

SCHOOL DISTRICT

OF

SEASIDE PARK



**SEASIDE PARK BOARD OF EDUCATION
SEASIDE PARK, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

SEASIDE PARK BOARD OF EDUCATION

SEASIDE PARK, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

PREPARED BY

**SEASIDE PARK BOARD OF EDUCATION
FINANCE DEPARTMENT**

SEASIDE PARK SCHOOL DISTRICT

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INTRODUCTORY SECTION

Seaside Park Board of Education

107 Third Avenue
Seaside Park, New Jersey 08752

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Fax: (732) 793-4025

November 7, 2011

Honorable President and
Members of the Board of Education
Seaside Park Borough School District
Seaside Park, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Seaside Park Borough School District for the fiscal year ended June 30, 2011 is hereby submitted. Responsibility for both the accuracy of the date and completeness and fairness of the presentation, including all disclosures, rests with the management of the Seaside Park Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.A. Office of Management and Budget Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular as well as special education for handicapped youngsters. The District completed the 2010-2011 fiscal year with an enrollment of 56 students. Students in grades K-6 attend the Toms River Regional School District as tuition students. Pre-School students attend the Seaside Heights School District. The following details the changes in student enrollment of the District over the last ten years as recorded in the ASSA (Application for State School Aid) report submitted annually as of October 15th of each year.

ASSA ENROLLMENT
October 15th

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2010-2011	47
2009-2010	59
2008-2009	74
2007-2008	78
2006-2007	88
2005-2006	103
2004-2005	113
2003-2004	121
2002-2003	121
2001-2002	125
2000-2001	127

2. **ECONOMIC CONDITION AND OUTLOOK:** The community itself reflects the long, narrow shape of the sandbar on which it is located. The major streets are oriented parallel to the coastline. The result is one of through traffic in a north/south direction with most of the commercial development oriented to these streets. The cross streets are short and many are less than two blocks long from ocean to bay.

Overall, the borough is 95 percent developed. The 5 percent recorded as vacant consists of scattered parcels. The largest portion is around the boat yard between "I" and "K" Streets on the bay side of the island.

The Seaside Park School District entered into a send-receive district September 1, 2010, sending its' PreK students to Seaside Heights, its' K-6 students to the Toms River School District yet continues to have some 7-12 students attend Central Regional while there are some 7-12 students going to Toms River.

3. **MAJOR INITIATIVES:** The Borough Council and the Board of Education continue to explore options to reduce the continued heavy tax burden as a result of the Regional District it still sends to.

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 the financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the 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 cancelled or are included in reappropriated and reported as reservations of fund balance at June 30, 2011.

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. **DEBT ADMINISTRATORS:** In July 1995 the District made its last Debt Service payment on bonds that were issued to purchase and renovate the current Board Office building.

8. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit 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.

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

Centric Insurance Agency brokers the majority of Seaside Park Board of Education insurance coverage.

10. **OTHER INFORMATION:** Independent Audit: State of New Jersey statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart and Company, CPAs, was selected by the Seaside Park Board of Education. In addition to meeting the requirements set forth in State statutes, the audit is also designed to meet the requirements of the single Audit Act of 1984 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



Barry J. Parlman
School Business Administrator/
Board Secretary

JUNE 30, 2011

MEMBERS OF THE BOARD OF EDUCATION:	<u>TERM EXPIRES</u>
John Haas, President	2014
Mary Jo Sites, Vice President	2012
Nancy Carlson	2013
Gary Yedman	2013
Charles Appleby	2012

OTHER OFFICIALS:

Frank Roselli, Superintendent
Barry J. Parlman, Business Administrator/Board Secretary
Elizabeth Sarantinoudis, Treasurer of School Monies

CONSULTANTS & ADVISORS**JUNE 30, 2011**

AUDIT FIRM:

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

ATTORNEY:

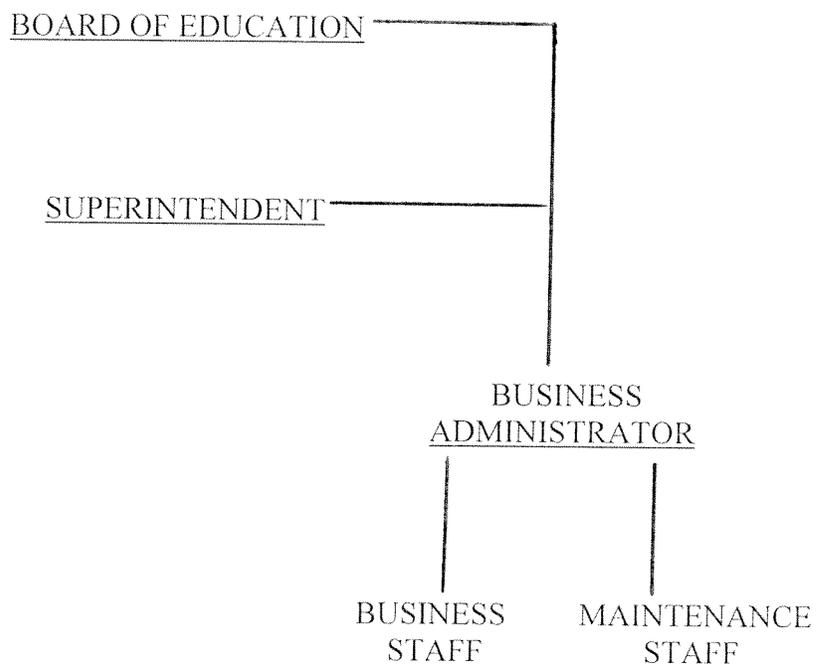
Robert Budes, Esquire
Berry, Sahradnik, Kotzas & Benson
212 Hooper Avenue
P.O. Box 757
Toms River, New Jersey 08754

OFFICIAL DEPOSITORIES:

Wachovia Bank N.A., Roanoke, Virginia
Bank of America, Tampa, Florida

ORGANIZATIONAL CHART

JUNE 30, 2011



FINANCIAL SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
 of the Board of Education
 Seaside Park School District
 County of Ocean
 Seaside Park, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Seaside Park School District, in the County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Seaside Park Board of Education's management. 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; 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 Division of 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Seaside Park Board of Education, in the County of Ocean, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2011, on our consideration of the Seaside Park Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 12 through 17 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Seaside Park Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual non-major fund financial statements, long-term debt schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 7, 2011

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

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

REPORT ON COMPLIANCE AND 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

K-1

Honorable President and Members
 of the Board of Education
 Seaside Park School District
 County of Ocean
 Seaside Park, New Jersey

We have audited the general-purpose financial statements of the Board of Education of the Seaside Park School District, in the County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated November 7, 2011. We conducted our audit 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 audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Seaside Park Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Seaside Park Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Seaside Park Board of Education's internal control over financial reporting.

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 misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Seaside Park Board of Education's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of general-purpose 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.

This report is intended solely for the information and use of the audit committee, management, the Seaside Park Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 7, 2011

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

SEASIDE PARK SCHOOL DISTRICT
BOROUGH OF SEASIDE PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED

The discussion and analysis of Seaside Park School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

Financial Highlights

Key Financial highlights for the 2010-2011 fiscal year is as follows:

- General revenues accounted for \$977,107 in revenue or 93% 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 \$70,937 or 7% percent to total revenues.
- Total assets of governmental activities decreased by \$122,257.
- The School District had \$1,170,300 in expenses; only \$70,937 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$977,107 were adequate to provide for these programs.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during the 2010-2011 fiscal year?” The Statement of Net Assets and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District’s Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

Table 1 provides a summary of the School District's net assets for the fiscal years ended 2011 and 2010.

