secretarial and clerical assistants	14,406	-	14,406	14,405	1
Purchased professional - educational services	3,500	2,200	5,700	5,682	18
<b>Total Undist. Expend. - Other Support Services - Students-Regul</b>	<b>17,906</b>	<b>2,200</b>	<b>20,106</b>	<b>20,087</b>	<b>19</b>
<b>Undist. Expend. - Other Support Services - Students-Special</b>					
Salaries of other professional staff	140,127	750	140,877	116,461	24,416
Salaries of secretarial and clerical assistants	20,412	500	20,912	20,812	100
Purchased professional - educational services	58,000	(15,400)	42,600	35,972	6,628
Other purchased professional services	66,000	(31,900)	34,100	3,381	30,719
Supplies and materials	2,800	(150)	2,650	1,235	1,415
Other objects	1,780	(900)	880	-	880
<b>Total Undist. Expend. - Other Support Services - Students-Speci</b>	<b>289,119</b>	<b>(47,100)</b>	<b>242,019</b>	<b>177,861</b>	<b>64,158</b>
<b>Undist. Expend. - Improvement of Instruction Services</b>					
Salaries of supervisor of instruction	141,000	19,200	160,200	160,125	75
Salaries of other professional staff	8,000	300	8,300	8,251	49
Salaries of secretarial and clerical assist.	2,500	200	2,700	2,622	78
Other salaries	6,000	100	6,100	6,098	2
Other purchased professional and technical services	-	4,280	4,280	4,268	12
Supplies and materials	2,600	(2,380)	220	176	44
<b>Total Undist. Expend. - Improvement of Instruction Services</b>	<b>160,100</b>	<b>21,700</b>	<b>181,800</b>	<b>181,540</b>	<b>260</b>
<b>Undist. Expend. - Educational Media Services/School Library</b>					
Purchased professional and technical services	1,420	-	1,420	1,000	420
Other purchased services (400-500 series)	1,500	(550)	950	-	950
Supplies and materials	1,000	860	1,860	1,710	150
Other objects	1,000	(310)	690	-	690
<b>Total Undist. Expend. - Educational Media Services/School Libra</b>	<b>4,920</b>	<b>-</b>	<b>4,920</b>	<b>2,710</b>	<b>2,210</b>
<b>Undist. Expend. - Instruction Staff Training Services</b>					
Purchased professional- Ed Services	-	1,000	1,000	750	250
Purchased professional and technical services	500	(50)	450	300	150
Other purchased services (400-500 series)	6,000	(1,250)	4,750	4,418	332
<b>Total Undist. Expend. - Instruction Staff Training Services</b>	<b>6,500</b>	<b>(300)</b>	<b>6,200</b>	<b>5,468</b>	<b>732</b>
<b>Undist. Expend. - Support Service - General Administration</b>					
Salaries	126,713	(483)	126,230	125,812	418
Legal services	27,000	28,912	55,912	55,911	1
Audit fees	18,000	(1,000)	17,000	17,000	-
Other purchased professional services	4,000	(2,900)	1,100	1,072	28
Purchased technical services	2,000	(2,000)	-	-	-
Communications/Telephone - Bus	3,000	(990)	2,010	2,008	2
BOE other purchased prof. svc.	1,000	(1,000)	-	-	-
Other purchased services (400-500 series)	5,000	(499)	4,501	4,501	-
General supplies	4,000	(1,980)	2,020	2,012	8
BOE membership dues and fees	5,000	4,400	9,400	9,399	1
Miscellaneous expenditures	3,000	(2,660)	340	303	37
Miscellaneous expenditures - Board of Ed	-	-	-	-	-
<b>Total Undist. Expend. - Support Service - General Administratio</b>	<b>198,713</b>	<b>19,800</b>	<b>218,513</b>	<b>218,018</b>	<b>495</b>

**BEVERLY CITY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Support Service - School Administration</b>					
Salaries of secretarial and clerical assistants	\$ 15,215	\$ -	\$ 15,215	\$ 15,215	\$ -
Supplies and materials	3,500	-	3,500	2,626	874
Other objects	500	-	500	500	-
<b>Total Undist. Expend. - Support Service - School Administration</b>	<b>19,215</b>	<b>-</b>	<b>19,215</b>	<b>18,341</b>	<b>874</b>
<b>Undist. Expend. - Central Services</b>					
Salaries	140,019	(2,000)	138,019	132,420	5,599
Purchased technical services	9,000	-	9,000	4,824	4,176
Misc. Pur Serv (400-500 series)	4,000	16,000	20,000	-	20,000
Supplies and materials	4,000	2,000	6,000	5,526	474
Miscellaneous Expenditures	3,200	(2,000)	1,200	82	1,118
<b>Total Undist. Expend. - Central Services</b>	<b>160,219</b>	<b>14,000</b>	<b>174,219</b>	<b>142,852</b>	<b>31,367</b>
<b>Undist. Expend. - Admin. Info. Technology</b>					
Purchased technical services	12,000	2,000	14,000	13,824	176
<b>Total Undist. Expend - Admin. Info. Technology</b>	<b>12,000</b>	<b>2,000</b>	<b>14,000</b>	<b>13,824</b>	<b>176</b>
<b>Undist. Expend. - Required Maintenance for School Facilities</b>					
Cleaning, repair and maintenance services	66,000	(28,300)	37,700	37,444	256
General supplies	23,100	5,600	28,700	28,688	12
<b>Total Undist. Expend. - Allowed Maintenance for School Facilities</b>	<b>89,100</b>	<b>(22,700)</b>	<b>66,400</b>	<b>66,132</b>	<b>268</b>
<b>Undist. Expend. - Other Operation &amp; Maintenance of Plant</b>					
Salaries - Custodians	100,542	9,120	109,662	109,575	87
Salaries - Café./Playground Aides	13,029	(502)	12,527	12,439	88
Purchased professional and technical services	20,000	19,845	39,845	39,821	24
Cleaning, repair and maintenance services - up keep	26,000	69,600	95,600	95,446	154
Rental of land and building other than lease	18,000	(15,300)	2,700	2,695	5
Other purchased property services	4,000	(1,545)	2,455	2,454	1
Insurance	23,914	2,950	26,864	26,855	9
Miscellaneous purchased services	5,000	(2,498)	2,502	2,502	-
General supplies	4,000	(4,000)	-	-	-
Energy (Heat and Electricity)	60,000	(15,750)	44,250	44,065	185
Other objects	2,500	(2,330)	170	166	4
Energy (Natural Gas)	59,000	(34,800)	24,200	23,596	604
<b>Total Undist. Expend. - Other Operation &amp; Maintenance Of Plant</b>	<b>335,985</b>	<b>24,790</b>	<b>360,775</b>	<b>359,614</b>	<b>1,161</b>
<b>Undist. Expend. - Student Transportation Services</b>					
Salaries for pupil transportation (between home and school)-Sp	13,940	300	14,240	14,219	21
Salaries for pupil trans. (other than between home and school)	13,940	300	14,240	14,219	21
Contract services -(between home and school)-Vendor	30,926	18,000	48,926	48,586	340
Contract services (other than between home & school) - Vendor	10,000	(790)	9,210	3,485	5,725
Contract services -(between home and school)-Joint	5,000	7,000	12,000	11,881	119
Contract services - (special education students) - Vendors	20,000	-	20,000	10,543	9,457
Contract services-(special education students)-Joint	16,000	-	16,000	10,888	5,112
Contract services-(regular students)ESC's & CTSA's	86,364	48,600	134,964	105,889	29,075
Contract services-(special education students)-ESC's & CTSA's	220,000	(117,230)	102,770	63,914	38,856
Aid in lieu of payments	40,000	-	40,000	38,056	1,944
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>456,170</b>	<b>(43,820)</b>	<b>412,350</b>	<b>321,680</b>	<b>90,670</b>
<b>UNALLOCATED EMPLOYEE BENEFITS</b>					
Group insurance	43,099	(42,704)	395	(9,627)	10,022
Social security contributions	66,000	-	66,000	56,320	9,680
Other retirement contributions - PERS	48,233	11,703	59,936	59,764	172
Other retirement contributions - ERIP	-	-	-	-	-
Other retirement contributions - Regular	1,000	(1,000)	-	-	-
Unemployment Compensation	30,000	-	30,000	13,734	16,266
Workmen's compensation	32,500	38,000	70,500	70,057	443
Health benefits	531,490	48,701	580,191	550,281	29,910
Tuition reimbursement	30,000	(16,200)	13,800	13,746	54
Other employee benefits	-	20,825	20,825	20,723	102
<b>TOTAL UNALLOCATED EMPLOYEE BENEFITS</b>	<b>782,322</b>	<b>59,325</b>	<b>841,647</b>	<b>774,998</b>	<b>66,649</b>
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	277,000	(277,000)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	156,523	(156,523)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>433,523</b>	<b>(433,523)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>782,322</b>	<b>59,325</b>	<b>841,647</b>	<b>1,208,521</b>	<b>(366,874)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>4,985,333</b>	<b>(144,365)</b>	<b>4,840,968</b>	<b>4,804,168</b>	<b>36,800</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>6,861,897</b>	<b>(201,589)</b>	<b>6,660,308</b>	<b>6,547,111</b>	<b>113,197</b>

