

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, 2016

(Report Dated November 8, 2016)

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, 2016

Prepared by

Sea Girt Board of Education
Finance Department

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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 8, 2016

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, 2016, 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 list of officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit and in conformity with the provisions of the Single Audit Act of 1984 and the U. S. Office of Management and Budget Single Audit Act and Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Circular 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 began a K-5 private parent paid tuition program in 2007-08. The District (Pre-K-12) completed the 2015-16 fiscal year with an enrollment of 198 students representing a (2.5%) change from the previous year. The Pre-K-8 enrollment stood at 154 a decrease of 7 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

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-16	198	-2.5
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. ECONOMIC CONDITIONS AND OUTLOOK: 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. MAJOR INITIATIVES: 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 Core State Standards. The district Local Professional Development Plan provides staff training which is sustained and ongoing. While the Sea Girt school facilities are in very good condition, the Board of Education is taking action to maintain and improve the overall property. These facility improvements have recently included renovating the North Grounds with the assistance of the Sea Girt Education Foundation, Sea Girt Boosters and the Sea Girt PTO, as well as new fencing around the property and landscaping. The infrastructure of the building is also been maintained on a regular basis to insure the systems will work properly for years to come.

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

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

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. 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, 2016, 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.

<u>Revenue</u>	<u>2016 Amount</u>	<u>2015 Amount</u>	<u>% of Total</u>	<u>Increase/ (Decrease) From 2015</u>
Local	\$4,338,065	\$4,214,209	87.6%	\$ 123,856
Tuition	57,130	59,871	1.2%	(2,741)
State	104,828	104,828	2.1%	-
Federal	66,520	52,629	1.3%	13,891
On-behalf TPAF pension	258,012	200,602	5.2%	57,410
Reimbursed TPAF SS	109,322	109,772	2.2%	(450)
Misc/Int Income	17,352	4,808	0.4%	12,544
Total	<u>\$4,951,229</u>	<u>\$4,746,719</u>	<u>100.0%</u>	<u>\$204,510</u>

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, 2016, and the increase or decrease in relation to prior year amounts.

<u>Expenditures</u>	<u>2016 Amount</u>	<u>2015 Amount</u>	<u>% of Total</u>	<u>Increase/ (Decrease) From 2015</u>
Current:				
Instruction	\$1,752,036	\$1,624,519	39.3%	\$ 127,517
Undistributed				
Instruction	830,911	733,725	18.7%	97,186
Other Expend.	1,833,646	1,962,145	41.2%	(128,499)
Capital Outlay	36,937	16,327	0.8%	20,610
Debt Service				
Interest	-	-	0.0%	-
Principal	-	-	0.0%	-
	<u>\$4,453,530</u>	<u>\$4,336,716</u>	<u>100%</u>	<u>\$ 116,814</u>

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

8. DEBT ADMINISTRATION: At June 30, 2016, 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. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 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 \$1,942,166 in General Fund cash and temporary investments at June 30, 2016.


The unreserved, undesignated fund balance of the General Fund is 5.6% of the general fund expenditures from the previous fiscal year. 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.

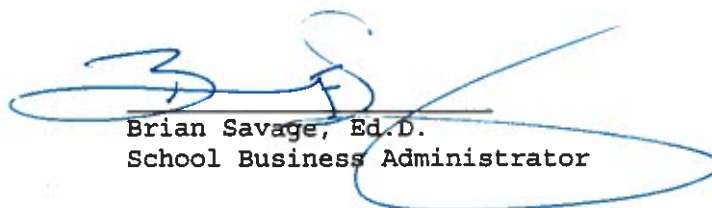
10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to: general liability, comprehensive/collision, student and volunteer accident, hazard and theft insurance on property and contents, earthquake, flood and fidelity bonds. The Board worked with its insurance broker, 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. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry 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 Uniform Guidance and New Jersey OMB's Circular 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.

12. ACKNOWLEDGEMENTS: 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 Seeley
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, 2016

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

Attorneys

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

Adams, Gutierrez & Lattiboudere, LLC
1037 Raymond Blvd., Suite 900
Newark, New Jersey 07102

Gray Miller Persh, LLP
1200 New Hampshire Ave NW, Suite 800
Washington, DC 20036-6802

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

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, 2016, 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.

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, 2016, 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 Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2016 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, Perry and Company L.L.P.
Toms River, New Jersey



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

November 8, 2016
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, 2016**

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, 2016. 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 near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the 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 2015-2016 fiscal year include the following:

- The local tax levy increased from 2014-2015 by \$122,856 to \$4,338,065 to support the increase costs in salary, benefits and special education.

- The unassigned, undesignated general fund balance increased by \$50 to \$241,264 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 S1701 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 \$4,508,912. This includes a charge of \$120,223 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	1,952,849	544,004	2,496,853
Capital assets, net	3,116,252	993,334	4,109,586
Total assets	<u>5,069,101</u>	<u>1,537,338</u>	<u>6,606,439</u>
Deferred Outflows of Resources			
Deferred outflows - PERS	117,324	-	117,324
	<u>117,324</u>	<u>-</u>	<u>117,324</u>
Long-term liabilities outstanding			
Total liabilities	863,233	-	863,233
	<u>863,233</u>	<u>-</u>	<u>863,233</u>
Deferred Inflows of Resources			
Deferred Inflows - PERS	143,843	-	-
	<u>143,843</u>	<u>-</u>	<u>-</u>
Net position:			
Investment in capital assets, net	3,116,252	993,334	4,109,586
Restricted	1,711,585		1,711,585
Unrestricted	(648,488)	544,004	(104,484)
Total net position	<u>4,179,349</u>	<u>1,537,338</u>	<u>5,716,687</u>

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 \$104,484 comprised of those relating to Governmental Activities of \$(648,488) and Business-type Activities of \$544,004.

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	-	166,866	166,866
Operating grants and contributions	249,560	-	249,560
Capital grants and contributions	-	-	-
General revenues			
Property taxes	4,338,065	-	4,338,065
Taxes levied for debt service	-	-	-
Federal and State aid restricted	66,520	-	66,520
Federal and State aid not restricted	104,878	-	104,878
Miscellaneous income	74,258	-	74,258
Investment Earnings	224	159	383
Total revenues	4,833,505	167,025	5,000,530
Expenses:			
Instructional Services/Prof fees	1,752,036	111,890	1,863,926
Support services/undistributed costs	2,756,876	-	2,756,876
Special Schools	-	-	-
Interest on long term debt	-	-	-
Total expenses	4,508,912	111,890	4,620,802
Change in net positions	324,593	55,135	379,728
Net position – beginning	3,854,756	1,482,203	5,336,959
Net position – ending	4,179,349	1,537,338	5,716,687

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 2016, 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 \$156,789 resulting in a use of fund balance. The actual results for the year show a \$379,925 free balance.

- Actual revenues were \$4,884,709 (\$4,517,375 excluding unbudgeted Pension and FICA) versus a budget of \$4,489,513.
- The actual expenditures were \$4,504,784. (\$4,137,450 excluding unbudgeted Pension and FICA) versus a budget of \$4,646,302.

Capital Assets

At June 30, 2016 the District had capital assets of \$3,116,252. This is comprised of: Land & Building \$4,480,821 million; Machinery and equipment - \$301,801 and Site improvements - \$576,270. These capital assets are shown net of accumulated depreciation of \$2,242,640. 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, 2016, the District had Business-Type capital assets of \$993,334. 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

SEA GIRT SCHOOL DISTRICT
Statement of Net Positions
June 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,018,424	\$ 544,004	\$ 1,562,428
Capital reserve cash	923,742	-	923,742
Receivables - state	10,683	-	10,683
Capital assets, non-depreciable	916,364	-	916,364
Capital assets, depreciable, net	<u>2,199,888</u>	<u>993,334</u>	<u>3,193,222</u>
Total assets	<u>5,069,101</u>	<u>1,537,338</u>	<u>6,606,439</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	<u>117,324</u>	<u>-</u>	<u>117,324</u>
	117,324	-	117,324
LIABILITIES			
Accounts payable	-	-	-
Noncurrent liabilities:			
Due within one year	34,885	-	34,885
Due beyond one year	<u>828,348</u>	<u>-</u>	<u>828,348</u>
Total liabilities	<u>863,233</u>	<u>-</u>	<u>863,233</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	<u>143,843</u>	<u>-</u>	<u>143,843</u>
	143,843	-	143,843
NET POSITION			
Net investment in capital assets	3,116,252	993,334	4,109,586
Restricted for:			
Capital projects	923,742	-	923,742
Other purposes	787,843	-	787,843
Unrestricted	<u>(648,488)</u>	<u>544,004</u>	<u>(104,484)</u>
Total net positions	<u>\$ 4,179,349</u>	<u>\$ 1,537,338</u>	<u>\$ 5,716,687</u>