	Table 1	
	Net Assets	
	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Current and Other Assets	\$ 447,526	590,985
Capital Assets, Net	<u>420,166</u>	<u>429,411</u>
Total Assets	<u>\$ 867,692</u>	<u>1,020,396</u>
<u>Liabilities</u>		
Other Liabilities	<u>\$ 43,152</u>	<u>84,588</u>
Total Liabilities	<u>\$ 43,152</u>	<u>84,588</u>
<u>Net Assets</u>		
Invested in Capital Assets, Net of Debt	\$ 420,166	429,411
Restricted	251,304	385,316
Unrestricted	<u>153,070</u>	<u>121,081</u>
Total Net Assets	<u>\$ 824,540</u>	<u>935,808</u>

Table 2 shows the changes in net assets for fiscal years ended 2011 and 2010.

Table 2
Changes in Net Assets

	<u>2011</u>	<u>2010</u>
<u>Revenues</u>		
Program Revenues		
Charges for Services	\$	4,610
Operating Grants and Contributions	70,937	90,259
General Revenues		
Property Taxes	769,530	1,148,650
Grants and Entitlements	204,535	250,314
Other	<u>3,042</u>	<u>9,974</u>
Total Revenues	<u>1,048,044</u>	<u>1,503,807</u>
<u>Program Expenses</u>		
Instruction	55,434	758,215
Support Services		
Pupils and Instructional Staff	711,125	205,092
General Administration, School Administration,		
Business	137,356	214,556
Operations and Maintenance of Facilities	59,966	100,032
Pupil Transportation	52,676	7,509
Unallocated Benefits (& Allocated)	153,743	252,286
Food Service		<u>55,983</u>
Total Expenses	<u>1,170,300</u>	<u>1,593,673</u>
Increase in Net Assets	<u>\$ (122,256)</u>	<u>(89,866)</u>

Business-Type Activities

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

- Food service revenues exceeded expenses by \$1.

Governmental Activities

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

School Board Funds

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

As the School Board completed the fiscal year ended June 30, 2011, it reported a combined net asset balance of \$824,540. The Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net assets.

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

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

School Board Funds - Continued

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

The General Fund finished the fiscal year at \$401,215, a decrease of \$115,183 from 2009-2010.

Capital Assets

At June 30, 2011, the School Board had approximately \$1,097,002 invested in a broad range of capital assets, including land, buildings, furniture, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2011 fiscal year.

	<u>Governmental Activities</u>
Table II	
Capital Assets at June 30, 2011	
Land	\$ 271,300
Buildings	148,500
Machinery and Equipment	<u>366</u>
Total	<u>\$ 420,166</u>

Economic Factors and Next Year's Budget

The Seaside Park School District is in very good financial condition presently. Future finances are not without challenges as state funding is decreased.

The \$147,034 in unrestricted net assets for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's noncurrent liabilities such as compensated absences, the School Board would have a surplus of \$147,034.

In conclusion, the Seaside Park School District has committed itself to financial excellence for many years. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Barry J. Parlman, School Business Administrator/Board Secretary at Seaside Park Board of Education, 107 Third Avenue, Seaside Park, NJ 08752.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

STATEMENT OF NET ASSETS

Exhibit A-1

JUNE 30, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 361,321	6,036	367,357
Receivables, Net	80,169		80,169
Capital Assets, Net	420,166		420,166
Total Assets	<u>861,656</u>	<u>6,036</u>	<u>867,692</u>
<u>Liabilities</u>			
Accounts Payable	43,152		43,152
Total Liabilities	<u>43,152</u>	<u>-</u>	<u>43,152</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	420,166		420,166
Restricted For:			
Other Purposes	251,304		251,304
Unrestricted	147,034	6,036	153,070
Total Net Assets	<u>\$ 818,504</u>	<u>6,036</u>	<u>824,540</u>

The accompanying notes to financial statements are an integral part of this statement.

SEASIDE PARK SCHOOL DISTRICT

Exhibit A-2
Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$ 11,889			(11,889)		(11,889)
Special Education	43,545		43,545	-		-
Support Services:						
Tuition	685,904		2,171	(683,733)		(683,733)
Student & Instruction Related Services	25,221		25,221	-		-
Other Administrative Services	137,356			(137,356)		(137,356)
Plant Operations and Maintenance	59,966			(59,966)		(59,966)
Pupil Transportation	52,676			(52,676)		(52,676)
Unallocated Benefits	153,743			(153,743)		(153,743)
Total Government Activities	1,170,300	-	70,937	(1,099,363)	-	(1,099,363)
Business-Type Activities:						
Food Service	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	-
Total Primary Government	1,170,300	-	70,937	(1,099,363)	-	(1,099,363)

SEASIDE PARK SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purpose, Net				\$ 769,530		769,530
Federal and State Aid Not Restricted				204,535		204,535
Miscellaneous Income				3,041	1	3,042
Total General Revenues, Special Items, Extraordinary Items and Transfers				977,106	1	977,107
Change in Net Assets				(122,257)	1	(122,256)
Adjustment: Prior Year State Aid Reported in Incorrect Fund				11,258		11,258
Net Assets - Beginning				929,503	6,305	935,808
Net Assets - Ending				\$ 818,504	6,306	824,810

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 361,321		361,321
Receivables, Net	39,894	40,275	80,169
Total Assets	<u>\$ 401,215</u>	<u>40,275</u>	<u>441,490</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Interfund Payable	\$ -	39,894	39,894
Deferred Revenue		3,258	3,258
Total Liabilities	<u>-</u>	<u>43,152</u>	<u>43,152</u>
Fund Balance:			
Reserved for:			
Designated for Subsequent Years Expenditures	196,304		196,304
Emergency Reserve Account	55,000		55,000
Unreserved, Reported In:			
Special Revenue Fund		(2,877)	(2,877)
General Fund	149,911		149,911
Total Fund Balances	<u>401,215</u>	<u>(2,877)</u>	<u>398,338</u>
Total Liabilities and Fund Balance	<u>\$ 401,215</u>	<u>40,275</u>	

Amounts reported for governmental activities in the Statement of Net Assets (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 \$1,097,002 and the accumulated depreciation is \$676,836.

	<u>420,166</u>
Net assets of governmental activities	<u>\$ 818,504</u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCESGOVERNMENTAL FUNDSFOR THE YEAR ENDED JUNE 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>			
Local Sources:			
Local Tax Levy	\$ 769,530		769,530
Miscellaneous	3,041		3,041
Total Local Sources	<u>772,571</u>	<u>-</u>	<u>772,571</u>
State Sources	204,535	30,662	235,197
Federal Sources		40,275	40,275
Total Revenues	<u>977,106</u>	<u>70,937</u>	<u>1,048,043</u>
<u>Expenditures</u>			
Current:			
Regular Instruction	2,644		2,644
Special Education Instruction		43,545	43,545
Support Services and Undistributed Costs:			
Tuition	685,904		685,904
Student and Instruction Related Services		25,221	25,221
Other Administrative Services	137,356		137,356
Plant Operations and Maintenance	59,966		59,966
Pupil Transportation	52,676		52,676
Business and Other Support Services			-
Unallocated Benefits	153,743		153,743
Total Expenditures	<u>1,092,289</u>	<u>68,766</u>	<u>1,161,055</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(115,183)</u>	<u>2,171</u>	<u>(113,012)</u>
Net Change in Fund Balances	(115,183)	2,171	(113,012)
Adjustment: Prior Year State Aid Reported in Incorrect Fund	11,258		11,258
Fund Balance - July 1	<u>505,140</u>	<u>(5,048)</u>	<u>500,092</u>
Fund Balance - June 30	<u>\$ 401,215</u>	<u>(2,877)</u>	<u>398,338</u>

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit B-3

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$ (113,012)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	<u>(9,245)</u>	<u>(9,245)</u>
Change in Net Assets of Governmental Activities		<u>\$ (122,257)</u>

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

STATEMENT OF NET ASSETS

Exhibit B-4

PROPRIETARY FUNDS

JUNE 30, 2011

	<u>Enterprise Fund</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 6,306
Total Current Assets	<u>6,306</u>
 Total Assets	 <u>\$ 6,306</u>
 <u>Net Assets</u>	
Unrestricted	<u>\$ 6,306</u>
Total Net Assets	<u><u>\$ 6,306</u></u>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES

IN FUND NET ASSETS

PROPRIETARY FUNDS

JUNE 30, 2011

	<u>Enterprise Fund</u>
Non-Operating Revenues:	
Interest Revenue	\$ 1
Total Non-Operating Revenues	<u>1</u>
Change in Net Assets	1
Net Assets, July 1	<u>6,305</u>
Net Assets, June 30	<u>\$ 6,306</u>

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

STATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDS

JUNE 30, 2011

	<u>Enterprise Fund</u>
Cash Flows from Operating Activities:	
Payments to Suppliers	\$ (9,396)
Net Cash Used by Operating Activities	<u>(9,396)</u>
Cash Flows from Noncapital Financing Activities:	
Interest Revenue	<u>1</u>
Net Cash Provided by Noncapital Financing Activities	<u>1</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(9,395)
Cash and Cash Equivalents July 1	<u>15,701</u>
Cash and Cash Equivalents June 30	<u>\$ 6,306</u>
Cash Flows from Operating Activities:	
Operating (Loss)/Profit	\$ -
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Changes in Assets and Liabilities:	
Increase/(Decrease) in Accounts Payable	(12,529)
(Increase)/Decrease in Accounts Receivable	<u>3,133</u>
Net Cash Used by Operating Activities	<u>\$ (9,396)</u>

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

Exhibit B-8

FIDUCIARY FUNDS

JUNE 30, 2011

	<u>Unemployment Compensation Trust</u>
Deductions	
Unemployment Claims	\$ 190
Total Deductions	<u>190</u>
Change in Net Assets	(190)
Net Assets - Beginning of Year	<u>190</u>
Net Assets - End of the Year	<u><u>\$ -</u></u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
SEASIDE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Seaside Park School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-6. The Seaside Park School District had an approximate enrollment at June 30, 2011 of 44 students.

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

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

B. Government-Wide Financial Statements

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

D. Fund Accounting:

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

Governmental Fund Types

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

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

Proprietary Fund Type

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Fiduciary Fund Types

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

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

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

E. Basis of Accounting:

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)**F. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2011 were insignificant.

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

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

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

G. Encumbrances:

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)**H. Short-Term Interfund Receivables/Payables:**

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

I. Inventories and Prepaid Expenses

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

J. Capital Assets and Depreciation

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

The District contracted with an outside service company to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2010-2011 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2011, fiscal year 2011 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

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

The District is currently in the process of obtaining and installing software that will maintain proper capital asset and depreciation records.

Capital asset activity for the year ended June 30, 2011 was as follows:

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

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2011</u>
Governmental Activities:				
Capital Assets that are Not Being Depreciated:				
Land	\$ 271,300	_____	_____	271,300
Total Capital Assets Not Being Depreciated	<u>271,300</u>	_____	_____	<u>271,300</u>
Building and Building Improvements	775,000			775,000
Machinery and Equipment	<u>50,702</u>	_____	_____	<u>50,702</u>
Totals at Historical Cost	<u>825,702</u>	_____	_____	<u>825,702</u>
Less: Accumulated Depreciation for:				
Buildings and Improvements	617,500	9,000		626,500
Equipment	<u>50,091</u>	<u>245</u>	_____	<u>50,336</u>
Total Accumulated Depreciation	<u>667,591</u>	<u>9,245</u>	_____	<u>676,836</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>158,111</u>	<u>(9,245)</u>	_____	<u>148,866</u>
Governmental Activities Capital Assets, Net	\$ <u>429,411</u>	<u>(9,245)</u>	_____	<u>420,166</u>

K. Compensated Absences

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)**K. Compensated Absences (Continued)**

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

L. Deferred Revenue

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

M. Long-Term Obligations

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

N. Fund Equity

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

O. Tuition Receivable

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

P. Tuition Payable

Tuition charges for the fiscal year 2010-2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

NOTE 2: Cash and Cash Equivalents and Investments

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

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

Deposits

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

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

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

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

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

Investments

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

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

NOTE 2: Cash and Cash Equivalents and Investments (Continued)

As of June 30, 2011, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents
Interest Bearing Checking Accounts	<u>\$ 371,505</u>
Total	<u>\$ 371,505</u>

The carrying amount of the Board's cash, cash equivalents and investments at June 30, 2010 was \$371,505 and the bank balance was \$433,694. Of the bank balance \$101,866 was covered by federal depository insurance and \$331,828 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

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

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Insured:		
FDIC	\$ 101,866	100,190
GUDPA	<u>331,828</u>	<u>493,467</u>
	<u>\$ 433,694</u>	<u>593,657</u>

Custodial Credit Risk – Deposits

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

The District had no uninsured deposits.

As of December 31, 2011 the District did not hold any long-term investments.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2011, the District had no reported balances in the general long-term debt account group:

NOTE 4: Pension Plans

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

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

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

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

NOTE 4: Pension Plans (Continued)

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.

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

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

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	\$ None	100%	\$ 0
6/30/10	None	100%	0
6/30/09	None	100%	0

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

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	\$ 53,801	100%	0
6/30/10	55,554	100%	0
6/30/09	61,598	100%	0

NOTE 4: Pension Plans (Continued)

During the fiscal year ended June 30, 2011, the State of New Jersey contributed \$53,801 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$3,788 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenue and expenditure in accordance with GASB 24.

NOTE 5: Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

NOTE 6: Contingent Liabilities

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

NOTE 7: Fair Values of Financial Instruments

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

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

NOTE 8: Equity Balance

At June 30, 2011, the General Fund equity balance was as follows:

Assigned Fund Balances:	
Designated for Subsequent Year's Expenditures	\$ 196,304
Committed Fund Balance:	
Emergency Reserve Account	55,000
Unassigned Fund Balance	<u>163,956</u>
	<u>\$ 415,260</u>

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

2% Calculation of Excess Surplus

2010-11 Total General Fund Expenditures Per the CAFR	\$ 1,092,289
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(57,589)</u>
Adjusted 2010-11 General Fund Expenditures	<u>\$ 1,034,700</u>
2% of Adjusted 2010-11 General Fund Expenditures	\$ 20,694
Maximum Allowed	250,000
Increased by: Allowable Adjustment	<u>-0-</u>
Maximum Unassigned Fund Balance	<u>\$ 250,000</u>
Total General Fund – Fund Balance @ 6-30-11	\$ 415,260
Decreased by:	
Emergency Reserve Account	(55,000)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>(196,304)</u>
Total Unassigned Fund Balance	<u>\$ 163,956</u>
Total Unassigned Fund Balance for Excess Surplus Calculation	<u>\$ 163,956</u>
Maximum Unassigned Fund Balance	<u>\$ 250,000</u>
Restricted Fund Balance – Excess Surplus	<u>\$ -0-</u>

Recapitulation of Excess Surplus as of June 30, 2011

None

NOTE 9: Fund Balance Appropriated

General Fund – Of the \$415,260 General Fund fund balance at June 30, 2011, \$196,304 has been appropriated and included as anticipated revenue for the year ending June 30, 2012; \$55,000 is reserved for emergencies; and \$163,956 is unreserved and undesignated.

NOTE 10: Risk Management

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

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

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

Fiscal Year	District Contributions	Employee Contributions	Reimbursed	Ending Balance
2007-2008	334	-0-	-0-	1,331
2008-2009	6	-0-	565	772
2009-2010	1	-0-	583	190
2010-2011	-0-	-0-	190	-0-

NOTE 11: Interfund Receivables and Payables

The following interfund balances existed at June 30, 2011.

	<u>Due to</u>	<u>Due From</u>
General Fund	\$ 39,894	
Special Revenue Fund		39,894

NOTE 12: Economic Dependency

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

NOTE 13: Deficit Fund Balances

The District has a deficit fund balance of \$2,877 in the Special Revenue Fund as of June 30, 2011 as reported in the fund statements (modified accrual basis). 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 year budget. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not 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.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need or corrective action. The District deficit in the GAAP fund statements of \$2,877 is equal to the last state aid payment.

