

**SCHOOL DISTRICT**

**OF**

**SEASIDE PARK**



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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**SEASIDE PARK BOARD OF EDUCATION**

**SEASIDE PARK, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**PREPARED BY**

**SEASIDE PARK BOARD OF EDUCATION  
FINANCE DEPARTMENT**

**SEASIDE PARK SCHOOL DISTRICT**

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## **INTRODUCTORY SECTION**

# Seaside Park Board of Education

313 S.W. Central Avenue  
Seaside Park, New Jersey 08752

Telephone: (732) 793-7757

Fax: (732) 793-4025

November 14, 2016

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Seaside Park Borough School District for the fiscal year ended June 30, 2016 is hereby submitted. Responsibility for both the accuracy of the date and completeness and fairness of the presentation, including all disclosures, rests with the management of the Seaside Park Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements and New Jersey OMB Circular 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular as well as special education for handicapped youngsters. The District completed the 2015-2016 fiscal year with an enrollment of 41 students. Students attend the Toms River Regional School District as tuition students. The following details the changes in student enrollment of the District over the last ten years as recorded in the ASSA (Application for State School Aid) report submitted annually as of October 15<sup>th</sup> of each year.



ASSA ENROLLMENT

October 15<sup>th</sup>

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2015-2016	43
2014-2015	43
2013-2014	36
2012-2013	33
2011-2012	39
2010-2011	47
2009-2010	59
2008-2009	74
2007-2008	78
2006-2007	88

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

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

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included in reappropriated and reported as reservations of fund balance at June 30, 2016.

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

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

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

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

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

10. **OTHER INFORMATION:** Independent Audit: State of New Jersey statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart and Company, CPAs, was selected by the Seaside Park Board of Education. In addition to meeting the requirements set forth in State statutes, the audit is also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements and New Jersey OMB Circular 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



Barry J. Parlman  
School Business Administrator/  
Board Secretary

**JUNE 30, 2016**

MEMBERS OF THE BOARD OF EDUCATION:	<u>TERM EXPIRES</u>
Gina Condos, President	2017
Gary Yedman, Vice President	2016
Ronald Neal	2016
June Korzeneski	2018
Michelle Miller	2018

OTHER OFFICIALS:

David Healy, Superintendent

Barry J. Parliman, Business Administrator/Board Secretary

Elizabeth Sarantinoudis, Treasurer of School Monies

**CONSULTANTS & ADVISORS****JUNE 30, 2016****AUDIT FIRM:**

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

**ATTORNEY:**

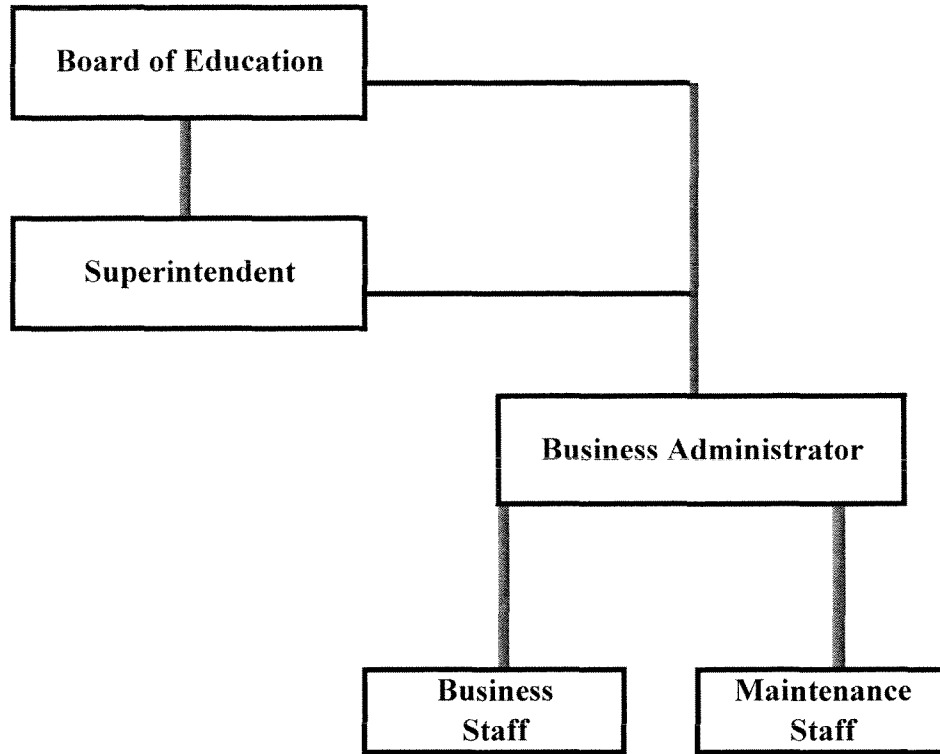
Robert Budes, Esquire  
Berry, Sahradnik, Kotzas & Benson  
212 Hooper Avenue  
P.O. Box 757  
Toms River, New Jersey 08754

**OFFICIAL DEPOSITORIES:**

Wells Fargo Bank, Toms River, New Jersey  
Bank of America, Tampa, Florida  
Ocean First Bank, Toms River, New Jersey

# ORGANIZATIONAL CHART

JUNE 30, 2016



## **FINANCIAL SECTION**

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

8.

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

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(732) 681-4990

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

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

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

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

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

### **Auditors Responsibility**

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

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



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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Seaside Park School District, in the County of Ocean, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

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

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

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

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations 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 respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2016 on our consideration of the Seaside Park's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Seaside Park Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

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

November 14, 2016

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

**SEASIDE PARK SCHOOL DISTRICT**  
**BOROUGH OF SEASIDE PARK**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**UNAUDITED**

The discussion and analysis of Seaside Park School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

**Financial Highlights**

Key Financial highlights for the 2015-2016 fiscal year is as follows:

- General revenues accounted for \$757,233 in revenue or 100% percent of all revenues.
- Total net position of governmental activities decreased by \$192,201.
- The School District had \$949,434 in expenses. General revenues (primarily property taxes & Federal and State Aid) of \$757,233 helped provide for these programs.

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

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

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

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

## **Reporting the School District as a Whole**

### **Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during the 2015-2016 fiscal year?” The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

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

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

## **Reporting the School District’s Most Significant Funds**

### **Fund Financial Statements**

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

## Governmental Funds

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

## Enterprise Fund

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

## The School District as a Whole

**Table 1**  
**Net Position**

	<u>2015</u>	<u>2016</u>
<b><u>Assets</u></b>		
Current and Other Assets	\$ 505,239	644,109
Capital Assets, Net	<u>392,552</u>	<u>374,304</u>
Total Assets	<u>\$ 897,791</u>	<u>1,018,413</u>
<b><u>Deferred Outflow of Resources</u></b>		
Contributions to Pension Plan	<u>\$ 10,223</u>	<u>30,748</u>
<b><u>Deferred Inflow of Resources</u></b>		
Pension Deferrals	<u>\$ 25,962</u>	<u>17,273</u>
<b><u>Liabilities</u></b>		
Long-term Liabilities	<u>\$ 135,449</u>	<u>424,884</u>
<b><u>Net Position</u></b>		
Invested in Capital Assets, Net of Debt	\$ 392,552	374,304
Restricted	263,805	402,853
Unrestricted	<u>241,434</u>	<u>(170,153)</u>
Total Net Position	<u>\$ 897,791</u>	<u>607,004</u>

**Table 2**  
**Changes in Net Position**

	<u>2015</u>	<u>2016</u>
<b><u>Revenues</u></b>		
Program Revenues		
Operating Grants and Contributions	\$	
General Revenues		
Property Taxes	613,281	593,281
Grants, Entitlements & Other	<u>173,801</u>	<u>163,952</u>
Total Revenues	<u>787,082</u>	<u>757,233</u>
<b><u>Program Expenses</u></b>		
Instruction	367,628	450,316
Support Services		
General Administration, School Administration, Business	153,883	391,254
Operations and Maintenance of Facilities	68,890	54,467
Pupil Transportation	33,279	22,349
Unallocated Benefits (& Allocated)	<u>117,539</u>	<u>31,048</u>
Total Expenses	<u>750,219</u>	<u>949,434</u>
Increase in Net Position	<u>\$ 36,863</u>	<u>(192,201)</u>

### **Governmental Activities**

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

**School Board Funds**

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

As the School Board completed the fiscal year ended June 30, 2016, it reported a combined net position balance of \$607,004. The Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net position.