**BEVERLY CITY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Undistributed:</b>					
Undistributed expenditures - Instruction	\$ -	\$ -	\$ -	\$ -	\$ -
Undistributed expenditures - Instructional equip.	-	-	-	-	-
Undistributed expenditures - Non-Instructional equip.	4,000	-	4,000	847	3,153
Undistributed expenditures - Support services - Regular	-	-	-	-	-
Undistributed expenditures - Support services - Special	-	-	-	-	-
Undistributed expenditures - General administration	-	-	-	-	-
Undistributed expenditures - School administration	-	-	-	-	-
Undistributed expenditures - Operation & maint. of plant serv:	-	25,000	25,000	24,974	26
Undistributed expenditures - Student transportation	-	-	-	-	-
Undistributed expenditures - Business/Other support services	-	-	-	-	-
<b>Total Equipment</b>	<u>4,000</u>	<u>25,000</u>	<u>29,000</u>	<u>25,821</u>	<u>3,179</u>
<b>Facilities Acquisition and Construction Services</b>					
Construction services	-	-	-	-	-
Other Purchases Prof. & Tech Services	-	211,630	211,630	206,297	5,333
<b>Total Facilities Acquisition and Construction Services</b>	<u>-</u>	<u>211,630</u>	<u>211,630</u>	<u>206,297</u>	<u>5,333</u>
Capital reserve - Transfer to	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<u>4,000</u>	<u>236,630</u>	<u>240,630</u>	<u>232,118</u>	<u>8,512</u>
<b>Transfer of funds to charter schools</b>	<u>35,041</u>	<u>(35,041)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>6,900,938</u>	<u>-</u>	<u>6,900,938</u>	<u>6,779,229</u>	<u>121,709</u>
<b>Excess (Deficiency) of Revenues</b>					
Over (Under) Expenditures	(352,893)	-	(352,893)	215,465	568,358
<b>Other Financing Uses:</b>					
Bond premium	-	-	-	12,445	(12,445)
<b>Total Other Financing Sources:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,445</u>	<u>(12,445)</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources</b>					
Over (Under) Expenditures and Other Financing Sources (Uses)	(352,893)	-	(352,893)	227,910	555,913
<b>Fund Balance, July 1</b>	1,657,360	-	1,657,360	1,657,360	-
<b>Fund Balance, June 30</b>	<u>\$ 1,304,467</u>	<u>\$ -</u>	<u>\$ 1,304,467</u>	<u>\$ 1,885,270</u>	<u>\$ 555,913</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital reserve				743,232	
Maintenance reserve				300,000	
Tuition reserve				200,000	
Excess surplus - Designated for subsequent year's expenditures				175,747	
Excess surplus - Current year				159,224	
<b>Committed Fund Balance:</b>					
Year-end encumbrances				-	
<b>Assigned Fund Balance:</b>					
Designated for subsequent year's expenditures				<u>35,981</u>	
Unassigned Fund Balance				<u>271,086</u>	
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Last state aid payment not recognized on GAAP basis				<u>(351,078)</u>	
<b>Fund balance per governmental funds (GAAP)</b>				<u>(79,992)</u>	

BEVERLY CITY SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	317,284	-	317,284	317,284	-
Federal sources	286,063	47,143	333,206	333,206	-
<b>Total Revenues</b>	<b>603,347</b>	<b>47,143</b>	<b>650,490</b>	<b>650,490</b>	<b>-</b>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Salaries of teachers	289,076	45,175	334,251	334,251	-
Other salaries for instruction	63,907	(654)	63,253	63,253	-
Purchased professional services	935	(935)	-	-	-
General supplies	11,871	(7,100)	4,771	4,771	-
Tuition	102,530	13,696	116,226	116,226	-
<b>Total instruction</b>	<b>468,319</b>	<b>50,182</b>	<b>518,501</b>	<b>518,501</b>	<b>-</b>
<b>Support services:</b>					
Salaries of program director	-	4,800	4,800	4,800	-
Personal services	27,954	(27,954)	-	-	-
Purchased professional - educational services	-	-	-	-	-
Other purchased professional services	26,837	13,284	40,121	40,121	-
Purchased technical services	29,808	(29,808)	-	-	-
Travel	-	-	-	-	-
Employee Benefits	50,429	36,639	87,068	87,068	-
Miscellaneous purchased services (400-500 series)	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Supplies & materials	-	-	-	-	-
<b>Total support services</b>	<b>135,028</b>	<b>(3,039)</b>	<b>131,989</b>	<b>131,989</b>	<b>-</b>
<b>EXPENDITURES (CONT'D):</b>					
<b>Facilities acquisition and const. serv.:</b>					
Instructional equipment	-	-	-	-	-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>603,347</b>	<b>47,143</b>	<b>650,490</b>	<b>650,490</b>	<b>-</b>
<b>Other financing sources (uses)</b>					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
<b>Total outflows</b>	<b>603,347</b>	<b>47,143</b>	<b>650,490</b>	<b>650,490</b>	<b>-</b>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Last state aid payment not recognized on GAAP basis				-	
<b>Fund balance per governmental funds (GAAP)</b>				<b>\$ -</b>	

BEVERLY CITY SCHOOL DISTRICT  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2015

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

		General Fund		Special Revenue Fund
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 6,994,694	[C-2]	\$ 650,490
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(107,053)		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year		(351,078)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		353,616		-
<b>Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.</b>	<b>[B-2]</b>	<b>\$ 6,890,179</b>	<b>[B-2]</b>	<b>\$ 650,490</b>
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 6,779,229	[C-2]	\$ 650,490
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(107,053)		
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.		-		-
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<b>[B-2]</b>	<b>\$ 6,672,176</b>	<b>[B-2]</b>	<b>\$ 650,490</b>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

BEVERLY CITY SCHOOL DISTRICT  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of Net Pension Liability-PERS  
 For the Fiscal Year Ended June 30, 2015

Last 10 Fiscal Years\*

	<u>2015</u>	
District's proportion of the net pension liability	0.0053958974%	from pers audit
District's proportionate share of the net pension liability	\$ (1,053,470)	from pers audit
District's covered-employee payroll	345,539	get from client
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	-32.80%	
Plan fiduciary net position as a percentage of the total pension liability	67.89%	same for all schools

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

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

BEVERLY CITY SCHOOL DISTRICT  
 Required Supplementary Information  
 Schedule of the District Contributions-PERS  
 For the Fiscal Year Ended June 30, 2015

Last 10 Fiscal Years\*

	<u>2015</u>	
Contractually required contributions	44,483	from pers audited FS
Contributions in relation to the contractually required contribution	59,764	from c-1
Contribution deficiency (excess)	(15,281)	
District's covered-employee payroll	345,539	get from client
Contributions as a percentage of covered-employee payroll	0.128735107	

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



BEVERLY CITY SCHOOL DISTRICT  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of Net Pension Liability-TPAF  
 For the Fiscal Year Ended June 30, 2015

Last 10 Fiscal Years\*

	<u>2015</u>
District's proportion of the net pension liability	0.0183641908%
District's proportionate share of the net pension liability	\$ 9,815,062
District's covered-employee payroll	1,986,064
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	20.23%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

same for all districts

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

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

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

Beverly City Board of Education

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2015

Assumptions

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	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.

