SCHOOL DISTRICT OF SEA GIRT BOROUGH OF MONMOUTH COUNTY

Sea Girt Board of Education Sea Girt, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT Fiscal Year Ended June 30, 2015 (Report Dated November 20, 2015) COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

Sea Girt Board of Education of Monmouth County

Sea Girt, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

Sea Girt Board of Education Finance Department

INTRO	DUCTOI	RY SECTION	Page
	Organ Roste	er of Transmittal nizational Chart er of Officials ultants and Advisors	1-6 7 8 9
FINAN	CIAL	SECTION	
	Inde	pendent Auditor's Report	11-13
REQUI	RED SU	JPPLEMENTARY INFORMATION - PART I	
	Mana	gement's Discussion and Analysis	15-20
BASIC	FINA	NCIAL STATEMENTS	
Α.	Dist	rict Wide Financial Statements	
		Statement of Net Position Statement of Activities	22 23
в.	Fund	Financial Statements	
	B-1	rnmental Funds Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balance Reconciliation of the Statement of Revenues,	24 25
		Expenditures, and Changes in Fund Balances Of Governmental Funds to the Statement of Activities	26
	Prop	rietary Funds	
		Statement of Net Position Statement of Revenues, Expenses and	27
	В-б	Changes in Fund Net Position Statement of Cash Flows	28 29
	Fidu	ciary Funds	
		Statement of Fiduciary Net Position	30 31
	Notes	s to the Financial Statements	32-58

с.	Budgetary	Comparison	Schedules

	 C-1 Budgetary Comparison Schedule - General Fund C-1a Combining Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget and Actual C-1b Community Development Block Grant - Budget and Actual C-2 Budgetary Comparison Schedule - Special Revenue Fund 	60-63 N/A N/A 64
	Notes to the Required Supplementary Information	
	C-3 Budget-to-GAAP Reconciliation	65
REQUI	RED SUPPLEMENTARY INFORMATION - PART III	
L.	Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
	L-1 Schedule of the District's Proportionate Share of the Net	67
	Pension Liability - PERS L-2 Schedule of District Contributions - PERS	68
	L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	69
	Notes to the Required Supplementary Information - Part III	70
OTHER	SUPPLEMENTARY INFORMATION	
D.	School Based Budget Schedules	
	D-1 Combining Balance Sheet	N/A
	D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
	D-3 Blended Resource Fund - Schedule of Blended Expenditures Budget and Actual	N/A
Е.	Special Revenue Fund	
	E-1 Combining Schedules of Program Revenues and Expenditures, Special Revenue Fund - Budgetary Basis	72
	E-2 Preschool Education Aid Schedule of Expenditures- Budgetary Basis	N/A
F.	Capital Projects Fund	
	F-1 Summary Schedule of Project Expenditures	N/A
	F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	N/A

G. Proprietary Funds

н.

I.

J.

Ente	rprise Fund	
G-1		73
G-2	-	
	Changes in Fund Net Position	74
G-3	Combining Schedule of Cash Flows	75
Fidu	ciary Funds	
H-1		76
	Combining Statement of Changes in Fiduciary Net Position	77
H - 3	Student Activity Agency Fund Schedule of Receipts	
TT 4	and Disbursements	78
H - 4		79
u_5	and Disbursements Private Purpose Scholarship Fund Schedule of	19
п-Ј	Receipts and Disbursements	N/A
	Receipts and Disbuisements	N/A
Long	-Term Debt	
I - 1	Schedule of Serial Bonds	N/A
I-2	Schedule of Obligations Under Capital Leases	N/A
	Debt Service Fund Budgetary Comparison Schedule	N/A
I-4	Statement of Loans Payable - N.J.E.D.A.	N/A
Intr	oduction to the Statistical Section	
Fina	ncial Trends	
	Net Position by Component	82
	Changes in Net Assets/Net Position	83
	Fund Balances - Governmental Funds	84
	Changes in Fund Balances, Governmental Funds	85
J - 5	General Fund Other Local Revenue by Source	86
Reve	nue Capacity	
	Assessed Value and Estimated Actual Value of Taxable Property	87
	Direct and Overlapping Property Tax Rates	88
J-8	Principal Property Taxpayers	89
J-9	Property Tax Levies and Collections	90
Debt	Capacity	
J-10		91
J-11		92
J-12		93
J - 13	Legal Debt Margin Information	94
Demo	graphic and Economic Information	
J-14		95
J-15		96
Oner	ating Information	
	ating Information Full-time Equivalent District Employees by Function/Program	97
J-17		98
J-18		99
J-19	-	
	School Facility	100
J-20	-	101

K. Single Audit Section

K-1	Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed	
	in Accordance with Government Auditing Standards	103-104
K-2	Independent Auditor's Report on Compliance for Each	
	Major Program and on Internal Control Over	
	Compliance Required By OMB Circular A-133 and	
	New Jersey OMB Circular 04-04 and/or 15-08	N/A
K-3	Schedule of Expenditures of Federal Awards,	
	Schedule A	105
K-4	Schedule of Expenditures of State Financial Assistance,	
	Schedule B	106
K-5	Notes to the Schedules of Awards and Financial Assistance	107-108
K-6	Summary of Findings and Questioned Costs	109-110
K-7	Summary Schedule of Prior Audit Findings	111

INTRODUCTORY SECTION

BOARD OF EDUCATION OF THE BOROUGH OF SEA GIRT



451 Bell Place. Sea Girt, NJ 08750 . (732)449-3422 . Fax (732)449-1204 www.seagirt.k12.nj.us

November 20, 2015

Honorable President and Members Sea Girt Borough Board of Education 451 Bell Place Sea Girt, New Jersey 08750

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's Organizational chart and a The financial section includes the basic financial list of officials. 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.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04 and/or 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." 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: Sea Girt Borough School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Sea Girt Board of Education, the Pre-K-8 elementary school and the 9-12 sending-receiving relationship with the Manasquan Board of Education and the Monmouth County Vocational School District constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 8, and has a sending-receiving relationship with the Manasquan Board of Education for grades 9-12. Classes offered are regular, vocational, and special education for disabled youngsters. The preschool program began in the 2007-08 school year. The School District also has a K-8 private parent paid tuition program. The District (Pre-K-12) completed the 2014-15 fiscal year with an enrollment of 203 students representing a (7.4%) change from the previous year. The Pre-K-8 enrollment stood at 161 a decrease of 12 students from the previous year. The following details the changes in the Pre-K-12 student enrollment over the last ten years:

Enrollment, Pre-K-12

Fiscal	Student	Percent
Year	Enrollment	Change
2014-15	203	-7.4
2013-14	218	-1.4
2012-13	221	-5.5
2011-12	234	-1.3
2010-11	237	-0.8
2009-10	239	-2.0
2008-09	244	0.8
2007-08	242	2.1
2006-07	237	-3.3
2005-06	245	-3.9
2004-05	255	-4.1

2. <u>ECONOMIC CONDITIONS AND OUTLOOK</u>: The Borough of Sea Girt is an elegant seaside community with well-maintained homes, manicured lawns, a nationally recognized Blue Ribbon School system and low property tax rates. The business district is small in size and not expected to contribute to the Borough's economy in any significant manner; however, the enterprises are well established and add to the town's ambiance. Residential building opportunities are also limited. It is not uncommon to have an older residence sold and demolished in order to make way for new construction, or for a large property to be divided in order to accommodate a new building. Given these factors, the Borough of Sea Girt is expected to have limited economic growth as a municipal entity, but will continue to be regarded as one of the premiere residential communities in New Jersey.

3. <u>MAJOR INITIATIVES</u>: A demanding academic program is delivered in a caring, supportive educational environment. The District maintains high standards for administrative and pedagogical excellence. Students continue surpassing state and national averages on assessment instruments, including the New Jersey Assessment of Student Knowledge grades 3 through 8. In the fall of 2005 the District was selected by the United States Department of Education to receive the prestigious No Child Left Behind Blue Ribbon School award for "High Test Scores". The Sea Girt School District is progressive in planning for future initiatives in academic programming, staff development, technology, and facility planning. Selected curriculum is revised yearly and is in alignment with New Jersey Core Curriculum Content Standards and the Common Cure State Standards. The district Local Professional Development Plan provides staff training which is sustained and ongoing. The residents passed a \$1.162 million referendum in December, 2001 for replacement of the existing electric heating system throughout the school with a new gas fired boiler system with a central chiller. Other energy saving projects includes the replacement of exterior doors and windows and interior light fixtures and new suspended acoustical ceiling tiles in all classrooms. The main entrance has been reconfigured for increased school security. Areas of improvement include the tennis and basketball courts; the playground area and parking lot. An Open Space grant was awarded in 2008 which allowed for the completion of the final phases of the south grounds renovations. In May 2008, the district awarded a \$907,170 contract for the construction of a new technology center. The District and Town recently completed the renovation of the two tennis courts across from the school.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. 6. <u>ACCOUNTING SYSTEM AND REPORTS</u>: 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. <u>FINANCIAL INFORMATION AT FISCAL YEAR-END</u>: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2015, and the percentage of increases/decreases in relation to prior year revenues. Included are the State of New Jersey TPAF pension contributions on behalf of the Board of Education and the reimbursed TPAF social security contributions made by the Board and reimbursed by the State.

Revenue	2015 Amount	2014 Amount	% of <u>Total</u>	Increase/ (Decrease) F <u>rom 2014</u>
Local \$4	,214,209	\$4,092,488	88.8%	\$ 121,721
Tuition	59,871	93,714	1.3%	(33,843)
State	104,828	101,248	2.2%	3,580
Federal	52,629	52,263	1.1%	366
On-behalf TPAF pension	200,602	181,151	4.2%	19,451
Reimbursed TPAF SS	109,772	106,093	2.3%	3,679
Misc/Int Income	4,808	391	0.1%	4,417
Total <u>\$4</u>	1,746,719	\$4,627,348	100.0%	\$119,371

Below is a schedule presenting a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2015, and the increase or decrease in relation to prior year amounts.

Expenditures	2015 Amount	2014 Amount	% of Total	Increase/ (Decrease) From 2013
Current:				
Instruction	\$1,624,519	\$1,512,449	37.5%	\$ 112,070
Undistributed				
Instruction	733,725	760,979	16.9%	(27,254)
Other Expend.	1,962,145	2,076,055	45.2%	(113,910)
Capital Outlay	16,327	7,952	0.4%	8,375
Debt Service				
Interest		1.5	0.0%	9 5 4
Principal		-	0.0%	-
	\$4,336,716	\$4,357,435	100%	\$ (20,719)

Salaries, employee benefits, special education, tuition and pupil transportation costs continue to contribute to the increase in expenditures.

4

8. <u>DEBT ADMINISTRATION</u>: At June 30, 2015, the District's outstanding debt issue to upgrade the school's heating system, add air conditioning, new exterior windows, lighting and ceilings was retired thus leaving no debt outstanding. Per the bond's terms and conditions, payments began during the 2003/04 school year for a ten (10) year term, maturing February, 2012.

9. <u>CASH MANAGEMENT</u>: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act. The Board's cash position is adequate, with a balance of \$2,154,070 in General Fund cash and temporary investments at June 30, 2015.

The unreserved, undesignated fund balance of the General Fund is 15.3% of the general fund expenditures from the previous fiscal year, or approximately 23 working days of expenditures. With the enactment of A-1, the allowable maximum permitted surplus beginning in 2006-07 was the greater of 2% of general fund expenditures or \$250,000. There is no fund balance for the special revenue fund. Any shortfall in state and/or federal funds would have to be made up with general fund monies from fund balance.

10. <u>RISK MANAGEMENT</u>: The Board carries various forms of insurance, including but not limited to: general liability, comprehensive/collision, student and volunteer accident, hazard and theft insurance on property and contents, earthquake, flood and fidelity bonds. The Board worked with its insurance broker, Boynton and Boynton Agency, to review insurance requirements in order to secure the most appropriate coverage at the least possible cost. The Board was once again the proud recipient of the New Jersey Schools Insurance Group Safety Award. The award is based upon a safety audit and the implementation of effective safety programs.

11. <u>OTHER INFORMATION</u>: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, L.L.P, was selected by the Board to provide this service. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08. The auditor's report on the basic financial statements and combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports specifically related to the single audit are included in the single audit section of this report.

5

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

Respectfully submitted,

Dineen Superintendent

Brian Savage, Ed.D. School Business Administrator

Sea Girt Board of Education Sea Girt, New Jersey

> Organization Chart (Unit Control)

> Board of Education

Attorney / Auditor / Custodian of School Moneys Committees

Superintendent / Principal

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

Custodian Food Service Transportation

Teaching Staff Physical Education / Art / Music / Spanish / Compensatory Education / Librarian / PreK-8 Classroom Teachers

Pupils

Sea Girt Board of Education Sea Girt, New Jersey

Roster of Officials June 30, 2015

Members of the Board of Education	<u>Term Expires</u>
Colleen Prior, President	2016
Steven Groppi, Vice President	2015
Deborah Bellaran, Board Member	2017
Dr. Thomas Loughlin, Board Member	2017
Tara Lynch, Board Member	2016

Other Officials

Dineen Seeley, Superintendent Brian Savage Ed.D, School Business Administrator/Board Secretary Dennis W. Kotch, Treasurer Anthony Sciarrillo, Esq., Solicitor Sea Girt Board of Education Consultants and Advisors

Audit Firm

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

<u>Attorney</u>

Sciarrillo, Cornell, Merlino, McKeever 238 St. Paul Street Westfield, New Jersey 07090

Official Depositories

Wells Fargo Bank Sea Girt, New Jersey

Ocean First Bank Toms River, New Jersey

New Jersey Asset & Rebate Management Program Harrisburg, Pennsylvania

> State of NJ Cash Management Fund Columbus, Ohio

FINANCIAL SECTION

JUMP, PERRY AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

12 LEXINGTON AVENUE · TOMS RIVER, NJ · 08753 · PHONE (732) 240-7377 · FAX (732) 505-8307 · WEBSITE: jumpcpa.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members of the Board of Education Sea Girt Board of Education: County of Monmouth Sea Girt, New Jersey

Report of the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 in compliance with the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

BRICK OFFICE: 1845 HIGHWAY 88 EAST · BRICK, NJ · 08724 · PHONE (732) 840-1600 · FAX (732) 840-8349

MANAHAWKIN OFFICE: 21 JENNINGS ROAD · MANAHAWKIN, NJ · 08050 · PHONE (609) 978-9500 · FAX (609) 978-9515

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sea Girt Board of Education's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 04-04 and/or 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

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

Respectfully Submitted,

Jump Rengard Chapty ZCP

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

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

November 20, 2015 Toms River, New Jersey REQUIRED SUPPLEMENTARY INFORMATION - PART I

SEA GIRT SCHOOL DISTRICT BOROUGH OF SEA GIRT

Management's Discussion and Analysis For the fiscal Year ended June 30, 2015

This section of the School district's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ended on June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

District-wide financial statements. The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private sector business.

The statement of net positions (A-1) presents information on all of the assets and liabilities of the District, with the difference between the two reported as net positions. Over time, increases or decreases in net positions may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities (A-2) presents information showing how the net positions of the District changed during the most recent fiscal year. All changes in net positions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The district, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, proprietary or fiduciary.

Governmental funds – are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on the nearterm inflows and outflows of spendable resources, as well as on balances of spendable resources available at he end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar statements. By so doing, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual government funds: the general fund, special revenue fund, capital projects fund, debt service fund and enterprise fund. All are considered to be major funds. The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary funds – are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the District is that the cost of providing goods or services be financed primarily through user charges. The District uses proprietary funds to account for these business type activities. The proprietary fund statements can be found as Exhibits B-4 through B-6.

Fiduciary funds - are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs. The District uses trust and agency funds to account for resources held for student activities and groups and for payroll transactions. The basic fiduciary fund statements can be found as Exhibits B-7 through B-8.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund statements in this report.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2014-2015 fiscal year include the following:

• The local tax levy increased from 2014-2015 by \$121,721 to \$4,214,209 to support the increase costs in salary, benefits and special education.

- The unassigned, undesignated general fund balance decreased by \$1,208 to \$241,214 which includes \$0 in unrestricted extraordinary aid. Previously, the maximum permitted amount of \$100,000 imposed under Public Law 04, Chapter 73, also known as \$1701 among other things, forced the District to reduce free balance to 2% or a minimum of \$100,000, whichever is greater, with the intent of providing tax relief. The legislation recognized that the reduction of surplus to this perilously low level could force the district to cut education programs. With the enactment of A-1, the allowable maximum surplus was amended to the greater of 2% of general fund expenditures or \$250,000.
- Total spending for all programs was \$4,427,957. This includes a charge of \$117,361 for depreciation of the district's fixed assets. General revenues (primarily local tax levy and minimal state aid) were adequate to provide for the balance of these programs, exclusive of the charge for depreciation.