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

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

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

The General Fund finished the fiscal year at \$637,803, an increase of \$77,144 from 2014-2015.

**Capital Assets**

At June 30, 2016, the School Board had approximately \$1,097,002 invested in a broad range of capital assets, including land, buildings, furniture, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2016 fiscal year.

	<b>Governmental Activities</b>
Table II	
Capital Assets at June 30, 2016	
Land	\$ 271,300
Buildings	<u>103,004</u>
Total	<u>\$ 374,304</u>



**Economic Factors and Next Year's Budget**

The Seaside Park School District is in a unique financial condition presently due to Super Storm Sandy. Future finances are not without challenges as state funding is decreased and applications with FEMA are pending.

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

**Contacting the School District's Financial Management**

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

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

**SEASIDE PARK SCHOOL DISTRICT****STATEMENT OF NET POSITION**

Exhibit A-1

**JUNE 30, 2016**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 637,114	6,306	643,420
Receivables, Net	689		689
Capital Assets, Not Depreciated	271,300		271,300
Capital Assets, Net	103,004		103,004
Total Assets	<u>\$ 1,012,107</u>	<u>6,306</u>	<u>1,018,413</u>
<b><u>Deferred Outflow of Resources</u></b>			
Contributions to Pension Plan	<u>\$ 30,748</u>		<u>30,748</u>
<b><u>Deferred Inflow of Resources</u></b>			
Pension Deferrals	<u>\$ 17,273</u>		<u>17,273</u>
<b><u>Liabilities</u></b>			
Long-Term Liabilities:			
Due Beyond One Year	<u>\$ 424,884</u>		<u>424,884</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	\$ 374,304		374,304
Restricted For:			
Other Purposes	402,853		402,853
Unrestricted	<u>(176,459)</u>	<u>6,306</u>	<u>(170,153)</u>
Total Net Position	<u>\$ 600,698</u>	<u>6,306</u>	<u>607,004</u>

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

**SEASIDE PARK SCHOOL DISTRICT**

Exhibit A-2

Sheet 1 of 2

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>Functions/Programs</u></b>						
Governmental Activities:						
Support Services:						
Tuition	\$ 450,316		-	(450,316)		(450,316)
Other Administrative Services	123,309			(123,309)		(123,309)
Plant Operations and Maintenance	54,467			(54,467)		(54,467)
Pupil Transportation	22,349			(22,349)		(22,349)
Unallocated Depreciation	9,124			(9,124)		(9,124)
F.E.M.A. Loan Payable	258,821			(258,821)		(258,821)
Unallocated Benefits	31,048			(31,048)		(31,048)
Total Government Activities	<u>949,434</u>	<u>-</u>	<u>-</u>	<u>(949,434)</u>	<u>-</u>	<u>(949,434)</u>
Business-Type Activities:						
Food Service					-	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>949,434</u>	<u>-</u>	<u>-</u>	<u>(949,434)</u>	<u>-</u>	<u>(949,434)</u>

**SEASIDE PARK SCHOOL DISTRICT**

**Exhibit A-2**

**Sheet 2 of 2**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:						
Taxes:						
Property Taxes for General Purpose, Net				593,281		593,281
Federal and State Aid Not Restricted				163,098		163,098
Miscellaneous				854		854
Total General Revenues, Special Items				<u>757,233</u>	<u>-</u>	<u>757,233</u>
Change in Net Position				(192,201)	-	(192,201)
Net Position - Beginning				<u>792,899</u>	<u>6,306</u>	<u>799,205</u>
Net Position - Ending				<u>\$ 600,698</u>	<u>6,306</u>	<u>607,004</u>

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

**FUND FINANCIAL STATEMENTS – B**

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2016

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>		
Cash and Cash Equivalents	\$ 637,114	637,114
Receivables, Net	689	689
	<u>637,803</u>	<u>637,803</u>
Total Assets	<u>\$ 637,803</u>	<u>637,803</u>
<b><u>Liabilities and Fund Balance</u></b>		
Fund Balance:		
Reserved for:		
Excess Surplus	139,884	139,884
Designated for Subsequent Years Expenditures	165,322	165,322
Designated for Subsequent Years Expenditures - Excess Surplus	97,687	97,687
Unassigned Fund Balance	234,910	234,910
Total Fund Balances	<u>637,803</u>	<u>637,803</u>
Total Liabilities and Fund Balance	<u>\$ 637,803</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$1,097,002 and the accumulated depreciation is \$722,698.

374,304

Deferred outflow of resources - contributions to the Pension Plan

30,748

Deferred inflow of resources - acquisition of assets applicable to future reporting periods

(17,273)

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

(424,884)

Net position of governmental activities

\$ 600,698

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



STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCESGOVERNMENTAL FUNDSFOR THE YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>		
Local Sources:		
Local Tax Levy	\$ 593,281	593,281
Miscellaneous	854	854
Total Local Sources	<u>594,135</u>	<u>594,135</u>
State Sources	163,098	163,098
Total Revenues	<u>757,233</u>	<u>757,233</u>
<b><u>Expenditures</u></b>		
Support Services and Undistributed Costs:		
Tuition	450,316	450,316
Other Administrative Services	123,309	123,309
Plant Operations and Maintenance	54,467	54,467
Pupil Transportation	22,349	22,349
Unallocated Benefits	29,648	29,648
Total Expenditures	<u>680,089</u>	<u>680,089</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>77,144</u>	<u>77,144</u>
Net Change in Fund Balances	77,144	77,144
Fund Balance - July 1	<u>560,659</u>	<u>560,659</u>
Fund Balance - June 30	<u>\$ 637,803</u>	<u>637,803</u>

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

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

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2016

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 77,144
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:	
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	(9,124)
Recognition of F.E.M.A. Loan Payable	(258,821)
Change in Net Pension Liability	(30,614)
Contributions to the Pension plan on the current year fiscal year are deferred outflows of resources on the Statement of Net Position	20,525
Pension related deferrals	<u>8,689</u>
Change in Net Position of Governmental Activities	<u><u>\$ (192,201)</u></u>

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

SEASIDE PARK SCHOOL DISTRICT

STATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDS

JUNE 30, 2016

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

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

SEASIDE PARK SCHOOL DISTRICTSTATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

FIDUCIARY FUNDSJUNE 30, 2016

	<u>Student Activity</u>	<u>Agency Account</u>
Assets:		
Cash and Cash Equivalents	\$ 1,869	2,765
Total Assets	<u>\$ 1,869</u>	<u>2,765</u>
Net Position:		
Due to Student Groups	\$ 1,869	
Reserved - Payroll Deductions		2,765
Total Net Position	<u>\$ 1,869</u>	<u>2,765</u>

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

## **NOTES TO FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**SEASIDE PARK SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1: Summary of Significant Accounting Policies**

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

**A. Reporting Entity:**

The Seaside Park School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-6. The Seaside Park School District had an approximate enrollment at June 30, 2016 of 43 students.