SEA GIRT SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Positions		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 1,363,674	\$ -	\$ -	\$ -	\$ (1,363,674)	\$ -	\$ (1,363,674)
Special education instruction	251,642	-	-	-	(251,642)	-	(251,642)
Other special instruction	136,720	-	-	-	(136,720)	-	(136,720)
Support services and undistributed costs:							
Instruction	830,911	-	-	-	(830,911)	-	(830,911)
Attendance and social work	600	-	-	-	(600)	-	(600)
Health services	62,908	-	-	-	(62,908)	-	(62,908)
Other support services	269,061	-	-	-	(269,061)	-	(269,061)
Improvement of instr. services	97,488	-	-	-	(97,488)	-	(97,488)
Educational media services	61,902	-	-	-	(61,902)	-	(61,902)
Instruction staff training	11,774	-	-	-	(11,774)	-	(11,774)
General administrative services	106,870	-	-	-	(106,870)	-	(106,870)
School administrative services	75,321	-	-	-	(75,321)	-	(75,321)
Central services	67,360	-	-	-	(67,360)	-	(67,360)
Admin. information technology	3,414	-	-	-	(3,414)	-	(3,414)
Allowed maintenance for school facilities	110,319	-	-	-	(110,319)	-	(110,319)
Other operation & maintenance of plant	319,482	-	-	-	(319,482)	-	(319,482)
Student transportation services	90,316	-	-	-	(90,316)	-	(90,316)
Unallocated employee benefits	399,590	-	-	-	(399,590)	-	(399,590)
Non-budgeted expenditures	249,560	-	249,560	-	-	-	-
Special schools	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
Total governmental activities	<u>4,508,912</u>	<u>-</u>	<u>249,560</u>	<u>-</u>	<u>(4,259,352)</u>	<u>-</u>	<u>(4,259,352)</u>
Business-type activities:							
Enterprise fund	111,890	166,866	-	-	-	54,976	54,976
Total business-type activities	<u>111,890</u>	<u>166,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,976</u>	<u>54,976</u>
Total primary government	<u>\$ 4,620,802</u>	<u>\$ 166,866</u>	<u>\$ 249,560</u>	<u>\$ -</u>	<u>\$ (4,259,352)</u>	<u>\$ 54,976</u>	<u>\$ (4,204,376)</u>
General revenues:							
Taxes:							
Property taxes levied for general purpose					\$ 4,338,065	\$ -	\$ 4,338,065
Federal and state aid not restricted					104,878	-	104,878
Federal aid restricted					66,520	-	66,520
Miscellaneous income					74,258	-	74,258
Investment earnings					224	159	383
Total general revenues, special items, extraordinary items and transfers					<u>\$ 4,583,945</u>	<u>\$ 159</u>	<u>4,584,104</u>
Change in net positions					324,593	55,135	379,728
Net position—beginning					3,854,756	1,482,203	5,336,959
Net position—ending					<u>\$ 4,179,349</u>	<u>\$ 1,537,338</u>	<u>\$ 5,716,687</u>

SEA GIRT SCHOOL DISTRICT
 Balance Sheet
 Governmental Funds
 June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,018,424	\$ -	\$ -	\$ -	\$ 1,018,424
Capital reserve	923,742	-	-	-	923,742
Receivables from State	10,683	-	-	-	10,683
Total assets	1,952,849	-	-	-	1,952,849
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	236,490	-	-	-	236,490
Excess surplus - prior year- designated for Subsequent year's expenditures	195,353	-	-	-	195,353
Capital reserve account	923,742	-	-	-	923,742
Maintenance reserve account	200,000	-	-	-	200,000
Tuition reserve account	156,000	-	-	-	156,000
Debt services	-	-	-	-	-
Committed to:					
Other purposes	-	-	-	-	-
Assigned to:					
Designated by the BOE for subsequent year's expenditures	-	-	-	-	-
Unassigned:					
General fund	241,264	-	-	-	241,264
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Permanent fund	-	-	-	-	-
Total fund balances	1,952,849	-	-	-	1,952,849
Total liabilities and fund balances	\$ 1,952,849	\$ -	\$ -	\$ -	-

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 \$5,358,892 and the accumulated depreciation is \$2,242,640.	3,116,252
Deferred outflows related to the PERS pension plan	117,324
Deferred inflows related to the PERS pension plan	(143,843)
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.	(863,233)
Net position of governmental activities	\$ 4,179,349

SEA GIRT SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	GAAP Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 4,338,065	\$ -	\$ -	\$ -	\$ 4,338,065
Tuition charges	57,130	-	-	-	57,130
Interest on investments	-	-	-	-	-
Interest earned on capital reserve funds	224	-	-	-	224
Miscellaneous	17,128	-	-	-	17,128
Total - local sources	4,412,547	-	-	-	4,412,547
State sources	354,438	-	-	-	354,438
Federal sources	-	66,520	-	-	66,520
Total revenues	\$ 4,766,985	\$ 66,520	\$ -	\$ -	\$ 4,833,505
EXPENDITURES					
Current:					
Regular instruction	\$ 1,349,612	\$ 14,062	\$ -	\$ -	\$ 1,363,674
Special education instruction	251,642	-	-	-	251,642
Other special instruction	55,066	-	-	-	55,066
School sponsored/other instructional	81,654	-	-	-	81,654
Support services and undistributed costs:					
Instruction	830,911	-	-	-	830,911
Attendance and social work services	600	-	-	-	600
Health services	62,908	-	-	-	62,908
Other support services	216,603	52,458	-	-	269,061
Improvement of instr. services	97,488	-	-	-	97,488
Educational media services	61,902	-	-	-	61,902
Instruction staff training	11,774	-	-	-	11,774
General administrative services	106,870	-	-	-	106,870
School administrative services	75,321	-	-	-	75,321
Central services	67,360	-	-	-	67,360
Admin. info. technology	3,414	-	-	-	3,414
Allowed maintenance for school facilities	122,342	-	-	-	122,342
Other operation & maintenance of plant	199,259	-	-	-	199,259
Student transportation services	90,316	-	-	-	90,316
Unallocated employee benefits	415,471	-	-	-	415,471
Non-budgeted expenditures	249,560	-	-	-	249,560
Capital outlay	36,937	-	-	-	36,937
Total expenditures	4,387,010	66,520	-	-	4,453,530
Excess (deficiency) of revenues over expenditures	379,975	-	-	-	379,975
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	379,975	-	-	-	379,975
Fund balance—July 1	1,572,874	-	-	-	1,572,874
Fund balance—June 30	\$ 1,952,849	\$ -	\$ -	\$ -	\$ 1,952,849

See accompanying notes to financial statements.

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, 2016

Total net change in fund balances - governmental funds (from B-2)	\$	379,975
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
	Depreciation expense	(120,223)
	Capital outlays	48,960
		(71,263)
<p>In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey</p>		
		16,548
<p>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, the amounts actually paid. This year, sick leave was decreased.</p>		
		(667)
Change in net position of governmental activities	\$	324,593

SEA GIRT SCHOOL DISTRICT
 Statement of Net Position
 Proprietary Funds
 June 30, 2016

	Business-type Activities - Enterprise Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 544,004
Investments	-
Interfund receivable	-
Receivable from state	-
Receivable from other governments	-
Other receivables	-
Total current assets	544,004
Noncurrent assets:	
Restricted cash and cash equivalents	-
Furniture, machinery and equipment	1,177,628
Construction in progress	-
Less accumulated depreciation	(184,294)
Total noncurrent assets	993,334
Total assets	1,537,338
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	993,334
Restricted for:	
Capital projects	-
Unrestricted	544,004
Total net position	1,537,338
Total liabilities and net position	\$ 1,537,338

SEA GIRT SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-type Activities - Enterprise Fund
Operating revenues:	
Royalties	\$ 166,866
Total operating revenues	166,866
Operating expenses:	
Professional fees	16,968
Salaries	8,945
Other purchased professional services	156
Cleaning, repair and maintenance services	-
Travel	-
General supplies	62,653
Depreciation	23,168
Total operating expenses	111,890
Operating income	54,976
Non-operating revenues (expenses):	
Interest expense	-
Interest and investment revenue	159
Total non-operating revenues (expenses)	159
Change in net position	55,135
Total net position—beginning	1,482,203
Total net position—ending	\$ 1,537,338

SEA GIRT SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

		<u>Business-type Activities - Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$	166,866
Payments to employees		(8,945)
Payments to suppliers		(79,777)
Net cash provided by operating activities		<u>78,144</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State sources		-
Interest income		159
Interest expense		-
Net cash provided by non-capital financing activities		<u>159</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from revenue anticipation loan		-
Payments of revenue anticipation loan		-
Purchases of capital assets		(70,138)
Net cash provided by (used for) capital and related financing activities		<u>(70,138)</u>
Net increase in cash and cash equivalents		8,165
Balances—beginning of year		535,839
Balances—end of year	\$	<u><u>544,004</u></u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating income	\$	54,976
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		23,168
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		<u>23,168</u>
Net cash provided by operating activities	\$	<u><u>78,144</u></u>

See accompanying notes to financial statements.

SEA GIRT SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2016

	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	\$ 42,951	\$ 13,112	\$ 21,211
Interfund receivable	-	-	-
Total assets	<u>42,951</u>	<u>13,112</u>	<u>21,211</u>
LIABILITIES			
Accounts payable	-	-	-
Payroll deductions and withholdings	-	-	21,211
Payable to student groups	-	13,112	-
Other current liabilities	-	-	-
Total liabilities	<u>-</u>	<u>13,112</u>	<u>21,211</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	<u>42,951</u>	<u>-</u>	<u>-</u>
Total net position	<u>42,951</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 42,951</u>	<u>\$ 13,112</u>	<u>\$ 21,211</u>

SEA GIRT SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ -
Other	-
Total contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	51
Dividends	-
Less investment expense	-
Net investment earnings	51
Total additions	51
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	-
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	-
Change in net position	51
Net position—beginning of the year	42,900
Net position—end of the year	\$ 42,951

See accompanying notes to financial statements.