District–wide Financial Analysis

As noted earlier, net positions may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net positions:

	Governmental Activities	Business-type Activities	Total
Current and other assets	1,572,874	535,839	2,108,713
Construction in progres	-	-	-
Capital assets, net	3,187,515	946,364	4,133,879
Total assets	4,760,389	1,482,203	6,242,592
Deferred Outflows of Resources			
Deferred outflows - PERS	25,306	-	25,306
	25,306	-	25,306
Long-term liabilities outstanding Other libilities	882,980	-	882,980
Total liabilities	882,980	-	882,980
Deferred Inflows of Resources			
Deferred Inflows - PERS	47,959	-	47,959
	47,959	-	47,959
Net position:			
Investment in capital assets, net	3,187,515	946,364	4,133,879
Restricted	1,331,660		1,331,660
Unrestricted	(664,419)	535,839	(128,580)
Total net position	3,854,756	1,482,203	5,336,959

District–wide Financial Analysis (con't)

The District's largest net position is the investment in net capital assets shown above. Net capital assets represent land, building, building improvements, machinery and equipment. The District's investment in capital assets is shown net of any related debt used to acquire those assets. The unrestricted net positions show a negative balance of \$128,580 comprised of those relating to Governmental Activities of \$(664,419) and Business-type Activities of \$535,839.

The following table provides a summary of revenues and expenses for the District's governmental and business-type activities and the change in net positions.

	Government Activities	Business-type Activities	Total
Revenues:			
Program revenues			
Charges for services	-	162,006	162,006
Operating grants and contributions	310,374	-	310,374
Capital grants and contributions	-	-	-
General revenues			
Property taxes	4,214,209	-	4,214,209
Taxes levied for debt service	-	-	-
Federal and State aid restricted	52,629	-	52,629
Federal and State aid not restricted	26,093	-	26,093
Miscellaneous income	64,625	-	64,625
Investment Earnings	54	159	213
Total revenues	4,667,984	162,165	4,830,149
Expenses:			
Instructional Services/Prof fees	1,624,519	92,484	1,717,003
Support services/undistributed costs	2,803,438	-	2,803,438
Special Schools	-	-	-
Interest on long term debt	-	-	-
Total expenses	4,427,957	92,484	4,520,441
Change in net positions	240,027	69,681	309,708
Net position – beginning	3,614,729	1,412,522	5,027,251
Net position – ending	3,854,756	1,482,203	5,336,959
r0			

General Fund Budgetary Highlights

The School district's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2015, the School District amended its General Fund budget as needed. The School district uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- Staffing changes based on student needs.
- Additional costs for student transportation.
- Additional costs for out-of-district placements.

The District's final budget for the general fund anticipated that expenditures would exceed revenues by \$131,700 resulting in a use of fund balance. The actual results for the year show a \$357,374 free balance.

- Actual revenues were \$4,694,090 (\$4,383,716 excluding unbudgeted Pension and FICA) versus a budget of \$4,419,937.
- The actual expenditures were \$4,336,716. (\$4,026,342 excluding unbudgeted Pension and FICA) versus a budget of \$4,551,637.

Capital Assets

At June 30, 2015 the District had capital assets of \$3,187,515. This is comprised of: Land & Building \$4,480,821 million; Machinery and equipment - \$276,941 and Site improvements - \$552,170. These capital assets are shown net of accumulated depreciation of \$2,122,417. In addition there are capital assets resulting from the District's Business-Type Activities, i.e., Enterprise Fund relative to the District's EBS license. At June 30, 2015, the District had Business-Type capital assets of \$946,364. This is comprised of the Technology Center addition and related machinery and equipment.

Economic Factors and Next Year's Budget

The Funding formulas have reduced state aid since it is based on the district's enrollment and the adequacy budget, it is not anticipated that there will be any future restoration of State aid previously enjoyed by the District. The result remains that the burden to support the district will be primarily placed on the taxpayers of Sea Girt Borough and revenue earned through the District's tuition program.

Contacting the District's Financial Management

The District's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions regarding this report can be addressed to the School Business Administrator.

BASIC FINANCIAL STATEMENTS

Exhibit A-1

SEA GIRT SCHOOL DISTRICT Statement of Net Positions June 30, 2015

	Governmental Activities	Business-type Activities	Total		
ASSETS	·				
Cash and cash equivalents	\$ 855,416	\$ 535,839	\$ 1,391,255		
Capital reserve cash	706,518	-	706,518		
Receivables - state	10,940	-	10,940		
Capital assets, non-depreciable	916,364	-	916,364		
Capital assets, depreciable, net	2,271,151	946,364	3,217,515		
Total assets	4,760,389	1,482,203	6,242,592		
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - PERS	25,306	-	25,306		
	25,306		25,306		
LIABILITIES					
Accounts payable	-	-	-		
Noncurrent liabilities:					
Due within one year	29,846	-	29,846		
Due beyond one year	853,134		853,134		
Total liabilities	882,980	_	882,980		
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - PERS	47,959	-	47,959		
	47,959	_	47,959		
NET POSITION					
Net investment in capital assets	3,187,515	946,364	4,133,879		
Restricted for:					
Capital projects	706,518	-	706,518		
Other purposes	625,142	-	625,142		
Unrestricted	(664,419)	535,839	(128,580)		
Total net positions	\$ 3,854,756	\$ 1,482,203	\$ 5,336,959		

SEA GIRT SCHOOL DISTRICT Statement of Activities For the Fiscal Year Ended June 30, 2015

			Program Revenue	e		t (Expense) Revenue hanges in Net Positi	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 1,242,744	\$ -	\$ –	\$ –	\$ (1,242,744)	\$ –	\$ (1,242,744)
Special education instruction	239,888	-	-	-	(239,888)	_	(239,888)
Other special instruction	141,887	-	-	-	(141,887)	-	(141,887)
Support services and undistributed costs:							
Instruction	733,725	-	-	-	(733,725)	-	(733,725)
Attendance and social work	20,301	-	-	-	(20,301)	-	(20,301)
Health services	24,405	-	-	-	(24,405)	-	(24,405)
Other support services	295,243	-	-	-	(295,243)	-	(295,243)
Improvement of instr. services	72,563	-	-	-	(72,563)	-	(72,563)
Educational media services	61,526	-	-	-	(61,526)	-	(61,526)
Instruction staff training	18,987	-	-	-	(18,987)	-	(18,987)
General administrative services	132,600	-	-	-	(132,600)	-	(132,600)
School administrative services	75,282	-	-	-	(75,282)	-	(75,282)
Central services	86,758	-	-	-	(86,758)	-	(86,758)
Admin. information technology	3,217	-	-	-	(3,217)	-	(3,217)
Allowed maintenance for school facilities	122,075	-	-	-	(122,075)	-	(122,075)
Other operation & maintenance of plant	391,518	-	-	-	(391,518)	-	(391,518)
Student transportation services	90,718	-	-	-	(90,718)	-	(90,718)
Unallocated employee benefits	364,146	-	-	-	(364,146)	-	(364,146)
Non-budgeted expenditures	310,374	-	310,374	-	-	-	-
Special schools	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
Total governmental activities	4,427,957	-	310,374		(4,117,583)		(4,117,583)
Business-type activities:							
Enterprise fund	92,484	162,006	-	-	-	69,522	69,522
Total business-type activities	92,484	162,006	-	-		69,522	69,522
Total primary government	\$ 4,520,441	\$ 162,006	\$ 310,374	ş –	\$ (4,117,583)	\$ 69,522	\$ (4,048,061)

General revenues:						
Taxes:						
Property taxes levied for general purpose	Ş	4,214,209	\$	-	Ş	4,214,209
Federal and state aid not restricted		26,093		-		26,093
Federal aid restricted		52,629		-		52,629
Miscellaneous income		64,625		-		64,625
Investment earnings		54		159		213
Total general revenues, special items, extraordinary items and transfers	\$	4,357,610	Ş	159		4,357,769
Change in net positions		240,027		69,681		309,708
Net position-beginning		3,614,729		1,412,522		5,027,251
Net position-ending	Ş	3,854,756	Ş	1,482,203	Ş	5,336,959

Exhibit A-2

SEA GIRT SCHOOL DISTRICT Balance Sheet Governmental Funds June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 855,416	\$ –	\$ –	ş –	\$ 855,416
Capital reserve	706,518	-	-	-	706,518
Receivables from State	10,940			-	10,940
Total assets	1,572,874	_	_		1,572,874
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	-	-	-	-
Interfund payable					
Total liabilities					
Fund Balances:					
Restricted for:					
Legally restricted designated for					-
subsequent year's expenditures		-	-	-	-
Excess surplus - current year	195,353	-	-	-	195,353
Excess surplus - prior year- designated for					
Subsequent year's expenditures	84,789	-	-	-	84,789
Capital reserve account	706,518	-	-	-	706,518
Maintenance reserve account	200,000	-	-	-	200,000
Tuition reserve account	145,000	-	-	-	145,000
Debt services	-	-	-	-	-
Committed to:					
Other purposes	-	-	-	-	-
Assigned to:					
Designated by the BOE for subsequent					
year's expenditures	-	-	-	-	-
Unassigned:					
General fund	241,214	-	-	-	241,214
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Permanent fund	-				
Total fund balances	1,572,874	-	-	-	1,572,874
Total liabilities and fund balances	\$ 1,572,874	\$ –	Ş –	\$ –	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$5,309,932 and the accumulated depreciation	
is \$2,122,417.	3,187,515
Deferred outflows related to the PERS pension plan	25,306
Deferred inflows related to the PERS pension plan	(47,959)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(882,980)
Net position of governmental activities	\$ 3,854,756