OTHER SUPPLEMENTARY INFORMATION

BEVERLY CITY SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2015

	IDEA PRESCHOOL 14/15	IDEA Basic 14/15	TITLE I 14/15
<b>Revenues:</b>			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Federal sources	3,048	113,178	177,559
<b>Total revenues</b>	<u>3,048</u>	<u>113,178</u>	<u>177,559</u>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	-	-	140,920
Other salaries/instruction	-	-	-
Purchased professional services	-	-	-
General supplies	-	-	-
Tuition	3,048	113,178	-
Textbooks	-	-	-
Miscellaneous expenses	-	-	-
<b>Total instruction</b>	<u>3,048</u>	<u>113,178</u>	<u>140,920</u>
<b>Support services:</b>			
Other support services - students - special:			
Other professional staff salaries	-	-	-
Personal Services	-	-	-
Purchased professional services	-	-	-
Other purchased professional services	-	-	-
Purchased technical services	-	-	-
Employee benefits	-	-	36,639
Travel	-	-	-
General supplies	-	-	-
Miscellaneous expenses	-	-	-
<b>Total other support services - students - special</b>	<u>-</u>	<u>-</u>	<u>36,639</u>
<b>Total support services</b>	<u>-</u>	<u>-</u>	<u>36,639</u>
<b>Equipment:</b>			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 3,048</u>	<u>\$ 113,178</u>	<u>\$ 177,559</u>

BEVERLY CITY SCHOOL DISTRICT  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2015

(Continued from prior page)

	Race to the Top 14/15	Preschool Edu. Aid 14/15	Title II Part D 14/15	Total 2015
<b>Revenues:</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	317,284	-	317,284
Federal sources	7,643	-	31,778	333,206
<b>Total revenues</b>	<u>7,643</u>	<u>317,284</u>	<u>31,778</u>	<u>650,490</u>
<b>Expenditures:</b>				
Instruction:				
Salaries of teachers	-	191,731	1,600	334,251
Other salaries/instruction	-	63,253	-	63,253
Purchased professional services	-	-	-	-
General supplies	-	4,771	-	4,771
Tuition	-	-	-	116,226
Textbooks	-	-	-	-
Miscellaneous expenses	-	-	-	-
<b>Total instruction</b>	<u>-</u>	<u>259,755</u>	<u>1,600</u>	<u>518,501</u>
Support services:				
Other support services -				
students - special:				
Other professional				
staff salaries	-	4,800	-	4,800
Personal Services	-	-	-	-
Purchased professional services	7,643	-	30,178	37,821
Other purchased professional				
services	-	2,300	-	2,300
Purchased technical services	-	-	-	-
Employee benefits	-	50,429	-	87,068
Travel	-	-	-	-
General supplies	-	-	-	-
Miscellaneous expenses	-	-	-	-
<b>Total other support services -</b>				
<b>  students - special</b>	<u>7,643</u>	<u>57,529</u>	<u>30,178</u>	<u>131,989</u>
<b>Total support services</b>	<u>7,643</u>	<u>57,529</u>	<u>30,178</u>	<u>131,989</u>
Equipment:				
Regular programs instruction	-	-	-	-
Non-instructional equipment	-	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 7,643</u>	<u>\$ 317,284</u>	<u>\$ 31,778</u>	<u>\$ 650,490</u>

BEVERLY CITY SCHOOL DISTRICT  
 Special Revenue Fund  
 Schedule of Preschool Education Aid Expenditures  
 Preschool - All Programs  
 Budgetary Basis  
 For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 191,731	\$ 191,731	\$ -
Other Salaries for Instruction	63,253	63,253	-
General Supplies	4,771	4,771	-
<b>Total instruction</b>	<u>259,755</u>	<u>259,755</u>	<u>-</u>
<b>Support services:</b>			
Salaries of Other Professional Staff	4,800	4,800	-
Personal Services - Employee Benefits	50,429	50,429	-
Other Purchased Professional Services	-	-	-
Other Objects	-	-	-
<b>Total support services</b>	<u>55,229</u>	<u>55,229</u>	<u>-</u>
<b>Facilities acquisition and cont. serv:</b>			
Instructional equipment	-	-	-
Noninstructional Equipment	-	-	-
<b>Total Facilities acquisition and cont. serv.</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 314,984</u>	<u>\$ 314,984</u>	<u>\$ -</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2014-15 PreK/ECPA Aid Allocation	\$ 314,984
Add: Actual PreK/ECPA Aid Carryover June 30, 2014	-
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2014-15 Budget	<u>314,984</u>
Less: 2014-15 Budgeted PreK/ECPA (Including prior year budgeted carryover)	<u>314,984</u>
Available & Unbudgeted Funds as of June 30, 2016	-
Add: June 30, 2015 Unexpended PreK Aid	-
2015- Actual Carryover - PreK Aid	<u>\$ -</u>
2014-15 PreK Aid Carryover Budgeted in 2016-FY	<u>\$ -</u>

BEVERLY CITY SCHOOL DISTRICT  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2015

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2015
			Prior Years	Current Year	
Roof Replacement - SP 0380-025-14-1003-G04	1/6/2014	\$ 766,767	\$ -	\$ 690,432	\$ 1,457,199
HVAC Replacement - SP 0380-025-14-1002-G04	1/6/2014	511,997	-	4,013	516,010
Boiler Replacement - SP 0380-025-14-1001-G04	1/6/2014	640,000	-	5,068	645,068
Window Replacement - SP 0380-025-14-1004-G06	1/6/2014	804,161	-	6,336	810,497
Totals		<u>\$ 2,722,925</u>	<u>\$ -</u>	<u>\$ 705,849</u>	<u>\$ 3,428,774</u>

**BEVERLY CITY SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis**  
**For the Year Ended June 30, 2015**

**Revenues and Other Financing Sources**

State Sources - SDA Grant	-
Bond proceeds and transfers	1,031,000
Capital lease proceeds	-
Transfer from capital reserve	-
Interest	-
Total revenues	<u>1,031,000</u>

**Expenditures and Other Financing Uses**

Purchased professional and technical services	21,119
Construction services	684,730
Supplies	-
Total expenditures	<u>705,849</u>
Excess (deficiency) of revenues over (under) expenditures	325,151
Fund balance - beginning	-
Fund balance - ending	<u><u>325,151</u></u>



**BEVERLY CITY SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**ROOF REPLACEMENT**  
**For the Fiscal Year Ended June 30, 2015**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ 476,767
Bond proceeds and transfers	-	290,000	290,000	290,000
Local Revenue	-	-	-	-
Total revenues	-	290,000	290,000	766,767
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	-	5,702	5,702	11,340
Construction services	-	684,730	684,730	755,427
Supplies	-	-	-	-
Total expenditures	-	690,432	690,432	766,767
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ (400,432)	\$ (400,432)	\$ -
Additional project information:				
Project Number	SP 0380-025-14-1003-G04			
Grant Date	1/6/2014			
Bond Authorization Date	1/22/2015			
Bonds Authorized	\$ 1,031,000			
Bonds Issued	1,031,000			
Original Authorized Cost	766,767			
Additional Authorized Cost	-			
Revised Authorized Cost	766,767			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.900445637			
Original target completion date	2016			
Revised target completion date	2016			

**BEVERLY CITY SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**HVAC PROJECT**  
**For the Fiscal Year Ended June 30, 2015**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ 318,052
Bond proceeds and transfers	-	193,945	193,945	193,945
Local Revenue	-	-	-	-
Total revenues	-	193,945	193,945	511,997
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	-	4,013	4,013	7,980
Construction services	-	-	-	504,017
Supplies	-	-	-	-
Total expenditures	-	4,013	4,013	511,997
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ 189,932	\$ 189,932	\$ -

Additional project information:

Project Number	SP 0380-025-14-1002-G04
Grant Date	1/6/2014
Bond Authorization Date	1/22/2015
Bonds Authorized	\$ 1,031,000
Bonds Issued	1,031,000
Original Authorized Cost	511,997
Additional Authorized Cost	-
Revised Authorized Cost	511,997
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.007837937
Original target completion date	2016
Revised target completion date	2016

**BEVERLY CITY SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**BOILER REPLACEMENT**  
**For the Fiscal Year Ended June 30, 2015**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ 397,565
Bond proceeds and transfers	-	242,435	242,435	242,435
Local Revenue	-	-	-	-
Total revenues	<u>-</u>	<u>242,435</u>	<u>242,435</u>	<u>640,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	-	5,068	5,068	10,080
Construction services	-	-	-	629,920
Supplies	-	-	-	-
Total expenditures	<u>-</u>	<u>5,068</u>	<u>5,068</u>	<u>640,000</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 237,367</u>	<u>\$ 237,367</u>	<u>\$ -</u>