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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 comprised 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 154 students at June 30, 2016.

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

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. the district-wide financial statements include all funds and account groups of the District over which the Board exercises operating control. 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.

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies (Continued)

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

The School District has Bond Costs which have been classified as a Deferred Outflow and the Bond Premium has been classified as a Deferred Inflow. The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 11.

In June 2015, GASB issued Statement No. 74, Financial Reporting For Postemployment Benefits Other Than Pension Plans (Replaces GASB No. 43 and No. 57) and Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Replaces GASB No. 45 and No. 57). The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for postemployment benefits. It also improves information provided by state and local governmental employers about financial support for postemployment benefits that is provided by other entities. These Statements result from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of these Statements 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 postemployment benefit liability and a more comprehensive measure of benefits expense. The requirements of these Statements are effective for financial statements for periods beginning after June 15, 2016 (GASB No. 74) and June 15, 2017 (GASB No. 75). The effect of these new standards on the School District has not been measured.

District-Wide Statements: The district-wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These Statements include the financial activities of the overall District, except for fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally financed in whole or in part with fees charged to external customers.

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.

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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.

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

Sea Girt Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2016

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.

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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 of 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".

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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, 2016, there was a reconciling difference of \$(117,724) between the budgetary basis and GAAP basis in the General Fund and of \$- in the Special Revenue Fund.

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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 District-wide statements are reported in the same manner as general revenues.

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

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.

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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:

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

Compensated Absences:

The District 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, 2016, no liability existed for compensated absences in the Enterprise Fund.

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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 represents the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on 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.

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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 income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from Nonexchange Transactions must also be available before it can be recognized.

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

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.

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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.

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

2. Capital Reserve Account(Continued)

The activity of the Capital Reserve for the June 30, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance	June 30, 2015	\$	706,518
Add:			
Interest earnings			224
Approved at June 2016 meeting			217,000
Less:			
Withdrawals			<u>-</u>
Ending Balance,	June 30, 2016	\$	<u>923,742</u>

The June 30, 2016 LRFPP 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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance,	June 30, 2015	\$	200,000
Add:			
Approved at June 30, 2016 meeting			-
Less:			
Withdrawals			<u>-</u>
Ending Balance,	June 30, 2016	\$	<u>200,000</u>

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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.

Deposits

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

Bank balances at June 30, 2016 are insured up to \$ 250,000 in aggregate by the FDIC for each bank. At June 30, 2016, the book value of the Board's deposits were \$2,563,444.

Custodial Credit Risk Related to Deposits

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

At June 30, 2016, the Board's bank balances of \$3,004,878 were exposed to Custodial Credit Risk as follows:

	<u>2016</u>
Insured	\$ 568,785
Uninsured and Uncollateralized	<u>2,436,093</u>
	<u>\$ 3,004,878</u>

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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, 2016, the District had \$212,845 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.

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

5. Receivables

Receivables at June 30, 2016, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State aid	\$ 10,683	\$ 10,683
Federal aid	-	-
Other	-	-
Interfunds	<u>-</u>	<u>-</u>
	10,683	10,683
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Total receivables, net	<u>\$ 10,683</u>	<u>\$ 10,683</u>

6. Capital Assets

The District did not have its Fixed Assets appraised by an independent appraiser as of June 30, 2016. 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.

Sea Girt Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2016

6. Capital Assets (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 916,364	\$ -	-	\$ 916,364
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>916,364</u>	<u>-</u>	<u>-</u>	<u>916,364</u>
Capital assets being depreciated				
Building and building improvements	3,564,457	-	-	3,564,457
Land improvements	552,170	24,100	-	576,270
Machinery and equipment	<u>276,941</u>	<u>24,860</u>	<u>-</u>	<u>301,801</u>
Totals at historical cost	<u>4,393,568</u>	<u>48,960</u>	<u>-</u>	<u>4,442,528</u>
Less accumulated depreciation for:				
Building and building improvements	(1,649,079)	(71,289)	-	(1,720,368)
Land improvements	(241,449)	(28,814)	-	(270,263)
Machinery and equipment	<u>(231,889)</u>	<u>(20,120)</u>	<u>-</u>	<u>(252,009)</u>
Total accumulated depreciation	<u>(2,122,417)</u>	<u>(120,223)</u>	<u>-</u>	<u>(2,242,640)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>2,271,151</u>	<u>(71,263)</u>	<u>-</u>	<u>2,199,888</u>
Government activity capital assets, net	<u>\$ 3,187,515</u>	<u>(71,263)</u>	<u>-</u>	<u>\$ 3,116,252</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Technology center	\$ 1,081,267	-	-	\$ 1,081,267
Machinery and equipment	26,223	70,138	-	96,361
Construction in progress	-	-	-	-
Less Accumulated Depreciation	<u>(161,126)</u>	<u>(23,168)</u>	<u>-</u>	<u>(184,294)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 946,364</u>	<u>\$ 46,970</u>	<u>-</u>	<u>\$ 993,334</u>

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

Depreciation expense was charged to functions as follows:

Operation and maintenance	\$ <u>120,223</u>
Total	\$ <u>120,223</u>

Sea Girt Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2016

7. Long-Term Obligations

A. Long-Term Obligation Activity:

Changes in Long-Term Obligations for the year ended June 30, 2016, are as follows:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Increases/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental</u>				
<u>Activities:</u>				
Compensated				
Absences Payable	\$ 48,388	\$ 667	\$ 49,055	\$ -
Pension Liability -				
PERS	<u>834,592</u>	<u>(20,414)</u>	<u>814,178</u>	<u>\$ 34,885</u>
	<u>\$ 882,980</u>	<u>\$ (19,747)</u>	<u>\$ 863,233</u>	<u>\$ 34,885</u>

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, 2016.

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

8. Operating Leases

As of June 30, 2016, 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.

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

9. Pension Plans (Continued)

Description of Plans (Continued)

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, 2016, the District recognized pension expense of \$117,774 and revenue of \$117,774 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, 2016, 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 0.0143399466% of the total plan. The information below was provided from the State of New Jersey June 30, 2015 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	\$ 45,793	\$ 2,714
Changes of assumptions	1,026,431	-
Net difference between projected and actual earnings on pension plan investments	-	76,319
Changes in proportion and differences between District contributions and proportionate share of contributions	6,555	10,357
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 1,078,779</u>	<u>\$ 89,390</u>

The District's proportionate share of the pension liability at June 30, 2016 as it relates to the District is \$9,063,459.

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

9. Pension Plans (Continued)

Description of Plans (Continued)

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

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

Year ended June 30:	
2016	\$ 117,363
2017	117,363
2018	117,363
2019	179,786
2020	152,161
Thereafter	<u>315,025</u>
Total	<u>\$ 999,061</u>

Public Employees' Retirement System ("PERS")

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

For the year ended June 30, 2016, the District recognized pension expense of \$34,885. 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 0.0034715477% of the total plan. The information below was provided from the State of New Jersey June 30, 2015 audit of the PERS fund and has been adjusted to the District's proportionate share. At June 30, 2016, 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	\$ 18,591	\$ -
Changes of assumptions	83,690	-
Net difference between projected and actual earnings on pension plan investments	-	12,530
Changes in proportion and differences between District contributions and proportionate share of contributions	15,043	131,313
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 117,324</u>	<u>\$ 143,843</u>

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

9. Pension Plans (Cont'd)

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

The District's proportionate share of the pension liability at June 30, 2015 as it relates to the District is \$779,293 and has been recorded on the district-wide financials. The current portion due in April 2017 for the June 30, 2016 liability is 34,885 and has been included on the district-wide financials. The total PERS pension liability at June 30, 2016 is \$814,178.

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:		
2016	\$	16,339
2017		16,339
2018		16,339
2019		26,023
2020		14,711
Thereafter		-
Total	\$	<u>89,751</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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00 %	1.04 %
U.S. Treasuries	1.75 %	1.64 %
Investment Grade Credit	10.00 %	1.79 %
Mortgages	2.10 %	1.62 %
High Yield Bonds	2.00 %	4.03 %
Inflation-Indexed Bonds	1.50 %	3.25 %
Broad US Equities	27.25 %	8.52 %
Developed Foreign Equities	12.00 %	6.88 %
Emerging Market Equities	6.40 %	10.00 %
Private Equity	9.25 %	12.41 %
Hedge Funds/Absolute Return	12.00 %	4.72 %
Real Estate (Property)	2.00 %	6.83 %
Commodities	4.00 %	5.32 %
Global Debt ex US	3.50 %	(0.40)%
REIT	4.25 %	5.12 %

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

9. Pension Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. 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 3.80% as of June 30, 2015, 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, 2016 and 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (3.90 %)	Current Discount Rate (4.90 %)	1% Increase (5.90 %)
District's proportionate share of the net pension liability	968,566	779,293	620,608

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

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

9. Pension Plans (Continued)

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

Three-Year Trend Information for PERS

<u>Year Funding</u> <u>June 30,</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2016	\$ 29,846	100 %	\$ -
2015	41,466	100 %	-
2014	34,216	100 %	-

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

<u>Year Funding</u> <u>June 30,</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2016	\$ 258,012	100 %	\$ -
2015	200,602	100 %	-
2014	181,151	100 %	-

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.