Exhibit B-2

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

Add General	For	the F	iscal Year E	nded	June 30,	2015					
Local sources: Junc 1 Sources: Junc 1 Sources: Junc 1 Sources: Junc 1 Sources Junc 2 Sources Junc 1 Sources Junc 2 Sources Junc					levenue		rojects	s	Service	Go	Total
Local sources: Junc 1 Sources: Junc 1 Sources: Junc 1 Sources: Junc 1 Sources Junc 2 Sources Junc 1 Sources Junc 2 Sources Junc	BEVENUES										
Local tax levy \$ 4,214,209 \$ - \$ 4,214,209 Tution charges 59,071 - - - 59,071 Interest earned on copilal reserve funds 23 - - - - 11 Miscellaneous 4,754 - - - 4,754 Total - local sources 326,467 - - - 4,756,467 Federal sources - 52,629 - - 52,629 - - 52,629 Total - local instruction 5 1,242,744 5 - 5 - 239,888 Current: Regular instruction 54,533 - - - 239,888 Other special instruction 733,725 - - 733,725 Attendance and social work services 20,001 - - 24,405 Other support services 20,201 - - 24,405 General administrative services 132,600 - -											
Tution charges 59,871 - - - - - - - - 33 - - - 33 - - - 33 - - - 33 - - - 33 1 - - 1 33 - - - - 1 33 1 - - - 1 33 1 - - - 1 33 1 - - 1 33 4 - 1 <th1< th=""> <th1< th=""> 1<</th1<></th1<>		¢	1 211 209	¢	_	¢	_	¢	_	¢	1 214 209
Interest on investments 33 - - - 33 Interest earned on capital reserve funds 4,734 - - 4,773 Coll - local sources 4,774 - - 4,778 State sources 336,467 - - - 4,778,988 Total - local sources 5 4,613,355 5 5,2,629 - - 52,229 Total revenues 5 4,613,355 5 5,2,629 - - 2,24,744 Special deducation instruction 5 1,242,744 9 - 9 - 2,24,744 Special poncord/other instructional 87,334 - - - 2,39,888 Other support services and undistributed costs: 10,37,23 - - 2,4,553 Instruction 733,725 - - - 2,4,03 Other support services 2,4,04 52,629 - - 2,4,03 Instruction staft training 1,32,000 - -		Ŷ		Ŷ	_	Ŷ	_	Ŷ	_	Ŷ	
Interest earned on capital reserve funds 21 - </td <td></td> <td></td> <td></td> <td></td> <td>_</td> <td></td> <td>_</td> <td></td> <td>_</td> <td></td> <td></td>					_		_		_		
Miscellaneous 4,754 - - 4,754 - - 4,754,888 State sources 4,279,488 - - - 4,278,488 State sources - - 52,629 - - - - 2,263 Total = locols ources - - 52,629 - - - - 2,262 Total = revenuess - - - 52,629 - - - - 2,262 - - - 2,262 - - - 2,262 - - - 2,262 - - - 2,262 - - - 2,262 - - - 2,262 - - 2,262 - - 2,262 - - - 2,262,263 - - - 2,262,263 - - - 2,422,744 - - 2,61,533 - - - 2,61,533 - <t< td=""><td></td><td></td><td></td><td></td><td>_</td><td></td><td>_</td><td></td><td>_</td><td></td><td></td></t<>					_		_		_		
Total - local sources 4,278,888 - - 4,278,888 State sources - 52,629 - - 336,467 Federal sources - 52,629 - - - 52,629 Total revenues - - - - - 336,467 Evenues - - - - - - - - 52,629 - - - - - 52,629 - - - - 52,629 - - - 52,629 - - - 52,629 - - - 52,629 - - - 52,629 - - - 52,629 - - 24,617,988 - - - 52,629 - - 239,888 - - - 239,888 - - - 73,734 - - - 73,725 - - - 73,725 - - 73,725 - - 72,744 53 52,629 - -	*				_		_		_		
State sources 336,467 - - - - - - - 316,467 Pederal sources \$ 4,615,355 \$ \$2,629 \$ - \$ 4,667,984 EXENCTIONS Image: Sources Sourc					_						
Federal sources - 52,629 - - - 52,629 Total revenues \$ 4,615,335 \$ 52,629 \$ - \$ - \$ - \$ 4,667,984 Current: Regular instruction \$ 1,242,744 \$ - \$ - \$ - \$ 23,688 Other special instruction 239,688 - - - 239,688 Other special instruction 24,553 - - - 24,533 Support services and undistributed costs: - - - 84,553 - - - 84,553 Other support services and undistributed costs: - - - 733,725 - - - 72,563 Definition instruction start, services 242,614 52,629 - - 72,552 - - 72,563 Educational media services 16,526 - - - 18,987 - - 18,987 General administrative services 132,600 - - - 132,600 - - 152,62 Catreal services 132,600 - <td></td>											
Total revenues \$ \$ 4,615,335 \$ 52,629 \$ - \$ \$ 4,667,984 EXENSITIONES Current: Regular instruction \$ 1,242,744 \$ - \$ - \$ 1,242,744 \$ - \$ - \$ 1,242,744 \$ - - 239,888 - - - 239,888 - - - 239,888 - - - 239,888 - - - 239,888 - - - 239,888 - - - 239,888 - - - 239,888 - - - 239,888 - - - 239,888 - - - 239,334 - - 239,283 - - 239,243 - - 239,243 - - 239,243 - - 239,243 - - 239,243 - - 239,243 - <							-		-		
EXPENDITURES Current: Regular instruction \$ 1,242,744 \$ - \$ - \$ - \$ 1,242,744 Special education instruction 239,888 239,888 Other special instruction 239,733 349,888 Other special instructional 67,334 67,334 Support services and undistibuted costs: 733,725 733,725 Instruction 733,725 24,405 24,405 Other support services 242,614 52,629 22,523 Improvement of instr. services 712,926					,		-		-		
Current: S 1,242,744 S S S S 1,242,744 Special education instruction 239,888 - - - 239,888 Other special instruction 54,553 - - - 54,553 School sponsored/other instructional 87,334 - - - 57,334 Support services and undistributed costs: - - - - 73,725 - - - 20,301 Health services 24,405 - - - 20,301 - - 20,301 Health services 24,405 - - - 24,405 Other support services 72,663 - - - 72,553 Educational media services 132,600 - - 132,600 - - 132,600 School administrative services 75,282 - - - 75,282 - - 32,217 Allewed maintenance for school facillities 355,	Total revenues	Ş	4,615,355	Ş	52,629	Ş	-	ş	-	ş	4,667,984
Current: \$ 1,242,744 \$ \$ \$ \$ 1,242,744 Special education instruction 239,888 - - - 239,888 Other special instruction 54,553 - - - 54,553 School sponsored/other instructional 87,334 - - - 87,334 Support services and undistributed costs: - - - 733,725 - - - 20,301 Health services 204,010 - - - 20,301 - - 20,301 Health services 244,015 - - - 24,405 Educational media services 16,526 - - 12,600 Instruction staff training 18,987 - - 132,600 School administrative services 75,282 - - 75,282 Central services 86,758 - - 24,157 Allowed maintenance for school facilities 355,166 - <t< td=""><td>EXPENDITIBES</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	EXPENDITIBES										
Regular instruction \$ 1,242,744 \$ - \$ - \$ 1,242,744 Special education instruction 239,888 - - - 239,888 Other special instruction 87,334 - - - 54,553 Support services and undistributed costs: 733,725 - - - 733,725 Attendance and social work services 20,001 - - - 20,001 Health services 22,563 - - - 295,243 Improvement of instr. services 72,263 - - - 295,243 Reducational media services 61,526 - - - 61,526 Instruction staff training 18,987 - - - 18,987 General administrative services 73,225 - - - 75,282 Central services 75,282 - - - 3,217 Altion infor. technology 3,217 - -											
Special education instruction 239,888 - - - 239,888 Other special instruction 54,553 - - - 54,553 School sponsored/other instructional 87,334 - - - 54,553 Support services and undistributed costs: - - - 733,725 - - - 733,725 Attendance and social work services 20,301 - - - 20,301 Health services 24,405 - - - 24,405 Other support services 24,2,614 52,629 - - 295,243 Improvement of instr. services 12,660 - - - 16,937 General administrative services 132,600 - - 132,600 - - 132,600 School administrative services 86,758 - - 86,758 - - 86,758 Admin. info. technology 3,217 - - 105,748 - - <td></td> <td>S</td> <td>1.242.744</td> <td>Ś</td> <td>_</td> <td>S</td> <td>-</td> <td>S</td> <td>-</td> <td>Ś</td> <td>1.242.744</td>		S	1.242.744	Ś	_	S	-	S	-	Ś	1.242.744
Other special instruction 54,553 - - - 54,553 School sponsored/other instructional 87,334 - - - 87,334 Support services and undistributed costs: 733,725 - - - 733,725 Attendance and social work services 20,301 - - - 20,301 Health services 244,405 - - - 24,405 Other support services 242,614 52,629 - - 25,243 Improvement of instr. services 72,563 - - - 61,526 Instruction staff training 18,987 - - - 132,600 School administrative services 75,282 - - - 75,282 Central services 86,758 - - - 32,717 Allowed maintenance for school facilities 105,748 - - 365,368 Non-budgeted expenditures 310,374 - - 310,374 N					_		-		_		
Schol sponsord/other instructional 87,334 - - - 87,334 Support services and undistributed costs: 733,725 - - - 733,725 Attendance and social work services 20,301 - - - 20,301 Health services 244,605 - - - 244,405 Other support services 242,614 52,629 - - 265,243 Improvement of instr. services 72,563 - - - 72,563 Educational media services 61,526 - - 18,987 - - 18,987 School administrative services 75,282 - - 75,282 - - 75,282 Central services 86,758 - - 20,741 - 20,741 Allowed maintenance of plant 274,157 - - 274,157 - - 274,157 Student transportation services 90,718 - - 90,718 Non-b					-		-		-		
Support services and undistributed costs: 733,725 - - - 733,725 Attendance and social work services 20,301 - - - 20,301 Health services 24,405 - - - 24,405 Other support services 242,614 52,629 - - 245,243 Improvement of instr. services 72,563 - - - 72,563 Educational media services 132,600 - - - 18,987 General administrative services 132,600 - - - 132,600 School administrative services 75,282 - - - 75,282 Central services 86,758 - - - 32,17 - - 32,217 Allowed maintenance of school facilities 105,748 - - 105,748 Other operation & maintenance of plant 274,157 - - 20,718 Unallocated employee benefits 365,368 - -	-				-		-		-		
Instruction 733,725 - - - 733,725 Attendance and social work services 20,301 - - - 20,301 Health services 244,405 - - - 24,405 Other support services 242,614 52,629 - - 24,405 Improvement of instr.services 72,563 - - - 72,553 Educational media services 18,987 - - 18,987 General administrative services 132,600 - - 132,600 School administrative services 75,282 - - - 75,282 Central services 86,758 - - - 86,758 Admin, info. technology 3,217 - - - 105,748 Other operation & maintenance of plant 274,157 - - 274,157 Student transportation services 90,718 - - 306,368 Non-budgeted expenditures 310,374 -			,								.,
Attendance and social work services 20,301 - - - 20,301 Health services 24,405 - - - 24,405 Other support services 24,614 52,629 - - 25,543 Improvement of instr. services 72,563 - - - 72,563 Educational media services 61,526 - - - 61,526 Instruction staff training 18,987 - - - 132,600 School administrative services 75,282 - - 75,282 Central services 86,758 - - 10,987 Allowed maintenance for school facilities 105,748 - - 105,748 Other operation & maintenance of plant 274,157 - - 20,718 Student transportation services 90,718 - - 106,748 Non-budgeted expenditures 310,374 - - 16,327 Total expenditures 356,166 - - - 4,311,818 Excess (deficiency) of revenues over expenditures			733.725		_		-		-		733.725
Health services 24,405 - - - 24,405 Other support services 242,614 52,629 - - 295,243 Improvement of instr. services 72,563 - - 72,563 Educational media services 61,526 - - - 61,526 Instruction staff training 18,987 - - 18,987 General administrative services 132,600 - - 132,600 School administrative services 75,282 - - 75,282 Central services 86,758 - - - 86,758 Admin. info. technology 3,217 - - 105,748 - - 105,748 Other operation & maintenance of plant 274,4157 - - 274,4157 - - 274,4157 Student transportation services 90,718 - - 365,368 - - 365,368 Non-budgeted expenditures 310,374 - - 310,374 - - 316,327 Total expenditures <td< td=""><td></td><td></td><td></td><td></td><td>-</td><td></td><td>-</td><td></td><td>-</td><td></td><td></td></td<>					-		-		-		
Other support services 242,614 52,629 - - 295,243 Improvement of instr. services 72,563 - - - 72,563 Educational media services 61,526 - - - 72,563 Instruction staff training 18,987 - - 18,987 General administrative services 132,600 - - 132,600 School administrative services 75,282 - - 75,282 Central services 86,758 - - - 86,758 Admin. info. technology 3,217 - - - 3,217 Allowed maintenance for school facilities 105,748 - - 105,748 Other operation & maintenance of plant 274,157 - - 204,157 Student transportation services 90,718 - - 305,368 Non-budgeted expenditures 365,368 - - - 316,327 Total expenditures 356,166 -					-		-		-		
Improvement of instr. services 72,563 - - - 72,563 Educational media services 61,526 - - - 61,526 Instruction staff training 18,987 - - - 18,987 General administrative services 132,600 - - - 132,600 School administrative services 75,282 - - - 86,758 Admin. info. technology 3,217 - - - 3,217 Allowed maintenance for school facilities 105,748 - - 274,157 Student transportation services 90,718 - - 365,368 - - 365,368 Non-budgeted expenditures 310,374 - - - 310,374 Capital outlay 16,327 - - - 4,311,818 Excess (deficiency) of revenues 356,166 - - - - - - over expenditures 356,166 - - - - - - - - Other					52.629		-		-		
Educational media services 61,526 - - - 61,526 Instruction staff training 18,987 - - - 18,987 General administrative services 132,600 - - - 132,600 School administrative services 75,282 - - - 75,282 Central services 86,758 - - - 86,758 Admin. info. technology 3,217 - - - 36,768 Allowed maintenance for school facilities 105,748 - - - 274,157 Allowed temployee benefits 365,368 - - - 90,718 Unallocated employee benefits 365,368 - - - 310,374 Non-budgeted expenditures 310,374 - - 16,327 Total expenditures 356,166 - - - 356,166 Other optication services 356,166 - - - - - Non-budgeted expenditures 356,166 - - - - -<					-		_		_		
Instruction staff training 18,987 - - - 18,987 General administrative services 132,600 - - - 132,600 School administrative services 75,282 - - - 132,600 Central services 86,758 - - - 75,282 Central services 86,758 - - - 86,758 Admin. info. technology 3,217 - - - 3,217 Allowed maintenance for school facilities 105,748 - - - 105,748 Other operation & maintenance of plant 274,157 - - - 90,718 Student transportation services 90,718 - - - 310,374 Non-budgeted expenditures 310,374 - - - 310,374 Capital outlay 16,327 - - - 4,311,818 Excess (deficiency) of revenues 356,166 - - - - over expenditures 356,166 - - - - - </td <td></td> <td></td> <td></td> <td></td> <td>_</td> <td></td> <td>_</td> <td></td> <td>_</td> <td></td> <td></td>					_		_		_		
General administrative services 132,600 - - - 132,600 School administrative services 75,282 - - - 75,282 Central services 86,758 - - - 86,758 Admin. info. technology 3,217 - - - 86,758 Allowed maintenance for school facilities 105,748 - - - 3,217 Allowed maintenance for plant 274,157 - - - 274,157 Student transportation services 90,718 - - - 90,718 Unallocated employee benefits 365,368 - - - 365,368 Non-budgeted expenditures 310,374 - - - 310,374 Capital outlay 16,327 - - - 16,327 Total expenditures 356,166 - - - 4,311,818 Excess (deficiency) of revenues - - - - - over expenditures - - - - - -					_		_		_		
School administrative services 75,282 - - - 75,282 Central services 86,758 - - - 86,758 Admin. info. technology 3,217 - - - 86,758 Allowed maintenance for school facilities 105,748 - - - 3,217 Allowed maintenance of plant 274,157 - - - 274,157 Student transportation services 90,718 - - - 90,718 Unallocated employee benefits 365,368 - - - 365,368 Non-budgeted expenditures 310,374 - - - 16,327 Total expenditures 4,259,189 52,629 - - 4,311,818 Excess (deficiency) of revenues - - - - - - over expenditures 356,166 -					_		_		_		
Central services 86,758 - - - 86,758 Admin. info. technology 3,217 - - - 3,217 Allowed maintenance for school facilities 105,748 - - - 105,748 Other operation & maintenance of plant 274,157 - - - 274,157 Student transportation services 90,718 - - - 276,167 Unallocated employee benefits 365,368 - - - 310,374 Capital outlay 16,327 - - - 4,311,818 Excess (deficiency) of revenues 356,166 - - - 356,166 Other financing sources and uses - - - - - - Net change in fund balances 356,166 - <					_		_		_		
Admin. info. technology 3,217 - - - 3,217 Allowed maintenance for school facilities 105,748 - - - 105,748 Other operation & maintenance of plant 274,157 - - - 274,157 Student transportation services 90,718 - - - 274,157 Unallocated employee benefits 365,368 - - - 305,368 Non-budgeted expenditures 310,374 - - - 310,374 Capital outlay 16,327 - - 4,311,818 Excess (deficiency) of revenues - - - 4,311,818 Other spenditures 356,166 - - - - Other financing sources and uses - - - - - Net change in fund balances 356,166 - - - - - Stopped in fund balances 356,166 - - - - - -					_		_		_		
Allowed maintenance for school facilities 105,748 - - - 105,748 Other operation & maintenance of plant 274,157 - - 274,157 Student transportation services 90,718 - - 90,718 Unallocated employee benefits 365,368 - - 365,368 Non-budgeted expenditures 310,374 - - 310,374 Capital outlay 16,327 - - 4,311,818 Excess (deficiency) of revenues 356,166 - - - over expenditures 356,166 - - - - Transfers in - - - - - Transfers out - - - - - Net change in fund balances 356,166 - - - - - Net change in fund balances 356,166 - - - - 356,166					_		_		_		
Other operation & maintenance of plant 274,157 - - 274,157 Student transportation services 90,718 - - 90,718 Unallocated employee benefits 365,368 - - 365,368 Non-budgeted expenditures 310,374 - - 310,374 Capital outlay 16,327 - - 4,310,374 Total expenditures 4,259,189 52,629 - - 4,311,818 Excess (deficiency) of revenues 356,166 - - - 356,166 OTHER FINANCING SOURCES (USES) Transfers in - - - - - Transfers out - - - - - - - Net change in fund balances 356,166 - - - - - -					_		_		_		
Student transportation services 90,718 - - - 90,718 Unallocated employee benefits 365,368 - - - 365,368 Non-budgeted expenditures 310,374 - - - 310,374 Capital outlay 16,327 - - 16,327 - - 16,327 Total expenditures 4,259,189 52,629 - - 4,311,818 Excess (deficiency) of revenues 356,166 - - - 356,166 OTHER FINANCING SOURCES (USES) Transfers in - - - - - Total other financing sources and uses - - - - - - - - Net change in fund balances 356,166 - - - - - 356,166					_		_		_		
Unallocated employee benefits 365,368 - - - 365,368 Non-budgeted expenditures 310,374 - - 310,374 Capital outlay 16,327 - - 16,327 Total expenditures 4,259,189 52,629 - - 4,311,818 Excess (deficiency) of revenues 356,166 - - - 356,166 OTHER FINANCING SOURCES (USES) - - - - - - Transfers in - - - - - - - Total other financing sources and uses - - - - - - Net change in fund balances 356,166 - - - - 356,166					_		_		_		
Non-budgeted expenditures 310,374 - - - 310,374 Capital outlay 16,327 - - - 16,327 Total expenditures 4,259,189 52,629 - - 4,311,818 Excess (deficiency) of revenues over expenditures 356,166 - - - 4,311,818 OTHER FINANCING SOURCES (USES) Transfers in - - - 356,166 OTHER financing sources and uses - - - - - Net change in fund balances 356,166 - - - - 356,166					_		_		_		
Capital outlay 16,327 - - 16,327 Total expenditures 4,259,189 52,629 - - 4,311,818 Excess (deficiency) of revenues over expenditures 356,166 - - - 4,311,818 OTHER FINANCING SOURCES (USES) 356,166 - - - 356,166 OTHER financing sources and uses - - - - - Net change in fund balances 356,166 - - - - -					_		_		_		
Total expenditures 4,259,189 52,629 - - 4,311,818 Excess (deficiency) of revenues over expenditures 356,166 - - - 4,311,818 OTHER FINANCING SOURCES (USES) 356,166 - - - 356,166 OTHER FINANCING SOURCES (USES) - - - - - Transfers out - - - - - - Total other financing sources and uses - - - - - Net change in fund balances 356,166 - - - 356,166					_		_		_		
Excess (deficiency) of revenues over expenditures <u>356,166</u> <u>- 356,166</u> OTHER FINANCING SOURCES (USES) Transfers in <u></u>					52,629		-		-		
over expenditures356,166356,166OTHER FINANCING SOURCES (USES)Transfers inTransfers outTotal other financing sources and usesNet change in fund balances356,166356,166			_,,,		,						_,,
OTHER FINANCING SOURCES (USES) Transfers in Transfers out - Total other financing sources and uses - Net change in fund balances	Excess (deficiency) of revenues										
Transfers in - - - - - - Transfers out - - - - - - - Total other financing sources and uses - - - - - - - Net change in fund balances 356,166 - - - 356,166	over expenditures		356,166		-		-		-		356,166
Transfers in - - - - - - Transfers out - - - - - - - Total other financing sources and uses - - - - - - - Net change in fund balances 356,166 - - - 356,166	OTHER FINANCING SOURCES (USES)										
Transfers out - <			-		-		-		-		-
Total other financing sources and uses - 356,166 - - - 356,166 - - - 356,166 - - - 356,166 - - - 356,166 - - - 356,166 - - - 356,166 - - - 356,166 - - - 356,166 - - - 356,166 - - - 356,166 - - - 356,166 - - - 356,166			-		_		-		-		-
			-		-		-		-		-
Fund balance-July 1 1.216.708 1.216.708	Net change in fund balances		356,166		-		-		-		356,166
1/210/700	Fund balance-July 1		1,216,708		-		-		-	_	1,216,708
Fund balance-June 30 \$ 1,572,874 \$ - \$ - \$ 1,572,874	Fund balance-June 30	Ş	1,572,874	\$	-	Ş	-	\$	-	Ş	1,572,874

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

Total net change in fund balances - governmental funds (from B-2)	\$	356,166
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 (117,361) Capital outlays	_	(117,361)
In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey		5,588
In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured earned during the year. In the governmental funds, however, expenditures for these items are reported by the amounts in the amount of financial resources used, essentially,		(4.260)
the amounts actually paid. This year, sick leave was decreased.		(4,366)
Change in net position of governmental activities	\$	240,027