NOTE 14: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2011. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2011 through November 7, 2011.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

SEASIDE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 6

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 769,530	-	769,530	769,530	-
Interest on Emergency Reserve	490	-	490		(490)
Miscellaneous	1,310	-	1,310	3,041	1,731
Total Local Sources	<u>771,330</u>	<u>-</u>	<u>771,330</u>	<u>772,571</u>	<u>1,241</u>
State Sources:					
Categorical Special Education Aid	21,227		21,227	21,227	-
Categorical Security Aid	9,506		9,506	9,506	-
Adjustment Aid	106,600		106,600	106,600	-
Categorical Transportation Aid	3,468		3,468	3,468	-
ON-Behalf TPAF Pension Contribution			-	53,801	53,801
Reimbursed TPAF Social Security Contribution			-	3,788	3,788
Total State Sources	<u>140,801</u>	<u>-</u>	<u>140,801</u>	<u>198,390</u>	<u>57,589</u>
Total Revenues	<u>912,131</u>	<u>-</u>	<u>912,131</u>	<u>970,961</u>	<u>58,830</u>
Distributed Expenditures:					
Regular Programs - Instruction:					
Grades 1-5 - Salaries of Teachers		2,644	2,644	2,644	-
Subtotal	<u>-</u>	<u>2,644</u>	<u>2,644</u>	<u>2,644</u>	<u>-</u>
Total Regular Programs - Instruction	<u>-</u>	<u>2,644</u>	<u>2,644</u>	<u>2,644</u>	<u>-</u>

SEASIDE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 2 of 6

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Distributed Expenditures	-	2,644	2,644	2,644	-
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs withing State-Regular	658,717	(28,758)	629,959	608,428	21,531
Tuition to Other LEAs withing State-Special	110,997	(10,750)	100,247	77,476	22,771
Total Instruction	769,714	(39,508)	730,206	685,904	44,302
Support Services - General Administration:					
Salaries	96,885	7,618	104,503	104,503	-
Legal Services	5,000	1,000	6,000	5,467	533
Audit Fees	9,393		9,393	9,393	-
Communications/Telephone	3,000	5,500	8,500	7,907	593
Other Purchased Services			-	-	-
General Supplies	400		400	371	29
BOE In-House Training/Meeting Supplies	100		100	59	41
Miscellaneous Expenses	400	750	1,150	775	375
BOE Membership Dues and Fees	3,300		3,300	1,398	1,902
Total Support Services - General Administration	118,478	14,868	133,346	129,873	3,473
Central Services:					
Purchased Technical Services	3,000		3,000	3,000	-
Total Central Services	3,000	-	3,000	3,000	-
Administrative Information Technology:					
Purchased Professional Services	2,500	1,983	4,483	4,483	-
Total Administrative Information Technology	2,500	1,983	4,483	4,483	-

SEASIDE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 3 of 6

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Required Maintenance for School Facilities:					
Salaries	13,200	6,000	19,200	19,200	-
Cleaning, Repair & Maintenance Services	9,000		9,000	8,057	943
General Supplies	2,100		2,100	2,100	-
Total Required Maintenance for School Facilities	<u>24,300</u>	<u>6,000</u>	<u>30,300</u>	<u>27,257</u>	<u>3,043</u>
Custodial Services:					
Salaries	6,000		6,000	6,000	-
Purchased Professional & Technical Services	2,000		2,000	2,000	-
Cleaning, Repair & Maintenance Services	1,000		1,000	1,000	-
Other Purchased Property Services	2,200	351	2,551	2,551	-
General Supplies	1,000		1,000	423	577
Energy (Electricity)	6,000	6,000	12,000	7,772	4,228
Energy (Natural Gas)	10,000	3,000	13,000	12,648	352
Total Custodial Services	<u>28,200</u>	<u>9,351</u>	<u>37,551</u>	<u>31,394</u>	<u>6,157</u>
Care & Upkeep of Grounds:					
Salaries	2,000		2,000	1,315	685
Total Care & Upkeep of Grounds	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>1,315</u>	<u>685</u>
Total Custodial	<u>54,500</u>	<u>15,351</u>	<u>69,851</u>	<u>59,966</u>	<u>9,885</u>

SEASIDE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 4 of 6

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Student Transportation:					
Contracted Services (Between Home & School) - Joint Agreements	35,000	5,500	40,500	23,750	16,750
Contracted Services (Special Ed. Students) - Vendors	10,000	16,628	26,628	26,628	-
Other Expenses	45,000	2,652	2,652	2,298	354
Total Student Transportation	<u>45,000</u>	<u>24,780</u>	<u>69,780</u>	<u>52,676</u>	<u>17,104</u>
Interest Earned on Current Expense - Emergency Reserve	490		490		490
School Administration - Employee Benefits:					
Unemployment Compensation	31,200	(3,100)	28,100		28,100
Health Benefits	30,000	(12,000)	18,000		18,000
Total General Admin. - Employee Benefits	<u>61,200</u>	<u>(15,100)</u>	<u>46,100</u>	-	<u>46,100</u>
Total Allocated Employee Benefits	<u>61,200</u>	<u>(15,100)</u>	<u>46,100</u>	-	<u>46,100</u>
Undistributed Benefits:					
Social Security Contributions	5,000	2,320	7,320	7,316	4
Other Retirement Contributions - PERS	12,159	4,021	16,180	16,180	-
Unemployment Compensation	102,457	(8,459)	93,998	45,792	48,206
Workmen's Compensation	2,000		2,000	2,000	-
Health Benefits	29,449	(2,900)	26,549	24,866	1,683
Total Unallocated Benefits	<u>151,065</u>	<u>(5,018)</u>	<u>146,047</u>	<u>96,154</u>	<u>49,893</u>
ON-Behalf TPAF Pension Contribution			-	53,801	(53,801)
Reimbursed TPAF Social Security Contribution			-	3,788	(3,788)

SEASIDE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 5 of 6

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Undistributed Expenditures	1,205,457	(2,644)	1,202,813	1,089,645	113,168
Total General Current Expense	1,205,947	-	1,205,947	1,092,289	113,658
<u>Capital Outlay</u>					
Facilities, Acquisition and Constroction Services:					
Legal Services	2,000		2,000		2,000
Architectural/Engineering Services	2,500		2,500		2,500
Other Purchased Prof. & Tech. Services	2,000		2,000		2,000
Construction Services	30,000		30,000		30,000
Total Capital Outlay	36,500	-	36,500	-	36,500
Total Current Expense & Capital Outlay	1,242,447	-	1,242,447	1,092,289	150,158
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(330,316)	-	(330,316)	(121,328)	208,988
Adjustment: Prior Year State Aid Reported in Incorrect Fund				11,258	11,258
Fund Balance July 1	525,330	-	525,330	525,330	-
Fund Balance June 30	\$ 195,014	-	195,014	415,260	220,246

SEASIDE PARK SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Emergency Reserve				\$ 55,000	
Designated for Subsequent Years Expenditures				196,304	
Unreserved				<u>163,956</u>	
				<u>415,260</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(14,045)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 401,215</u>	

SEASIDE PARK SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
State Sources	\$ 28,491		28,491	28,491	
Federal Sources	54,955	(14,680)	40,275	40,275	
Total Revenues	<u>\$ 83,446</u>	<u>(14,680)</u>	<u>68,766</u>	<u>68,766</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 23,158	(23,158)	-		
Purchased Services	354	(354)	-		
Supplies		5,700	5,700	5,700	
Tuition	28,491	9,354	37,845	37,845	
Total Instruction	<u>52,003</u>	<u>(8,458)</u>	<u>43,545</u>	<u>43,545</u>	<u>-</u>
Support Services:					
Employee Benefits	5,863	(4,211)	1,652	1,652	
Purchased Prof./Technical Services	24,301	(732)	23,569	23,569	
Other Purchased Professional Services	1,279	(1,279)	-		
Total Support Services	<u>31,443</u>	<u>(6,222)</u>	<u>25,221</u>	<u>25,221</u>	<u>-</u>
Total Expenditures	<u>\$ 83,446</u>	<u>(14,680)</u>	<u>68,766</u>	<u>68,766</u>	<u>-</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET-TO-GAAP RECONCILIATIONNOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 970,961	68,766
State aid payment prior year	20,190	5,048
The last state aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33)	<u>(14,045)</u>	<u>(2,877)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 977,106</u>	<u>70,937</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$ 1,092,289</u>	<u>68,766</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 1,092,289</u>	<u>68,766</u>