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

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

**B. Government-Wide Financial Statements**

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**B. Government-Wide Financial Statements (Continued)**

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

**Fund Financial Statements**

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

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

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

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

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

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

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

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

**D. Fund Accounting:**

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

**Governmental Fund Types**

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

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

**Proprietary Fund Type**

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



**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued):**

**Fiduciary Fund Types**

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

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

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

**E. Basis of Accounting:**

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

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

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**F. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2016 were insignificant.

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

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

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

**G. Encumbrances:**

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

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

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**H. Short-Term Interfund Receivables/Payables:**

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

**I. Inventories and Prepaid Expenses**

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

**J. Capital Assets and Depreciation**

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

The District contracted with an outside service company to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2015-2016 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2016, fiscal year 2016 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

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

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

Capital asset activity for the year ended June 30, 2016 was as follows:

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**J. Capital Assets and Depreciation (Continued)**

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2016</u>
Governmental Activities:				
Capital Assets that are				
Not Being Depreciated:				
Land	\$ 271,300	_____	_____	271,300
Total Capital Assets Not				
Being Depreciated	<u>271,300</u>	_____	_____	<u>271,300</u>
Building and Building				
Improvements	775,000			775,000
Machinery and Equipment	<u>50,702</u>	_____	_____	<u>50,702</u>
Totals at Historical Cost	<u>825,702</u>	_____	_____	<u>825,702</u>
Less: Accumulated				
Depreciation for:				
Buildings and				
Improvements	662,872	9,124		671,996
Equipment	<u>50,702</u>	_____	_____	<u>50,702</u>
Total Accumulated				
Depreciation	<u>713,574</u>	<u>9,124</u>	_____	<u>722,698</u>
Total Capital Assets Being				
Depreciated, Net of				
Accumulated Depreciation	<u>112,128</u>	<u>(9,124)</u>	_____	<u>103,004</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 383,428</u>	<u>(9,124)</u>	=====	<u>374,304</u>

**K. Compensated Absences**

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

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

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

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

**L. Deferred Revenue**

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

**M. Long-Term Obligations**

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

**N. Fund Equity**

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

**O. Tuition Receivable**

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

**P. Tuition Payable**

Tuition charges for the fiscal year 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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

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

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

**Deposits**

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

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

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

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

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

**Investments**

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

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

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

As of June 30, 2016, cash and cash equivalents and investments of the District consisted of the following:

	<b>Cash and Cash Equivalents</b>
Interest Bearing Checking Accounts	<u>\$ 648,054</u>
Total	<u>\$ 648,054</u>

The carrying amount of the Board's cash, cash equivalents and investments at June 30, 2016 was \$648,054 and the bank balance was \$709,554. Of the bank balance \$418,776 was covered by federal depository insurance and \$290,778 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**Credit Risk Categories**

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

<b><u>Depository Account</u></b>	<b><u>Bank Balance June 30, 2016</u></b>
Insured:	
FDIC	\$ 418,776
GUDPA	<u>290,778</u>
	<u>\$ 709,554</u>

**Custodial Credit Risk – Deposits**

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

The District had no uninsured deposits.

As of December 31, 2016 the District did not hold any long-term investments.

**NOTE 3: General Long-Term Debt**

During the fiscal year ended June 30, 2016, the District had the following reported balance in the general long-term debt account group:

	<b>Balance June 30, 2015</b>	<b>Increase</b>	<b>Balance June 30, 2016</b>	<b>Long-Term Portion</b>	<b>2016-2017 Payment</b>
Net Pension Liability	\$ 135,449	30,614	166,063	166,063	
FEMA Loan Payable	<u>                    </u>	<u>258,821</u>	<u>258,821</u>	<u>207,057</u>	<u>51,764</u>
	<u>\$ 135,449</u>	<u>289,435</u>	<u>424,884</u>	<u>373,120</u>	<u>51,764</u>

**NOTE 4: Pension Plans**

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

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

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

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

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



**NOTE 4: Pension Plans (Continued)**

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

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

**Three-Year Trend Information for PERS**

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/16	\$ 6,360	100%	\$ 0
6/30/15	5,964	100%	0
6/30/14	6,286	100%	0

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

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/16	\$ 4,358	100%	0
6/30/15	3,516	100%	0
6/30/14	2,823	100%	0

**NOTE 4: Pension Plans (Continued)**

During the fiscal year ended June 30, 2016, the State of New Jersey contributed \$4,358 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,008 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 revenue and expenditure in accordance with GASB 24.

For the year ended June 30, 2016, the District recognized pension expense of \$6,360. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 3,962	
Changes of Assumptions	17,834	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		2,670
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	2,592	14,603
District Contributions Subsequent to the Measurement Date	<u>6,360</u>	<u>      </u>
Total	<u>\$ 30,748</u>	<u>17,273</u>

\$30,748 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Additional Information**

Collective balances at December 31, 2014 and 2015 are as follows:

	<b><u>Dec. 31, 2015</u></b>	<b><u>Dec. 31, 2014</u></b>
Collective Deferred Outflows of Resources	\$ 30,748	10,223
Collective Deferred Inflows of Resources	17,273	25,962
Collective Net Pension Liability	166,063	135,449
District's Proportion	.00074%	.00072%

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

The components of the net pension liability of the participating employers for PERS as of June 30, 2015 and 2014 are as follows:

	<b>2015</b>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 31,614,118,524	43,109,580,038	74,723,698,562
Plan Fiduciary Net Position	<u>7,891,982,987</u>	<u>20,661,583,919</u>	<u>28,553,566,906</u>
Net Pension Liability	<u>\$ 23,722,135,537</u>	<u>22,447,996,119</u>	<u>46,170,131,656</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.96%	47.93%	38.21%
	<b>2014</b>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,777,950,141	39,071,470,586	67,849,420,727
Plan Fiduciary Net Position	<u>8,650,846,191</u>	<u>20,348,735,583</u>	<u>28,999,581,774</u>
Net Pension Liability	<u>\$ 20,127,103,950</u>	<u>18,722,735,003</u>	<u>38,849,838,953</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	30.06%	52.08%	42.74%

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2103, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.04%
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%

**NOTE 4: Pension Plans (Continued)**

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**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%
Intermediate 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	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

**Discount Rate**

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2015 and 2014, 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:

	<b>2015</b>		
	<b>At 1%</b>	<b>At Current</b>	<b>At 1%</b>
	<b><u>Decrease (3.90%)</u></b>	<b><u>Discount</u></b>	<b><u>Increase (5.90%)</u></b>
State	\$ 27,802,122,942	23,722,135,537	20,314,768,782
Local	<u>27,900,112,533</u>	<u>22,447,996,119</u>	<u>17,876,981,108</u>
Total	<u>\$ 55,702,235,475</u>	<u>46,170,131,656</u>	<u>38,191,749,890</u>
	<b>2014</b>		
	<b>At 1%</b>	<b>At Current</b>	<b>At 1%</b>
	<b><u>Decrease (4.39%)</u></b>	<b><u>Discount</u></b>	<b><u>Increase (6.39%)</u></b>
State	\$ 23,772,450,916	20,127,103,950	17,069,920,644
Local	<u>23,553,838,159</u>	<u>18,722,735,003</u>	<u>14,665,837,859</u>
Total	<u>\$ 47,326,289,075</u>	<u>38,849,838,953</u>	<u>31,735,758,503</u>

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

The components of the net pension liability of the State as of June 30, 2015 and 2014 are as follows:

	<b><u>2015</u></b>	<b><u>2014</u></b>
Total Pension Liability	\$ 89,182,662,000	81,095,320,000
Plan Fiduciary Net Position	<u>25,604,797,560</u>	<u>27,282,252,461</u>
Net Pension Liability	<u>\$ 63,577,864,440</u>	<u>53,813,067,539</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%

**NOTE 4: Pension Plans (Continued)****State Proportionate Share of Net Pension Liability Attributable to District**

	<u>2015</u>	<u>2014</u>
District's Liability	<u>\$ 158,877</u>	<u>135,130</u>
District's Proportion	.00025%	.00025%

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

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

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

**NOTE 4: Pension Plans (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign – Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds – Equity Hedge	4.00%	5.68%
Hedge Funds – Distressed	4.00%	4.30%

**Discount Rate**

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the net pension liability of the State as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
2015 (3.13%, 4.13%, 5.13%)	\$ 75,559,915,440	63,577,864,440	53,254,610,440
2014 (3.68%, 4.68%, 5.68%)	64,722,984,539	53,813,067,539	44,738,870,539

**NOTE 5: Post-Retirement Benefits**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving 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 benefits changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or 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.

**NOTE 6: Contingent Liabilities**

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

**NOTE 7: Fair Values of Financial Instruments**

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

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

**NOTE 8: Equity Balance**

At June 30, 2016, the General Fund equity balance was as follows:

Restricted Fund Balance:	
Excess Surplus	\$ 139,884
Assigned Fund Balances:	
Designated for Subsequent Year's Expenditures – Excess Surplus	97,687
Designated for Subsequent Year's Expenditures	165,322
Unassigned Fund Balance	<u>250,522</u>
	<u>\$ 653,415</u>

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



**NOTE 8: Equity Balance (Continued)****2% Calculation of Excess Surplus**

2015-16 Total General Fund Expenditures Per the CAFR	\$ 680,089
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(6,366)</u>
Adjusted 2015-16 General Fund Expenditures	<u>\$ 673,723</u>
2% of Adjusted 2015-16 General Fund Expenditures	<u>\$ 13,474</u>
Enter Greater of Above or \$250,000	\$ 250,000
Increased by: Allowable Adjustment	<u>522</u>
Maximum Unassigned Fund Balance	<u>\$ 250,522</u>

**Section 2**

Total General Fund – Fund Balance @ 6-30-16	\$ 653,415
Decreased by:	
Assigned Fund Balance - Reserved - Designated for Subsequent Year's Expenditures – Excess Surplus	(97,687)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	<u>(165,322)</u>
Total Unassigned Fund Balance	<u>\$ 390,406</u>
Restricted Excess Surplus – Current Year	<u>\$ 139,884</u>

**Section 3**

Assigned Fund Balance – Excess Surplus – Designated For Subsequent Year's Expenditures	\$ 97,687
Reserved Excess Surplus – Current Year	<u>139,884</u>
	<u>\$ 237,571</u>

**Detail of Allowable Adjustments**

Non-Public Transportation Aid	<u>\$ 522</u>
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**NOTE 9: Fund Balance Appropriated**

**General Fund** – Of the \$680,089 General Fund fund balance at June 30, 2016, \$263,009 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; \$139,884 is reserved excess surplus and \$250,522 is unreserved and undesignated.

**NOTE 10: Risk Management**

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Ending Balance</u>
2013-2014	-0-	-0-	-0-	-0-
2014-2015	-0-	-0-	-0-	-0-
2015-2016	-0-	-0-	-0-	-0-

**NOTE 11: Economic Dependency**

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

**NOTE 12: Significant Accounting Pronouncements**

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2016. The adoption of FASB ASC 105 did not impact the District’s financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District’s financial statements. The District evaluated all events or transactions that occurred after June 30, 2016 through November 14, 2016.

**NOTE 13: FEMA Community Disaster Loan**

The District received a \$258,821 FEMA Community Disaster Loan on August 13, 2013 from the federal government at a 1.5% interest rate. This loan was used to offset revenue losses due to the effects of Super Storm Sandy and was used to help fund the district’s 2013-2014 budget. This loan is subject to FEMA review in 2016 and may be fully or partially cancelled based upon FEMA’s calculation of the revenue loss that the district experienced over a specified period. The loan matures in 2018.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES – C**

SEASIDE PARK SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 593,281	-	593,281	593,281	-
Miscellaneous	150	-	150	854	704
Total Local Sources	<u>593,431</u>	<u>-</u>	<u>593,431</u>	<u>594,135</u>	<u>704</u>
State Sources:					
Categorical Special Education Aid	22,919		22,919	22,919	-
Categorical Security Aid	9,974		9,974	9,974	-
Adjustment Aid	110,734		110,734	110,734	-
Categorical Transportation Aid	11,943		11,943	11,943	-
PARCC Readiness Aid	320		320	320	-
Per Pupil Growth Aid	320		320	320	-
Non-Public Transportation Aid				522	522
On-Behalf TPAF Pension Contribution			-	4,358	4,358
Reimbursed TPAF Social Security Contribution			-	2,008	2,008
Total State Sources	<u>156,210</u>	<u>-</u>	<u>156,210</u>	<u>163,098</u>	<u>6,888</u>
Total Revenues	<u>749,641</u>	<u>-</u>	<u>749,641</u>	<u>757,233</u>	<u>7,592</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs within State-Regular	416,743	23,975	440,718	440,503	215
Tuition to Other LEAs within State-Special	60,252	(25,000)	35,252	9,813	25,439
Total Instruction	<u>476,995</u>	<u>(1,025)</u>	<u>475,970</u>	<u>450,316</u>	<u>25,654</u>

**SEASIDE PARK SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Support Services - General Administration:					
Salaries	54,671		54,671	54,143	528
Legal Services	5,000		5,000	4,018	982
Audit Fees	5,500		5,500	5,500	-
Communications/Telephone	5,000	500	5,500	5,354	146
Other Purchased Professional Services	13,200		13,200	10,800	2,400
General Supplies	22,526	(500)	22,026	10,093	11,933
BOE In-House Training/Meeting Supplies	250		250	19	231
Miscellaneous Expenses	500		500	315	185
BOE Membership Dues and Fees	2,000		2,000	1,499	501
Total Support Services - General Administration	<u>108,647</u>	<u>-</u>	<u>108,647</u>	<u>91,741</u>	<u>16,906</u>
Central Services:					
Salaries	26,249		26,249	26,249	-
Purchased Technical Services	4,750		4,750	4,750	-
Total Central Services	<u>30,999</u>	<u>-</u>	<u>30,999</u>	<u>30,999</u>	<u>-</u>
Administrative Information Technology:					
Purchased Professional Services	3,000	-	3,000	569	2,431
Total Administrative Information Technology	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>569</u>	<u>2,431</u>
Required Maintenance for School Facilities:					
Salaries	12,000		12,000	9,273	2,727
Cleaning, Repair & Maintenance Services	25,000	-	25,000	4,447	20,553
General Supplies	5,000	-	5,000	-	5,000
Total Required Maintenance for School Facilities	<u>42,000</u>	<u>-</u>	<u>42,000</u>	<u>13,720</u>	<u>28,280</u>