Exhibit B-3

Exhibit B-4

SEA GIRT SCHOOL DISTRICT Statement of Net Position Proprietary Funds June 30, 2015

		type Activities - erprise Fund
ASSETS		
Current assets:		
Cash and cash equivalents	Ş	535,839
Investments		-
Interfund receivable		-
Receivable from state		-
Receivable from other governments		-
Other receivables		-
Total current assets		535,839
Noncurrent assets: Restricted cash and cash equivalents		-
Furniture, machinery and equipment		1,107,490
Construction in progress		-
Less accumulated depreciation		(161,126)
Total noncurrent assets		946,364
Total assets		1,482,203
LIABILITIES Current liabilities:		
Accounts payable		-
Compensated absences		-
Total current liabilities		-
Noncurrent Liabilities:		
Compensated absences		-
Total noncurrent liabilities		-
Total liabilities		-
NET POSITION		
Net investment in capital assets		946,364
Restricted for:		, / • •
Capital projects		-
Unrestricted		535,839
Total net position		1,482,203
Total liabilities and net position	S	1,482,203

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

	 ype Activities - rprise Fund
Operating revenues:	
Royalties	\$ 162,006
Total operating revenues	162,006
Operating expenses:	
Professional fees	2,668
Salaries	12,702
Other purchased professional services	4,831
Cleaning, repair and maintenance services	5,403
Travel	204
General supplies	40,844
Depreciation	25,832
Total operating expenses	 92,484
Operating income	 69,522
Non-operating revenues (expenses):	
Interest expense	-
Interest and investment revenue	159
Total non-operating revenues (expenses)	 159
Change in net position	69,681
Total net position-beginning	 1,412,522
Total net position-ending	\$ 1,482,203

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

		ype Activities - prise Funds
	Enter	prise Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	Ş	162,006
Payments to employees		(12,702)
Payments to suppliers		(53,950)
Net cash provided by operating activities		95,354
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State sources		-
Interest income		159
Interest expense		-
Net cash provided by non-capital financing activities		159
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from revenue anticipation loan		_
Payments of revenue anticipation loan		_
Purchases of capital assets		_
Net cash provided by (used for) capital		
and related financing activities		-
and feldeed financing deelvieleb		
Net increase in cash and cash equivalents		95,513
Balances-beginning of year		440,326
Balances-end of year	Ş	535,839
Reconciliation of operating loss to net cash used		
in operating activities:		
Operating income	\$	69,522
Adjustments to reconcile operating loss to		
net cash used in operating activities:		
Depreciation		25,832
Federal commodities		-
Decrease in interfund receivable, net		-
Decrease in accounts receivable, net		-
Increase in inventories		-
Decrease in interfund payable		-
Increase in accounts payable		-
Total adjustments		25,832
Net cash provided by operating activities	Ş	95,354

SEA GIRT SCHOOL DISTRICT Statement of Fiduciary Net Position June 30, 2015

	Unemployment Compensation Trust		Student Activity		Agency Fund	
ASSETS						
Cash and cash equivalents	Ş	42,900	\$	11,226	Ş	2,171
Interfund receivable		-		-		-
Total assets		42,900		11,226		2,171
LIABILITIES						
Accounts payable		-		-		-
Payroll deductions and withholdings		-		-		2,171
Payable to student groups		-		11,226		-
Other current liabilities		-		-		-
Total liabilities		-		11,226		2,171
NET POSITION						
Held in trust for unemployment						
claims and other purposes		42,900		-		-
Total net position		42,900		-		-
Total liabilities and net position	Ş	42,900	Ş	11,226	Ş	2,171

SEA GIRT SCHOOL DISTRICT Statement of Changes in Fiduciary Net Position Fiduciary Funds For the Fiscal Year Ended June 30, 2015

	Unemployment Compensation Trust		
ADDITIONS			
Contributions:			
Plan member	\$	1,346	
Other		_	
Total contributions		1,346	
Investment earnings:			
Net increase (decrease) in			
fair value of investments		-	
Interest		5	
Dividends		-	
Less investment expense		-	
Net investment earnings		5	
Total additions		1,351	
DEDUCTIONS			
Quarterly contribution reports		-	
Unemployment claims		-	
Scholarships awarded		-	
Refunds of contributions		-	
Administrative expenses		-	
Total deductions		_	
Change in net position		1,351	
Net position-beginning of the year		41,549	
Net position-end of the year	\$	42,900	

1. Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Sea Girt Board of Education is a Type II district located in the county of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is compromised of five members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK - 8. The Sea Girt Board of Education had an approximate enrollment of 162 students at June 30, 2015.

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

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

B. Basis of Presentation, Basis of Accounting:

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information.

1. Summary of Significant Accounting Policies (Continued)

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

The School District adopted the newly implemented Governmental Accounting Standard requiring the reporting of deferred outflows, deferred inflows, and net position. The term Net Assets will no longer be used and will be replaced with Net Position. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position. Items previously classified as assets and liabilities but not meeting that definition have then been reviewed for categorization as deferred outflows or deferred inflows. Items not classified as either an asset, deferred outflow, liability or deferred inflow have been charged to the Statement of Revenues, Expenses, and Changes in Net Position in the current year.

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

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

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Notes to Financial Statements

For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (Continued)

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

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

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

The District reports the following governmental funds:

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

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

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

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

Notes to Financial Statements

For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (Continued)

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

The District reports the following proprietary funds:

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

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

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

The District reports the following fund types:

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

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

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

Notes to Financial Statements

For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

1. Summary of Significant Accounting Policies (Continued)

C. Budgets/Budgetary Control:

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

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

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

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. At June 30, 2015, there was a reconciling difference of \$78,735 between the budgetary basis and GAAP basis in the General Fund and of \$- in the Special Revenue Fund.

1. Summary of Significant Accounting Policies (Continued)

D. Encumbrance Accounting:

Under Encumbrance Accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve and 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.

E. Assets, Liabilities, and Equity:

Interfund Transactions:

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

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

Inventories:

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

Deferred Outflows/Inflows of Resources:

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

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

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Equity (Continued)

Capital Assets:

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

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

Asset Class	Estimated <u>Useful Lives</u>		
Building and improvements	20-50 years		
Furniture and equipment	5-20 years		
Vehicles	8 years		

Compensated Absences:

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

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

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

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

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Equity (Continued)

Unearned/Deferred Revenue:

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

Accrued Liabilities and Long-Term Obligations:

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

Net Position:

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

Fund Balance Reserves:

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

Notes to Financial Statements

For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Equity (Continued)

Revenues - Exchange and Nonexchange Transactions:

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

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

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

Operating Revenues and Expenses:

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

Notes to Financial Statements

For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Equity (Continued)

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

2. Capital Reserve Account

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

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

Notes to Financial Statements

For the Year Ended June 30, 2015

2. Capital Reserve Account(Continued)

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

Beginning Balance June 30, 2014	\$ 479,497
Add: Interest earnings	21
Approved at June 2015 meeting	227,000
Withdrawals	
Ending Balance, June 30, 2015	\$ 706,518

The June 30, 2015 LRFP balance of local support costs of uncompleted Capital Projects is \$2,999,790.

3. Maintenance Reserve Account

A maintenance Reserve Account was established by the Sea Girt Board of Education by inclusion of \$200,000 for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

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

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

Beginning Balance, June 30, 2014	\$ 200,000
Add:	
Approved at June 30, 2013 meeting	-
Less:	
Withdrawals	
Ending Balance, June 30, 2015	\$ 200,000

4. Deposits and Investments

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

<u>Deposits</u>

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

Bank balances at June 30, 2015 are insured up to \$250,000 in aggregate by the FDIC for each bank. At June 30, 2015, the book value of the Board's deposits were \$2,154,070.

Custodial Credit Risk Related to Deposits

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

At June 30, 2015, the Board's bank balances of \$2,465,320 were exposed to Custodial Credit Risk as follows:

	2015
Insured	\$ 568,227
Uninsured and Uncollateralized	 1,897,093
	\$ 2,465,320

4. Deposits and Investments (Continued)

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully-collateralized securities, if transacted in accordance with the above statute.

New Jersey Asset and Rebate Management Program — The Program has been established as a joint investment trust, (the "Trust"), by local governmental units in the State of New Jersey, (the "State"), consistent with the Interlocal Services Act, constituting Chapter 208 of the Pamphlet Laws of 1973 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (N.J.S.A. 40:8A-1 et seq.), (the "Interlocal Services Act"), to make available to counties, municipalities, school districts, authorities, or other political subdivisions of the State, and where applicable, any bond trustee acting on behalf of such local government, a convenient method for investing and accounting for surplus cash and tax-exempt debt proceeds. The Program seeks to invest tax-exempt bond and note proceeds in compliance with arbitrage management and rebate requirements of the Internal Revenue Code of 1986, as amended. The Program also provides for record keeping, depository and arbitrage rebate calculation.

As of June 30, 2015, the District had \$212,446 on deposit with the New Jersey Asset and Rebate Management Program.

Interest Rate Risk

The District does not have a policy to limit interest rate risk. The average maturity of the District's sole investment, the NJCMF, is less than one year.

Credit Risk

State law limits investments as noted above (N.J.S.A. 18A:20-37). The District has an investment policy that further limits its investment choices.

Investment and interest earnings in the Capital Projects Fund are assigned to the Debt Service Fund in accordance with Board policy.

5. Receivables

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

	Govern Fund Fi <u>State</u>	nancial	District-Wide Financial <u>Statements</u>		
State aid Federal aid Other Interfunds	\$	10,940 - - 10,940	\$	10,940 - - 10,940	
Less: allowance for uncollectibles					
Total receivables, net	\$	10,940	\$	10,940	

6. Capital Assets

The District did not have its Fixed Assets appraised by an independent appraiser as of June 30, 2015. The valuation was not properly updated and did not include all the District's Capital Assets. As such, materially accurate asset valuation totals, accumulated depreciation expense and depreciation expense amounts were not ascertainable.

Notes to Financial Statements

For the Year Ended June 30, 2015

6. Capital Assets (Continued)

Governmental Activities:	Beginning <u>Balance</u>	Additions	<u>Retirements</u>	Ending <u>Balance</u>
Capital assets not being depreciated Land Construction in progress	\$ 916,364	\$	-	\$ 916,364
Total capital assets not being depreciated	916,364			916,364
Capital assets being depreciated Building and building improvements Land improvements Machinery and equipment	3,564,457 552,170 276,941	- - -	- - -	3,564,457 552,170 276,941
Totals at historical cost	4,393,568			4,393,568
Less accumulated depreciation for: Building and building improvements Land improvements Machinery and equipment	(1,577,790) (213,840) (213,426)	(71,289) (27,609) <u>(18,463</u>)	-	(1,649,079) (241,449) (231,889)
Total accumulated depreciation	<u>(2,005,056</u>)	<u>(117,361</u>)		<u>(2,122,417</u>)
Total capital assets being depreciated, net of accumulated depreciation Government activity capital assets, net	<u>2,388,512</u> \$ <u>3,304,876</u>	<u>(117,361</u>) <u>(117,361</u>)		<u>2,271,151</u> \$ <u>3,187,515</u>
	÷ <u></u>	<u> (11,7001</u>)		<u>- 071077010</u>
Business-Type Activities: Capital Assets Being Depreciated: Technology center Machinery and equipment Construction in progress Less Accumulated Depreciation	\$ 1,081,267 26,223 (135,294)	- - - (25,832)	- - - -	\$ 1,081,267 26,223 - (161,126)
Enterprise Fund Capital Assets, Net	\$ <u>972,196</u>	\$ <u>(25,832</u>)		\$ 946,364

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

Depreciation expense was charged to functions as follows:

Operation and maintenance	\$ <u>117,361</u>
Total	\$ <u>117,361</u>

Notes to Financial Statements

For the Year Ended June 30, 2015

7. Long-Term Obligations

A. Long-Term Obligation Activity:

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

Amount c

<u>Governmental</u> <u>Activities:</u>	lance <u>30, 2014</u>		Increases/ <u>Decreases</u>	-	Balance <u>30, 2015</u>		Amounts Due Within <u>One Year</u>
Compensated Absences Payable Pension Liability -	\$ 44,022	\$	4,366	\$	48,388	\$	-
PERS	 	-	834,592		834,592	\$_	29,846
	\$ 44,022	\$_	838,958	\$	882,980	\$_	29,846

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.

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

There are no serial bonds outstanding at June 30, 2015.

As of June 30, 2015, the Board had no bonds authorized.

8. Operating Leases

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

9. Pension Plans

Description of Plans

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

9. Pension Plans (Cont'd)

Description of Plans(Cont'd)

Teachers' Pension and Annuity Fund ("TPAF")

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

For the year ended June 30, 2015, the District recognized pension expense of \$77,527 and revenue of \$77,527 for support provided by the State on the fund financials. These amounts are not included in the district-wide financials as required by GASB 68.

At June 30, 2015, the District has no deferred outflow, deferred inflows or pension liability for the TPAF plan as all future costs are to be incurred by the State of New Jersey. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed. These items are not included on the district-wide financials. The District's proportionate share is 0.0162224199% of the total plan. The information below was provided from the State of New Jersey June 30, 2014 audit of the TPAF fund and has been adjusted to the District's proportionate share:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,540
Changes of assumptions	371 , 643	-
Net difference between projected and actual	-	280,548
earnings on pension plan investments		
Changes in proportion and differences between	-	13,519
District contributions and proportionate share of		
contributions		
District contributions subsequent to the		
measurement date		
Total	\$ <u>371,643</u>	\$ <u>297,607</u>

The District's proportionate share of the pension liability at June 30, 2014 as it relates to the District is \$8,670,355.

Notes to Financial Statements

For the Year Ended June 30, 2015

9. Pension Plans (Cont'd)

Description of Plans (Cont'd)

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

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

Y	ear	ended	June	30:	
2	015			\$	(21,201)
2	016				(21,201)
2	017				(21,201)
2	018				(21,201)
2	019				49,417
т	here	eafter			123,542
т	otal	L		\$	88,155

Public Employees' Retirement System ("PERS")

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

For the year ended June 30, 2015, the District recognized pension expense of \$29,846. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed and recorded. These items are included on the district-wide financials. The District's proportionate share is 0.0042982314% of the total plan. The information below was provided from the State of New Jersey June 30, 2014 audit of the PERS fund and has been adjusted to the District's proportionate share. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ –
Changes of assumptions	25 , 306	-
Net difference between projected and actual	-	47 , 959
earnings on pension plan investments		
Changes in proportion and differences between	-	-
District contributions and proportionate share of		
contributions		
District contributions subsequent to the		
measurement date		
Total	\$ <u>25,306</u>	\$ <u>47,959</u>

9. Pension Plans (Cont'd)

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

The District's proportionate share of the pension liability at June 30, 2014 as it relates to the District is \$804,746 and has been recorded on the district-wide financials. The current portion due in April 2016 for the June 30, 2015 liability is 29,846 and has been included on the district-wide financials. The total PERS pension liability at June 30, 2015 is \$834,592.

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

Year	ended	June	30:	
2015			\$	(7,338)
2016				(7,338)
2017				(7,338)
2018				(7,338)
2019				4,652
There	eafter			2,047
Total	L		\$	<u>(22,653</u>)

Long-Term Expected Rate of Return

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

			Long-Term
			Expected Real
	Target		Rate of
<u>Asset Class</u>	<u>Allocation</u>		<u>Return</u>
Cash	6.00	8	0.80 %
Core Bonds	1.00	8	2.49 %
Intermediate-Term Bonds	11.20	8	2.26 %
Mortgages	2.50	8	2.17 %
High Yield Bonds	5.50	8	4.82 %
Inflation-Indexed Bonds	2.50	8	3.51 %
Broad US Equities	25.90	8	8.22 %
Developed Foreign Equities	12.70	8	8.12 %
Emerging Market Equities	6.50	8	9.91 %
Private Equity	8.25	8	13.02 %
Hedge Funds/Absolute Return	12.25	8	4.92 %
Real Estate (Property)	3.20	8	5.80 %
Commodities	2.50	8	5.35 %

9. Pension Plans (Cont'd)

Discount Rate

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

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

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

	1%	Current	1%
	Decrease	Discount Rate	Increase
	(4.39 %)	(5.39 %)	(6.39 %)
District's proportionate share of			
the net pension liability	1,012,398	804,746	630 , 372

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

9. Pension Plans (Cont'd)

Vesting and Benefit Provisions

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

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

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% 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 included funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2015, the State of New Jersey contributed \$200,602 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 \$109,772 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the general purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenues and expenditures in accordance with Governmental Accounting Standards.

9. Pension Plan (Continued)

	<u>Three-</u>	Year Trend	Information	for PERS		
	tage	Net				
Year Funding	Pe	ension	of A	APC	E	Pension
<u>June 30,</u>	Cos	st (APC)	<u>Contri</u>	buted	<u>Ob</u>	ligation
2015	\$	41,466	10	30 %	\$	-
2014		34,216	10)0 %		-
2013		29,935	10)0 %		-

<u>Three-Year Trend</u>	Infor	mation for	TPAF	(Paid on-behalf	of	the	District)
		Annual		Percentage			Net
Year Funding	1	Pension		of APC			Pension
<u>June 30,</u>	<u>C</u>	Cost (APC)		Contributed			<u>bligation</u>
2015	\$	200,602		100 %		\$	-
2014		181,151		100 %			-
2013		226,884		100 %			-

Defined Contribution Retirement Plan (DCRP)

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

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

The District's contributions to the DCRP for June 30, 2015 were \$3,351. There was no liability for unpaid contributions at June 30, 2015.