Additional project information:

Project Number	SP 0380-025-14-1001-G04
Grant Date	1/6/2014
Bond Authorization Date	1/22/2015
Bonds Authorized	\$ 1,031,000
Bonds Issued	1,031,000
Original Authorized Cost	640,000
Additional Authorized Cost	-
Revised Authorized Cost	640,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.00791875
Original target completion date	2016
Revised target completion date	2016

**BEVERLY CITY SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**WINDOW REPLACEMENT**  
**For the Fiscal Year Ended June 30, 2015**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ 499,541
Bond proceeds and transfers	-	304,620	304,620	304,620
Local Revenue	-	-	-	-
Total revenues	<u>-</u>	<u>304,620</u>	<u>304,620</u>	<u>804,161</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	-	6,336	6,336	12,600
Construction services	-	-	-	791,561
Supplies	-	-	-	-
Total expenditures	<u>-</u>	<u>6,336</u>	<u>6,336</u>	<u>804,161</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 298,284</u>	<u>\$ 298,284</u>	<u>\$ -</u>

Additional project information:

Project Number	SP 0380-025-14-1004-G04
Grant Date	1/6/2014
Bond Authorization Date	1/22/2015
Bonds Authorized	\$ 1,031,000
Bonds Issued	1,031,000
Original Authorized Cost	804,161
Additional Authorized Cost	-
Revised Authorized Cost	804,161
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.007879019
Original target completion date	2016
Revised target completion date	2016

**BEVERLY CITY SCHOOL DISTRICT**  
**Enterprise Fund**  
**Statement of Net Position**  
**June 30, 2015**

**Food**  
**Services**

**Assets:**

<b>Current assets:</b>	
Cash and cash equivalents	\$ 16,784
Accounts receivable:	
State	104
Federal	8,252
Interfunds	18,521
Inventories	4,355
<b>Total current assets</b>	48,016
<b>Fixed assets:</b>	
Equipment	58,094
Accumulated depreciation	(46,068)
<b>Total fixed assets</b>	12,026
<b>Total assets</b>	60,042
<b>Liabilities and Net Position:</b>	
<b>Liabilities:</b>	
Accounts payable	-
Revenue anticipation loan	-
<b>Total liabilities</b>	-
<b>Net position:</b>	
Net investment in capital assets	12,026
Restricted for other purposes	-
Unrestricted net position	48,016
<b>Total net position</b>	60,042
<b>Total liabilities and net position</b>	\$ 60,042

BEVERLY CITY SCHOOL DISTRICT  
Enterprise Fund  
Statement of Revenues, Expenses and  
Changes in Net Position  
for the Fiscal Years ended June 30, 2015

	<u>Food Services</u>
<b>Operating revenues:</b>	
<b>Local sources:</b>	
<b>Daily sales-reimbursable programs:</b>	
School breakfast program	\$ 2,051
School lunch program	<u>12,932</u>
<b>Total-daily sales-reimbursable programs</b>	<u>14,983</u>
<b>Daily sales-non-reimbursable programs:</b>	
Adult & Ala carte	9,031
Special functions	<u>-</u>
<b>Total-daily sales-non-reimbursable programs</b>	<u>9,031</u>
<b>Total operating revenues</b>	<u>24,014</u>
<b>Operating expenses:</b>	
Salaries	63,037
Benefits & payroll taxes	10,044
Supplies and materials	19,203
Management fee	11,650
Depreciation	4,126
Cost of sales	<u>79,129</u>
<b>Total operating expenses</b>	<u>187,189</u>
<b>Operating loss</b>	<u>(163,175)</u>
<b>Nonoperating revenues (expenses):</b>	
<b>State sources:</b>	
State school lunch program	1,790
<b>Federal sources:</b>	
National school lunch program	88,661
National school breakfast program	41,971
Food distribution program	15,186
Interest income	<u>-</u>
<b>Total nonoperating revenues</b>	<u>147,608</u>
<b>Change in net position</b>	(15,567)
<b>Total net position beginning</b>	<u>75,609</u>
<b>Total net position ending</b>	<u>\$ 60,042</u>

**BEVERLY CITY SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Business-type Activities</b>
	<b>Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 24,014
Payments to employees	(63,037)
Payments for employee benefits	(10,044)
Payments to suppliers	(99,151)
Net cash provided by (used in) operating activities	(148,218)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State sources	1,686
Federal sources	122,380
Interest income	-
Net cash provided by (used in) non-capital financing activities	124,066
Net increase (decrease) in cash and cash equivalents	(24,152)
Balances—beginning of year	13,969
Balances—end of year	\$ (10,183)
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (163,175)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	4,126
Federal commodities	-
Decrease in interfund receivable, net	(18,521)
Decrease in accounts receivable, net	-
Increase in inventories	(4,355)
Decrease in interfund payable	-
Increase in accounts payable	-
Total adjustments	(18,750)
Net cash provided by (used in) operating activities	\$ (181,925)

**BEVERLY CITY SCHOOL DISTRICT**  
**Statement of Agency Fund Assets and Liabilities**  
**Fiduciary Funds**  
**June 30, 2015**

	<u>Agency Fund</u>	<u>Student Activity</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 36,422	\$ 6,136	\$ 42,558
Investments	-	-	-
Intergovernmental accounts receivable	-	-	-
Interfund receivable	-	-	-
Total assets	<u>36,422</u>	<u>6,136</u>	<u>42,558</u>
<b>LIABILITIES</b>			
Accounts payable	-	-	-
Payroll deductions and withholdings	10,588	-	10,588
Payable to student groups	-	6,136	6,136
Interfund payable	25,834	-	25,834
Other current liabilities	-	-	-
Total liabilities	<u>36,422</u>	<u>6,136</u>	<u>42,558</u>
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	-	-	-
Total net position	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 36,422</u>	<u>\$ 6,136</u>	<u>\$ 42,558</u>



BEVERLY CITY SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Class funds	\$ 7,734	\$ 19,012	\$ 20,610	\$ 6,136
Total all schools	<u>\$ 7,734</u>	<u>\$ 19,012</u>	<u>\$ 20,610</u>	<u>\$ 6,136</u>

BEVERLY CITY SCHOOL DISTRICT  
 Payroll Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
ASSETS:				
Cash and cash equivalents	\$ 34,102	\$ 3,176,624	\$ 3,174,304	\$ 36,422
Total assets	<u>34,102</u>	<u>3,176,624</u>	<u>3,174,304</u>	<u>36,422</u>
LIABILITIES:				
Payroll deductions and withholdings	8,268	1,340,986	1,338,666	10,588
Accrued salaries and wages	-	1,835,638	1,835,638	-
Interfund payable	25,834	-	-	25,834
Other current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 34,102</u>	<u>\$ 3,176,624</u>	<u>\$ 3,174,304</u>	<u>\$ 36,422</u>

BEVERLY CITY SCHOOL DISTRICT  
 Long-Term Debt  
 Schedule of Serial Bonds  
 June 30, 2015

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
Series 2015 Bonds	2/5/2015	1,031,000	2/1/2016	51,000	2.000%				
			2/1/2017	55,000	2.000%				
			2/1/2018	60,000	2.000%				
			2/1/2019	60,000	2.000%				
			2/1/2020	60,000	2.000%				
			2/1/2021	65,000	2.000%				
			2/1/2022	65,000	2.000%				
			2/1/2023	70,000	2.000%				
			2/1/2024	70,000	2.250%				
			2/1/2025	70,000	2.375%				
			2/1/2026	75,000	3.000%				
			2/1/2027	80,000	3.000%				
			2/1/2028	80,000	3.000%				
			2/1/2029	85,000	3.000%				
2/1/2030	85,000	3.125%							
						-	1,031,000	-	1,031,000
						\$ -	\$ 1,031,000	\$ -	\$ 1,031,000

P - I -

STATISTICAL SECTION

**BEVERLY CITY School District  
Statistical Section**

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	<b>87-91</b>
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	<b>92-95</b>
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	<b>96-99</b>
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>100-101</b>
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>102-106</b>