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

SEASIDE PARK SCHOOL DISTRICT

SPECIAL REVENUE FUND

Exhibit E-1

COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	ARRA				I.D.E.A. Part B Basic	I.D.E.A. Part B Preschool	I.D.E.A. Part B Basic	Totals June 30, 2011
	Preschool Education Aid	Title I	I.D.E.A. Part B Basic					
Revenues:								
State Sources	\$ 28,491	5,006	11,700	538	23,031		28,491	
Federal Sources							40,275	
Total Revenue	\$ 28,491	5,006	11,700	538	23,031		68,766	
Expenditures:								
Instruction:								
Supplies	\$ -		5,700				5,700	
Tuition	28,491	3,354	6,000				37,845	
Total Instruction	28,491	3,354	11,700				43,545	
Support Services:								
Personal Services - Employee Benefits		1,652					1,652	
Purchased Professional/Technical Services				538			23,031	
Total Support Services	-	1,652		538			25,221	
Total Expenditures	\$ 28,491	5,006	11,700	538	23,031		68,766	

SEASIDE PARK SCHOOL DISTRICTSPECIAL REVENUE FUND

Exhibit E-2

PRESCHOOL EDUCATION AIDSCHEDULE OF EXPENDITURESBUDGETARY BASISFOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
Instruction:			
Other Purchased Services	\$ 28,491	28,491	
Total Instruction	<u>28,491</u>	<u>28,491</u>	<u>-</u>
 Total Expenditures	 <u>\$ 28,491</u>	 <u>28,491</u>	 <u>-</u>

Calculation of Budget and Carryover

Total 2010-2011 Preschool Education Aid Allocation	\$ 28,491
2009-2010 Unexpended Preschool Education Aid	14,483
Adjustment: Prior Year State Aid Reported in Incorrect Fund	(11,258)
Total Preschool Education Aid Funds available for 2010-2011 Budget	<u>\$ 31,716</u>
Less: Budgeted 2010-2011 Preschool Education Aid	<u>28,491</u>
 Available and Unbudgeted at June 30, 2011 Preschool Education Aid	 \$ 3,225
Add: 2010-2011 Unexpended Preschool Education Aid	<u>0</u>
 2010-2011 Actual Carryover Preschool Education Aid	 <u>\$ 3,225</u>
 2010-2011 Carryover Budgeted in 2011-2012 Preschool Education Aid	 <u>\$ 3,225</u>

CAPITAL PROJECTS FUND – F

N/A

PROPRIETARY FUNDS – G

N/A

FIDUCIARY FUND – H

TRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

AS OF JUNE 30, 2011

	<u>Agency</u>		
	<u>Student Activity</u>	<u>Agency Account</u>	<u>Totals 2011</u>
Assets:			
Cash and Cash Equivalents	<u>\$ 1,866</u>	<u>2,012</u>	<u>3,878</u>
Total Assets	<u><u>\$ 1,866</u></u>	<u><u>2,012</u></u>	<u><u>3,878</u></u>
Liabilities and Net Assets:			
Liabilities:			
Due to Student Groups	\$ 1,866		1,866
Payroll Deductions		2,012	2,012
Total Liabilities	<u><u>\$ 1,866</u></u>	<u><u>2,012</u></u>	<u><u>3,878</u></u>

SEASIDE PARK SCHOOL DISTRICT

STUDENT ACTIVITY AGENCY FUND

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance June 30, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2011</u>
Elementary School: Seaside Park Elementary	\$ 1,864	2	-	1,866
Total All Schools	<u>\$ 1,864</u>	<u>2</u>	<u>-</u>	<u>1,866</u>

PAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
Assets:				
Cash and Cash Equivalents	<u>\$ 38,765</u>	<u>163,464</u>	<u>200,217</u>	<u>2,012</u>
Total Assets	<u><u>\$ 38,765</u></u>	<u><u>163,464</u></u>	<u><u>200,217</u></u>	<u><u>2,012</u></u>
Liabilities:				
Payroll Deductions and Withholdings	<u>\$ 28,263</u>	<u>163,464</u>	<u>189,715</u>	<u>2,012</u>
Interfund - Due to General	<u>10,502</u>		<u>10,502</u>	<u>-</u>
Total Liabilities	<u><u>\$ 38,765</u></u>	<u><u>163,464</u></u>	<u><u>200,217</u></u>	<u><u>2,012</u></u>

LONG-TERM DEBT – I

N/A

STATISTICAL SECTION

(Unaudited)

BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
UNAUDITED

Exhibit J-1

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities								
Invested in Capital Assets, net of related Debt	\$ 420,166	429,411	438,656	447,901	457,145	466,390	475,635	484,880
Restricted	251,304	385,316	503,871	323,011	306,321	242,900	148,123	107,015
Unrestricted	147,034	114,776	115,037	214,269	180,814	47,340	72,855	74,273
Total Governmental Activities	<u>\$ 818,504</u>	<u>929,503</u>	<u>1,057,564</u>	<u>985,181</u>	<u>944,280</u>	<u>756,630</u>	<u>696,613</u>	<u>666,168</u>
Business Type Activities								
Invested in Capital Assets, net of related Debt	\$ -	-	-	-	-	-	-	-
Unrestricted	6,036	6,305	5,217	35	(4,468)	(1,852)	639	1,669
Total Business Type Activities	<u>\$ 6,036</u>	<u>6,305</u>	<u>5,217</u>	<u>35</u>	<u>(4,468)</u>	<u>(1,852)</u>	<u>639</u>	<u>1,669</u>
District-wide								
Invested in Capital Assets, net of related Debt	\$ 420,166	429,411	438,656	447,901	457,145	466,390	475,635	484,880
Restricted	251,304	385,316	503,871	323,011	306,321	242,900	148,123	107,015
Unrestricted	153,070	121,081	120,254	214,304	176,346	45,488	73,494	75,942
Total District Assets	<u>\$ 824,540</u>	<u>935,808</u>	<u>1,062,781</u>	<u>985,216</u>	<u>939,812</u>	<u>754,778</u>	<u>697,252</u>	<u>667,837</u>

BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
UNAUDITED

Exhibit J-2

	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:								
Governmental Activities	\$ 1,170,300	1,537,690	1,596,758	1,761,742	1,620,792	1,634,403	1,567,339	1,574,911
Business Type Activities		55,983	66,472	68,802	70,978	97,989	76,585	42,268
Total District Expenses	<u>1,170,300</u>	<u>1,593,673</u>	<u>1,663,230</u>	<u>1,830,544</u>	<u>1,691,770</u>	<u>1,732,392</u>	<u>1,643,924</u>	<u>1,617,179</u>
Program Revenues:								
Governmental Activities	70,937	82,015	101,387	198,242	191,228	204,882	197,165	196,670
Business Type Activities		12,854	18,722	23,808	28,380	29,938	29,832	32,256
Total District Program Revenues	<u>70,937</u>	<u>94,869</u>	<u>120,109</u>	<u>222,050</u>	<u>219,608</u>	<u>234,820</u>	<u>226,997</u>	<u>228,926</u>
Net (Expense):								
Governmental Activities	(1,099,363)	(1,455,675)	(1,495,371)	(1,563,500)	(1,429,564)	(1,429,521)	(1,370,174)	(1,378,241)
Business Type Activities	-	(43,129)	(47,750)	(44,994)	(42,598)	(68,051)	(46,753)	(10,012)
Total District-wide Net Expense	<u>(1,099,363)</u>	<u>(1,498,804)</u>	<u>(1,543,121)</u>	<u>(1,608,494)</u>	<u>(1,472,162)</u>	<u>(1,497,572)</u>	<u>(1,416,927)</u>	<u>(1,388,253)</u>
General Revenues and Other Changes in Net Assets:								
Governmental Activities	977,106	1,364,721	1,573,847	1,613,708	1,629,253	1,501,681	1,421,255	1,479,811
Business Type Activities	1	44,217	52,932	49,497	39,982	65,560	45,723	9,928
Total District-wide	<u>977,107</u>	<u>1,408,938</u>	<u>1,626,779</u>	<u>1,663,205</u>	<u>1,669,235</u>	<u>1,567,241</u>	<u>1,466,978</u>	<u>1,489,739</u>
Change in Net Assets:								
Governmental Activities	(122,257)	(90,954)	78,476	50,208	199,689	72,160	51,081	101,570
Business Type Activities	1	1,088	5,182	4,503	(2,616)	(2,491)	(1,030)	(84)
Total District	<u>(122,256)</u>	<u>(89,866)</u>	<u>83,658</u>	<u>54,711</u>	<u>197,073</u>	<u>69,669</u>	<u>50,051</u>	<u>101,486</u>

BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
FUND BALANCES, GOVERNMENT FUNDS
LAST EIGHT FISCAL YEARS
UNAUDITED

Exhibit J-3

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:								
Reserved	\$ 251,304	385,316	403,871	330,299	306,321	242,900	148,123	107,015
Unreserved	149,911	119,824	233,036	245,301	244,873	94,803	100,061	100,000
Total General Fund	<u>\$ 401,215</u>	<u>505,140</u>	<u>636,907</u>	<u>575,600</u>	<u>551,194</u>	<u>337,703</u>	<u>248,184</u>	<u>207,015</u>
All Other Governmental Funds:								
Unreserved, Reported in:								
Special Revenue Fund	<u>\$ (2,877)</u>	<u>(5,048)</u>	<u>(2,775)</u>	<u>(6,959)</u>	<u>(6,266)</u>	<u>(6,282)</u>	<u>(6,282)</u>	<u>(6,282)</u>
Total All Other Government Funds	<u>\$ (2,877)</u>	<u>(5,048)</u>	<u>(2,775)</u>	<u>(6,959)</u>	<u>(6,266)</u>	<u>(6,282)</u>	<u>(6,282)</u>	<u>(6,282)</u>

BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
NET CHANGES IN FUND BALANCE
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-4

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues:										
Local Tax Levy	\$ 769,530	1,148,650	1,283,650	1,283,650	1,283,650	1,283,650	1,216,203	1,250,000	1,178,069	1,077,000
Other Local Revenue	3,041	13,690	32,419	45,314	69,224	29,199	20,231	21,977	16,427	17,393
State Revenue	235,197	265,724	358,623	473,408	442,093	388,832	363,400	349,570	211,784	208,043
Federal Revenue	40,275	66,605	55,070	59,075	65,496	70,442	64,309	64,862	62,983	62,232
Total Revenues	1,048,043	1,494,669	1,729,762	1,861,447	1,860,463	1,772,123	1,664,143	1,686,409	1,469,263	1,364,668
Expenditures:										
Instruction:										
Regular	2,644	643,885	606,515	611,992	508,568	532,543	491,153	461,846	434,673	394,460
Special		65,645	70,507	70,751	73,679	99,309	104,020	124,506	127,139	112,377
Other		1,300	1,700	1,595	1,500	975	1,550	-	-	1,535
Total Instruction	2,644	710,830	678,722	684,338	583,747	632,827	596,723	586,352	561,812	508,372
Undistributed										
Instruction	685,904	1,747	46,799	26,287	-	20,242	6,596	3,260	-	3,651
Support Service - Students	-	172,421	182,662	147,528	154,199	119,826	95,152	69,819	25,409	63,497
Support Service - Instructional Staff										
General Administration	137,356	77,543	107,379	62,870	55,179	63,901	198,126	199,851	176,377	184,837
School Administration		17,398	20,000	74,975	82,456	82,014	21,456	53,685	48,283	46,431
Operations and Maintenance	59,966	100,032	88,147	87,094	78,073	80,877	105,244	101,263	99,479	94,299
Student Transportation	52,676	7,509	33,931	15,961	6,568	6,992	4,134	4,522	19,753	5,401
Benefits	153,743	252,286	221,491	488,230	443,501	393,340	332,019	338,097	328,062	272,377
Other		119,615	120,028						9,027	9,150
Total Undistributed	1,089,645	748,551	820,437	902,945	819,976	767,192	762,727	770,497	726,897	696,422
Capital Outlay										
Equipment		37,107	6,093	9,307	12,039	12,143	20,636	-	2,275	6,179
Total Capital Outlay	-	37,107	6,093	9,307	12,039	12,143	20,636	-	2,275	6,179
Total General Fund Expenditures	1,092,289	1,496,488	1,505,252	1,596,590	1,415,762	1,412,162	1,380,086	1,356,849	1,290,984	1,210,973
Special Revenue:										
Federal & State	68,766	84,288	97,203	198,935	191,212	204,882	197,165	196,364	199,836	196,383
Total Special Revenue Expenditures	68,766	84,288	97,203	198,935	191,212	204,882	197,165	196,364	199,836	196,383
Total Governmental Fund Expenditures	1,161,055	1,580,776	1,602,455	1,795,525	1,606,974	1,617,044	1,577,251	1,553,213	1,490,820	1,407,356
Other Financing Sources (Uses)		(47,933)	(54,528)	(49,497)	(39,982)	(65,560)	(45,723)	(9,928)	-	-
Net Changes in Fund Balance	\$ (113,012)	(134,040)	72,779	16,425	213,507	89,519	41,169	123,268	(21,557)	(42,688)

Source: District Records

BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Interest	\$ 2,354	\$ 918	\$ 354	\$ 3,195	\$ 12,969	\$ 52,624	\$ 15,880	\$ 576	\$ 390	\$ -
Tuition	\$ 11,000	\$ 10,775	\$ 21,605	\$ 14,850	\$ 10,950	\$ 16,600	\$ 21,150	\$ 18,935	\$ 13,300	\$ -
Refund	\$ 2,970	\$ 2,349	\$ 987	\$ 635	\$ 2,128	\$ -	\$ 2,100	\$ -	\$ -	\$ -
Miscellaneous	\$ 1,069	\$ 3,476	\$ 18	\$ 566	\$ 52	\$ -	\$ 240	\$ 1,645	\$ -	\$ 3,041
	<u>\$ 17,393</u>	<u>\$ 17,518</u>	<u>\$ 22,964</u>	<u>\$ 19,246</u>	<u>\$ 26,099</u>	<u>\$ 69,224</u>	<u>\$ 39,370</u>	<u>\$ 21,156</u>	<u>\$ 13,690</u>	<u>\$ 3,041</u>

Source: District Records

Exhibit J-6

BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
UNAUDITED

<u>Total Tax Year</u>	Col 6 <u>Net Assessed Valuation Taxable</u>	Col 11 <u>Net Valuation</u>	Percentage of Net Assessed to Estimated <u>Full Cash Valuations</u>
2001	356,577,214	503,219,318	70.85%
2002	677,284,002	586,016,730	115.57%
2003	678,274,331	725,620,534	93.47%
2004	677,722,400	890,301,701	76.17%
2005	679,901,640	893,854,867	76.06%
2006	683,612,232	1,087,670,873	62.85%
2007	675,104,221	1,264,317,582	53.00%
2008	681,426,200	1,373,566,216	49.61%
2009	1,160,605,332	1,347,313,494	86.26%
2010	1,161,925,908	1,250,938,794	93.02%