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

10. Post-Retirement Benefits

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

P.L. 1987, c 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees 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 of attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education of county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in fiscal year 2014.

11. Risk Management

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

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

11. Risk Management (Cont'd)

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 to the State. The table below is a summary of the 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 and the previous two years.

	District		Em	ployee	I	Mount	Ending			
<u>Fiscal Year</u>	<u>l Year</u> <u>Contributions</u>		Cont	<u>ributions</u>	Rei	mbursed	Balance			
2014 / 2015	\$	-	\$	1,351	\$	-	\$	42,900		
2013 / 2014		-		3,658		-		41,549		
2012 / 2013		-		3,253		_		37,891		

12. Contingent Liabilities

Grant Programs

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

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

13. Fund Balance Appropriated

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

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

13. Fund Balance Appropriated (Cont'd)

- Assigned Fund Balance amounts a District intends to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
- Unassigned Fund Balance amounts that are available for any purpose; these amounts are reported only in the General Fund.

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

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

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

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

Classification Totals

Fund	General <u>Fund</u>	Special Revenue <u>Fund</u>	Capital Projects <u>Fund</u>	Debt Service <u>Fund</u>	<u>Total</u>
Balances: Restricted Assigned	1,331,660	-	-	-	1,331,660
Unassigned	<u>241,214</u> 1,572,874				<u>241,214</u> 1,572,874

14. Calculation of Excess Surplus

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$195,353.

15. Uncertain Tax Positions

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

16. Subsequent Events

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

17. Prior Period Adjustment

The implementation of GASB 68 resulted in recording the Deferred Outflows, Deferred Inflows and Pension liability on the June 30, 2015 district-wide financials. The balances at June 30, 2014 have been recorded into the beginning net position for a change of \$862,833. This net recording into the net position created non-comparability in the MD&A and has been acknowledged and allowed by the GASB.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

		Original Budget	Budget Transfers		Final Budget		Actual	Variance Final to Actual		
REVENUES :										
Local sources:										
Local tax levy	\$	4,214,209	ŝ	_	ŝ	4,214,209	4,214,209	ŝ	_	
Tuition - residents	Ŷ	98,900	Ŷ		Ŷ	98,900	59,871	Ŷ	(39,029)	
Interest		90,900		-		90,900	33		33	
							21		21	
Interest earned on capital reserve funds		2,000		-		2,000	4,754		2,754	
Miscellaneous										
Total - local sources		4,315,109				4,315,109	4,278,888		(36,221)	
State sources:										
Transportation aid		3,620		-		3,620	3,620		-	
Special education aid		93,806		-		93,806	93,806		-	
Categorical Security		2,568		-		2,568	2,568		-	
Other Unrestricted State Aid		4,834		-		4,834	4,834		-	
TPAF pension (on-behalf - Non-budgeted)		-		-		-	200,602		200,602	
TPAF social security (reimbursed - Non-budgeted)		-		-		-	109,772		109,772	
Total state sources		104,828		-		104,828	415,202		310,374	
Total revenues	ŝ	4,419,937	Ş	-	\$	4,419,937	\$ 4,694,090	Ş	274,153	
Total revenues	<u> </u>	4,419,937	ç		ę	4,419,937	\$ 4,054,050	ę	2/4,100	
EXPENDITURES:										
Current Expense:										
Regular Programs - Instruction										
Preschool/Kindergarten - Salaries of teachers	\$	142,968	\$	18,000	\$	160,968	151,546	\$	9,422	
Grades 1-5 - Salaries of teachers		474,944		15,950		490,894	489,905		989	
Grades 6-8 - Salaries of teachers		453,790		6,300		460,090	451,873		8,217	
Regular Programs - Home Instruction:						-				
Salaries of teachers		1,000		-		1,000	-		1,000	
Purchased professional-educational services		-		-		-	-		-	
Regular Programs - Undistributed Instruction										
Other purchased services (400-500 series)		30,958		(8,350)		22,608	18,057		4,551	
General supplies		55,339		71,550		126,889	112,650		14,239	
Textbooks		15,000		(1,300)		13,700	13,456		244	
Other objects - misc. exp.		5,842		100		5,942	5,257		685	
TOTAL REGULAR PROGRAMS - INSTRUCTION		1,179,841		102,250		1,282,091	1,242,744		39,347	
SPECIAL EDUCATION - INSTRUCTION										
Resource Room/Resource Center:										
Salaries of teachers		231,703		(57,000)		174,703	173,112		1,591	
Other salaries for instruction		34,102		35,699		69,801	66,776		3,025	
Total Resource Room/Resource Center		265,805		(21,301)		244,504	239,888		4,616	
TOTAL SPECIAL EDUCATION - INSTRUCTION		265,805		(21,301)		244,504	239,888		4,616	
Basic Skills/Remedial - Instruction										
Salaries of teachers		41,484		14,000		55,484	54,553		931	
General supplies		700		(700)		_	-		-	
Total Basic Skills/Remedial - Instruction		42,184		13,300		55,484	54,553		931	
School Sponsored CoCurricular ActInstruction		<u> </u>					· · · · · ·			
Salaries		39,698		12,500		52,198	52,014		184	
Supplies and Materials		2,000		-		2,000	1,108		892	
Total School Sponsored Cocurricular Act-Instruction		41,698		12,500		54,198	53,122		1,076	
School Sponsored Athletics-Instruction		11,000		12,000		5-1,150	55,122		1,070	
Salaries		38,993		(12,500)		26,493	17,294		9,199	
Salaries Purchased Services (300-500) Series		8,500		(12,500)		26,493	5,205		295	
Supplies and Materials		2,500		9,000		11,500	10,733		295	
		2,000		9,000		2,000	10,733		1,020	
Other Objects Total School Sponsored Athletics-Instruction		51,993		(6,500)		45,493	34,212		11,281	
Total Instruction		1,581,521		100,249		1,681,770	1,624,519	-	57,251	
IOLAL INSTRUCTION		1,301,321		100,249		1,1001,//0	1,024,519		31,231	

	Original	Budget	Final		Variance
-	Budget	Transfers	Budget	Actual	Final to Actual
Undistributed Expenditures - Instruction: Tuition to other LEAs within the state-regular	\$ 400,992	\$ (750)	\$ 400,242	\$ 375,934	\$ 24,308
Tuition to other LEAs within the state - special	112,027	-	112,027	104,910	7,117
Tuition to County Voc. School Dist-regular	90,000	=	90,000	77,400	12,600
Tuition to private schools for the handicapped - Within state	61,190	29,500	90,690	89,481	1,209
Tuition - Other	255,000	(120,050)	134,950	86,000	48,950
Total Undistributed Expenditures - Instruction: Undist. Expend Attendance and social work services	919,209	(91,300)	827,909	733,725	94,184
Salaries	27,712	(1,100)	26,612	20,301	6,311
Total Undist. Expend Attendance and social work services	27,712	(1,100)	26,612	20,301	6,311
Undist. Expend Health Services					
Salaries	48,698	(25,350)	23,348	22,129	1,219
Purchased professional and technical services	3,465	(900)	2,565	290	2,275
Supplies and materials Total Undistributed Expenditures - Health Services	1,000 53,163	1,300 (24,950)	2,300	1,986	314 3,808
Undist. Expend Other Support Services - Students-Related Srvc	55,105	(24, 550)	20,213	24,405	5,000
Salaries of other professional staff		-			-
Purchased professional - educational services	119,900	(18,000)	101,900	73,952	27,948
Total Undist. ExpendOther Support Srvs-Students-Related Srvc	119,900	(18,000)	101,900	73,952	27,948
Undist. Expend Other Support Services -Students-Extraordinary Sr					
Salaries	104,430	(15,000)	89,430	74,250	15,180
Other objects Supplies and materials	1,500 1,500	-	1,500 1,500	- 346	1,500
Total Undist. ExpendOthr Sprt Srvcs Students-Extraordinary Srvcs		(15,000)	92,430	74,596	1,154
Undist. Expend Other Support Services Students-Regular	107,450	(13,000)	52,450	/4,000	17,034
Salaries of other professional staff	117,232	(12,000)	105,232	72,910	32,322
Salaries of secretarial and clerical assistants	4,297	13,200	17,497	17,439	58
Purchased professional - educational services	5,800	(4,660)	1,140	149	991
Supplies and materials	2,500	1,250	3,750	3,568 94,066	182
Total Undist. Expend Other Support Services - Students-Regular Undist. Expend Other Support Services - Students-Special	129,829	(2,210)	127,019	94,000	33,553
Undist. Expend Improvement of instr. Serv / other supp serv - i	nst staff				
Sal Secr. & Clerical Asst	26,494	10,000	36,494	35,941	553
Other salaries	19,152	17,900	37,052	36,622	430
Total Undst. ExpndImprvmt of instrSrv/other supp srv-inst stat	45,646	27,900	73,546	72,563	983
Undist. Expend Educational Media Services/School Library					
Salaries	31,365	2,800	34,165	32,665	1,500
Salaries of Technology Coordinators Purchased professional and technical services	26,518 1,800	100 800	26,618 2,600	24,419 2,595	2,199 5
Supplies and materials	5,000	(2,800)	2,200	1,847	353
Total Undist. Expend Educational Media Services/School Library	64,683	900	65,583	61,526	4,057
Undist. Expend Instruction Staff Training Services					
Purchased professional - educational services	6,000	19,300	25,300	18,533	6,767
Other purchased services (400-500 series) Supplies and materials	1,000 1,000	2,650 (1,000)	3,650	454	3,196
Other objects	4,000	(4,000)	-	-	-
Total Undist. Expend Instruction Staff Training Services	12,000	16,950	28,950	18,987	9,963
Undist. Expend Support Service - General Administration					
Salaries	78,296	-	78,296	67,615	10,681
Legal services	21,000	14,900	35,900	35,177	723
Audit fees	10,000	-	10,000	9,700	300
Other purchased professional services Communications/Telephone - Bus	5,565	(2,000)	3,565	3,550	- 15
BOE other purchased prof. svc.	1,000	(2,000)	500	102	398
Other purchased services (400-500 series)	6,102	500	6,602	6,313	289
General supplies	2,500	-	2,500	2,446	54
Miscellaneous expenditures - Board of Ed	1,300	-	1,300	400	900
Membership Dues and Fees	7,925		7,925	7,297	628
Total Undist. Expend Support Service - General Administration	133,688	12,900	146,588	132,600	13,988
Undist. Expend Support Service - School Administration	71 075	7 500	70 275	CO 750	0 605
Salaries of principals/Assistant principals Salaries of secretarial and clerical assistants	71,875 1,289	7,500	79,375 1,289	69,750 1,075	9,625 214
Other purchased services (400-500 series)	2,500	-	2,500	2,268	232
Supplies and materials	2,000	500	2,500	2,189	311
Other objects	1,000	(500)	500		500
Total Undist. Expend Support Service - School Administration	78,664	7,500	86,164	75,282	10,882

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual	
-						
Undist. Expend Central Services Salaries	\$ 1,790	\$ 3,982	\$ 5.772	\$ 5,772	s –	
	,		· · · · -		ş – 313	
Purchased professional services	73,500	4,300	77,800	77,487		
Misc. Pur Serv (400-500 series)	1,500	(1,300)	200		200	
Supplies and materials	1,500	1,800	3,300	3,274	26	
Misc Expenditures	1,850	(800)	1,050	225	825	
Total Undist. Expend Central Services	80,140	7,982	88,122	86,758	1,364	
Undist. Expend Admin. Info. Technology						
Salaries	2,946	280	3,226	3,217	9	
Supplies and materials	-	-			-	
Total Undist. Expend - Admin. Info. Technology	2,946	280	3,226	3,217	9	
Undist. Expend Required Maintenance for School Facilities						
Cleaning, repair and maintenance services	68,700	31,520	100,220	99,630	590	
General supplies	6,000	1,000	7,000	6,118	882	
Total Undist. Expend Allowed Maintenance for School Facilities	74,700	32,520	107,220	105,748	1,472	
Undist. Expend Other Operation & Maintenance of Plant						
Salaries - Custodians	98,143	(6,800)	91,343	90,084	1,259	
Salaries - Café./Playground Aides	26,189	1,800	27,989	27,922	. 67	
Purchased professional and technical services	-	-	_	-	-	
Cleaning, repair and maintenance services - up keep	9,000	(1,000)	8,000	7,881	119	
Other purchased property services	7,500	7,300	14,800	13,798	1,002	
Insurance	34,153	24,600	58,753	58,245	508	
Travel	-	500	500	-	500	
Miscellaneous purchased services	800	(500)	300	-	300	
General supplies	15,000	6,500	21,500	20,709	791	
Energy (Heat and Electricity)	62,000	(17,450)	44,550	44,533	17	
Other objects	-	-	-	-	-	
Salaries of Non-Instructional Aides	-	-	-	-	-	
Energy (Natural Gas)	16,000	(650)	15,350	10,985	4,365	
Total Undist. Expend Other Operation & Maintenance Of Plant	268,785	14,300	283,085	274,157	8,928	
Undist. Expend Student Transportation Services	· · · · · · · · · · · · · · · · · · ·		<u> </u>	· · · · ·	·	
Salaries for pupil trans. (other than between home and school)	9,453	225	9,678	9,676	2	
Contract services (other than between home & school) - Vendors	15,000	125	15,125	14,536	589	
Contract services-(special education students)-ESC's & CTSA's	85,854	(38,764)	47,090	27,518	19,572	
Contract services-(regular students)ESC's & CTSA's	47,090	22,614	69,704	38,988	30,716	
Aid in lieu of payments	3,000	(200)	2,800	50,500	2,800	
Total Undist. Expend Student Transportation Services	160,397	(16,000)	144,397	90,718	53,679	
UNALLOCATED EMPLOYEE BENEFITS						
	_	_	_	_	-	
Group insurance						
Social security contributions	56,547	4,030	60,577	44,952	15,625	
TPAF Contributions - ERIP	46,063	(35,775)	10,288	2 251	10,288	
Other retirement contributions - regular	1,880	2,750	4,630	3,351	1,279 79	
P.E.R.S. Contribution	41,136 44,999	409 (25,381)	41,545 19,618	41,466	19,618	
Unemployment Compensation				48,279		
Workmen's compensation Health benefits	47,664	19,284	66,948		18,669	
	421,578	(32,029)	389,549	292,963	96,586	
Tuition reimbursement Other employee benefits	23,195 6,510	(1,009)	22,186 6,510	11,884	10,302 6,510	
		(67 201)		442,895		
TOTAL UNALLOCATED EMPLOYEE BENEFITS	689,572	(67,721)	621,851	,	178,956	
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	200,602	(200,602)	
Reimbursed TPAF social security contributions (non-budgeted)		-		109,772	(109,772)	
TOTAL ON-BEHALF CONTRIBUTIONS				310,374	(310,374)	
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	689,572	(67,721)	621,851	753,269	(131,418)	
TOTAL UNDISTRIBUTED EXPENDITURES	2,968,464	(115,049)	2,853,415	2,695,870	157,545	
TOTAL GENERAL CURRENT EXPENSE	4,549,985	(14,800)	4,535,185	4,320,389	214,796	

		Original Budget				Final Budget			Variance Final to Actual	
CAPITAL OUTLAY Facilities Acquisition and Construction Services										
Current capital outlay transfer - Capital projects Land and improvements Building and grounds equipment	\$	- - -	\$	- - 8,500	Ş	- - 8,500	Ş	- - 8,375	Ş	- - 125
Debt Service Assessment		7,952		-		7,952		7,952		-
Total Facilities Acquisition and Construction Services Capital reserve - Transfer to		7,952		8,500		16,452		16,327		125
TOTAL CAPITAL OUTLAY		7,952		8,500		16,452		16,327		125
TOTAL EXPENDITURES		4,557,937		(6,300)		4,551,637	4,	336,716		214,921
Excess (Deficiency) of Revenues Over (Under) Expenditures		(138,000)		6,300		(131,700)		357,374		489,074
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)		(138,000)		6,300		(131,700)		357 , 374		489,074
Fund Balance, July 1		1,224,286		-		1,224,286	1,	224,286		-
Fund Balance, June 30	Ş	1,086,286	Ş	6,300	Ş	1,092,586	\$ 1,	581,660	Ş	489,074
Recapitulation: Restricted Fund Balance:										
Capital reserve Maintenance reserve Tuition reserve Excess surplus - Designated for subsequent year's expenditures Excess surplus - Current year Committed Fund Balance:								706,518 200,000 145,000 84,789 195,353		
Year-end encumbrances Assigned Fund Balance:								-		
Designated for subsequent year's expenditures Unassigned Fund Balance								250,000		
Reconciliation to governmental funds statements (GAAP)										
Last state aid payment not recognized on GAAP basis Fund balance per governmental funds (GAAP)							\$	(8,786) 241,214		