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Net investment in capital assets	\$ 2,879,430	\$ 2,936,588	\$ 3,250,516	\$ 3,436,653	\$ 3,540,631	\$ 3,577,656	\$ 3,536,657	\$ 3,422,237	\$ 117,053	\$ 260,766
Restricted	214,425	329,546	386,314	270,313	326,738	514,354	609,483	703,620	1,371,379	1,614,184
Unrestricted	48,441	209,310	241,055	305,235	352,727	266,459	218,594	203,807	(126,216)	(1,256,874)
<b>Total governmental activities net assets/position</b>	<b>\$ 3,142,296</b>	<b>\$ 3,475,444</b>	<b>\$ 3,877,885</b>	<b>\$ 4,012,201</b>	<b>\$ 4,220,096</b>	<b>\$ 4,358,469</b>	<b>\$ 4,364,734</b>	<b>\$ 4,329,664</b>	<b>\$ 1,362,216</b>	<b>\$ 618,076</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ 929,255	\$ 1,065,639	\$ 1,049,925	\$ 1,023,860	\$ 998,028	\$ 16,152	\$ 12,026
Restricted	-	-	919,950	-	-	-	-	-	-	-
Unrestricted	-	720,598	238,132	175,795	149,352	250,461	347,752	352,044	59,457	48,016
<b>Total business-type activities net assets/position</b>	<b>\$ -</b>	<b>\$ 720,598</b>	<b>\$ 1,158,082</b>	<b>\$ 1,105,050</b>	<b>\$ 1,214,991</b>	<b>\$ 1,300,386</b>	<b>\$ 1,371,612</b>	<b>\$ 1,350,072</b>	<b>\$ 75,609</b>	<b>\$ 60,042</b>
<b>District-wide</b>										
Net investment in capital assets	\$ 2,879,430	\$ 2,936,588	\$ 3,250,516	\$ 4,365,908	\$ 4,606,270	\$ 4,627,581	\$ 4,560,517	\$ 4,420,265	\$ 133,205	\$ 272,792
Restricted	214,425	329,546	1,306,264	270,313	326,738	514,354	609,483	703,620	1,371,379	1,614,184
Unrestricted	48,441	929,908	479,187	481,030	502,079	516,920	566,346	555,851	(66,759)	(1,208,858)
<b>Total district net assets/position</b>	<b>\$ 3,142,296</b>	<b>\$ 4,196,042</b>	<b>\$ 5,035,967</b>	<b>\$ 5,117,251</b>	<b>\$ 5,435,087</b>	<b>\$ 5,658,855</b>	<b>\$ 5,736,346</b>	<b>\$ 5,679,736</b>	<b>\$ 1,437,825</b>	<b>\$ 678,118</b>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 1,035,717	\$ 1,142,415	\$ 1,227,542	\$ 1,179,181	\$ 1,245,862	\$ 1,189,107	\$ 1,268,103	\$ 1,225,160	\$ 1,681,078	\$ 1,758,381
Special education	120,082	124,760	130,033	244,326	250,424	302,575	393,262	306,228	416,758	369,920
Other special education	59,994	75,064	68,764	72,998	81,184	78,568	102,281	122,798	117,006	133,143
Support Services:										
Instruction	810,496	762,759	1,054,712	1,064,404	984,230	804,778	691,863	896,691	2,189,196	1,857,639
Attendance and social work	20,316	22,239	23,240	24,614	25,521	26,011	12,872	15,771	27,360	28,803
Health services	48,396	53,319	55,357	61,977	69,609	70,854	65,843	56,396	60,070	72,830
Improvement of instr. services	42,097	43,351	44,375	46,527	48,189	48,989	74,344	62,311	-	-
Educational media services	55,979	55,413	57,775	47,097	52,726	62,768	47,951	26,272	1,369	2,710
Instruction staff training	1,022	2,074	16,100	2,369	2,368	4,730	7,013	4,088	10,595	5,468
School Administrative services	61,540	62,846	72,778	72,917	75,887	77,057	78,339	73,385	20,460	18,341
General administration	125,315	123,348	127,431	120,072	133,957	132,716	133,846	128,399	217,921	218,018
Central Services	84,992	86,362	74,593	78,434	82,949	81,526	68,584	78,454	140,943	142,352
Plant operations and maintenance	373,443	398,748	377,125	418,970	473,632	444,318	410,104	402,545	469,316	514,151
Administrative information technology	5,235	2,798	3,723	2,926	3,028	3,074	2,615	3,186	13,292	13,824
Pupil transportation	90,890	80,266	69,360	82,133	75,314	121,464	114,042	138,189	399,825	321,680
Other support services	249,731	236,714	167,406	276,234	253,007	301,520	298,351	312,466	718,776	619,725
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	32,628	28,603	24,163	19,350	14,280	8,879	3,280	-	-	10,029
Unallocated employee benefits	415,565	434,332	482,588	490,731	467,394	460,508	470,213	474,693	552,123	680,591
Total governmental activities expenses	<u>\$ 3,633,428</u>	<u>\$ 3,735,411</u>	<u>\$ 4,077,065</u>	<u>\$ 4,305,260</u>	<u>\$ 4,339,561</u>	<u>\$ 4,219,442</u>	<u>\$ 4,242,906</u>	<u>\$ 4,317,032</u>	<u>\$ 7,036,088</u>	<u>\$ 6,768,105</u>
Business-type activities:										
Enterprise fund	-	-	437,484	(188,128)	(109,211)	(84,511)	(70,916)	21,802	16,677	15,567
Child Care	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	-	-	437,484	(188,128)	(109,211)	(84,511)	(70,916)	21,802	16,677	15,567
Total district expenses	<u>\$ 3,633,428</u>	<u>\$ 3,735,411</u>	<u>\$ 4,514,549</u>	<u>\$ 4,117,132</u>	<u>\$ 4,230,350</u>	<u>\$ 4,134,931</u>	<u>\$ 4,171,990</u>	<u>\$ 4,338,834</u>	<u>\$ 7,052,765</u>	<u>\$ 6,783,672</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	(3,633,428)	(3,735,411)	(4,077,065)	(4,305,260)	(4,339,561)	(4,219,442)	(4,242,906)	(4,317,032)	(7,036,088)	(6,768,105)
Business-type activities	-	-	437,484	(188,128)	(109,211)	(84,511)	(70,916)	(21,802)	(16,677)	(15,567)
Total district-wide net expense	<u>\$ (3,633,428)</u>	<u>\$ (3,735,411)</u>	<u>\$ (4,514,549)</u>	<u>\$ (4,117,132)</u>	<u>\$ (4,230,350)</u>	<u>\$ (4,134,891)</u>	<u>\$ (4,171,990)</u>	<u>\$ (4,338,834)</u>	<u>\$ (7,052,765)</u>	<u>\$ (6,783,672)</u>
<b>General Revenues and Other Changes in Net Assets/Position</b>										
Governmental activities:										
Property taxes levied for general purposes, :	\$ 3,187,567	\$ 3,473,180	\$ 3,732,953	\$ 3,872,939	\$ 3,940,715	\$ 4,019,640	\$ 3,939,365	\$ 4,012,243	\$ 2,719,959	\$ 2,768,851
Taxes levied for debt service	147,628	148,603	99,163	149,350	149,280	45,393	-	-	-	-
Unrestricted grants and contributions	193,755	197,151	223,030	291,260	277,649	66,030	81,716	103,951	3,667,492	3,640,995
State aid - restricted	63,360	59,459	57,047	59,021	78,886	70,919	78,837	53,999	756,220	669,523
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	17,790	30,364	20,902	3,551	591	740	-	40	1,889	2,188
Miscellaneous income	244	159,802	346,411	63,455	100,335	155,103	149,253	111,729	39,937	25,589
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>\$ 3,610,344</u>	<u>\$ 4,068,559</u>	<u>\$ 4,479,506</u>	<u>\$ 4,439,576</u>	<u>\$ 4,547,456</u>	<u>\$ 4,357,815</u>	<u>\$ 4,249,171</u>	<u>\$ 4,281,962</u>	<u>\$ 7,185,497</u>	<u>\$ 7,107,146</u>
Business-type activities:										
Investment earnings	-	-	-	8,840	730	844	310	262	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	8,840	730	844	310	262	-	-
Total district-wide	<u>\$ 3,610,344</u>	<u>\$ 4,068,559</u>	<u>\$ 4,479,506</u>	<u>\$ 4,448,416</u>	<u>\$ 4,548,186</u>	<u>\$ 4,358,659</u>	<u>\$ 4,249,481</u>	<u>\$ 4,282,224</u>	<u>\$ 7,185,497</u>	<u>\$ 7,107,146</u>
<b>Change in Net Assets/Position</b>										
Governmental activities	(23,084)	333,148	402,441	134,316	207,895	138,373	6,265	(35,070)	149,409	339,041
Business-type activities	-	-	-	196,968	109,941	85,395	71,226	(21,540)	(16,677)	(15,567)
Total district	<u>\$ (23,084)</u>	<u>\$ 333,148</u>	<u>\$ 402,441</u>	<u>\$ 331,284</u>	<u>\$ 317,836</u>	<u>\$ 223,768</u>	<u>\$ 77,491</u>	<u>\$ (56,610)</u>	<u>\$ 132,732</u>	<u>\$ 323,474</u>