SEASIDE PARK SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Custodial Services:					
Salaries	3,000		3,000	-	3,000
Purchased Professional & Technical Services	3,000		3,000	2,050	950
Cleaning, Repair & Maintenance Services	1,000		1,000		1,000
Other Purchased Property Services	2,100		2,100	1,680	420
Insurance	21,500	1,025	22,525	22,524	1
General Supplies	2,700		2,700	465	2,235
Energy (Electricity)	7,500	-	7,500	4,989	2,511
Energy (Natural Gas)	12,000	-	12,000	9,039	2,961
Total Custodial Services	<u>52,800</u>	<u>1,025</u>	<u>53,825</u>	<u>40,747</u>	<u>13,078</u>
Care & Upkeep of Grounds:					
Salaries	2,000	-	2,000		2,000
Total Care & Upkeep of Grounds	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total Custodial	<u>96,800</u>	<u>1,025</u>	<u>97,825</u>	<u>54,467</u>	<u>43,358</u>
Student Transportation:					
Contracted Services (Between Home & School) - Joint Agreements	33,000	-	33,000	18,988	14,012
Contracted Services (Special Ed. Students) - Vendors	14,000	-	14,000	3,361	10,639
Total Student Transportation	<u>47,000</u>	<u>-</u>	<u>47,000</u>	<u>22,349</u>	<u>24,651</u>

SEASIDE PARK SCHOOL DISTRICT

Exhibit C-1  
Sheet 4 of 5

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Benefits:					
Social Security Contributions	5,500		5,500	4,851	649
Other Retirement Contributions - PERS	15,500		15,500	6,360	9,140
Unemployment Compensation	1,000		1,000	-	1,000
Workmen's Compensation	2,400		2,400	2,130	270
Health Benefits	12,000	-	12,000	9,941	2,059
Total Unallocated Benefits	<u>36,400</u>	<u>-</u>	<u>36,400</u>	<u>23,282</u>	<u>13,118</u>
On-Behalf TPAF Pension Contribution			-	4,358	(4,358)
Rerimbursed TPAF Social Security Contribution			-	2,008	(2,008)
Total Undistributed Expenditures	<u>799,841</u>	<u>-</u>	<u>799,841</u>	<u>680,089</u>	<u>119,752</u>
Total General Current Expense	<u>799,841</u>	<u>-</u>	<u>799,841</u>	<u>680,089</u>	<u>119,752</u>
<u>Capital Outlay</u>					
Architectural/Engineering Services	7,150		7,150	-	7,150
Construction Services	170,712		170,712	-	170,712
Total Capital Outlay	<u>177,862</u>	<u>-</u>	<u>177,862</u>	<u>-</u>	<u>177,862</u>



**SEASIDE PARK SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Total Expenses	<u>977,703</u>	<u>-</u>	<u>977,703</u>	<u>680,089</u>	<u>297,614</u>
Excess (Deficiency) of Revenues Over/(Under)					
Expenditures	(228,062)	-	(228,062)	77,144	305,206
Fund Balance July 1	<u>576,271</u>	<u>-</u>	<u>576,271</u>	<u>576,271</u>	<u>-</u>
Fund Balance June 30	<u>\$ 348,209</u>	<u>-</u>	<u>348,209</u>	<u>653,415</u>	<u>305,206</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus				\$ 139,884	
Assigned Fund Balance:					
Designated for Subsequent Years Expenditures - Excess Surplus				97,687	
Designated for Subsequent Years Expenditures				165,322	
Unassigned Fund Balance				<u>250,522</u>	
				653,415	
Reconciliation to Governmental Funds Statements (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(15,612)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 637,803</u>	

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**SEASIDE PARK SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION**

Exhibit C-3

**BUDGET-TO-GAAP RECONCILIATION**

**NOTE TO RSI**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b><u>General Fund</u></b>
<b><u>Sources/Inflows of Resources</u></b>	
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 757,233
State aid payment prior year	15,612
The last state aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33)	<u>(15,612)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 757,233</u>
<b><u>Uses/Outflows of Resources</u></b>	
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$ 680,089</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 680,089</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

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

SEASIDE PARK SCHOOL DISTRICTSCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THENET PENSION LIABILITY - PERS

Exhibit L-1

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 166,063	135,449	159,444
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 166,063</u>	<u>135,449</u>	<u>159,444</u>
District's Covered-Employee Payroll	\$ 53,368	51,050	55,706
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	32.14%	37.69%	34.94%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	38.21%	42.74%	40.71%

**SEASIDE PARK SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS**

**Exhibit L-2**

**LAST THREE FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 6,360	6,286	6,395
Contributions in Relation to the Contractually Required Contribution	<u>6,360</u>	<u>6,286</u>	<u>6,395</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 53,368	51,050	55,706
Contributions as a Percentage of Covered-Employee Payroll	11.92%	12.31%	11.48%

**SEASIDE PARK SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

**NET PENSION LIABILITY - TPAF**

Exhibit L-3

**LAST THREE FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>158,877</u>	<u>135,130</u>	<u>258,367</u>
Total	<u>\$ 158,877</u>	<u>135,130</u>	<u>258,367</u>
District's Covered-Employee Payroll	\$ 25,971	25,228	24,984
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	16.35%	18.67%	9.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%



**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES – D**

**N/A**

**SPECIAL REVENUE FUND – E**

**N/A**

**CAPITAL PROJECTS FUND – F**

**N/A**

**PROPRIETARY FUNDS – G**

N/A

**FIDUCIARY FUND – H**

SEASIDE PARK SCHOOL DISTRICTTRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITIONAS OF JUNE 30, 2016

	<u>Agency</u>		
	<u>Student Activity</u>	<u>Agency Account</u>	<u>Totals 2016</u>
Assets:			
Cash and Cash Equivalents	\$ 1,869	2,765	4,634
Total Assets	<u>\$ 1,869</u>	<u>2,765</u>	<u>4,634</u>
Liabilities:			
Due to Student Groups	\$ 1,869		1,869
Payroll Deductions		2,765	2,765
Total Liabilities	<u>\$ 1,869</u>	<u>2,765</u>	<u>4,634</u>

SEASIDE PARK SCHOOL DISTRICTSTUDENT ACTIVITY AGENCY FUND

Exhibit H-3

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

	<u>Balance</u> <u>June 30, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Elementary School:				
Seaside Park Elementary	\$ 1,868	1	-	1,869
Total All Schools	<u>\$ 1,868</u>	<u>1</u>	<u>-</u>	<u>1,869</u>



SEASIDE PARK SCHOOL DISTRICTPAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTSFOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Assets:				
Cash and Cash Equivalents	\$ 2,677	103,924	103,836	2,765
Total Assets	<u>\$ 2,677</u>	<u>103,924</u>	<u>103,836</u>	<u>2,765</u>
Liabilities:				
Payroll Deductions and Withholdings	\$ 2,677	103,924	103,836	2,765
Total Liabilities	<u>\$ 2,677</u>	<u>103,924</u>	<u>103,836</u>	<u>2,765</u>