Source: Abstract of Ratables, County Board of Taxation

Exhibit J-7

**BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Year Ending December 31st</u>	<u>Total Direct School Tax Rate</u>	<u>Municipality of Seaside Park</u>	<u>Ocean County</u>	<u>Total Direct and Overlapping Tax Rate</u>
2001	0.330	0.891	0.661	1.882
2002	0.185	0.502	0.419	1.106
2003	0.184	0.540	0.719	1.440
2004	0.189	0.575	0.501	1.265
2005	0.188	0.586	0.482	1.256
2006	0.187	0.662	0.450	1.299
2007	0.722	0.681	0.576	1.979
2008	0.731	0.708	0.623	2.062
2009	0.437	0.430	0.359	1.226
2010	0.414	0.430	0.350	1.194

Source: Abstract of Ratables, Ocean

Note - 2009 Revaluation

**BOROUGH OF SEASIDE PARK
SCHEDULE OF PRINCIPAL TAXPAYERS
CURRENT YEAR AS OF JUNE 30TH
UNAUDITED**

<u>Taxpayer</u>	Assessed Valuation 2011	As a Percentage of District's Net Assessed Valuation
Funtown Pier	15,955,800	1.37%
1807 Boardwalk LLC	4,169,600	0.36%
Joy-Jam Inc.	3,499,000	0.30%
Shree-Jyoti LLC	2,693,400	0.23%
Seaside Park Yacht Club	2,539,900	0.22%
Seaside Operating Co.	2,525,300	0.22%
C. Raley & R. Bornton	2,310,100	0.20%
M & J Vanna	1,704,300	0.15%
P. Piro & L. Rispoli	1,563,800	0.13%
T & G Collins Trust	1,551,800	0.13%
Total Net Taxable Value	1,161,079,711	3.32%

Source: Seaside Park Tax Assessor

Exhibit J-9

**BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED**

Collected within the Fiscal Year of the Levy

<u>Year Ended</u> <u>Dec. 31</u>	<u>Taxes Levied for</u> <u>the Fiscal Year</u>	<u>Amount</u>	<u>Percentage of Levy</u>	<u>Collections in Sub</u> <u>Years</u>
2001	\$ 8,427,883	8,099,616	96.10%	0
2002	9,357,922	9,090,826	97.14%	0
2003	9,947,288	9,736,674	97.88%	0
2004	10,493,392	10,244,95	97.63%	0
2005	11,532,983	11,292,339	97.91%	0
2006	12,582,995	12,299,032	97.74%	0
2007	13,458,216	13,211,252	98.15%	0
2008	14,147,610	13,816,393	97.66%	0
2009	14,257,771	13,792,919	96.73%	0
2009	13,907,985	13,455,501	96.74%	

Note: Dollar amounts are rounded to the nearest whole dollar.

Source: Seaside Park Tax Collector

**BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
 RATIO OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS
UNAUDITED**

Fiscal Year Ended June 30	General Obligation Bonds	Certificates of Participation	Capital Leases	Borrowed Debt Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income	Per Capita
2002	0	0	0	0	0.00%	0	0	0
2003	0	0	0	0	0.00%	0	0	0
2004	0	0	0	0	0.00%	0	0	0
2005	0	0	0	0	0.00%	0	0	0
2006	0	0	0	0	0.00%	0	0	0
2007	0	0	0	0	0.00%	0	0	0
2008	0	0	0	0	0.00%	0	0	0
2009	0	0	0	0	0.00%	0	0	0
2010	0	0	0	0	0.00%	0	0	0
2011	0	0	0	0	0.00%	0	0	0

Source: Abstract of Ratables, Ocean County

**BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		
	<u>General Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General Bonded</u> <u>Debt Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value # of</u> <u>Property</u>	<u>Net Bonded Debt</u> <u>Per Capita</u>
2002	0	0	0	0	0
2003	0	0	0	0	0
2004	0	0	0	0	0
2005	0	0	0	0	0
2006	0	0	0	0	0
2007	0	0	0	0	0
2008	0	0	0	0	0
2009	0	0	0	0	0
2010	0	0	0	0	0
2011	0	0	0	0	0

Note: Dollar amounts are rounded to the nearest whole dollar.
Source: Seaside Park Chief Financial Officer

Exhibit J-12

**BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

Net Direct Debt of School District as of December 31, 2010		\$	-
Net Overlapping Debt of School District:			
Seaside Park Borough	Borough Debt	\$	4,694,069.00
County (Boro Share 1.17%):	County	\$	<u>5,011,577.00</u>
Total Direct and Overlapping Bonded Debt As of December 31, 2010		\$	<u><u>9,705,646.00</u></u>

Source: Seaside Park Chief Financial Officer

**BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED**

Year Ended December 31st

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$ 9,481,507	\$ 10,630,280	\$ 12,402,838	\$ 15,023,289	\$ 18,290,438	\$ 31,410,677	\$ 43,381,068	\$ 46,374,434	\$ 46,011,785	\$ 45,152,106
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 9,481,507	\$ 10,630,280	\$ 12,402,838	\$ 15,023,289	\$ 18,290,438	\$ 31,410,677	\$ 43,381,068	\$ 46,374,434	\$ 46,011,785	\$ 45,152,106
Legal Debt Margin for Year 2010									1,286,650,825	
Equalized valuation basis									1,247,137,820	
2010									<u>1,336,391,842</u>	
2009									3,870,180,487	
2008									1,290,060,162	
Average equalized valuation of taxable property									45,152,106	
Debt limit (3.5% of average equalization value)									0	
Total Net Debt Applicable to Limit									45,152,106	
Legal debt margin									45,152,106	

Source: Annual Report of the State of NJ

Exhibit J-14

**BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Year Ended December 31</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2001	2,263	\$ 72,640,037.00	32,099	4.2%
2002	2,263	\$ 73,653,861.00	32,547	5.6%
2003	2,000	\$ 66,018,000.00	33,009	6.1%
2004	2,000	\$ 67,074,000.00	33,537	6.1%
2005	2,302	\$ 79,333,826.00	34,463	4.3%
2006	2,302	\$ 83,958,544.00	36,472	6.5%
2007	2,307	\$ 89,548,512.00	38,816	5.7%
2008	2,317	\$ 93,145,717.00	40,201	7.4%
2009	2,329	\$ 92,407,733.00	39,677	12.1%
2010	Unavailable	Unavailable	Unavailable	12.7%

Source : State of New Jersey

Exhibit J-15

**BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED**

2002

DATA NOT AVAILABLE

2011

DATA NOT AVAILABLE

BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction										
Regular	7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0	
Spec Ed	1.9	1.8	1.8	2.0	2.0	1.5	1.5	1.8	1.8	
Other Spec Ed										
Vocational										
Other Instruction	3.9	4.2	4.2	4.0	4.0	4.0	4.0	2.5	2.5	
Nonpublic school programs										
Adult/continuing education programs										
Support Services										
Student & Instruction related services	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.2	1.2	0.2
School administrative services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5	
Other administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Central Services										
Administrative Information Technology										
Plant Operation & Maintenance	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	0.6
Pupil transportation										
Other support services										
Special Schools										
Food Service										
Child Care										
Total	19.9	20.1	20.1	20.1	20.1	19.6	19.6	18.1	18.1	1.8

Source: District Personnel Records

BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

PUPIL/TEACHER RATIO

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentile Change</u>	<u>Elementary</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>% Change in ADE</u>	<u>Student Attendance Percentage</u>
2000	117.0	1,267,199	10,831	6.09%	9.1:1	119.9	113.3	1.50%	94.5%
2001	123.0	1,174,933	9,552	-13.38%	10.1:1	123.2	117.0	2.80%	95.0%
2002	127.0	1,266,526	9,973	4.21%	9.3:1	131.0	123.2	8.00%	94.0%
2003	125.0	1,264,145	10,113	1.39%	7.1:1	125.4	119.2	6.10%	95.0%
2004	121.0	1,353,727	11,188	9.61%	9.0:1	119.7	113.7	-4.54%	95.0%
2005	121.0	1,356,849	11,214	0.23%	8.7:1	123.2	115.8	2.93%	94.0%
2006	113.0	1,359,450	12,031	6.79%	8.4:1	110.0	102.7	-8.10%	93.5%
2007	96.0	1,617,044	16,844	28.58%	8.4:1	93.3	88.1	-12.10%	94.5%
2008	86.0	1,606,974	18,686	10.93%	8.4:1	78.0	74.0	-16.10%	95.0%
2009	82.0	1,655,387	20,188	8.05%	8.4:1	72.0	70.0	-7.70%	96.0%
2010	59.0	1,624,993	27,542	36.50%	8.4:1	60.0	56.0	-20.00%	95.0%
2011	47.0	1,092,289	23,240	*	*				