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 163,380	\$ 107,137	\$ 130,686	\$ 183,809	\$ 313,242	\$ 514,354	\$ 609,483	\$ 703,620	\$ 1,371,379	\$ 1,614,184
Unreserved	87,786	243,984	258,564	355,204	387,905	296,905	245,565	242,559	(67,635)	(79,992)
Total general fund	<u>\$ 251,166</u>	<u>\$ 351,121</u>	<u>\$ 389,250</u>	<u>\$ 539,013</u>	<u>\$ 701,147</u>	<u>\$ 811,259</u>	<u>\$ 855,048</u>	<u>\$ 946,179</u>	<u>\$ 1,303,744</u>	<u>\$ 1,534,192</u>
All Other Governmental Funds										
Reserved	\$ 54,319	\$ 45,661	\$ 99,796	\$ 5,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	176,748	165,832	80,519	13,496	-	-	-	-	-
Debt service fund	(3,274)	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 51,045</u>	<u>\$ 222,409</u>	<u>\$ 265,628</u>	<u>\$ 86,504</u>	<u>\$ 13,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>											
Tax levy	3,230,916	3,335,195	3,621,783	3,832,116	4,022,289	4,089,995	4,065,023	3,939,365	4,012,243	2,719,959	2,768,851
Tuition charges	-	-	-	51,700	79,700	130,954	137,100	144,117	107,743	-	-
Interest earnings	13,440	17,790	30,364	20,902	3,551	591	740	-	40	1,889	2,188
Miscellaneous	11,668	244	159,802	244,711	3,101	1,381	18,003	5,136	3,986	40,657	25,589
State sources	409,002	421,879	428,108	559,435	508,673	497,333	286,917	363,281	445,603	4,432,481	4,391,802
Federal sources	59,868	58,859	58,958	57,047	59,021	78,886	70,919	78,837	53,999	344,010	352,239
<b>Total revenue</b>	<b>3,724,894</b>	<b>3,833,967</b>	<b>4,299,015</b>	<b>4,765,911</b>	<b>4,676,335</b>	<b>4,799,140</b>	<b>4,578,702</b>	<b>4,530,736</b>	<b>4,623,614</b>	<b>7,538,996</b>	<b>7,540,669</b>
<b>Expenditures</b>											
<b>Instruction</b>											
Regular Instruction	996,274	1,035,717	1,142,415	1,227,542	1,179,181	1,245,862	1,189,107	1,268,103	1,225,160	1,681,078	1,758,381
Special education instruction	36,963	120,082	124,760	130,033	244,326	250,424	302,575	393,262	306,228	416,758	369,920
Other special instruction	81,999	59,994	75,064	68,764	72,998	81,184	78,568	102,281	122,798	117,006	133,143
<b>Support Services:</b>											
Tuition	694,060	810,496	762,759	1,054,712	1,064,404	984,230	804,778	691,863	886,691	2,189,196	1,857,639
Student & inst. related services	313,383	167,810	176,396	196,847	182,584	198,413	213,352	208,023	164,838	99,394	109,811
General administration	153,271	123,440	123,348	127,431	120,072	133,957	132,716	133,846	128,399	217,921	218,018
School administrative services	90,426	61,540	62,846	72,778	72,917	75,887	77,057	78,339	73,385	20,460	18,341
Central services	105,532	84,982	86,362	74,593	78,434	82,949	81,526	68,584	78,454	140,943	142,852
Admin. information technology	5,000	5,235	2,798	3,723	2,926	3,028	3,074	2,615	3,186	13,292	13,824
Plant operations and maintenance	297,835	275,405	295,596	316,305	310,126	334,255	310,399	274,311	280,173	417,707	425,746
Pupil transportation	61,003	90,890	80,266	69,360	82,133	75,314	121,464	114,042	138,189	399,825	321,680
Other Support Services	-	249,731	236,714	167,406	276,234	253,007	301,520	298,351	312,466	718,776	619,725
Employee benefits	343,908	637,643	669,459	826,158	685,684	701,869	686,127	755,253	804,564	961,526	1,101,468
Special Schools	-	-	-	-	-	-	-	-	-	-	-
<b>Debt service:</b>											
Principal	110,000	115,000	120,000	125,000	130,000	135,000	140,000	82,000	-	-	-
Interest and other charges	36,478	32,628	28,603	24,163	19,350	14,280	8,879	3,280	-	-	-
Capital outlay	-	-	-	249,748	184,327	108,355	30,944	12,794	7,952	28,671	937,967
<b>Total expenditures</b>	<b>3,326,132</b>	<b>3,870,593</b>	<b>3,987,386</b>	<b>4,734,563</b>	<b>4,705,696</b>	<b>4,678,014</b>	<b>4,482,086</b>	<b>4,486,947</b>	<b>4,532,483</b>	<b>7,422,553</b>	<b>8,028,515</b>
Excess (Deficiency) of revenues over (under) expenditures	398,762	(36,626)	311,629	31,348	(29,361)	121,126	96,616	43,789	91,131	116,443	(487,846)
<b>Other Financing sources (uses)</b>											
Transfers in	-	-	-	80,000	-	501	103,496	-	-	-	1,031,000
Transfers out	-	-	-	(30,000)	-	(32,501)	(103,496)	-	-	-	12,445
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>(32,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,043,445</b>
<b>Net change in fund balances</b>	<b>398,762</b>	<b>(36,626)</b>	<b>311,629</b>	<b>81,348</b>	<b>(29,361)</b>	<b>89,126</b>	<b>96,616</b>	<b>43,789</b>	<b>91,131</b>	<b>116,443</b>	<b>555,599</b>
Debt service as a percentage of noncapital expenditures	0.033	0.030	0.030	0.079	0.067	0.052	0.038	0.021	0.002	0.004	0.117

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

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

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

Fiscal Year Ending June 30,	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Transporta tion Fees</u>	<u>Special Revenue Interfund</u>	<u>Refunds</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2007	15,141	8,654	10,287	-	-	54,802	88,884
2008	12,128	-	8,915	-	-	19,063	40,106
2009	5,810	-	7,644	-	-	33,269	46,723
2010	1,619	-	-	-	-	17,252	18,871
2011	4,360	-	-	-	-	29,233	33,593
2012	668	-	-	-	-	10,187	10,855
2013	4,486	-	-	82,777	-	22,191	109,454
2014	1,889	-	-	-	3,171	37,486	42,546
2015	1,686	-	-	-	3,171	22,418	27,275

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2007	709,500	75,064,400	4,595,300	2130200	800400	83,299,800	95,244	83,395,044	135,328,369	3.031
2008	906,100	75,458,000	4,436,900	2130200	400000	83,331,200	90,800	83,422,000	151,158,917	3.103
2009	960,300	75,849,800	4,268,200	1932700	800400	83,811,400	177,817	83,989,217	154,948,050	3.191
2010	851,300	76,204,300	4,128,100	1932700	800400	83,916,800	96,041	84,012,841	149,985,344	3.215
2011	878,000	76,366,500	4,105,900	1932700	712000	83,995,100	87,019	84,082,119	151,039,336	3.206
2012	1,157,900	111,855,100	5,939,400	2419900	960800	122,333,100	109,860	122,442,960	130,814,824	2.219
2013	1,093,000	111,216,400	5,903,300	2419900	960800	121,593,400	149,602	121,743,002	126,157,962	2.244
2014	1,105,500	110,371,900	6,049,100	2419900	960800	120,907,200	126,223	121,033,423	117,961,711	2.288
2015	1,056,400	109,917,300	5,759,500	2269900	960800	119,963,900	100	119,964,000	113,492,888	2.425