Sea Girt Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2016

9. Pension Plan (Continued)

Contribution Requirements (Continued)

There was a current year contribution to the TPAF post-retirement medical benefits made by the State of New Jersey on behalf of the Board in the amount of \$258,012. The State did not make any normal contributions on behalf of the Board. Also, in accordance with N.J.S.A 18A: 66-66, the State of New Jersey reimbursed the District \$117,774 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the general purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenues and expenditures in accordance with Governmental Accounting Standards.

Defined Contribution Retirement Plan (DCRP)

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

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

The District's contributions to the DCRP for June 30, 2016 were \$5,126. There was no liability for unpaid contributions at June 30, 2016.

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

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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, 2015, there were 107,314 retirees eligible for post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost of attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education of county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

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.

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015 / 2016	\$ -	\$ 51	\$ -	\$ 42,951
2014 / 2015	-	1,351	-	42,900
2013 / 2014	-	3,658	-	41,549

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.

Sea Girt Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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 purposes 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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Fund Balances:					
Restricted	1,711,585	-	-	-	1,711,585
Assigned	-	-	-	-	-
Unassigned	<u>241,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,264</u>
	<u>1,952,849</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,952,849</u>

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, 2016 is \$236,490.

Sea Girt Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2016

15. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2016. 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, 2013.

16. Subsequent Events

Management has evaluated subsequent events through November 8, 2016, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

SEA GIRT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local tax levy	\$ 4,338,065	\$ -	\$ 4,338,065	4,338,065	\$ -
Tuition - residents	23,200	-	23,200	17,892	(5,308)
Tuition - non-residents	21,420	-	21,420	39,238	17,818
Interest	-	-	-	-	-
Interest earned on capital reserve funds	-	-	-	224	224
Transportation fees	-	-	-	-	-
Miscellaneous	2,000	-	2,000	17,128	15,128
Total - local sources	4,384,685	-	4,384,685	4,412,547	27,862
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	-
Other state aide	-	-	-	-	-
TPAF pension (on-behalf - Non-budgeted)	-	-	-	258,012	258,012
TPAF social security (reimbursed - Non-budgeted)	-	-	-	109,322	109,322
Total state sources	104,828	-	104,828	472,162	367,334
Total Revenues	\$ 4,489,513	\$ -	\$ 4,489,513	\$ 4,884,709	\$ 395,196
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	\$ 146,661	\$ (17,165)	\$ 129,496	127,465	\$ 2,031
Grades 1-5 - Salaries of teachers	488,644	49,335	537,979	536,791	1,188
Grades 6-8 - Salaries of teachers	466,436	(13,872)	452,564	452,548	16
Regular Programs - Home Instruction:					
Salaries of teachers	1,000	(1,000)	-	-	-
Regular Programs - Undistributed Instruction					
Other purchased services (400-500 series)	7,658	(2,400)	5,258	5,215	43
General supplies	56,000	137,262	193,262	191,921	1,341
Textbooks	15,000	17,290	32,290	32,288	2
Other objects - misc. exp.	5,842	(2,440)	3,402	3,384	18
Total Regular Programs - Instruction	1,187,241	167,010	1,354,251	1,349,612	4,639
Special Education - Instruction					
Resource Room/Resource Center:					
Salaries of teachers	238,652	(60,391)	178,261	178,224	37
Other salaries for instruction	17,230	56,745	73,975	73,418	557
Total Resource Room/Resource Center	255,882	(3,646)	252,236	251,642	594
Total Special Education - Instruction	255,882	(3,646)	252,236	251,642	594
Basic Skills/Remedial - Instruction					
Salaries of teachers	42,028	13,240	55,268	55,066	202
General supplies	700	(700)	-	-	-
Total Basic Skills/Remedial - Instruction	42,728	12,540	55,268	55,066	202
School Sponsored CoCurricular Act.-Instruction					
Salaries	39,827	2,100	41,927	40,388	1,539
Supplies and Materials	2,000	600	2,600	2,546	54
Total School Sponsored Cocurricular Act-Instruction	41,827	2,700	44,527	42,934	1,593
School Sponsored Athletics-Instruction					
Salaries	37,805	(8,369)	29,436	29,436	-
Purchased Services (300-500) Series	8,500	(2,990)	5,510	5,502	8
Supplies and Materials	2,500	(1,500)	1,000	857	143
Other Objects	2,000	1,000	3,000	2,925	75
Total School Sponsored Athletics-Instruction	50,805	(11,859)	38,946	38,720	226
Total Instruction	1,578,483	166,745	1,745,228	1,737,974	7,254

SEA GIRT SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state-regular	\$ 539,994	\$ 45,043	\$ 585,037	\$ 526,794	\$ 58,243
Tuition to other LEAs within the state - special	143,358	(51,600)	91,758	90,724	1,034
Tuition to County Voc. School Dist-regular	91,800	(12,000)	79,800	79,560	240
Tuition to private schools for the handicapped - Within state	65,427	37,000	102,427	101,783	644
Tuition - Other	150,000	(117,500)	32,500	32,050	450
Total Undistributed Expenditures - Instruction:	990,579	(99,057)	891,522	830,911	60,611
Undist. Expend. - Attendance and social work services					
Salaries	24,681	(22,500)	2,181	600	1,581
Total Undist. Expend.- Attendance and social work services	24,681	(22,500)	2,181	600	1,581
Undist. Expend. - Health Services					
Salaries	49,992	6,700	56,692	55,079	1,613
Purchased professional and technical services	3,465	3,600	7,065	6,930	135
Supplies and materials	1,000	-	1,000	899	101
Total Undistributed Expenditures - Health Services	54,457	10,300	64,757	62,908	1,849
Undist. Expend. - Other Support Services - Students-Related Srvc					
Salaries of other professional staff	-	-	-	-	-
Purchased professional - educational services	119,900	(51,900)	68,000	55,443	12,557
Total Undist. Expend.-Other Support Srvc-Students-Related Srvc	119,900	(51,900)	68,000	55,443	12,557
Undist. Expend.- Other Support Services -Students-Extraordinary Srvc					
Salaries	86,812	(8,400)	78,412	77,390	1,022
Other objects	1,500	-	1,500	-	1,500
Supplies and materials	1,500	-	1,500	397	1,103
Total Undist. Expend.-Othr Sprt Srvc Students-Extraordinary Srvc:	89,812	(8,400)	81,412	77,787	3,625
Undist. Expend.- Other Support Services Students-Regular					
Salaries of other professional staff	127,840	(21,400)	106,440	70,327	36,113
Salaries of secretarial and clerical assistants	4,426	2,100	6,526	5,232	1,294
Purchased professional - educational services	5,800	1,500	7,300	6,830	470
Supplies and materials	2,500	(1,500)	1,000	984	16
Total Undist. Expend. - Other Support Services - Students-Regular	140,566	(19,300)	121,266	83,373	37,893
Undist. Expend. - Other Support Services - Students-Special					
Undist. Expend. - Improvement of instr. Serv / other supp serv - inst staff					
Sal Sec. & Clerical Asst	22,997	35,400	58,397	58,002	395
Other salaries	19,727	20,105	39,832	39,486	346
Total Undist. Expend.-Imprvmt of instr.-Srv/other supp srv-inst sta:	42,724	55,505	98,229	97,488	741
Undist. Expend. - Educational Media Services/School Library					
Salaries	32,176	3,000	35,176	33,236	1,940
Salaries of Technology Coordinators	27,314	-	27,314	25,038	2,276
Purchased professional and technical services	1,800	-	1,800	175	1,625
Supplies and materials	5,000	-	5,000	3,453	1,547
Total Undist. Expend. - Educational Media Services/School Library	66,290	3,000	69,290	61,902	7,388
Undist. Expend. - Instruction Staff Training Services					
Purchased professional - educational services	15,000	(3,400)	11,600	11,542	58
Other purchased services (400-500 series)	1,000	-	1,000	83	917
Supplies and materials	1,000	(1,000)	-	-	-
Other objects	4,000	(3,500)	500	149	351
Total Undist. Expend. - Instruction Staff Training Services	21,000	(7,900)	13,100	11,774	1,326
Undist. Expend. - Support Service - General Administration					
Salaries	78,079	-	78,079	76,112	1,967
Legal services	21,000	-	21,000	8,596	12,404
Audit fees	10,000	1,300	11,300	11,278	22
Communications/Telephone - Bus	5,265	-	5,265	1,835	3,430
BOE other purchased prof. svc.	1,000	-	1,000	-	1,000
Other purchased services (400-500 series)	6,102	(1,300)	4,802	3,883	919
General supplies	2,500	-	2,500	1,836	664
Miscellaneous expenditures - Board of Ed	1,300	(1,000)	300	-	300
Membership Dues and Fees	7,925	(4,500)	3,425	3,330	95
Total Undist. Expend. - Support Service - General Administration	133,171	(5,500)	127,671	106,870	20,801
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	71,875	-	71,875	71,869	6
Salaries of secretarial and clerical assistants	1,328	-	1,328	1,107	221
Other purchased services (400-500 series)	2,500	(1,370)	1,130	640	490
Supplies and materials	2,000	-	2,000	1,537	463
Other objects	1,000	-	1,000	168	832
Total Undist. Expend. - Support Service - School Administration	78,703	(1,370)	77,333	75,321	2,012