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual	
REVENUES						
Local sources	ş –	Ş –	ş –	ş –	-	
State sources	-	-	-	-	-	
Federal sources	44,424	8,205	52,629	52,629		
Total Revenues	44,424	8,205	52,629	52,629		
EXPENDITURES						
Instruction:						
Salaries of teachers	-	-	-	-	-	
Other salaries for instruction	-	-	-	-	-	
Purchased professional services	-	-	-	-	-	
General supplies	-	-	-	-	-	
Tuition	-					
Total instruction	-					
Support services:						
Salaries of program director	_	16,800	16,800	16,800	_	
Personal services	-	10,000	10,800	10,000		
Purchased professional - educational services	34,446	(10,237)	24,209	24,209	_	
Other purchased professional services	2,712	465	3,177	3,177	_	
Purchased technical services	7,226	1,217	8,443	8,443	_	
Travel	-	-	-	-	_	
Employee Benefits	_	_	_	-	_	
Miscellaneous purchased services (400-500 series)	-	-	-	-	-	
Miscellaneous expenditures	-	-	-	-	_	
Supplies & materials	-					
Total support services	44,384	8,245	52,629	52,629		
EXPENDITURES (CONT'D):						
Facilities acquisition and const. serv.:						
Instructional equipment	-					
Total facilities acquisition and const. serv.	-			_		
Total expenditures	44,384	8,245	52,629	52,629		
Other financing sources (uses)						
Transfer in from general fund	-	-	-	-	-	
Contribution to whole school reform						
Total outflows	44,384	8,245	52,629	52,629		
Excess (deficiency) of revenues						
Over (under) expenditures	\$ 40	\$ (40)	ş –	\$ –	\$ –	

Reconciliation to governmental funds statements (GAAP) Last state aid payment not recognized on GAAP basis Fund balance per governmental funds (GAAP)

-\$ -

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

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

		General Fund			Special Revenue Fund	
Sources/inflows of resources						
Actual amounts (budgetary basis) "revenue"		<u>^</u>			50 000	
from the budgetary comparison schedule Difference - budget to GAAP:	[C-1]	Ş	4,694,090	[C-2] Ş	52,629	
Grant accounting budgetary basis differs from GAAP in that						
encumbrances are recognized as expenditures, and the related						
revenue is recognized.			-		-	
TPAF pension payments completely funded by the State of New Jersey						
are not included on the GAAP statements.			(77,527)			
State aid payment recognized for budgetary purposes, not recognized						
for GAAP statements until the subsequent year			(8,786)		-	
State aid payment recognized for GAAP statements in the current						
year, previously recognized for budgetary purposes			7,578		-	
Total revenues as reported on the statement of revenues, expenditures						
and changes in fund balances - governmental funds.	[B-2]	Ş	4,615,355	[B-2] \$	52,629	
Uses/outflows of resources						
Actual amounts (budgetary basis) "total outflows" from the	[C-1]	Ş	4,336,716	[C-2] \$	52,629	
budgetary comparison schedule						
Differences - budget to GAAP						
TPAF pension payments completely funded by the State of New Jersey						
are not included on the GAAP statements.			(77,527)			
Encumbrances for supplies and equipment ordered but						
not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received						
for financial reporting purposes.			_		-	
for financial toporting purposes.						
Total expenditures as reported on the statement of revenues,						
expenditures, and changes in fund balances - governmental funds	[B-2]	\$	4,259,189	[B−2] \$	52,629	

REQUIRED SUPPLEMENTARY INFORMATION - PART III

Exhibit L-1

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

Last 10 Fiscal Years*

	2015
District's proportion of the net pension liability	0.0042982314%
District's proportionate share of the net pension liability	\$ 834,592
District's covered-employee payroll	215,598
District's proportionate share of the net pension liability as a percentage of its covered- employee payroll	25.83%
Plan fiduciary net position as a percentage of the total pension liability	67.89%

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

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

Exhibit L-2

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

Last 10 Fiscal Years*

	2015		
Contractually required contributions	Ş	35,434	
Contributions in relation to the contractually required contribution		41,466	
Contribution deficiency (excess)	\$	(6,032)	
District's covered-employee payroll	Ş	215,598	
Contributions as a percentage of covered-employee payroll		16.44%	

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

Exhibit L-3

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

Last 10 Fiscal Years*

	2015
District's proportion of the net pension liability	0.0162224199%
District's proportionate share of the net pension liability	\$ 8,670,355
District's covered-employee payroll	1,643,039
District's proportionate share of the net pension liability as a percentage of its covered- employee payroll	18.95%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

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

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

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

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2015

Assumptions

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

Inflation Rate	3.01 %
Salary increases: 2012-2021	2.15 - 4.40 % based on age
Thereafter	3.15 - 5.40 % based on age
Investment rate of return	7.90 %

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

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

OTHER SUPPLEMENTARY INFORMATION

Exhibit E-1

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

	PRI	IDEA ESCHOOL 14/15	IDEA Basic 14/15	tle II 14/15	TOTAL
Revenues:			 _		 _
Local sources	\$	-	\$ -	\$ -	\$ -
State sources		-	-	-	-
Federal sources		3,177	 41,009	 8,443	 52,629
Total revenues		3,177	 41,009	 8,443	 52,629
Expenditures:					
Instruction:					
Salaries of teachers		-	-	-	-
Other salaries/instruction		-	-	-	-
Purchased professional services		-	-	-	-
General supplies		-	-	-	-
Tuition		-	-	-	-
Textbooks		-	-	-	-
Miscellaneous expenses			 	 	
Total instruction			 	 	
Support services:					
Other support services -					
students - special:					
Other professional					
staff salaries		-	16,800	-	16,800
Personal Services		-	-	-	-
Purchased professional services Other purchased professional		-	24,209	-	24,209
services		3,177	-	-	3,177
Purchased technical services		-	-	8,443	8,443
Employee benefits		-	-	-	-
Travel		-	-	-	-
General supplies Miscellaneous expenses		-	 _	 -	 -
Total other support services -					
students - special		3,177	 41,009	 8,443	 52,629
Total support services		3,177	 41,009	 8,443	 52,629
Equipment:					
Regular programs instruction		-	-	-	-
Non-instructional equipment			 	 	 -
Total equipment			 	 	
Total expenditures	\$	3,177	\$ 41,009	\$ 8,443	\$ 52,629

Exhibit G-1

Sea Girt School District Enterprise Fund Statement of Net Position June 30, 2015

Assets:

<u>2015</u>

Current assets:	
Cash and cash equivalents	\$ 535 , 839
Accounts receivable:	
State	-
Federal	-
Interfunds	
Total current assets	 535,839
Fixed assets:	
Equipment	26,223
Technology Center	1,081,267
Accumulated depreciation	 (161,126)
Total fixed assets	 946,364
Total assets	\$ 1,482,203
Liabilities and Net Position:	
Liabilities:	
Accounts payable	-
Revenue anticipation loan	
Total liabilities	
Net position:	
Net investment in capital assets	946,364
Restricted for other purposes	-
Unrestricted net position	 535,839
Total net position	 1,482,203
Total liabilities and net position	\$ 1,482,203

Exhibit G-2

Sea Girt School District Enterprise Fund Statement of Revenues, Expenses and Changes in Net Position for the Fiscal Years ended June 30, 2015

	<u>2015</u>
Operating revenues:	
Local sources:	
Royalties	\$ 162,006
	1.00.000
Total operating revenues	162,006
Operating expenses:	
Administrative salaries and benefits	12,702
Professional fees	2,668
Other purchased services	4,831
Supplies and materials	40,844
Depreciation	25,832
Travel	204
Dues and subscriptions	-
Repairs	5,403
Cost of sales	
Total operating expenses	92,484
Operating income	69,522
Nonoperating revenues (expenses): Local sources:	
Interest income	159
Interest expense	
	1.5.0
Total nonoperating revenues	159
Change in net position	69,681
Total net position beginning	1,412,522
Total net position ending	\$ 1,482,203

SEA GIRT SCHOOL DISTRICT Statement of Cash Flows Enterprise Funds For the Fiscal Year Ended June 30, 2015

		ype Activities prise Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$	162,006
Payments to employees	Ŧ	(12,702)
Payments for employee benefits		(12,702)
Payments to suppliers		(53,950)
Net cash provided by operating activities		95,354
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State sources		-
Interest income		159
Interest expense		-
Net cash provided by non-capital financing activities		159
CASH FLOWS FROM CAPITAL AND RELATED		
FINANCING ACTIVITIES		
Proceeds from revenue anticipation loan		-
Payments on revenue anticipation loan		-
Purchases of capital assets		-
Net cash provided by (used for) capital and related financing activities	5	
Net increase in cash and cash equivalents		95 , 513
Balances-beginning of year		440,326
Balances-end of year	\$	535,839
Reconciliation of operating loss to net cash used in operating activities:		
Operating income	\$	69,522
Adjustments to reconcile operating loss to		
net cash used in operating activities:		
Depreciation		25,832
Federal commodities		-
Decrease in interfund receivable, net		-
Decrease in accounts receivable, net		-
Increase in inventories		-
Decrease in interfund payable		-
Increase in accounts payable		-
Total adjustments		25,832
Net cash provided by operating activities	\$	95,354

Exhibit H-1

SEA GIRT SCHOOL DISTRICT Statement of Fiduciary Net Position Fiduciary Funds June 30, 2015

	mployment sation Trust	Student Activity		Agency Fund	
ASSETS					
Cash and cash equivalents	\$ 42,900	\$	11,226	\$	2,171
Investments	-		-		-
Intergovernmental accounts receivable	-		-		-
Interfund receivable	-		-		-
Total assets	 42,900		11,226		2,171
LIABILITIES					
Accounts payable	\$ -	\$	-	\$	-
Payroll deductions and withholdings	-		-		2,171
Payable to student groups	-		11,226		-
Interfund payable	-		-		-
Other current liabilities	-		-		-
Total liabilities	 _		11,226		2,171
NET POSITION					
Held in trust for unemployment					
claims and other purposes	42,900		-		-
Total net position	 42,900		-		-
Total liabilities and net position	\$ 42,900	\$	11,226	\$	2,171

SEA GIRT SCHOOL DISTRICT Statement of Changes in Fiduciary Net Position Fiduciary Funds For the Fiscal Year Ended June 30, 2015

	-	oloyment ition Trust
ADDITIONS		
Contributions:		
Plan member	\$	1,346
Other-transfer in		_
Total contributions		1,346
Investment earnings:		
Net increase (decrease) in		
fair value of investments		-
Interest		5
Dividends		-
Less investment expense		_
Net investment earnings		5
Total additions		1,351
DEDUCTIONS		
Quarterly contribution reports		-
Unemployment claims		-
Scholarships awarded		-
Refunds of contributions		-
Administrative expenses		-
Total deductions		-
Change in net position		1,351
Net position-beginning of the year		41,549
Net position-end of the year	\$	42,900

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

	 alance 1, 2014	<u>Receipts</u>		Dist	oursements	Jun	Balance <u>e 30, 2015</u>
General funds	\$ 7,789	\$	9,272	\$	(9,355)	\$	7,706
Class funds	3,668		21,339		(21,487)		3,520
Total all schools	\$ 11,457	\$	30,611	\$	(30,842)	\$	11,226

Exhibit H-4

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

	Balance July 1, 2014		Cash <u>Receipts</u>		Dis	Cash bursements	Balance <u>June 30, 2015</u>		
Payroll deductions and withholdings	\$	2,105	\$	1,009,182	Ş	(1,009,116)	\$	2,171	
Totals	\$	2,105	\$	1,009,182	\$	(1,009,116)	\$	2,171	

STATISTICAL SECTION

Sea Girt School District Statistical Section	
Contents	Page
Financial Trends These schedules contain trend information to help the reader	
understand how the district's financial performance and well being have changed over time.	82-86
Revenue Capacity	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	87-90
Debt Capacity	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	91-94
Demographic and Economic Information	
These schedules offer demographic and economic indicators to	
help the reader understand the environment within which the district's financial activities take place.	95-96
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities	
it performs.	97-101

J series

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.

SEA GIRT SCHOOL DISTRICT Net Assets/Position by Component Last Ten Fiscal Years UNAUDITED

(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net capital assets	\$ 2,879,430	\$ 2,936,588	\$ 3,250,516	\$ 3,436,653	\$ 3,540,631	\$ 3,577,656	\$ 3,536,657	\$ 3,422,237	\$ 3,304,876	\$ 3,187,515
Restricted	214,425	329,546	386,314	270,313	326,738	514,354	609,483	703,620	974,286	1,331,660
Unrestricted	48,441	209,310	241,055	305,235	352,727	266,459	218,594	203,807	198,400	(664,419)
Total governmental activities net assets/position	\$ 3,142,296	\$ 3,475,444	\$ 3,877,885	\$ 4,012,201	\$ 4,220,096	\$ 4,358,469	\$ 4,364,734	\$ 4,329,664	\$ 4,477,562	\$ 3,854,756
Business-type activities										
Net capital assets	\$ –	\$ –	ş –	\$ 929,255	\$ 1,065,639	\$ 1,049,925	\$ 1,023,860	\$ 998,028	\$ 972,196	\$ 946,364
Restricted	-	-	919,950	-	-	-	-	-	-	-
Unrestricted	-	720,598	238,132	175,795	149,352	250,461	347,752	352,044	440,326	535,839
Total business-type activities net assets/position	ş –	\$ 720,598	\$ 1,158,082	\$ 1,105,050	\$ 1,214,991	\$ 1,300,386	\$ 1,371,612	\$ 1,350,072	\$ 1,412,522	\$ 1,482,203
District-wide										
Net capital assets	\$ 2,879,430	\$ 2,936,588	\$ 3,250,516	\$ 4,365,908	\$ 4,606,270	\$ 4,627,581	\$ 4,560,517	\$ 4,420,265	\$ 4,277,072	\$ 4,133,879
Restricted	214,425	329,546	1,306,264	270,313	326,738	514,354	609,483	703,620	974,286	1,331,660
Unrestricted	48,441	929,908	479,187	481,030	502,079	516,920	566,346	555,851	638,726	(128,580)
Total district net assets/position	\$ 3,142,296	\$ 4,196,042	\$ 5,035,967	\$ 5,117,251	\$ 5,435,087	\$ 5,658,855	\$ 5,736,346	\$ 5,679,736	\$ 5,890,084	\$ 5,336,959