Source: Municipal Tax Assessor

**BEVERLY CITY SCHOOL DISTRICT  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

**UNAUDITED**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	BEVERLY CITY School District Direct Rate		Overlapping Rates			Fire District	Total Direct and Overlapping Tax Rate
	Local School	City Of Beverly	Burlington County	County Open Space			
2006	2.894	1.433	0.578	0.058	0.161	5.124	
2007	3.031	1.437	0.617	0.065	0.160	5.310	
2008	3.103	1.422	0.629	0.072	0.159	5.385	
2009	3.191	1.444	0.706	0.075	0.159	5.575	
2010	3.215	1.542	0.731	0.077	0.159	5.724	
2011	3.206	1.700	0.609	0.072	0.162	5.749	
2012	2.219	1.217	0.405	0.043	0.114	3.998	
2013	2.244	1.367	0.377	0.016	0.116	4.120	
2014	2.288	1.406	0.356	0.015	0.119	4.184	
2015	2.425	1.445	0.354	0.038	0.127	4.389	

**Source: Municipal Tax Collector**

R = Reevaluation

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

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

	2015			2006		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ -		0.00%	\$ -		0.00%
Taxpayer 2	-		0.00%	-		0.00%
Taxpayer 3	-		0.00%	-		0.00%
Taxpayer 4	-		0.00%	-		0.00%
Taxpayer 5	-		0.00%	-		0.00%
Taxpayer 6	-		0.00%	-		0.00%
Taxpayer 7	-		0.00%	-		0.00%
Taxpayer 8	-		0.00%	-		0.00%
Taxpayer 9	-		0.00%	-		0.00%
Taxpayer 10	-		0.00%	-		0.00%
<b>Total</b>	<b>\$ -</b>		<b>0.00%</b>	<b>\$ -</b>		<b>0.00%</b>

Source: Municipal Tax Assessor

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

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Current Tax Collections	Percentage of Levy	
2007	2,504,756	2,504,756	100.00%	-
2008	2,550,119	2,550,119	100.00%	-
2009	2,652,124	2,652,124	100.00%	-
2010	2,702,584	2,702,584	100.00%	-
2011	2,699,728	2,699,728	100.00%	-
2012	2,744,959	2,744,959	100.00%	-
2013	2,744,959	2,744,959	100.00%	-
2014	2,719,959	2,719,959	100.00%	-
2015	-	-	0.00%	-

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

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

Fiscal Year Ended June 30,	<u>Business- Type Activities</u>		Percentage of Personal Income <sup>a</sup>	<u>Per Capita <sup>a</sup></u>
	<u>Capital Leases</u>	<u>Total District</u>		
2007	140,367	140,367	-	-
2008	102,755	102,755	-	-
2009	70,064	70,064	-	-
2010	35,836	35,836	-	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	-	-	-	0.0000%	-
2007	-	-	-	0.0000%	-
2008	-	-	-	0.0000%	-
2009	-	-	-	0.0000%	-
2010	-	-	-	0.0000%	-
2011	-	-	-	0.0000%	-
2012	-	-	-	0.0000%	-
2013	-	-	-	0.0000%	-
2014	-	-	-	0.0000%	-
2015	1,031,000	-	1,031,000	0.0000%	-



**BEVERLY CITY SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2015**  
**UNAUDITED**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
County of Burlington	\$ 395,252,496	0.295%	\$ 1,165,995
Subtotal, overlapping debt			1,165,995
<b>Total direct and overlapping debt</b>			<b>\$ 1,165,995</b>

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

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

**Legal Debt Margin Calculation for Fiscal Year 2015**

	Equalized valuation basis	
	2015	-
	2014	-
	2013	-
	<b>[A]</b>	<b>-</b>
	<b>[A/3]</b>	<b>\$ -</b>
<b>Debt limit (3% of average equalization value)</b>	<b>[B]</b>	<b>- a</b>
<b>Total Net Debt Applicable to Limit</b>	<b>[C]</b>	<b>-</b>
<b>Legal debt margin</b>	<b>[B-C]</b>	<b>\$ -</b>

	Fiscal Year								
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 3,584,433	\$ 4,022,905	\$ 4,382,701	\$ 4,382,701	\$ 4,364,726	\$ 4,460,875	\$ -	\$ -	\$ -
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 3,584,433</u>	<u>\$ 4,022,905</u>	<u>\$ 4,382,701</u>	<u>\$ 4,382,701</u>	<u>\$ 4,364,726</u>	<u>\$ 4,460,875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total net debt applicable to the limit as a percentage of debt	0.00%	0.00%	0.00%	0.63%	0.46%	0.00%	0.00%	0.00%	0.00%

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

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

Year	Population <sup>a</sup>	Burlington County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2006	2,633	44,519	-
2007	2,590	46,295	-
2008	2,569	47,758	11.6%
2009	2,572	47,384	19.1%
2010*	2,575	47,586	20.2%
2011	2,577	49,471	19.7%
2012	2,575	51,149	20.3%
2013	2,561	51,638	14.1%
2014	2,554	-	9.7%
2015	-	-	0.0%

**Source:**

\* 2010 Census

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

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

Employer	2015			2006		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
Information not available						
	-		0.00%	-		0.00%

Source:

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

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

**Source:** District Personnel Records

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

BEVERLY CITY SCHOOL DISTRICT  
Operating Statistics,  
Last Eight Fiscal Years  
UNAUDITED

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

**Sources:** District records

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>District Building</b>										
<u>Elementary</u>										
BEVERLY CITY Elementary										
Square Feet	38,112	38,112	38,112	38,112	38,112	38,112	38,112	38,112	38,112	38,112
Capacity (students)	286	286	286	286	286	286	286	286	286	286
Enrollment	271	223	220	219	237	298	305	310	277	305

Number of Schools at June 30, 2014:

Elementary = 1

**Source:** District Facilities Office

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

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

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

* School Facilities Project # (s)	Beverly City Elementary School	Total
2006	55,686	55,686
2007	44,123	44,123
2008	31,954	31,954
2009	25,945	25,945
2010	45,160	45,160
2011	51,374	51,374
2012	45,836	45,836
2013	155,048	155,048
2014	70,171	70,171
2015	66,132	66,132
Total School Facilities	\$ 591,429	\$ 591,429

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

Source: District records



**BEVERLY CITY SCHOOL DISTRICT  
Insurance Schedule  
June 30, 2015  
UNAUDITED**

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

SINGLE AUDIT SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Beverly City Board of Education in the County of Burlington, 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 of the Beverly City Board of Education basic financial statements, and have issued our report thereon dated November 20, 2015.

**Internal Control Over Financial Reporting**

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

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

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

#### **Compliance and Other Matters**

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

#### **Purpose of this Report**

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

Respectfully Submitted,



Jump, Perry and Company, L.L.P.  
Toms River, NJ



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

Toms River, NJ  
November 20, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY  
OMB CIRCULAR 04-04 AND/OR 15-08**

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

**Report on Compliance for Each Major Federal and State Program**

We have audited Beverly City Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey OMB Circular 04-04 and/or 15-08* that could have a direct and material effect on each of Beverly City Board of Education's major federal and state programs for the year ended June 30, 2015. Beverly City Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Beverly City Board of Education'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 *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and *New Jersey OMB's Circular(s) 04-04 and/or 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and *OMB Circular A-133* and the *New Jersey OMB Circular 04-04 and/or 15-08* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Beverly City Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## **Opinion on Each Major Federal and State Program**

In our opinion, Beverly City Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

## **Report on Internal Control Over Compliance**

Management of Beverly City Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Beverly City Board of Education'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 the *New Jersey OMB 04-04 and/or 15-08*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Beverly City Board of Education's internal control over compliance.