## **LONG-TERM DEBT – I**

SEASIDE PARK SCHOOL DISTRICT

Exhibit I-1

GENERAL LONG-TERM DEBT ACCOUNT GROUP

SCHEDULE OF LONG-TERM DEBT GROUP

JUNE 30, 2016

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Date</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Beginning Balance July 1, 2015</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance June 30, 2016</u>
Community Disaster Loan	2013/2014	\$ 258,821	7-18-18	\$ 51,764	1.5%	-	258,821		258,821
			7-18-19	51,764					
			7-18-20	51,764					
			7-18-21	51,764					
			7-18-22	51,765					
						<u>\$ -</u>	<u>258,821</u>	<u>-</u>	<u>258,821</u>

**STATISTICAL SECTION**

**(Unaudited)**

**BOROUGH OF SEASIDE PARK SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-1

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental Activities										
Invested in Capital Assets, net of related Debt	\$ 374,304	383,428	392,552	401,676	410,921	420,166	429,411	438,656	447,901	457,145
Restricted	402,853	325,749	263,805	182,152	245,304	251,304	385,316	503,871	323,011	306,321
Unrestricted	(176,459)	83,722	235,128	-	108,938	147,034	114,776	115,037	214,269	180,814
Total Governmental Activities	<u>\$ 600,698</u>	<u>792,899</u>	<u>891,485</u>	<u>583,828</u>	<u>765,163</u>	<u>818,504</u>	<u>929,503</u>	<u>#####</u>	<u>985,181</u>	<u>944,280</u>
Business Type Activities										
Invested in Capital Assets, net of related Debt	\$ -	-	-	-	-	-	-	-	-	-
Unrestricted	6,306	6,306	6,306	6,306	6,306	6,036	6,305	5,217	35	(4,468)
Total Business Type Activities	<u>\$ 6,306</u>	<u>6,306</u>	<u>6,306</u>	<u>6,306</u>	<u>6,306</u>	<u>6,036</u>	<u>6,305</u>	<u>5,217</u>	<u>35</u>	<u>(4,468)</u>
District-wide										
Invested in Capital Assets, net of related Debt	\$ 374,304	383,428	392,552	401,676	410,921	420,166	429,411	438,656	447,901	457,145
Restricted	402,853	325,749	263,805	182,152	245,304	251,304	385,316	503,871	323,011	306,321
Unrestricted	(170,153)	90,028	241,434	6,306	115,244	153,070	121,081	120,254	214,304	176,346
Total District Assets	<u>\$ 607,004</u>	<u>799,205</u>	<u>897,791</u>	<u>590,134</u>	<u>771,469</u>	<u>824,540</u>	<u>935,808</u>	<u>#####</u>	<u>985,216</u>	<u>939,812</u>

**BOROUGH OF SEASIDE PARK SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-2

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenses:										
Governmental Activities	\$ 949,434	750,219	737,578	1,046,084	1,064,550	1,170,300	1,537,690	1,596,758	1,761,742	1,620,792
Business Type Activities							55,983	66,472	68,802	70,978
Total District Expenses	<u>949,434</u>	<u>750,219</u>	<u>737,578</u>	<u>1,046,084</u>	<u>1,064,550</u>	<u>1,170,300</u>	<u>1,593,673</u>	<u>1,663,230</u>	<u>1,830,544</u>	<u>1,691,770</u>
Program Revenues:										
Governmental Activities				-	43,367	70,937	82,015	101,387	198,242	191,228
Business Type Activities							12,854	18,722	23,808	28,380
Total District Program Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,367</u>	<u>70,937</u>	<u>94,869</u>	<u>120,109</u>	<u>222,050</u>	<u>219,608</u>
Net (Expense):										
Governmental Activities	(949,434)	(750,219)	(737,578)	(1,046,084)	(1,021,183)	(1,099,363)	(1,455,675)	(1,495,371)	(1,563,500)	(1,429,564)
Business Type Activities	-	-	-	-	-	-	(43,129)	(47,750)	(44,994)	(42,598)
Total District-wide Net Expense	<u>(949,434)</u>	<u>(750,219)</u>	<u>(737,578)</u>	<u>(1,046,084)</u>	<u>(1,021,183)</u>	<u>(1,099,363)</u>	<u>(1,498,804)</u>	<u>(1,543,121)</u>	<u>(1,608,494)</u>	<u>(1,472,162)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities	757,233	787,082	1,045,235	864,749	967,842	977,106	1,364,721	1,573,847	1,613,708	1,629,253
Business Type Activities						1	44,217	52,932	49,497	39,982
Total District-wide	<u>757,233</u>	<u>787,082</u>	<u>1,045,235</u>	<u>864,749</u>	<u>967,842</u>	<u>977,107</u>	<u>1,408,938</u>	<u>1,626,779</u>	<u>1,663,205</u>	<u>1,669,235</u>
Change in Net Position:										
Governmental Activities	(192,201)	36,863	307,657	(181,335)	(53,341)	(122,257)	(90,954)	78,476	50,208	199,689
Business Type Activities	-	-	-	-	-	1	1,088	5,182	4,503	(2,616)
Total District	<u>\$ (192,201)</u>	<u>36,863</u>	<u>307,657</u>	<u>(181,335)</u>	<u>(53,341)</u>	<u>(122,256)</u>	<u>(89,866)</u>	<u>83,658</u>	<u>54,711</u>	<u>197,073</u>

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

Exhibit J-3

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:										
Reserved	\$ 402,893	325,749	263,805	182,152	245,304	251,304	385,316	403,871	330,299	306,321
Unreserved	<u>234,910</u>	<u>234,910</u>	<u>235,128</u>	<u>-</u>	<u>109,848</u>	<u>149,911</u>	<u>119,824</u>	<u>233,036</u>	<u>245,301</u>	<u>244,873</u>
Total General Fund	<u>\$ 637,803</u>	<u>560,659</u>	<u>498,933</u>	<u>182,152</u>	<u>355,152</u>	<u>401,215</u>	<u>505,140</u>	<u>636,907</u>	<u>575,600</u>	<u>551,194</u>
All Other Governmental Funds:										
Unreserved, Reported in:										
Special Revenue Fund	\$ -	-	-	-	(910)	(2,877)	(5,048)	(2,775)	(6,959)	(6,266)
Total All Other Government Funds	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(910)</u>	<u>(2,877)</u>	<u>(5,048)</u>	<u>(2,775)</u>	<u>(6,959)</u>	<u>(6,266)</u>