SEA GIRT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services					
Salaries	\$ 1,415	\$ -	\$ 1,415	\$ -	\$ 1,415
Purchased professional services	73,500	-	73,500	66,471	7,029
Supplies and materials	1,500	-	1,500	889	611
Misc Expenditures	250	-	250	-	250
Total Undist. Expend. - Central Services	<u>76,665</u>	<u>-</u>	<u>76,665</u>	<u>67,360</u>	<u>9,305</u>
Undist. Expend. - Admin. Info. Technology					
Salaries	3,035	400	3,435	3,414	21
Total Undist. Expend - Admin. Info. Technology	<u>3,035</u>	<u>400</u>	<u>3,435</u>	<u>3,414</u>	<u>21</u>
Undist. Expend. - Required Maintenance for School Facilities					
Cleaning, repair and maintenance services	68,700	48,000	116,700	116,425	275
General supplies	6,000	-	6,000	5,917	83
Total Undist. Expend. - Allowed Maintenance for School Facilities	<u>74,700</u>	<u>48,000</u>	<u>122,700</u>	<u>122,342</u>	<u>358</u>
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries - Custodians	97,002	-	97,002	83,529	13,473
Salaries - Café./Playground Aides	27,812	-	27,812	26,198	1,614
Cleaning, repair and maintenance services - up keep	9,000	(1,000)	8,000	5,186	2,814
Other purchased property services	7,500	2,000	9,500	8,790	710
Insurance	34,153	(9,000)	25,153	-	25,153
Travel	-	500	500	-	500
Miscellaneous purchased services	800	(500)	300	80	220
General supplies	15,000	14,000	29,000	28,594	406
Energy (Heat and Electricity)	62,000	(17,000)	45,000	38,062	6,938
Energy (Natural Gas)	16,000	-	16,000	8,820	7,180
Total Undist. Expend. - Other Operation & Maintenance Of Plant	<u>269,267</u>	<u>(11,000)</u>	<u>258,267</u>	<u>199,259</u>	<u>59,008</u>
Undist. Expend. - Student Transportation Services					
Salaries for pupil trans. (other than between home and school)	9,737	250	9,987	9,958	29
Contract services (other than between home & school) - Vendors	15,000	3,000	18,000	17,369	631
Contract services-(special education students)-ESC's & CTSA's	69,249	(33,500)	35,749	35,690	59
Contract services-(regular students)ESC's & CTSA's	43,565	16,500	60,065	27,299	32,766
Total Undist. Expend. - Student Transportation Services	<u>137,551</u>	<u>(13,750)</u>	<u>123,801</u>	<u>90,316</u>	<u>33,485</u>
Unallocated Employee Benefits					
Social security contributions	72,172	1,620	73,792	47,813	25,979
TPAF Contributions - ERIP	46,063	(29,300)	16,763	3,928	12,835
Other retirement contributions - regular	4,023	3,700	7,723	5,126	2,597
P.E.R.S. Contribution	41,136	(6,850)	34,286	29,846	4,440
Unemployment Compensation	44,999	(31,800)	13,199	-	13,199
Workmen's compensation	47,664	(28,981)	18,683	-	18,683
Health benefits	450,815	(58,613)	392,202	317,371	74,831
Tuition reimbursement	23,195	2,000	25,195	11,387	13,808
Other employee benefits	6,699	75,501	82,200	-	82,200
Total Unallocated Employee Benefits	<u>736,766</u>	<u>(72,723)</u>	<u>664,043</u>	<u>415,471</u>	<u>248,572</u>
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	258,012	(258,012)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	109,322	(109,322)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>367,334</u>	<u>(367,334)</u>
Total Personal Services - Employee Benefits	<u>736,766</u>	<u>(72,723)</u>	<u>664,043</u>	<u>782,805</u>	<u>(118,762)</u>
Total Undistributed Expenditures	<u>3,059,867</u>	<u>(196,195)</u>	<u>2,863,672</u>	<u>2,729,873</u>	<u>133,799</u>
Total General Currency Expense	<u>4,638,350</u>	<u>(29,450)</u>	<u>4,608,900</u>	<u>4,467,847</u>	<u>141,053</u>

SEA GIRT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital Outlay					
Regular Programs - Instruction:					
Grades 6-8	-	10,500	10,500	10,228	272
Undistributed:					
Undistributed expenditures - Instructional equip.	-	18,950	18,950	18,757	193
Total Equipment	-	29,450	29,450	28,985	465
Facilities Acquisition and Construction Services					
Debt Service Assessment	7,952	-	7,952	7,952	-
Total Facilities Acquisition and Construction Services	7,952	-	7,952	7,952	-
Capital reserve - Transfer to	-	-	-	-	-
Total Capital Outlay	7,952	29,450	37,402	36,937	465
Total Expenditures	4,646,302	-	4,646,302	4,504,784	141,518
Excess (Deficiency) of Revenues Over (Under) Expenditures	(156,789)	-	(156,789)	379,925	536,714
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(156,789)	-	(156,789)	379,925	536,714
Fund Balance, July 1	1,581,660	-	1,581,660	1,581,660	-
Fund Balance, June 30	\$ 1,424,871	\$ -	\$ 1,424,871	\$ 1,961,585	\$ 536,714
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				923,742	
Maintenance reserve				200,000	
Tuition reserve				156,000	
Excess surplus - Designated for subsequent year's expenditures				195,353	
Excess surplus - Current year				236,490	
Committed Fund Balance:					
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				(8,736)	
Fund balance per governmental funds (GAAP)				\$ 241,264	

SEA GIRT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	-
State sources	-	-	-	-	-
Federal sources	44,735	21,785	66,520	66,520	-
Total Revenues	<u>44,735</u>	<u>21,785</u>	<u>66,520</u>	<u>66,520</u>	<u>-</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	-	-	-	-	-
Other salaries for instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	-
General supplies	-	14,062	14,062	14,062	-
Tuition	-	-	-	-	-
Total instruction	<u>-</u>	<u>14,062</u>	<u>14,062</u>	<u>14,062</u>	<u>-</u>
Support services:					
Salaries of program director	-	16,500	16,500	16,500	-
Personal services	-	-	-	-	-
Purchased professional - educational services	34,858	(13,641)	21,217	21,217	-
Other purchased professional services	2,700	499	3,199	3,199	-
Purchased technical services	7,177	1,245	8,422	8,422	-
Travel	-	-	-	-	-
Employee Benefits	-	3,120	3,120	3,120	-
Miscellaneous purchased services (400-500 series)	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Supplies & materials	-	-	-	-	-
Total support services	<u>44,735</u>	<u>7,723</u>	<u>52,458</u>	<u>52,458</u>	<u>-</u>
EXPENDITURES (CONT'D):					
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>44,735</u>	<u>21,785</u>	<u>66,520</u>	<u>66,520</u>	<u>-</u>
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	<u>44,735</u>	<u>21,785</u>	<u>66,520</u>	<u>66,520</u>	<u>-</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				-	
Fund balance per governmental funds (GAAP)				<u>\$ -</u>	

SEA GIRT SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2016

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" from the budgetary comparison schedule	[C-1]	\$ 4,884,709	[C-2]	\$ 66,520
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(117,774)		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year		(8,736)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		8,786		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 4,766,985	[B-2]	\$ 66,520
 Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 4,504,784	[C-2]	\$ 66,520
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(117,774)		
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.		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 4,387,010	[B-2]	\$ 66,520

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SEA GIRT SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the District's Proportionate Share of Net Pension Liability-PERS
 For the Fiscal Year Ended June 30, 2016

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.0042982314%	0.0034715477%
District's proportionate share of the net pension liability	\$ 834,592	\$ 814,178
District's covered-employee payroll	215,598	233,589
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	25.83%	28.69%
Plan fiduciary net position as a percentage of the total pension liability	67.89%	61.84%

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 year for which information is available.

SEA GIRT SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the District Contributions-PERS
 For the Fiscal Year Ended June 30, 2016

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
Contractually required contributions	\$ 35,434	\$ 29,846
Contributions in relation to the contractually required contribution	<u>41,466</u>	<u>29,846</u>
Contribution deficiency (excess)	<u>\$ (6,032)</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 215,598	\$ 233,589
Contributions as a percentage of covered-employee payroll	16.44%	12.78%

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

SEA GIRT SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-TPAF
For the Fiscal Year Ended June 30, 2016

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.0162224199%	0.0143399466%
District's proportionate share of the net pension liability	\$ 8,670,355	\$ 9,063,459
District's covered-employee payroll	1,643,039	1,875,503
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	18.95%	20.69%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	27.81%

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

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

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

Sea Girt Board of Education

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2016

Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.04 %
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 RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

OTHER SUPPLEMENTARY INFORMATION

SEA GIRT SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2016

	IDEA PRESCHOOL 15/16	IDEA Basic 15/16	Title I 15/16	Title II 15/16	TOTAL
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	3,199	40,837	14,062	8,422	66,520
Total revenues	<u>3,199</u>	<u>40,837</u>	<u>14,062</u>	<u>8,422</u>	<u>66,520</u>
Expenditures:					
Instruction:					
Salaries of teachers	-	-	-	-	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	-
General supplies	-	-	14,062	-	14,062
Tuition	-	-	-	-	-
Textbooks	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total instruction	<u>-</u>	<u>-</u>	<u>14,062</u>	<u>-</u>	<u>14,062</u>
Support services:					
Other support services - students - special:					
Other professional staff salaries	-	16,500	-	-	16,500
Personal Services	-	-	-	-	-
Purchased professional services	-	21,217	-	-	21,217
Other purchased professional services	3,199	-	-	-	3,199
Purchased technical services	-	-	-	8,422	8,422
Employee benefits	-	3,120	-	-	3,120
Travel	-	-	-	-	-
General supplies	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total other support services - students - special	<u>3,199</u>	<u>40,837</u>	<u>-</u>	<u>8,422</u>	<u>52,458</u>
Total support services	<u>3,199</u>	<u>40,837</u>	<u>-</u>	<u>8,422</u>	<u>52,458</u>
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 3,199</u>	<u>\$ 40,837</u>	<u>\$ 14,062</u>	<u>\$ 8,422</u>	<u>\$ 66,520</u>