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

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

**Purpose Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *OMB Circular A-133* and *New Jersey State OMB Circular 04-04* and/or *15-08*. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Jump, Perry and Company, L.L.P.  
Toms River, NJ



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

Toms River, NJ  
November 20, 2015

**BEVERLY CITY SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards, Schedule A**  
**for the Fiscal Year ended June 30, 2015**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	Grant Period		Balance at June 30, 2014	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2015		
			From	To							Accounts Receivable	Deferred Revenue	Due to Grantor
<b>U.S. Department of Education</b>													
General Fund:													
Impact Aid	84.041	14,685	7/1/14	6/30/15	\$ -	\$ -	\$ 14,685	\$ (14,685)	\$ -	\$ -	\$ -	\$ -	\$ -
Medical Assistance Program	93.778	4,348	7/1/14	6/30/15	-	-	4,348	(4,348)	-	-	-	-	-
					<u>-</u>	<u>-</u>	<u>19,033</u>	<u>(19,033)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Agriculture</b>													
Passed-through State Department of Education:													
Food Service Fund:													
Food Distribution Program	10.550	14,204	9/1/13	8/31/14	1,516	-	-	(1,516)	-	-	-	-	-
Food Distribution Program	10.550	15,186	7/1/14	6/30/15	-	-	15,186	(15,186)	-	-	-	-	-
National School Lunch Program	10.555	82,916	9/1/13	8/31/14	(14,758)	-	14,758	-	-	-	-	-	-
National School Lunch Program	10.555	88,661	7/1/14	6/30/15	-	-	83,523	(88,661)	-	-	(5,138)	-	-
National School Breakfast Program	10.553	43,529	9/1/13	8/31/14	(8,788)	-	8,788	-	-	-	-	-	-
National School Breakfast Program	10.553	41,971	7/1/14	6/30/15	-	-	38,857	(41,971)	-	-	(3,114)	-	-
Total Food Service Fund					<u>(22,030)</u>	<u>-</u>	<u>161,112</u>	<u>(147,334)</u>	<u>-</u>	<u>-</u>	<u>(8,252)</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Education</b>													
Passed-through State Department of Education													
Special Revenue Fund:													
I.D.E.A. Part B, Basic Regular	84.027	113,178	7/1/14	6/30/15	-	-	11,178	(113,178)	-	-	(102,000)	-	-
I.D.E.A. Part B, Preschool	84.027	3,048	7/1/14	6/30/15	-	-	3,048	(3,048)	-	-	-	-	-
Title I, Part A	84.010	177,559	7/1/14	6/30/15	-	-	177,559	(177,559)	-	-	-	-	-
Title II, Part A	84.168	31,778	7/1/14	6/30/15	-	-	31,778	(31,778)	-	-	-	-	-
Race to the Top	84.413A	7,643	7/1/14	6/30/15	-	-	7,643	(7,643)	-	-	-	-	-
Total Special Revenue Fund					<u>-</u>	<u>-</u>	<u>231,206</u>	<u>(333,206)</u>	<u>-</u>	<u>-</u>	<u>(102,000)</u>	<u>-</u>	<u>-</u>
					<u>\$ (22,030)</u>	<u>\$ -</u>	<u>\$ 411,351</u>	<u>\$ (499,573)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (110,252)</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to schedules of expenditures.



BEVERLY CITY SCHOOL DISTRICT

Schedule K-4

Schedule of Expenditures of State Awards, Schedule B  
for the Fiscal Year ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014				Budgetary Expenditures	Adjustments/Repayment of Prior Years*	Balance at June 30, 2015			MEMO	
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover/(Walkover) Amount	Cash Received			(Accounts Receivable)	Deferred Revenue/Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>															
General Fund:															
Transportation Aid	15-495-034-5120-014	196,255	7/1/14	6/30/15	\$ -	\$ -	\$ -	\$ 196,255	\$ (196,255)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196,255
Special Education Aid	15-495-034-5120-012	167,839	7/1/14	6/30/15	-	-	-	167,839	(167,839)	-	-	-	-	-	167,839
Equalization Aid	15-495-034-5120-078	2,397,552	7/1/14	6/30/15	-	-	-	2,046,474	(2,397,552)	-	-	-	-	351,078	2,397,552
Extraordinary Aid	14-495-034-5120-044	35,981	7/1/13	6/30/14	(35,981)	-	-	35,981	-	-	-	-	-	-	-
Extraordinary Aid	15-495-034-5120-044	14,676	7/1/14	6/30/15	-	-	-	376	(14,676)	-	(14,300)	-	-	-	14,676
Security Aid	15-495-034-5120-084	86,245	7/1/14	6/30/15	-	-	-	86,245	(86,245)	-	-	-	-	-	86,245
Adjustment Aid	15-495-034-5120-085	863,310	7/1/14	6/30/15	-	-	-	863,310	(863,310)	-	-	-	-	-	863,310
Additional non-public transportation	15-495-034-5120-014	5,747	7/1/14	6/30/15	-	-	-	5,747	(5,747)	-	-	-	-	-	5,747
PARCC Readiness	15-495-034-5120-098	3,550	7/1/14	6/30/15	-	-	-	3,550	(3,550)	-	-	-	-	-	3,550
Per Pupil Growth Aid	15-495-034-5120-097	3,550	7/1/14	6/30/15	-	-	-	3,550	(3,550)	-	-	-	-	-	3,550
Non-Public Transportation	15-495-034-5120-014	6,786	7/1/14	6/30/15	-	-	-	-	(6,786)	-	(6,786)	-	-	-	-
Reimbursed PPAF Social Security Contributions	15-495-034-5095-022	156,523	7/1/14	6/30/15	-	-	-	148,835	(156,523)	-	(7,688)	-	-	-	156,523
Total General Fund					(35,981)	-	-	3,558,162	(3,902,033)	-	(28,774)	-	-	351,078	3,895,247
Special Revenue Fund:															
Freschool Education Aid	15-495-034-5120-086	317,284	7/1/14	6/30/15	-	-	-	317,284	(317,284)	-	-	-	-	-	317,284
Total Special Revenue Fund					-	-	-	317,284	(317,284)	-	-	-	-	-	317,284
Food Service Fund:															
National School Lunch Program (State Sh)	15-100-010-3360-067	1,790	7/1/14	6/30/15	-	-	-	1,686	(1,790)	-	(104)	-	-	-	-
National School Lunch Program (State Sh)	14-100-010-3360-067	1,790	7/1/13	6/30/14	(303)	-	-	303	-	-	-	-	-	-	-
Total Food Services Fund					(303)	-	-	1,989	(1,790)	-	(104)	-	-	-	-
Total State Financial Assistance					\$ (36,284)	\$ -	\$ -	\$ 3,877,435	\$ (4,221,107)	\$ -	\$ (28,878)	\$ -	\$ -	\$ 351,078	\$ 4,212,531

See accompanying notes to schedules of expenditures.

Beverly City Board of Education

Notes to Schedules of Awards and Financial Assistance

June 30, 2015

1. General

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

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

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

Beverly City Board of Education

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2015

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$79,690) for the general fund and \$37,238 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>TPAF</u>	<u>Total</u>
General Fund	\$ 19,033	\$ 4,074,518	\$ (169,947)	\$ 3,923,604
Special Revenue Fund	333,206	317,284	-	650,490
Food Service Fund	<u>145,818</u>	<u>1,790</u>	<u>-</u>	<u>147,608</u>
Total awards and financial assistance	<u>\$ 498,057</u>	<u>\$ 4,393,592</u>	<u>\$ (169,947)</u>	<u>\$ 4,721,702</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2015.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 04-04 and/or 15-08.

Beverly City Board of Education  
 Schedule of Findings and Questioned Cost  
 June 30, 2015

**Section I – Summary of Auditor’s Results**

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

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

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

Federal Awards Section    **N/A**

Internal Control over major programs:

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

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

Any audit findings disclosed that are  
 required to be reported in accordance  
 with section .510(a) of Circular A-133?     yes                     no

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs:  
 \$300,000

Auditee qualified as low-risk auditee?     yes                     no

Beverly City Board of Education

Schedule of Findings and Questioned Cost (continued)

June 30, 2015

**Section I – Summary of Auditor’s Results (continued)**

State Awards Section

Dollar threshold used to distinguish between type A and type B programs:  
\$300,000

Auditee qualified as low-risk auditee? No

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

Internal Control over major programs:

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04 and/or 15-08? \_\_\_\_\_yes  X no

Identification of major programs:

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

**Section II – Financial Statement Findings**

No matters were reported for the period ended June 30, 2015.

**Section III – State Award Findings and Questioned Costs**

No matters were reported for the period ended June 30, 2015.

Beverly City Board of Education

Summary Schedule of Prior Audit Findings

June 30, 2015

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04 and/or 15-08.

No matters were reported for the period ended June 30, 2014.