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

Exhibit J-4

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Revenues:</b>										
Local Tax Levy	\$ 593,281	613,281	440,179	699,000	719,000	769,530	1,148,650	1,283,650	1,283,650	1,283,650
Other Local Revenue	854	2,136	-	505	1,165	3,041	13,690	32,419	45,314	69,224
State Revenue	163,098	162,231	160,745	187,205	262,366	235,197	265,724	358,623	473,408	442,093
Federal Revenue	-	9,434	258,821	-	28,678	40,275	66,605	55,070	59,075	65,496
Total Revenues	<u>757,233</u>	<u>787,082</u>	<u>859,745</u>	<u>886,710</u>	<u>1,011,209</u>	<u>1,048,043</u>	<u>1,494,669</u>	<u>1,729,762</u>	<u>1,861,447</u>	<u>1,860,463</u>
<b>Expenditures:</b>										
Instruction:										
Regular						2,644	643,885	606,515	611,992	508,568
Special							65,645	70,507	70,751	73,679
Other							1,300	1,700	1,595	1,500
Total Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,644</u>	<u>710,830</u>	<u>678,722</u>	<u>684,338</u>	<u>583,747</u>
Undistributed:										
Instruction	450,316	367,628	440,721	691,169	689,797	685,904	1,747	46,799	26,287	-
Support Service - Students					-	-	172,421	182,662	147,528	154,199
Support Service - Instructional Staff									-	-
General Administration	123,309	153,883	117,207	102,366	104,246	137,356	77,543	107,379	62,870	55,179
School Administration							17,398	20,000	74,975	82,456
Operations and Maintenance	54,467	68,890	60,517	71,534	37,303	59,966	100,032	88,147	87,094	78,073
Student Transportation	22,349	33,279	41,538	44,740	59,674	52,676	7,509	33,931	15,961	6,568
Benefits	29,648	43,215	42,857	43,596	119,090	153,743	252,286	221,491	488,230	443,501
Other			1,502	15,990	11,323		119,615	120,028	-	-
Total Undistributed	<u>680,089</u>	<u>666,895</u>	<u>704,342</u>	<u>969,395</u>	<u>1,021,433</u>	<u>1,089,645</u>	<u>748,551</u>	<u>820,437</u>	<u>902,945</u>	<u>819,976</u>
Capital Outlay:										
Equipment	-	58,461	24,112	89,405			37,107	6,093	9,307	12,039
Total Capital Outlay	<u>-</u>	<u>58,461</u>	<u>24,112</u>	<u>89,405</u>	<u>-</u>	<u>-</u>	<u>37,107</u>	<u>6,093</u>	<u>9,307</u>	<u>12,039</u>
Total General Fund Expenditures	<u>680,089</u>	<u>725,356</u>	<u>728,454</u>	<u>1,058,800</u>	<u>1,021,433</u>	<u>1,092,289</u>	<u>1,496,488</u>	<u>1,505,252</u>	<u>1,596,590</u>	<u>1,415,762</u>
Special Revenue:										
Federal & State				-	33,872	68,766	84,288	97,203	198,935	191,212
Total Special Revenue Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,872</u>	<u>68,766</u>	<u>84,288</u>	<u>97,203</u>	<u>198,935</u>	<u>191,212</u>
Total Governmental Fund Expenditures	<u>680,089</u>	<u>725,356</u>	<u>728,454</u>	<u>1,058,800</u>	<u>1,055,305</u>	<u>1,161,055</u>	<u>1,580,776</u>	<u>1,602,455</u>	<u>1,795,525</u>	<u>1,606,974</u>
Other Financing Sources (Uses)		-	185,490				(47,933)	(54,528)	(49,497)	(39,982)
Net Changes in Fund Balance	<u>\$ 77,144</u>	<u>61,726</u>	<u>316,781</u>	<u>(172,090)</u>	<u>(44,096)</u>	<u>(113,012)</u>	<u>(134,040)</u>	<u>72,779</u>	<u>16,425</u>	<u>213,507</u>

Source: District Records



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

**Fiscal Year Ended June 30**

	<u>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>
Interest	\$ 52,624	\$ 15,880	\$ 576	\$ 390	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition	\$ 16,600	\$ 21,150	\$ 18,935	\$ 13,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Refund	\$ -	\$ 2,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ 240	\$ 1,645	\$ -	\$ 3,041	\$ 1,165	\$ 505	\$ -	\$ 2,619	\$ 854
	<u>\$ 69,224</u>	<u>\$ 39,370</u>	<u>\$ 21,156</u>	<u>\$ 13,690</u>	<u>\$ 3,041</u>	<u>\$ 1,165</u>	<u>\$ 505</u>	<u>\$ -</u>	<u>\$ 2,619</u>	<u>\$ 854</u>

Source: District Records

## Exhibit J-6

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

<u>Total Tax Year</u>	Col 6 Net Assessed <u>Valuation Taxable</u>	Col 11 <u>Net Valuation</u>	Percentage of Net Assessed to Estimated <u>Full Cash Valuations</u>
2006	\$ 683,612,232	1,087,670,873	62.85%
2007	675,104,221	1,264,317,582	53.00%
2008	681,426,200	1,373,566,216	49.61%
2009	1,160,605,332	1,347,313,494	86.26%
2010	1,161,925,908	1,250,938,794	93.02%
2011	1,161,079,711	1,287,963,261	90.27%
2012	1,162,243,382	1,262,689,100	92.17%
2013	1,130,931,040	1,201,861,850	94.23%
2014	1,118,987,352	1,177,308,447	95.18%
2015	1,115,980,500	1,224,576,355	94.23%

Source: Abstract of Ratables, County Board of Taxation

## Exhibit J-7

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

<u>Year Ending December 31st</u>	<u>Total Direct School Tax Rate</u>	<u>Municipality of Seaside Park</u>	<u>Ocean County</u>	<u>Total Direct and Overlapping Tax Rate</u>
2006	0.187	0.662	0.450	1.299
2007	0.722	0.681	0.576	1.979
2008	0.731	0.708	0.623	2.062
2009	0.437	0.430	0.359	1.226
2010	0.414	0.430	0.350	1.194
2011	0.444	0.430	0.377	1.251
2012	0.431	0.429	0.394	1.254
2013	0.411	0.425	0.417	1.253
2014	0.431	0.449	0.428	1.308
2015	0.481	0.449	0.439	1.369

Source: Abstract of Ratables, Ocean

Note - 2009 Revaluation

Exhibit J-8

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

<u>Taxpayer</u>	Assessed Valuation 2015	As a Percentage of District's Net Assessed Valuation
Friedland Family Trust	4,442,000	0.39%
Joy-Jam, Inc. (Windjammer Motor Inn)	3,499,000	0.31%
Taxpayer #1	3,287,800	0.29%
Taxpayer #2	2,606,500	0.23%
Taxpayer #3	2,436,400	0.21%
Taxpayer #4	2,374,900	0.21%
Taxpayer #5	2,310,100	0.20%
Taxpayer #6	2,207,700	0.19%
Taxpayer #7	2,183,700	0.19%
Seaside Park Yacht Club	<u>2,100,000</u>	<u>0.18%</u>
Total Net Taxable Value	<u>\$ 27,448,100</u>	<u>2.40%</u>

Source: Seaside Park Tax Assessor

## Exhibit J-9

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

Collected within the Year of the Levy

Year Ended <u>Dec. 31</u>	Taxes Levied for <u>the Year</u>	<u>Amount</u>	<u>Percentage of Levy</u>	Collections in Sub <u>Years</u>
2006	\$ 12,582,995	12,299,032	97.74%	0
2007	13,458,216	13,211,252	98.15%	0
2008	14,147,610	13,816,393	97.66%	0
2009	14,257,771	13,792,919	96.73%	0
2010	13,907,985	13,455,501	96.74%	0
2011	14,544,319	14,231,848	97.78%	0
2012	14,643,118	14,090,655	96.22%	0
2013	14,213,710	13,654,167	96.06%	0
2014	14,680,872	14,355,679	97.78%	0
2015	15,161,730	15,034,546	99.16%	0

Note: Dollar amounts are rounded to the nearest whole dollar.  
Source: Seaside Park Tax Collector