Exhibit J-1

SEA GIRT SCHOOL DISTRICT Changes in Net Assets/Position Last Ten Fiscal Years UNAUDITED (accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 1,035,717	\$ 1,142,415	\$ 1,227,542	\$ 1,179,181	\$ 1,245,862	\$ 1,189,107	\$ 1,268,103	\$ 1,225,160	\$ 1,224,045	\$ 1,242,744
Special education	120,082	124,760	130,033	244,326	250,424	302,575	393,262	306,228	210,930	239,888
Other special education	59,994	75,064	68,764	72,998	81,184	78,568	102,281	122,798	77,474	141,887
Support Services:										
Instruction	810,496	762,759	1,054,712	1,064,404	984,230	804,778	691,863	886,691	760,979	733,725
Attendance and social work	20,316	22,239	23,240	24,614	25,521	26,011	12,872	15,771	16,087	20,301
Health services	48,396	53,319	55,357	61,977	69,609	70,854	65,843	56,396	55,960	24,405
Improvement of instr. services	42,097	43,351	44,375	46,527	48,189	48,989	74,344	62,311	63,556	72,563
Educational media services	55,979	55,413	57,775	47,097	52,726	62,768	47,951	26,272	47,622	61,526
Instruction staff training	1,022	2,074	16,100	2,369	2,368	4,730	7,013	4,088	6,888	18,987
School Administrative services	61,540	62,846	72,778	72,917	75,887	77,057	78,339	73,385	70,471	75,282
General administration	125,315	123,348	127,431	120,072	133,957	132,716	133,846	128,399	135,421	132,600
Central Services	84,982	86,362	74,593	78,434	82,949	81,526	68,584	78,454	69,662	86,758
Plant operations and maintenance	373,443	398,748	377,125	418,970	473,632	444,318	410,104	402,545	454,900	513,593
Administrative information technology	5,235	2,798	3,723	2,926	3,028	3,074	2,615	3,186	350	3,217
Pupil transportation	90,890	80,266	69,360	82,133	75,314	121,464	114,042	138,189	101,806	90,718
Other support services	249,731	236,714	167,406	276,234	253,007	301,520	298,351	312,466	383,622	295,243
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	32,628	28,603	24,163	19,350	14,280	8,879	3,280	-	-	-
Unallocated employee benefits	415,565	434,332	482,588	490,731	467,394	460,508	470,213	474,693	513,049	364,146
Total governmental activities expenses	3,633,428	3,735,411	4,077,065	4,305,260	4,339,561	4,219,442	4,242,906	4,317,032	4,192,822	4,117,583
· ·	· · · · · · · · · · · · · · · · · · ·					· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·			· · · · · · · · · · · · · · · · · · ·
Business-type activities:										
Enterprise fund	_	_	437,484	(188,128)	(109,211)	(84,511)	(70,916)	21,802	(62,450)	(69,522)
Child Care	_	_		(100,120)	(100)/211)	(01,011)	(,0,)10/		(02,100)	(057522)
Total business-type activities expense			437,484	(188,128)	(109,211)	(84,511)	(70,916)	21,802	(62,450)	(69,522)
Total district expenses	\$ 3,633,428	\$ 3,735,411	\$ 4.514.549	\$ 4,117,132	\$ 4,230,350	\$ 4,134,931	\$ 4,171,990	\$ 4,338,834	\$ 4,130,372	\$ 4,048,061
	1 0/000/000	1 01.001.000	1 ./ 0	1 1/22//200	1 1/ = 0 0/ 0 0 0	1 1/201/002	1 ./ = . = / * * *	1 1/000/001	1 1/201/010	1 ./ /
Net (Expense)/Revenue						-				
Governmental activities	(3,633,428)	(3,735,411)	(4,077,065)	(4,305,260)	(4,339,561)	(4,219,442)	(4,242,906)	(4,317,032)	(4,192,822)	(4,117,583)
Business-type activities	\$ (3,633,428)	\$ (3,735,411)	(437,484) \$ (4,514,549)	188,128	109,211 \$ (4,230,350)	84,551 \$ (4,134,891)	70,916 \$ (4,171,990)	(21,802) \$ (4,338,834)	62,450 \$ (4,130,372)	69,522 \$ (4,048,061)
Total district-wide net expense	\$ (5,055,420)	\$ (3,733,411)	\$ (4,J14,J45)	Ş (4,117,152)	\$ (4,230,330)	\$ (4,134,091)	Ş (4,171,550)	\$ (4,550,054)	\$ (4,130,372)	\$ (4,040,001)
General Revenues and Other Changes in Net Asset	s/Position									
Governmental activities:										
Property taxes levied for general purposes,		\$ 3,473,180	\$ 3,732,953	\$ 3,872,939	\$ 3,940,715	\$ 4,019,640	\$ 3,939,365	\$ 4,012,243	\$ 4,092,488	\$ 4,214,209
Taxes levied for debt service	147,628	148,603	99,163	149,350	149,280	45,383	-	-	-	-
Unrestricted grants and contributions	193,755	197,151	223,030	291,260	277,649	66,030	81,716	103,951	101,864	26,093
State aid - restricted	63,360	59,459	57,047	59,021	78,886	70,919	78,837	53,999	52,263	52,629
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	17,790	30,364	20,902	3,551	591	740	-	40	49	54
Miscellaneous income	244	159,802	346,411	63,455	100,335	155,103	149,253	111,729	94,056	64,625
Transfers	-			-	-		-		-	-
Total governmental activities	3,610,344	4,068,559	4,479,506	4,439,576	4,547,456	4,357,815	4,249,171	4,281,962	4,340,720	4,357,610
Business-type activities:										
Investment earnings	-	-	-	8,840	730	844	310	262	-	159
Transfers										
Total business-type activities	-			8,840	730	844	310	262		159
Total district-wide	\$ 3,610,344	\$ 4,068,559	\$ 4,479,506	\$ 4,448,416	\$ 4,548,186	\$ 4,358,659	\$ 4,249,481	\$ 4,282,224	\$ 4,340,720	\$ 4,357,769
Change in Net Assets/Position										
Governmental activities	(23,084)	333,148	402,441	134,316	207,895	138,373	6,265	(35,070)	147,898	240,027
Business-type activities	-	-	-	196,968	109,941	85,395	71,226	(21,540)	62,450	69,681
Total district	\$ (23,084)	\$ 333,148	\$ 402,441	\$ 331,284	\$ 317,836	\$ 223,768	\$ 77,491	\$ (56,610)	\$ 210,348	\$ 309,708
			· · · · · · · · · · · · · · · · · · ·							

Exhibit J-3

SEA GIRT SCHOOL DISTRICT Fund Balances, Governmental Funds, Last Ten Fiscal Years UNAUDITED

(modified accrual basis of accounting)

			Fiscal Year Ending June 30,																	
		2006		2007		2008		2009		2010		2011		2012		2013		2014		2015
General Fund Reserved Unreserved Total general fund	ş	163,380 87,786 251,166	Ş	107,137 243,984 351,121	ş	130,686 258,564 389,250	Ş	183,809 355,204 539,013	Ş	313,242 387,905 701,147	Ş	514,354 296,905 811,259	Ş	609,483 245,565 855,048	Ş	703,620 242,559 946,179		974,286 242,422 ,216,708		331,660 241,214 572,874
All Other Governmental Funds Reserved Unreserved, reported in:	Ş	54,319	Ş	45,661	Ş	99,796	Ş	5,985	Ş	-	Ş	-	Ş	-	Ş	-	Ş	-	Ş	-
Special revenue fund		-		-		-		-		-		-		-		-		-		-
Capital projects fund		-		176,748		165,832		80,519		13,496		-		-		-		-		-
Debt service fund		(3,274)		-		-		-		-		-		-		-		-		-
Permanent fund		-		-		-		-		-	_	-		-		-		-		-
Total all other governmental funds	Ş	51,045	Ş	222,409	Ş	265,628	\$	86,504		13,496		-		-		-		-		-

SEA GIRT SCHOOL DISTRICT Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years UNAUDITED

(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	3,335,195	3,621,783	3,832,116	4,022,289	4,089,995	4,065,023	3,939,365	4,012,243	4,092,488	4,214,209
Tuition charges	-	-	51,700	79,700	130,954	137,100	144,117	107,743	93,714	59,871
Interest earnings	17,790	30,364	20,902	3,551	591	740	-	40	49	54
Miscellaneous	244	159,802	244,711	3,101	1,381	18,003	5,136	3,986	342	4,754
State sources	421,879	428,108	559,435	508,673	497,333	286,917	363,281	445,603	389,108	336,467
Federal sources	58,859	58,958	57,047	59,021	78,886	70,919	78,837	53,999	52,263	52,629
Total revenue	3,833,967	4,299,015	4,765,911	4,676,335	4,799,140	4,578,702	4,530,736	4,623,614	4,627,964	4,667,984
Expenditures										
Instruction										
Regular Instruction	1,035,717	1,142,415	1,227,542	1,179,181	1,245,862	1,189,107	1,268,103	1,225,160	1,224,045	1,242,744
Special education instruction	120,082	124,760	130,033	244,326	250,424	302,575	393,262	306,228	210,930	239,888
Other special instruction	59,994	75,064	68,764	72,998	81,184	78,568	102,281	122,798	77,474	141,887
Support Services:	55,554	/3,004	00,704	12,550	01,104	/0,000	102,201	122,150	//,1/1	141,007
Tuition	810,496	762,759	1,054,712	1,064,404	984,230	804,778	691,863	886,691	760,979	733,725
Student & inst. related services	167,810	176,396	196,847	182,584	198,413	213,352	208,023	164,838	190,113	197,782
General administration	123,440	123,348	127,431	120,072	133,957	132,716	133,846	128,399	135,421	132,600
School administrative services	61,540	62,846	72,778	72,917	75,887	77,057	78,339	73,385	70,471	75,282
Central services	84,982	86,362	74,593	78,434	82,949	81,526	68,584	78,454	69,662	86,758
Admin. information technology	5,235	2,798	3,723	2,926	3,028	3,074	2,615	3,186	350	3,217
Plant operations and maintenance	275,405	295,596	316,305	310,126	334,255	310,399	274,311	280,173	329,587	379,905
Pupil transportation	90,890	80,266	69,360	82,133	75,314	121,464	114,042	138,189	101,806	90,718
Other Support Services	249,731	236,714	167,406	276,234	253,007	301,520	298,351	312,466	383,622	295,243
Employee benefits	637,643	669,459	826,158	685,684	701,869	686,127	755,253	804,564	795,023	675,742
Special Schools	-	-	020,100	-	,01,000	-	,00,200	-	, 55, 625	-
Debt service:										
Principal	115,000	120,000	125,000	130,000	135,000	140,000	82,000	_	-	-
Interest and other charges	32,628	28,603	24,163	19,350	14,280	8,879	3,280	_	_	_
Capital outlay	52,620	20,000	249,748	184,327	108,355	30,944	12,794	7,952	7,952	16,327
Total expenditures	3,870,593	3,987,386	4,734,563	4,705,696	4,678,014	4,482,086	4,486,947	4,532,483	4,357,435	4,311,818
Excess (Deficiency) of revenues	0,0,0,000	0,001,000	17/01/000	1,700,000	1,0,0,011	1,102,000	1/ 100/ 51/	1,002,100	1,007,100	1/011/010
over (under) expenditures	(36,626)	311,629	31,348	(29,361)	121,126	96,616	43,789	91,131	270,529	356,166
Other Financing sources (uses)										
Transfers in			80,000		501	103,496				
Transfers out	_	-	(30,000)	_	(32,501)	(103,496)	-	-	_	_
Total other financing sources (uses)			50,000		(32,000)	(103,496)				
Total other linancing sources (uses)			50,000		(32,000)					
Net change in fund balances	(36,626)	311,629	81,348	(29,361)	89,126	96,616	43,789	91,131	270,529	356,166
Debt service as a percentage of	0.000	0.000	0.070	0.067	0.050	0.000	0.001	0.000	0.000	0.001
noncapital expenditures	0.030	0.030	0.079	0.067	0.052	0.038	0.021	0.002	0.002	0.004

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

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

SEA GIRT SCHOOL DISTRICT General Fund - Other Local Revenue by Source Last Ten Fiscal Years UNAUDITED

(modified accrual basis of accounting)

-	Sale of Capital Assets	Donations	Rentals	Prior Year Refunds	Sale and Leaseback of Textbooks	Miscellaneous	Annual Totals
Fiscal Year							
Ending June 30,							
2006	-	_	-	_	-	224	224
2007	-	-	-	-	-	1,528	1,528
2008	-	-	-	-	-	6,711	6,711
2009	-	-	-	-	-	3,101	3,101
2010	-	-	-	-	-	3,480	3,480
2011	-	-	-	-	-	4,754	4,754
2012	-	-	-	-	-	5,136	5,136
2013	-	-	-	-	-	3,986	3,986
2014	-	-	-	-	-	342	342
2015	-	-	-	-	-	4,754	4,754

Source: District records

SEA GIRT SCHOOL DISTRICT Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years UNAUDITED

Fiscal Year Ended

Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Direct School Tax Rate ^b
2006	53,409,400	1,823,702,300	-	-	38,910,900	-	-	1,916,022,600	305,626,700	292,546	1,610,688,446	1,610,688,446	0.189
2007	70,010,100	1,819,634,300	-	-	37,510,500	-	-	1,927,154,900	305,626,700	301,856	1,621,830,056	1,621,830,056	0.199
2008	66,055,700	1,845,020,100	-	-	36,816,900	-	-	1,947,892,700	305,626,700	336,773	1,642,602,773	1,935,298,397	0.206
2009	58,836,700	1,862,687,500	-	-	36,816,900	-	-	1,958,341,100	303,160,800	484,288	1,655,664,588	1,997,517,624	0.209
2010	45,020,700	1,893,380,500	-	-	36,816,900	-	-	1,975,218,100	301,160,800	336,055	1,674,393,355	2,031,936,842	0.206
2011	53,359,200	1,887,579,900	-	-	36,816,900	-	-	1,977,756,000	303,160,800	286,843	1,674,882,043	1,980,042,848	0.199
2012	56,532,400	1,891,060,100	-	-	36,816,900	-	-	1,984,409,400	303,100,800	287,426	1,681,596,026	1,965,358,422	0.202
2013	51,417,900	1,901,528,500	-	-	36,816,900	-	-	1,989,763,300	305,555,800	-	1,684,207,500	2,015,046,881	0.206
2014	48,119,000	1,926,382,300	-	-	37,697,600	-	-	2,012,198,900	305,756,600	-	1,706,442,300	2,099,101,711	0.211
2015	33,999,900	2,143,598,300	-	-	40,740,900	-	-	2,218,339,100	370,904,200	250,000	1,847,684,900	2,177,227,802	0.195

Source: Municipal Tax Assessor

Exhibit J-6

Total

Exhibit J-7

SEA GIRT SCHOOL DISTRICT Direct and Overlapping Property Tax Rates Last Ten Fiscal Years UNAUDITED

(rate per \$100 of assessed value)

	Sea Girt Scho	ol District 1	Direct Rate	Overlapp	ing Rates			
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Municipal	Monmouth County	Total Direct and Overlapping Tax Rate		
Fiscal Year								
Ended June								
30,								
2006	0.181	0.008	0.189	0.216	0.264	0.669		
2007	0.202	(0.003)	0.199	0.228	0.265	0.692		
2008	0.206	0.003	0.206	0.242	0.253	0.701		
2009	0.206	0.003	0.209	0.253	0.263	0.725		
2010	0.206	0.206	0.206	0.264	0.278	0.748		
2011	0.199	0.199	0.199	0.268	0.276	0.743		
2012	0.202	0.202	0.202	0.262	0.288	0.752		
2013	0.206	0.206	0.206	0.261	0.308	0.775		
2014	0.211	0.211	0.211	0.255	0.323	0.789		
2015	-	-	-	-	-	-		

Source: Municipal Tax Collector

R = Reevaluation

Exhibit J-8

SEA GIRT SCHOOL DISTRICT Principal Property Taxpayers, Current Year and Nine Years Ago UNAUDITED

		2014		2005				
	Taxable		% of Total		Taxable		% of Total	
	Assessed Value	Rank [Optional]	District Net Assessed Value		Assessed Value	Rank [Optional]	District Net Assessed Valu	
	Value	[Optional]	Assessed value		value	[Optional]	Assessed valu	
Taxpayer 1	\$ 10,846,300		0.00%	\$	-		0.00%	
Taxpayer 2	9,560,500		0.00%		-		0.00%	
Taxpayer 3	8,556,700		0.00%		-		0.00%	
Taxpayer 4	6,403,000		0.00%		-		0.00%	
Taxpayer 5	6,391,900		0.00%		-		0.00%	
Taxpayer 6	6,204,900		0.00%		-		0.00%	
Taxpayer 7	5,863,200		0.00%		-		0.00%	
Taxpayer 8	5,704,600		0.00%		-		0.00%	
Taxpayer 9	5,622,800		0.00%		-		0.00%	
Taxpayer 10	5,515,800		0.00%		-		0.00%	
Total	\$ 70,669,700		0.00%	Ş	-		0.00%	

Source: Municipal Tax Assessor

SEA GIRT SCHOOL DISTRICT Property Tax Levies and Collections, Last Ten Fiscal Years UNAUDITED

Year		Collected withi Year of th		Collections
Ended June 30,	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	in Subsequent Years
<u> </u>	Ieal	Allount	OI Tevà	Ieals
2006	12,886,639	12,793,730	99.28%	-
2007	13,466,085	13,364,611	99.25%	-
2008	13,744,638	13,598,434	98.94%	-
2009	14,187,901	13,928,134	98.17%	-
2010	14,775,597	14,649,725	99.15%	
2011	14,711,719	14,515,908	98.67%	-
2012	14,809,838	14,753,094	99.62%	-
2013	15,505,949	15,235,783	98.26%	-
2014	15,859,336	15,432,143	97.31%	-
2015	-	-	0.00%	-

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

SEA GIRT SCHOOL DISTRICT Ratios of Outstanding Debt by Type Last Ten Fiscal Years UNAUDITED

		Governmental A	Activities		Business- Type Activities			
Fiscal Year Ended June 30,	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income [*]	Per Capita ^a
2006	732,000	-	-	-	-	732,000	0.65%	113,264,318
2007	612,000 487,000	-	_	-	-	612,000 487,000	0.51%	119,814,144 122,456,620
2009	357,000	-	-	-	-	357,000	0.30%	119,512,570
2010	222,000	-	-	-	-	222,000	0.21%	105,018,210
2011	222,000	-	-	-	-	222,000	0.20%	113,223,625
2012	82,000	-	-	-	-	82,000	0.07%	111,904,585
2013	-	-	-	-	-	-	-	113,913,711
2014	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-

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

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

SEA GIRT SCHOOL DISTRICT Ratios of Net General Bonded Debt Outstanding Last Ten Fiscal Years UNAUDITED

	General	Bonded Debt Out	standing		
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2006	732,000	_	732,000	0.0454%	113,264,318
2007	612,000	-	612,000	0.0377%	119,814,144
2008	487,000	-	487,000	0.0250%	122,456,620
2009	357,000	-	357,000	0.0182%	119,512,570
2010	222,000		222,000	0.0112%	105,018,210
2011	222,000	-	-	-	113,223,625
2012	82,000	-	-	-	111,904,585
2013	-	-	-	-	113,913,711
2014	-	-	-	-	-
2015	-	=	-	-	-

2015 -Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements. a See Exhibit NJ J-6 for property tax data. b Population data can be found in Exhibit NJ J-14.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

SEA GIRT SCHOOL DISTRICT Direct and Overlapping Governmental Activities Debt As of June 30, 2015 UNAUDITED

Governmental Unit	Debt Estimated Percentage Applicable a Estimated of Overlapping Debt 2%) \$ 3,825,712 100.000% \$ 3,825,712 - - - - 3,825,712 100.000% \$ 3,825,712 2%) N/A 100.000% \$ 3,825,712 - - - 3,825,712 3,825,712 3,825,712			
Debt Debt Percentage of Overlapping Debt Outstanding Applicable a Debt t repaid with property taxes Sea Girt Borough's Share (100%) \$ 3,825,712 100.000% \$ 3,825,712 County of Monmouth - Borough's Share (1.62%) N/A 100.000% \$ 3,825,712 er debt - - total, overlapping debt 3,825,712 Girt School District Direct Debt -				
	\$		\$	3,825,712
Other debt		-		
Subtotal, overlapping debt				3,825,712
Sea Girt School District Direct Debt				
Total direct and overlapping debt			\$	3,825,712

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation. Debt outstanding data provided by each governmental unit.