Source: District Records

* Note - In 2010/2011, Seaside Park Students started to attend Toms River Regional

**BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
BUILDINGS
LAST TEN FISCAL YEARS
UNAUDITED**

Fiscal Year Ended June 30

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Seaside Park Elementary										
Square Feet	18,952	18,952	18,952	18,952	18,952	18,952	18,952	18,952	18,952	18,952
Capacity (Students)	132	132	132	132	132	132	132	132	132	132
Enrollment	123	127	125	121	121	113	96	86	82	59
Other										
Administration Building Square Feet	750	750	750	750	750	750	750	750	750	750
Total Square Feet	<u>19,702</u>									

Source: District Records

Exhibit J-19

**BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
FOR THE LAST TEN FISCAL YEARS ENDED
UNAUDITED**

**UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXXX**

<u>School Facilities</u>	<u>Seaside Park Elementary</u>	<u>Total School Facilities</u>
2002	10,501	10,501
2003	6,922	6,922
2004	8,524	8,524
2005	11,118	11,118
2006	8,777	8,777
2007	24,987	24,987
2008	20,446	20,446
2009	20,653	20,653
2010	28,899	28,899
2011	27,257	27,257

School facilities as defined under EFCFA (N.J.A.C. 6A:26-1.2 and
Source: District Records

**BOROUGH OF SEASIDE PARK SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2010**

UNAUDITED

	Coverage	Deductible
Blanket Building & Contents (Replacement Cost Values)	\$ 300,000,000	\$ 1,000
Extra Expense Section	25,000,000	1,000
Electronic Data Equipment	130,000	1,000
Crime - Blanket incl. Faithful Performance	250,000	1,000
Bonds		
Treasurer	\$ 150,000	\$ 1,000
Board Secretary	2,000	500
Money & Securities	\$ 10,000.00	\$ 1,000
Boiler & Machinery (pool limits)	\$ 100,000,000	\$ 1,000
Comprehensive General Liability	\$ 16,000,000	
Employee Benefits Liability	\$ 16,000,000	\$ 1,000
Workers Compensation		
Part II Employers Liability Limits (each)	\$ 2,000,000	
Premium Basis: Professional Payroll	1,048,000	
Premium Basis: Non Professional Payroll	28,000	
Supplemental Workers Compensation		
Weekly Limit for total of 51 Weeks	\$ 2,000	7 days
School Board Legal		
Coverage A Limits	\$ 16,000,000	\$ 5,000
Coverage B Limits	100,000/300,000	5,000
Automobile		
Liability - Combined Single Limit	\$ 16,000,000	
Student Accident	\$ 5,000,000	

SEASIDE PARK SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDING JUNE 30, 2011

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Grant Period	Program or Award Amount	Balance June 30, 2010	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Adjustment	Balance at June 30, 2011	
										(Accounts Receivable)	Deferred Revenue
U.S. Department of Agriculture Passed Through State Department of Education:											
National School Lunch Program	10.555	9-1-09 to 6-30-10	6,615	\$ (2,635)		2,635					
School Breakfast Program	10.553	9-1-09 to 6-30-10	1,217	(363)		363					
Total U.S. Department of Agriculture				(2,998)	-	2,998					
U.S. Department of Education: Passed Through State Department of Education:											
Title I	84.010	9-1-09 to 8-31-10	25,589	(25,589)		25,589					
Title II A	84.367	9-1-09 to 8-31-10	4,972	(4,722)		4,722					
Title II D	84.318	9-1-09 to 8-31-10	262								
Title IV	84.186	9-1-08 to 8-31-09	406	(406)		406					
Title IV	84.186	9-1-09 to 8-31-10	393	(393)		393					
I.D.E.A. Basic	84.027	9-1-09 to 8-31-10	23,771	(23,771)		23,771					
I.D.E.A. Basic	84.027	9-1-10 to 8-31-11	23,031				(23,031)			(23,031)	
I.D.E.A. Preschool	84.173	9-1-09 to 8-31-10	530	(530)		530					
I.D.E.A. Preschool	84.173	9-1-10 to 8-31-11	538				(538)			(538)	
ARRA - Title I	84.389	9-1-09 to 8-31-10	13,268	(8,262)		8,262				(5,006)	
ARRA - I.D.E.A. Basic	84.391	9-1-09 to 8-31-10	14,516	(2,816)		2,816				(11,700)	
ARRA - I.D.E.A. Preschool	84.392	9-1-09 to 8-31-10	522	(522)		522					
Total U.S. Department of Education				(67,011)	-	67,011	(40,275)			(40,275)	
Total Federal Financial Assistance				\$ (70,009)	-	70,009	(40,275)			(40,275)	

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

SEASIDE PARK SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program State Department of Education	Grant or State Project Number	Grant Period	Program or Award Amount	Balance June 30, 2010	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Adjustment	Balance at June 30, 2011		MEMO	
										(Accounts Receivable)	Deferred Revenue	Budgetary Receivable	Total Cumulative Expenditures
Special Education Aid Security Aid	11-495-034-5120-089	7-1-10 to 6-30-11	\$ 21,227	-	-	21,227	(21,227)	-	-	-	(2,031)	(21,227)	(2,031)
Adjustment Aid	11-495-034-5120-084	7-1-10 to 6-30-11	9,506	-	-	9,506	(9,506)	-	-	-	(1,015)	(9,506)	(1,015)
Transportation Aid	11-495-034-5120-085	7-1-10 to 6-30-11	106,600	-	-	106,600	(106,600)	-	-	-	(10,661)	(106,600)	(10,661)
Non-Public Transportation Aid	11-495-034-5120-014	7-1-10 to 6-30-11	3,468	(282)	-	3,468	(3,468)	-	-	-	(338)	(3,468)	(338)
On-Behalf TPAF Pension Contrib.	10-495-034-5120-014	7-1-09 to 6-30-10	282	-	-	282	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	11-100-034-5095-020	7-1-10 to 6-30-11	53,801	-	-	53,801	(53,801)	-	-	-	-	(53,801)	(53,801)
Reimbursed TPAF Social Security Contributions	11-100-034-5095-051	7-1-10 to 6-30-11	3,788	-	-	3,788	(3,788)	-	-	-	-	(3,788)	(3,788)
	10-100-034-5095-051	7-1-09 to 6-30-10	64,061	(24,950)	-	24,950	(197,940)	-	-	-	(14,045)	(197,940)	(14,045)
				(25,232)	-	223,622		-	-	-			
Special Revenue: Preschool Education Aid	10-495-034-5120-086	7-1-10 to 6-30-11	32,166	14,483	-	28,491	(28,491)	-	(11,258)	3,225	(2,877)	(28,491)	(2,877)
Preschool Education Aid	11-495-034-5120-086	7-1-10 to 6-30-11	28,491	-	-	28,491	(28,491)	-	(11,258)	3,225	(2,877)	(28,491)	(2,877)
Food Service: National School Lunch Program (State Share)	10-100-010-3360-067	9-1-09 to 6-30-10	279	(112)	-	112	-	-	-	-	-	-	-
School Breakfast Program (State Share)	10-100-010-3360-096	9-1-09 to 6-30-10	79	(23)	-	23	-	-	-	-	-	-	-
				(135)	-	135	-	-	-	-	-	-	-
Total State Financial Assistance				\$ (25,367)	-	252,248	(226,431)	-	(11,258)	3,225	(16,922)	(226,431)	(16,922)

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