Sea Girt School District
Enterprise Fund
Statement of Net Position
June 30, 2016

	<u>2016</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 544,004
Accounts receivable:	
State	-
Federal	-
Interfunds	-
	-
Total current assets	544,004
Fixed assets:	
Equipment	96,361
Technology Center	1,081,267
Accumulated depreciation	(184,294)
	-
Total fixed assets	993,334
Total assets	\$ 1,537,338
Liabilities and Net Position:	
Liabilities:	
Accounts payable	-
Revenue anticipation loan	-
	-
Total liabilities	-
Net position:	
Net investment in capital assets	993,334
Restricted for other purposes	-
Unrestricted net position	544,004
	-
Total net position	1,537,338
Total liabilities and net position	\$ 1,537,338

Sea Girt School District
Enterprise Fund
Statement of Revenues, Expenses and
Changes in Net Position
for the Fiscal Years ended June 30, 2016

	<u>2016</u>
Operating revenues:	
Local sources:	
Royalties	\$ 166,866
Total operating revenues	<u>166,866</u>
Operating expenses:	
Administrative salaries and benefits	8,945
Professional fees	16,968
Other purchased services	156
Supplies and materials	62,653
Depreciation	23,168
Travel	-
Dues and subscriptions	-
Repairs	-
Cost of sales	-
Total operating expenses	<u>111,890</u>
Operating income	<u>54,976</u>
Nonoperating revenues (expenses):	
Local sources:	
Interest income	159
Interest expense	-
Total nonoperating revenues	<u>159</u>
Change in net position	55,135
Total net position beginning	<u>1,482,203</u>
Total net position ending	<u>\$ 1,537,338</u>

SEA GIRT SCHOOL DISTRICT
Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2016

		Business-type Activities
		Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$	166,866
Payments to employees		(8,945)
Payments for employee benefits		-
Payments to suppliers		(79,777)
Net cash provided by operating activities		78,144
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		(70,138)
Net cash provided by (used for) capital and related financing activities		(70,138)
Net increase in cash and cash equivalents		8,165
Balances—beginning of year		535,839
Balances—end of year	\$	544,004
Reconciliation of operating loss to net cash used in operating activities:		
Operating income	\$	54,976
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		23,168
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		23,168
Net cash provided by operating activities	\$	78,144

SEA GIRT SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Unemployment Compensation Trust	Student Activity	Agency Fund
ASSETS			
Cash and cash equivalents	\$ 42,951	\$ 13,112	\$ 21,211
Investments	-	-	-
Intergovernmental accounts receivable	-	-	-
Interfund receivable	-	-	-
Total assets	<u>42,951</u>	<u>13,112</u>	<u>21,211</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	-	21,211
Payable to student groups	-	13,112	-
Interfund payable	-	-	-
Other current liabilities	-	-	-
Total liabilities	<u>-</u>	<u>13,112</u>	<u>21,211</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	<u>42,951</u>	<u>-</u>	<u>-</u>
Total net position	<u>42,951</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 42,951</u>	<u>\$ 13,112</u>	<u>\$ 21,211</u>

SEA GIRT SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016

		<u>Unemployment Compensation Trust</u>
ADDITIONS		
Contributions:		
Plan member	\$	-
Other-transfer in		-
Total contributions		<u>-</u>
Investment earnings:		
Net increase (decrease) in fair value of investments		-
Interest		51
Dividends		-
Less investment expense		<u>-</u>
Net investment earnings		<u>51</u>
Total additions		<u>51</u>
DEDUCTIONS		
Quarterly contribution reports		-
Unemployment claims		-
Scholarships awarded		-
Refunds of contributions		-
Administrative expenses		<u>-</u>
Total deductions		<u>-</u>
Change in net position		51
Net position—beginning of the year		<u>42,900</u>
Net position—end of the year	\$	<u>42,951</u>

SEA GIRT SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
General funds	\$ 7,706	\$ 8,049	\$ (5,684)	\$ 10,071
Class funds	3,520	14,327	(14,806)	3,041
Total all schools	<u>\$ 11,226</u>	<u>\$ 22,376</u>	<u>\$ (20,490)</u>	<u>\$ 13,112</u>

SEA GIRT SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Payroll deductions and withholdings	\$ 2,171	\$ 1,035,668	\$ (1,016,628)	\$ 21,211
Totals	<u>\$ 2,171</u>	<u>\$ 1,035,668</u>	<u>\$ (1,016,628)</u>	<u>\$ 21,211</u>

STATISTICAL SECTION

**Sea Girt School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
<p>Financial Trends</p> <p>These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	81-85
<p>Revenue Capacity</p> <p>These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	86-89
<p>Debt Capacity</p> <p>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.</p>	90-93
<p>Demographic and Economic Information</p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	94-95
<p>Operating Information</p> <p>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.</p>	96-100

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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net capital assets	\$ 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	\$ 3,116,252
Restricted	329,546	386,314	270,313	326,738	514,354	609,483	703,620	974,286	1,331,660	1,711,585
Unrestricted	209,310	241,055	305,235	352,727	266,459	218,594	203,807	198,400	(664,419)	(648,488)
Total governmental activities net assets/position	\$ 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	\$ 4,179,349
Business-type activities										
Net capital assets	\$ -	\$ -	\$ 929,255	\$ 1,065,639	\$ 1,049,925	\$ 1,023,860	\$ 998,028	\$ 972,196	\$ 946,364	\$ 993,334
Restricted	-	919,950	-	-	-	-	-	-	-	-
Unrestricted	720,598	238,132	175,795	149,352	250,461	347,752	352,044	440,326	535,839	544,004
Total business-type activities net assets/position	\$ 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	\$ 1,537,338
District-wide										
Net capital assets	\$ 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	\$ 4,109,586
Restricted	329,546	1,306,264	270,313	326,738	514,354	609,483	703,620	974,286	1,331,660	1,711,585
Unrestricted	929,908	479,187	481,030	502,079	516,920	566,346	555,851	638,726	(128,580)	(104,484)
Total district net assets/position	\$ 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	\$ 5,716,687