Exhibit J-13

SEA GIRT SCHOOL DISTRICT Legal Debt Margin Information, Last Ten Fiscal Years UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized valuation	n basis	3
	2015		2,177,227,802
	2014		2,099,101,711
	2013		2,015,046,881
	[A]		6,291,376,394
Average equalized valuation of taxable property	[A/3]	Ş	2,097,125,465
Debt limit (4 % of average equalization value)	[B]		83,885,019 a
Total Net Debt Applicable to Limit	[C]		-
Legal debt margin	[B-C]	Ş	83,885,019

Fiscal Year

	2006	2007	2008	2	2009		2010	2011	2012		2013	2014	2015
Debt limit	\$ 51,036,052	\$ 76,733	,451 \$ 77,214,269	\$ 77	7,778,516	Ş	78,419,359	\$ 78,848,027	\$ 78,848,027	Ş	52,736,813	\$ 81,060,094	\$ 83,885,019
Total net debt applicable to l	732,000	612	,000 487,000		357,000		222,000	140,000	82,000		-		
Legal debt margin	\$ 50,304,052	\$ 76,115	,451 \$ 76,727,269	\$ 77	7,421,516	Ş	78,197,359	\$ 78,708,027	\$ 78,766,027	\$	52,736,813	\$ 81,060,094	\$ 83,885,019
Total net debt applicable to t as a percentage of debt			0.80% 0.63%		0.46%		0.28%	0.18%	0.10%		0.00%	0.00%	0.00%

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

Exhibit J-14

SEA GIRT SCHOOL DISTRICT Demographic and Economic Statistics Last Ten Fiscal Years UNAUDITED

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2006	2,066	113,264,318	54,823	2.1%
2007	2,048	119,814,144	58 , 503	1.9%
2008	2,068	122,456,620	59,215	2.5%
2009	2,098	119,512,570	56,965	4.2%
2010	1,830	105,018,210	57 , 387	4.3%
2011	1,891	113,223,625	59 , 875	4.3%
2012	1,805	111,904,585	61 , 997	4.5%
2013	1,811	113,913,711	62 , 901	6.4%
2014	1,814	-	not available	4.0%
2015	-	-	-	0.0%

Source:

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

b Personal income has been estimated based upon the municipal population and per capita personal income presented

 $^{\rm c}$ Per capita personal income by municipality % 1 estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

 $^{\rm d}$ Unemployment data provided by the NJ Dept of Labor and Workforce Development

SEA GIRT SCHOOL DISTRICT Principal Employers, Current Year and Nine Years Ago UNAUDITED

		2015			2006	
Employer	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
Sea Girt Borough Sea Girt Board of Education Rod's Tavern Harrigan's Fratello's Wells Fargo Sitar Realty Ocean Pointe Associates Greg's Auto Care Dr. John Little	Information not available	Information not available	Information not available	Information not available	Information not available	Information not available
			0.00%			0.00%

Source:

SEA GIRT SCHOOL DISTRICT Full-time Equivalent District Employees by Function/Program, Last Seven Fiscal Years UNAUDITED

2009	2010	2011	2012	2013	2014	2015
18.5	17.4	19.75	17.12	17.16	17.00	17.00
3.2	5.0	3.6	5.2	6.3	3.6	4.0
0.8						
5.8	4.0	4.8	4.7	4.7	4.0	5.0
1.5	1.5	1.5	2.0	2.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0	1.0	1.0
				2.0	2.0	2.0
1.5	1.5	1.5	2.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	2.0	2.0	2.0
3.1	3.1					
36.4	34.5	33.2	33.0	36.2	32.6	34.0
	18.5 3.2 0.8 5.8 1.5 1.0 1.5 1.0 3.1	18.5 17.4 3.2 5.0 0.8 5.8 4.0 1.5 1.5 1.0 1.0 1.5 1.5 1.0 1.0 3.1 3.1	18.5 17.4 19.75 3.2 5.0 3.6 0.8 5.0 3.6 5.8 4.0 4.8 1.5 1.5 1.5 1.0 1.0 1.0 1.5 1.5 1.5 1.0 1.0 1.0 3.1 3.1 3.1	18.5 17.4 19.75 17.12 3.2 5.0 3.6 5.2 0.8 3.6 5.2 5.8 4.0 4.8 4.7 1.5 1.5 2.0 1.0 1.0 1.0 1.0 1.5 1.5 1.5 2.0 1.0 1.0 1.0 1.0 3.1 3.1 3.1 1.0	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$

Source: District Personnel Records

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

SEA GIRT SCHOOL DISTRICT Operating Statistics, Last Eight Fiscal Years UNAUDITED

					1	Pupil/Teacher Rat	io			
Fiscal Year	Enrollment	Operating Expenditures a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Average Daily Enrollment (ADE) °	Average Daily Attendance (ADA) [°]	<pre>% Change in Average Daily Enrollment</pre>	Student Attendance Percentage
2008	242	3,967,167	16,393	9.37%	20.50	11.8:1	167.9	159.2	-1.52%	94.80%
2009	244	4,099,787	16,802	2.50%	22.52	10.8:1	182.4	174.3	8.64%	95.60%
2010	239	4,097,515	17,144	2.04%	22.42	10.7:1	179.9	166.5	-1.37%	92.50%
2011	237	4,231,344	17,854	4.14%	22.90	10.4:1	187.9	178.4	4.45%	94.94%
2012	234	4,329,364	18,502	0.00%	22.43	10.4:1	179.9	171.6	-4.26%	0.00%
2013	221	4,478,484	20,265	0.00%	23.47	7.3:1	171.2	161.0	-4.84%	0.00%
2014	218	4,305,172	19,748	0.00%	20.60	8.4:1	170.7	163.7	-0.29%	0.00%
2015	161	4,305,172	26,740	0.00%	21.00	7.7:1	160.8	153.9	-5.80%	0.00%

Sources: District records

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

SEA GIRT SCHOOL DISTRICT School Building Information Last Nine Fiscal Years* UNAUDITED

	2007	2008	2009	2010	2011	2012	2013	2014	2015
District Building									
Elementary									
Sea Girt Elementary									
Square Feet	32,651	32,651	35,151	35,151	35,151	35,151	35,151	35,151	35,151
Capacity (students)	189	189	248	248	248	240	240	240	240
Enrollment	171	170	181	181	191	179	171	173	161

Other

N/A

Source: District Facilities Office

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

SEA GIRT SCHOOL DISTRICT Schedule of Required Maintenance Last Ten Fiscal Years* UNAUDITED

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

** School Facilities Project # (s)	Sea Girt Elementary School	Total
2006	60,774	60,774
2007	47,660	47,660
2008	55,516	55 , 516
2009	53,285	53 , 285
2010	63,641	63,641
2011	74,652	74 , 652
2012	44,834	44,834
2013	66,168	66 , 168
2014	91 , 555	91 , 555
2015	105,748	105,748
Total School Facilities	\$ 663,833	\$ 663 , 833

- * GASB requires that ten years of statistical data be presented, however in current year only the years above need to be presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.
- ** School facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

SEA GIRT SCHOOL DISTRICT Insurance Schedule June 30, 2015 UNAUDITED

	Coverage	<u>Deductible</u>
School package policy -		
Property-blanket building & contents	\$ 11,156,068	1,000
Blanket Extra expense	50,000,000	1,000
Blanket Valuable papers	10,000,000	1,000
Blanket Hardware/Software	250,000	1,000
Comprehensive General liability	11,000,000	-
Automobile	11,000,000	-
Medical coverage (per accident)	10,000	100
Flood	50,000,000	10,000
Earthquake	50,000,000	-
Terrorism	1,000,000	1,000
Boiler & Machinery:Eqp Breakdown/Business Interruption	100,000,000	1,000
Personal injury & Advertising liability	11,000,000	-
Employee benefits liability	10,000,000	1,000
Demolition/Increased Cost of Construction	10,000,000	1,000
Forgery and alteration	250,000	1,000
Money and securities	50,000	1,000
Public employee dishonesty - per employee	250,000	-
Student Accident	500,000 max benefit	-
Umbrella liability -		
Umbrella policy	11,000,000	-
School board legal liability		
Cov A - Limit of Liability	11,000,000	10,000
Cov B - Limit of Liability	\$100k ea claim/\$300 pol per	10,000
Public employee's faithful performance blanket:		
Business Administrator - Selective Insurance Co.	89,000	-
Board secretary - Selective Insurance Co.	89,000	-
Treasurer - Selective Insurance Co.	150,000	-
Worker's compensation policy		-
Bodily Injury by Accident	2,000,000	
Bodily Injury by Disease	2,000,000	
Source: District Records	2,000,000	

SINGLE AUDIT SECTION

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

Honorable President and Members of the Board of Education Sea Girt Board of Education County of Monmouth Sea Girt, New Jersey 07760

We have audited, in accordance with the 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 Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Sea Girt Board of Education in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Sea Girt Board of Education basic financial statements, and have issued our report thereon dated November 20, 2015.

Internal Control Over Financial Reporting

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

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

 BRICK OFFICE: 1845 HIGHWAY 88 EAST · BRICK, NJ · 08724 · PHONE (732) 840-1600 · FAX (732) 840-8349

 MANAHAWKIN OFFICE: 21 JENNINGS ROAD · MANAHAWKIN, NJ · 08050 · PHONE (609) 978-9500 · FAX (609) 978-9515

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted

Jump Renzand Charpery 2007

Jump, Perry and Company, LLP Toms River, NJ

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

Toms River, NJ November 20, 2015

Exhibit K-3

SEA GIRT SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards, Schedule A

for the Fiscal Year ended June 30, 2015

												Balance	at June 30,	2015
Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	<u>Grant</u> From	Period To	Balance at June 30, 2014	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education Passed-through State Department of Education														
Special Revenue Fund:														
I.D.E.A. Part B, Basic Regular	84.027	IDEA 2014	41,009	7/1/14	6/30/15	-	-	41,009	(41,009)	-	-	-	-	-
Title II, Part A	84.367	NCLB 2014	8,443	7/1/14	6/30/15	-	-	8,443	(8,443)	-	-	-	-	-
IDEA Preschool	84.173	IDEA469011	3,177	7/1/14	6/30/15			3,177	(3,177)	-	-	-		
						-	-	52,629	(52,629)	-	-	-	-	-
Total Special Revenue Fund								52,629	(52,629)	-				

See accompanying notes to schedules of expenditures.

Schedule K-4

SEA GIRT SCHOOL DISTRICT

Schedule of Expenditures of State Awards, Schedule B

for the Fiscal Year ended June 30, 2015

					Balar	ce at June 3	0, 2014										Balance	at June 30,	2015		MEMO)
State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant From	Period To	Re	'erred venue teceivable)	Due to Grantor	(Wal	yover/ kover) ount	P	Cash Received		dgetary enditures	Rep of Pri	stments/ ayment or Years' lances		ounts vable)	Deferred Revenue/ Interfune Payable	Due to Grantor	Budgeta Receival	ry	Cumulative Total xpenditures
State Department of Education																						
General Fund:	15-495-034-5120-014			6/30/15		-					3,620		10 0001						ŝ	e .		
Transportation Aid		3,620			2	-	ş -	2	-	Ş		\$	(3,620)	\$	-	Ş	-	ş -	\$ -	v v	~	3,620
Special Education Aid	15-495-034-5120-012	93,806		6/30/15		-	-		-		85,020		(93,806)		-		-	-	-	(8,	86)	93,806
Security Aid	15-495-034-5120-084	2,568	7/1/14	6/30/15		-	-		-		2,568		(2,568)		-		-	-	-			2,568
Adjustment Aid	15-495-034-5120-085	1,254	7/1/14	6/30/15		-	-		-		1,254		(1,254)		-		-	-	-			1,254
PARCC Readiness Aid	15-495-034-5120-098	1,790	7/1/14	6/30/15		-	-		-		1,790		(1,790)									
Per Pupil Growth Aid	15-495-034-5120-097	1,790	7/1/14	6/30/15							1,790		(1,790)									
Reimbursed TPAF Social																						
Security Contributions	15-495-034-5095-022	109,772	7/1/14	6/30/15		-	-		-		98,832		(109, 772)		-		(10, 940)	-	-			109,772
Reimbursed TPAF Social																						
Security Contributions	14-495-034-5095-022	106,093	7/1/13	6/30/14		(11, 074)	-		-		11,074		-		-		-	-	-			-
On-behalf TPAF Pension Contributions	14-495-034-5095-002	200,602	7/1/13	6/30/14		-			-		200,602		-		-		-	-	-			200,602
Total State Financial Assistance					Ş	(11,074)	s –	\$	-	ş	406,550	ş	(214,600)	ş	-	ş	(10,940)	\$ -	s –	\$ (8,	'86) \$	411,622

See accompanying notes to schedules of expenditures.

Notes to Schedules of Awards and Financial Assistance

June 30, 2015

1. General

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

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

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

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2015

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (78,735) for the general fund and - for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

General Fund	<u>Federal</u> \$ -	<u>State</u> 336 , 467	<u>TPAF</u> (200,602)	<u>Total</u> 135,865
Special Revenue Fund	52,629	_	_	52,629
Debt Service Fund	-	-	-	-
Enterprise Fund				
Total awards and financial assistance		336,467	<u>(200,602</u>) \$	188,494

4. Relationship to Federal and State Financial Reports

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

5. Other

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

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

Summary of Findings and Questioned Costs

June 30, 2015

Section I - Summary of Auditor's Results

Financial Statement Section Type of auditor's report issued: N/A Internal control over financial reporting: 1) Material weakness(es) identified? ____ yes no 2) Significant deficiencies identified that are not considered to be material weaknesses? yes none Noncompliance material to general-purpose financial statements noted? _____ yes no State Awards Section Dollar threshold used to distinguish between type A and type B programs: \$300,000 Auditee qualified as low-risk auditee? ____ no ____yes Type of auditor's report issued on compliance for major programs: Unmodified Opinion Internal Control over major programs: 1) Material weakness(es) identified? _ yes __no 2) Significant deficiencies identified that are not considered to be material weaknesses? ____ yes ____none Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 and/or 15-08 ___yes ____no Identification of major programs: GMIS Number(s) Name of State Program

N/A

Summary of Findings and Questioned Costs

June 30, 2015

Section II - Financial Statement Findings

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

Section III - State Award Findings and Questioned Costs

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

Summary Schedule of Prior Audit Findings

June 30, 2015

There were no prior year findings for the period ended June 30, 2014.