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 1,363,674
Special education	124,760	130,033	244,326	250,424	302,575	393,262	306,228	210,930	239,888	251,642
Other special education	75,064	68,764	72,998	81,184	78,568	102,281	122,798	77,474	141,887	136,720
Support Services:										
Instruction	762,759	1,054,712	1,064,404	984,230	804,778	691,863	886,691	760,979	733,725	830,911
Attendance and social work	22,239	23,240	24,614	25,521	26,011	12,872	15,771	16,087	20,301	600
Health services	53,319	55,357	61,977	69,609	70,854	65,843	56,396	55,960	24,405	62,908
Improvement of instr. services	43,351	44,375	46,527	48,189	48,989	74,344	62,311	63,556	72,563	97,488
Educational media services	55,413	57,775	47,097	52,726	62,768	47,951	26,272	47,622	61,526	61,902
Instruction staff training	2,074	16,100	2,369	2,368	4,730	7,013	4,088	6,888	18,987	11,774
School Administrative services	62,846	72,778	72,917	75,887	77,057	78,339	73,385	70,471	75,282	75,321
General administration	123,348	127,431	120,072	133,957	132,716	133,846	128,399	135,421	132,600	106,870
Central Services	86,362	74,593	78,434	82,949	81,526	68,584	78,454	69,662	86,758	67,360
Plant operations and maintenance	398,748	377,125	418,970	473,632	444,318	410,104	402,545	454,900	513,593	429,801
Administrative information technology	2,798	3,723	2,926	3,028	3,074	2,615	3,186	350	3,217	3,414
Pupil transportation	80,266	69,360	82,133	75,314	121,464	114,042	138,189	101,806	90,718	90,316
Other support services	236,714	167,406	276,234	253,007	301,520	298,351	312,466	383,622	295,243	269,061
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	28,603	24,163	19,350	14,280	8,879	3,280	-	-	-	-
Unallocated employee benefits	434,332	482,588	490,731	467,394	460,508	470,213	474,693	513,049	364,146	399,590
Total governmental activities expenses	<u>3,735,411</u>	<u>4,077,065</u>	<u>4,305,260</u>	<u>4,339,561</u>	<u>4,219,442</u>	<u>4,242,906</u>	<u>4,317,032</u>	<u>4,192,822</u>	<u>4,117,583</u>	<u>4,259,352</u>
Business-type activities:										
Enterprise fund	-	437,484	(188,128)	(109,211)	(84,511)	(70,916)	21,802	(62,450)	(69,522)	(54,976)
Child Care	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	<u>-</u>	<u>437,484</u>	<u>(188,128)</u>	<u>(109,211)</u>	<u>(84,511)</u>	<u>(70,916)</u>	<u>21,802</u>	<u>(62,450)</u>	<u>(69,522)</u>	<u>(54,976)</u>
Total district expenses	<u>\$ 3,735,411</u>	<u>\$ 4,514,549</u>	<u>\$ 4,117,132</u>	<u>\$ 4,230,350</u>	<u>\$ 4,134,931</u>	<u>\$ 4,171,990</u>	<u>\$ 4,338,834</u>	<u>\$ 4,130,372</u>	<u>\$ 4,048,061</u>	<u>\$ 4,204,376</u>
Net (Expense)/Revenue										
Governmental activities	(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)	(4,259,352)
Business-type activities	-	(437,484)	188,128	109,211	84,551	70,916	(21,802)	62,450	69,522	54,976
Total district-wide net expense	<u>\$ (3,735,411)</u>	<u>\$ (4,514,549)</u>	<u>\$ (4,117,132)</u>	<u>\$ (4,230,350)</u>	<u>\$ (4,134,891)</u>	<u>\$ (4,171,990)</u>	<u>\$ (4,338,834)</u>	<u>\$ (4,130,372)</u>	<u>\$ (4,048,061)</u>	<u>\$ (4,204,376)</u>
General Revenues and Other Changes in Net Assets/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	\$ 4,338,065
Taxes levied for debt service	148,603	99,163	149,350	149,280	45,383	-	-	-	-	-
Unrestricted grants and contributions	197,151	223,030	291,260	277,649	66,030	81,716	103,951	101,864	26,093	104,878
State aid - restricted	59,459	57,047	59,021	78,886	70,919	78,837	53,999	52,263	52,629	66,520
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	30,364	20,902	3,551	591	740	-	40	49	54	224
Miscellaneous income	159,802	346,411	63,455	100,335	155,103	149,253	111,729	94,056	64,625	74,258
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>4,068,559</u>	<u>4,479,506</u>	<u>4,439,576</u>	<u>4,547,456</u>	<u>4,357,815</u>	<u>4,249,171</u>	<u>4,281,962</u>	<u>4,340,720</u>	<u>4,357,610</u>	<u>4,583,945</u>
Business-type activities:										
Investment earnings	-	-	8,840	730	844	310	262	-	159	159
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>8,840</u>	<u>730</u>	<u>844</u>	<u>310</u>	<u>262</u>	<u>-</u>	<u>159</u>	<u>159</u>
Total district-wide	<u>\$ 4,068,559</u>	<u>\$ 4,479,506</u>	<u>\$ 4,448,416</u>	<u>\$ 4,548,186</u>	<u>\$ 4,358,659</u>	<u>\$ 4,249,481</u>	<u>\$ 4,282,224</u>	<u>\$ 4,340,720</u>	<u>\$ 4,357,769</u>	<u>\$ 4,584,104</u>
Change in Net Assets/Position										
Governmental activities	333,148	402,441	134,316	207,895	138,373	6,265	(35,070)	147,898	240,027	324,593
Business-type activities	-	-	196,968	109,941	85,395	71,226	(21,540)	62,450	69,681	55,135
Total district	<u>\$ 333,148</u>	<u>\$ 402,441</u>	<u>\$ 331,284</u>	<u>\$ 317,836</u>	<u>\$ 223,768</u>	<u>\$ 77,491</u>	<u>\$ (56,610)</u>	<u>\$ 210,348</u>	<u>\$ 309,708</u>	<u>\$ 379,728</u>

SEA GIRT SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 107,137	\$ 130,686	\$ 183,809	\$ 313,242	\$ 514,354	\$ 609,483	\$ 703,620	\$ 974,286	\$ 1,331,660	\$ 1,711,585
Unreserved	243,984	258,564	355,204	387,905	296,905	245,565	242,559	242,422	241,214	241,264
Total general fund	<u>\$ 351,121</u>	<u>\$ 389,250</u>	<u>\$ 539,013</u>	<u>\$ 701,147</u>	<u>\$ 811,259</u>	<u>\$ 855,048</u>	<u>\$ 946,179</u>	<u>\$ 1,216,708</u>	<u>\$ 1,572,874</u>	<u>\$ 1,952,849</u>
All Other Governmental Funds										
Reserved	\$ 45,661	\$ 99,796	\$ 5,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	176,748	165,832	80,519	13,496	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 222,409</u>	<u>\$ 265,628</u>	<u>\$ 86,504</u>	<u>13,496</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

UNAUDITED

(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax levy	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	4,338,065
Tuition charges	-	51,700	79,700	130,954	137,100	144,117	107,743	93,714	59,871	57,130
Interest earnings	30,364	20,902	3,551	591	740	-	40	49	54	224
Miscellaneous	159,802	244,711	3,101	1,381	18,003	5,136	3,986	342	4,754	17,128
State sources	428,108	559,435	508,673	497,333	286,917	363,281	445,603	389,108	336,467	354,438
Federal sources	58,958	57,047	59,021	78,886	70,919	78,837	53,999	52,263	52,629	66,520
Total revenue	<u>4,299,015</u>	<u>4,765,911</u>	<u>4,676,335</u>	<u>4,799,140</u>	<u>4,578,702</u>	<u>4,530,736</u>	<u>4,623,614</u>	<u>4,627,964</u>	<u>4,667,984</u>	<u>4,833,505</u>
Expenditures										
Instruction										
Regular Instruction	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	1,363,674
Special education instruction	124,760	130,033	244,326	250,424	302,575	393,262	306,228	210,930	239,888	251,642
Other special instruction	75,064	68,764	72,998	81,184	78,568	102,281	122,798	77,474	141,887	136,720
Support Services:										
Tuition	762,759	1,054,712	1,064,404	984,230	804,778	691,863	886,691	760,979	733,725	830,911
Student & inst. related services	176,396	196,847	182,584	198,413	213,352	208,023	164,838	190,113	197,782	234,672
General administration	123,348	127,431	120,072	133,957	132,716	133,846	128,399	135,421	132,600	106,870
School administrative services	62,846	72,778	72,917	75,887	77,057	78,339	73,385	70,471	75,282	75,321
Central services	86,362	74,593	78,434	82,949	81,526	68,584	78,454	69,662	86,758	67,360
Admin. information technology	2,798	3,723	2,926	3,028	3,074	2,615	3,186	350	3,217	3,414
Plant operations and maintenance	295,596	316,305	310,126	334,255	310,399	274,311	280,173	329,587	379,905	321,601
Pupil transportation	80,266	69,360	82,133	75,314	121,464	114,042	138,189	101,806	90,718	90,316
Other Support Services	236,714	167,406	276,234	253,007	301,520	298,351	312,466	383,622	295,243	269,061
Employee benefits	669,459	826,158	685,684	701,869	686,127	755,253	804,564	795,023	675,742	665,031
Special Schools	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	120,000	125,000	130,000	135,000	140,000	82,000	-	-	-	-
Interest and other charges	28,603	24,163	19,350	14,280	8,879	3,280	-	-	-	-
Capital outlay	-	249,748	184,327	108,355	30,944	12,794	7,952	7,952	16,327	36,937
Total expenditures	<u>3,987,386</u>	<u>4,734,563</u>	<u>4,705,696</u>	<u>4,678,014</u>	<u>4,482,086</u>	<u>4,486,947</u>	<u>4,532,483</u>	<u>4,357,435</u>	<u>4,311,818</u>	<u>4,453,530</u>
Excess (Deficiency) of revenues over (under) expenditures	311,629	31,348	(29,361)	121,126	96,616	43,789	91,131	270,529	356,166	379,975
Other Financing sources (uses)										
Transfers in	-	80,000	-	501	103,496	-	-	-	-	-
Transfers out	-	(30,000)	-	(32,501)	(103,496)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>(32,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>311,629</u>	<u>81,348</u>	<u>(29,361)</u>	<u>89,126</u>	<u>96,616</u>	<u>43,789</u>	<u>91,131</u>	<u>270,529</u>	<u>356,166</u>	<u>379,975</u>
Debt service as a percentage of noncapital expenditures	0.030	0.079	0.067	0.052	0.038	0.021	0.002	0.002	0.004	0.008

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)

Fiscal Year Ending June 30,	<u>Sale of Capital Assets</u>	<u>Donations</u>	<u>Rentals</u>	<u>Prior Year Refunds</u>	<u>Sale and Leaseback of Textbooks</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
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
2016	-	-	-	-	-	17,128	17,128

Source: District records

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

Fiscal Year 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	Total Direct School Tax Rate ^b
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
2016	39,816,300	2,209,488,700	-	-	40,259,800	-	-	2,289,564,800	372,903,100	-	1,916,661,700	2,295,763,361	0.193

Source: Municipal Tax Assessor

SEA GIRT SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
UNAUDITED
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Sea Girt School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Municipal	Monmouth County	
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	0.195	0.195	0.195	0.228	0.301	0.724
2016	0.193	0.193	0.193	0.220	0.296	0.709

Source: Municipal Tax Collector

R = Reevaluation

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

	2016			2007		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ 8,703,300		0.38%	\$ -		0.00%
Taxpayer 2	7,297,000		0.31%	-		0.00%
Taxpayer 3	7,188,400		0.31%	-		0.00%
Taxpayer 4	6,446,200		0.28%	-		0.00%
Taxpayer 5	6,441,900		0.28%	-		0.00%
Taxpayer 6	6,436,000		0.28%	-		0.00%
Taxpayer 7	6,245,900		0.27%	-		0.00%
Taxpayer 8	5,909,400		0.25%	-		0.00%
Taxpayer 9	5,736,300		0.25%	-		0.00%
Taxpayer 10	5,671,500		0.24%	-		0.00%
Total	\$ 66,075,900		2.85%	\$ -		0.00%

Source: Municipal Tax Assessor

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

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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	16,153,929	16,007,333	99.09%	-
2016				

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2007	612,000	-	-	-	-	612,000	0.51%	119,814,144
2008	487,000	-	-	-	-	487,000	0.40%	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	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
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	-	-	-	-	-
2016	-	-	-	-	-

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, 2016
 UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
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%	
Other debt	-		-
Subtotal, overlapping debt			3,825,712
Sea Girt School District Direct Debt			3,825,712
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.

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

Legal Debt Margin Calculation for Fiscal Year 2016

	Equalized valuation basis	
	2016	2,295,763,361
	2015	2,177,227,802
	2014	2,099,101,711
	[A]	<u>6,572,092,874</u>
Average equalized valuation of taxable property	[A/3]	\$ 2,190,697,625
Debt limit (4 % of average equalization value)	[B]	87,627,905 a
Total Net Debt Applicable to Limit	[C]	-
Legal debt margin	[B-C]	<u>\$ 87,627,905</u>

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 76,731,451	\$ 77,214,269	\$ 77,778,516	\$ 78,419,359	\$ 78,848,027	\$ 78,848,027	\$ 52,736,813	\$ 81,060,094	\$ 83,885,019	\$ 87,627,905
Total net debt applicable to limit	<u>612,000</u>	<u>487,000</u>	<u>357,000</u>	<u>222,000</u>	<u>140,000</u>	<u>82,000</u>	-	-	-	-
Legal debt margin	<u>\$ 76,119,451</u>	<u>\$ 76,727,269</u>	<u>\$ 77,421,516</u>	<u>\$ 78,197,359</u>	<u>\$ 78,708,027</u>	<u>\$ 78,766,027</u>	<u>\$ 52,736,813</u>	<u>\$ 81,060,094</u>	<u>\$ 83,885,019</u>	<u>\$ 87,627,905</u>
Total net debt applicable to the limit as a percentage of debt	0.80%	0.63%	0.46%	0.28%	0.18%	0.10%	0.00%	0.00%	0.00%	0.00%

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

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
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%
2016				

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

^c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

^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

Employer	2016			2007		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
Sea Girt Borough	Information	Information	Information	Information	Information	Information
Sea Girt Board of Education	not	not	not	not	not	not
Rod's Tavern	available	available	available	available	available	available
Harrigan's						
Fratello's						
Wells Fargo						
Sitar Realty						
Ocean Pointe Associates						
Greg's Auto Care						
Dr. John Little						
	-		0.00%	-		0.00%

Source:

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

Function/Program	2010	2011	2012	2013	2014	2015	2016
Instruction							
Regular	17.4	19.75	17.12	17.16	17.00	17.00	17.00
Special education	5.0	3.6	5.2	6.3	3.6	4.0	3.5
Other special education							
Vocational							
Other instruction							
Nonpublic school programs							
Adult/continuing education programs							
Support Services:							
Student & instruction related services	4.0	4.8	4.7	4.7	4.0	5.0	5.0
General administration	1.5	1.5	2.0	2.0	2.0	2.0	2.0
School administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other administrative services				2.0	2.0	2.0	2.0
Central services	1.5	1.5	2.0	1.0	1.0	1.0	1.0
Administrative Information Technology	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Plant operations and maintenance	3.1						2.1
Pupil transportation							
Other support services							
Special Schools							
Food Service							
Child Care							
Total	<u>34.5</u>	<u>33.2</u>	<u>33.0</u>	<u>36.2</u>	<u>32.6</u>	<u>34.0</u>	<u>35.6</u>

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff ^b	Elementary				
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%	95.39%
2013	209	4,478,484	21,428	0.00%	23.47	7.3:1	171.2	161.0	-4.84%	94.04%
2014	212	4,305,172	20,307	0.00%	20.60	8.4:1	170.7	163.7	-0.29%	95.90%
2015	205	4,336,716	21,155	0.00%	21.00	7.7:1	160.8	153.9	-5.80%	95.71%
2016	198	4,137,450	20,896	0.00%	20.10	7.6:1	153.7	146.9	-4.42%	95.58%

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
District Building										
<u>Elementary</u>										
Sea Girt Elementary										
Square Feet	32,651	32,651	35,151	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	240
Enrollment	171	170	181	181	191	179	171	173	161	154

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
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
2016	122,342	122,342
Total School Facilities	<u>\$ 786,175</u>	<u>\$ 786,175</u>

* 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, 2016
UNAUDITED

	<u>Coverage</u>	<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, 2016, 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 8, 2016.

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.

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, Perry and Company, LLP
Toms River, NJ



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

Toms River, NJ
November 8, 2016

SEA GIRT SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards, Schedule A

for the Fiscal Year ended June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2016			
				From	To							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 2016	40,837	7/1/15	6/30/16	-	-	40,837	(40,837)	-	-	-	-	-	
Title I, Part A	84.010	NCLB 2016	14,062	7/1/15	6/30/16	-	-	14,062	(14,062)	-	-	-	-	-	
Title II, Part A	84.367	NCLB 2016	8,422	7/1/15	6/30/16	-	-	8,422	(8,422)	-	-	-	-	-	
IDEA Preschool	84.173	IDEA469016	3,199	7/1/15	6/30/16	-	-	3,199	(3,199)	-	-	-	-	-	
						-	-	66,520	(66,520)	-	-	-	-	-	
Total Special Revenue Fund						-	-	66,520	(66,520)	-	-	-	-	-	

See accompanying notes to schedules of expenditures.

SEA GIRT SCHOOL DISTRICT

Schedule K-4

Schedule of Expenditures of State Awards, Schedule B
for the Fiscal Year ended June 30, 2016

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015				Adjustments/Repayment of Prior Years*	Balance at June 30, 2016			MEMO		
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover/(Walkover) Amount	Cash Received		Budgetary Expenditures	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Transportation Aid	16-495-034-5120-014	3,620	7/1/15	6/30/16	\$ -	\$ -	\$ -	\$ 3,620	\$ (3,620)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,620
Special Education Aid	16-495-034-5120-089	93,806	7/1/15	6/30/16	-	-	-	85,070	(93,806)	-	-	-	-	(8,736)	93,806
Security Aid	16-495-034-5120-084	2,568	7/1/15	6/30/16	-	-	-	2,568	(2,568)	-	-	-	-	-	2,568
Adjustment Aid	16-495-034-5120-085	1,254	7/1/15	6/30/16	-	-	-	1,254	(1,254)	-	-	-	-	-	1,254
PARCC Readiness Aid	16-495-034-5120-098	1,790	7/1/15	6/30/16	-	-	-	1,790	(1,790)	-	-	-	-	-	1,790
Per Pupil Growth Aid	16-495-034-5120-097	1,790	7/1/15	6/30/16	-	-	-	1,790	(1,790)	-	-	-	-	-	1,790
Reimbursed TPAF Social Security Contributions	15-495-034-5095-022	109,772	7/1/14	6/30/15	(10,940)	-	-	10,940	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	16-495-034-5095-022	109,322	7/1/15	6/30/16	-	-	-	98,639	(109,322)	-	(10,683)	-	-	-	109,322
On-behalf TPAF Pension Contributions	16-495-034-5095-002	258,012	7/1/15	6/30/16	-	-	-	258,012	(258,012)	-	-	-	-	-	258,012
Total State Financial Assistance					<u>\$ (10,940)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463,683</u>	<u>\$ (472,162)</u>	<u>\$ -</u>	<u>\$ (10,683)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,736)</u>	<u>\$ 472,162</u>
State Financial Assistance Not Subject to Single Audit Determination					<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (258,012)</u>	<u>\$ 258,012</u>						<u>\$ (258,012)</u>
Total Expenditures of State Awards Subject to Single Audit Determination					<u>\$ (10,940)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,671</u>	<u>\$ (214,150)</u>	<u>\$ -</u>	<u>\$ (10,683)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,736)</u>	<u>\$ 214,150</u>

See accompanying notes to schedules of expenditures.

Sea Girt Board of Education

Notes to Schedules of Awards and Financial Assistance

June 30, 2016

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.

Sea Girt Board of Education

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2016

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(117,724) 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:

	<u>Federal</u>	<u>State</u>	<u>TPAF</u>	<u>Total</u>
General Fund	\$ -	354,438	(258,012)	96,426
Special Revenue Fund	66,520	-	-	66,520
Debt Service Fund	-	-	-	-
Enterprise Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total awards and financial assistance	\$ <u>66,520</u>	<u>354,438</u>	<u>(258,012)</u>	\$ <u>162,946</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2016.

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

Sea Girt Board of Education
Summary of Findings and Questioned Costs

June 30, 2016

Section I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued:

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 - N/A

Dollar threshold used to distinguish between type A and type B programs:
\$750,000

Auditee qualified as low-risk auditee? yes no

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

Internal Control over major programs:

- 1) Material weakness(es) identified? yes 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 15-08

yes no

Identification of major programs:

GMIS Number(s)

Name of State Program

N/A

Sea Girt Board of Education
Summary of Findings and Questioned Costs

June 30, 2016

Section II – Financial Statement Findings

No matters were reported for the period ended June 30, 2016.

Section III – State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2016.

Sea Girt Board of Education
Summary Schedule of Prior Audit Findings
June 30, 2016

There were no prior year findings for the period ended June 30, 2015.