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

<u>Fiscal Year Ended June 30</u>	<u>General Obligation Bonds</u>	<u>Certificates of Participator</u>	<u>Capital Leases</u>	<u>Bonded Debt Anticipation Notes (BANs)</u>	<u>Capital Leases</u>	<u>Total District</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2007	0	0	0	0	0.00%	0	0	0
2008	0	0	0	0	0.00%	0	0	0
2009	0	0	0	0	0.00%	0	0	0
2010	0	0	0	0	0.00%	0	0	0
2011	0	0	0	0	0.00%	0	0	0
2012	0	0	0	0	0.00%	0	0	0
2013	0	0	0	0	0.00%	0	0	0
2014	0	0	0	0	0.00%	0	0	0
2015	0	0	0	0	0.00%	0	0	0
2016	0	0	0	0	0.00%	0	0	0

Source: Abstract of Ratables, Ocean County

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

<u>Fiscal Year Ended June 30</u>	<u>Governmental Activities</u>		<u>Net General Bonded Debt Outstanding</u>	<u>Business-Type Activities</u>	
	<u>General Obligation Bonds</u>	<u>Deductions</u>		<u>Percentage of Actual Taxable Value # of Property</u>	<u>Net Bonded Debt Per Capita</u>
2007	0	0	0	0	0
2008	0	0	0	0	0
2009	0	0	0	0	0
2010	0	0	0	0	0
2011	0	0	0	0	0
2012	0	0	0	0	0
2013	0	0	0	0	0
2014	0	0	0	0	0
2015	0	0	0	0	0
2016	0	0	0	0	0

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

Source: Seaside Park Chief Financial Officer

**BOROUGH OF SEASIDE PARK SCHOOL DISTRICT  
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2015  
UNAUDITED**

Net Direct Debt of School District as of December 31, 2015		\$	-
Net Overlapping Debt of School District:			
Seaside Park Borough	Borough Debt	\$	7,762,583
County (Boro Share 1.32%):	County	\$	<u>5,639,950</u>
Total Direct and Overlapping Bonded Debt As of December 31, 2015		\$	<u><u>13,402,533</u></u>

Source: Seaside Park Chief Financial Officer



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

**Year Ended December 31st**

Legal Debt Margin for Year 2015	
Equalized valuation basis	
2015	1,144,126,000
2014	1,187,272,843
2013	<u>1,187,837,571</u>
	<u>3,519,236,414</u>
Average equalized valuation of taxable property	1,173,078,805
Debt limit (3.5% of average equalization value)	41,057,758
Total Net Debt Applicable to Limit	0
Legal debt margin	<u>41,057,758</u>

	<u>2006</u>	<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>
Debt Limit	\$ 31,410,677	\$ 43,381,068	\$ 46,374,434	\$ 46,011,785	\$ 45,152,106	\$ 45,152,106	\$ 44,088,577	\$ 42,935,755	\$ 42,094,983	\$ 41,057,758
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	<u>\$ 31,410,677</u>	<u>\$ 43,381,068</u>	<u>\$ 46,374,434</u>	<u>\$ 46,011,785</u>	<u>\$ 45,152,106</u>	<u>\$ 46,011,785</u>	<u>\$ 44,088,577</u>	<u>\$ 42,935,755</u>	<u>\$ 42,094,983</u>	<u>\$ 41,057,758</u>

Source: Annual Report of the State of NJ

## Exhibit J-14

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

<u>Year Ended December 31</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2006	2,302	\$ 87,692,388.00	38,094	6.5%
2007	2,307	\$ 93,128,976.00	40,368	5.7%
2008	2,317	\$ 95,759,293.00	41,329	7.4%
2009	2,329	\$ 92,568,434.00	39,746	12.1%
2010	1,582	\$ 63,121,800.00	39,900	12.7%
2011	1,587	\$ 65,797,020.00	41,460	13.2%
2012	1,587	\$ 67,445,913.00	42,499	13.5%
2013	1,591	\$ 67,733,643.00	42,573	6.8%
2014	1,579	\$ 70,077,599.00	44,381	7.5%
2015	1,551	Unavailable	Unavailable	7.4%

Source : State of New Jersey

Exhibit J-15

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

**2007**

DATA NOT AVAILABLE

**2016**

DATA NOT AVAILABLE

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

<b>Function/Program</b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>
<b>Instruction</b>										
Regular	7.0	7.0	8.0	8.0						
Spec Ed	1.5	1.5	1.8	1.8						
Other Spec Ed										
Vocational										
Other Instruction	4.0	4.0	2.5	2.5						
Nonpublic school programs										
Adult/continuing education programs										
<b>Support Services</b>										
Student & Instruction related services	0.6	0.6	0.6	0.6						
General administration	2.0	2.0	1.2	1.2	0.2	0.2	0.2	0.2	0.2	0.2
School administrative services	2.0	2.0	1.5	1.5						
Other administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Central Services										
Administrative Information Technology										
Plant Operation & Maintenance	1.5	1.5	1.5	1.5	0.6	0.6	0.6	0.6	0.6	0.6
Pupil transportation										
Other support services										
<b>Special Schools</b>										
<b>Food Service</b>										
<b>Child Care</b>										
<b>Total</b>	<b>19.6</b>	<b>19.6</b>	<b>18.1</b>	<b>18.1</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>

Source: District Personnel Records

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

**PUPIL/TEACHER RATIO**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentile Change</u>	<u>Elementary</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>% Change in ADE</u>	<u>Student Attendance Percentage</u>
2007	96.0	1,617,044	16,844	28.58%	8.4:1	93.3	88.1	-12.10%	94.5%
2008	86.0	1,606,974	18,686	10.93%	8.4:1	78.0	74.0	-16.10%	95.0%
2009	82.0	1,655,387	20,188	8.05%	8.4:1	72.0	70.0	-7.70%	96.0%
2010	59.0	1,624,993	27,542	36.50%	8.4:1	60.0	56.0	-20.00%	95.0%
2011	47.0	1,092,289	23,240		*				
2012	47.0	1,055,305	22,453		*				
2013	37.0	1,036,839	28,023		*				
2014	36.0	728,454	20,235		*				
2015	30.0	725,356	24,179		*				
2016	43.0	680,089	15,816		*				

Source: District Records

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

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

**Fiscal Year Ended June 30**

	<u>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>
<b>Seaside Park Elementary</b>										
Square Feet	18,952	18,952	18,952	18,952	18,952	18,952	18,952	18,952	18,952	18,952
Capacity (Students)	132	132	132	132	132	132	132	132	132	132
Enrollment	113	96	86	82	*	*	*	*	*	*
<b>Other</b>										
Administration Building										
Square Feet	750	750	750	750	750	750	750	750	750	750
<b>Total Square Feet</b>	<b><u>19,702</u></b>	<b><u>19,702</u></b>	<b><u>19,702</u></b>	<b><u>19,702</u></b>	<b><u>19,702</u></b>	<b><u>19,702</u></b>	<b><u>19,702</u></b>	<b><u>19,702</u></b>	<b><u>19,702</u></b>	<b><u>19,702</u></b>

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

Source: District Records

Exhibit J-19

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

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

<u>School Facilities</u>	<u>Seaside Park Elementary</u>	<u>Total School Facilities</u>
2007	24,987	24,987
2008	20,446	20,446
2009	20,653	20,653
2010	28,899	28,899
2011	27,257	27,257
2012	12,541	12,541
2013	52,337	52,337
2014	22,649	22,649
2015	30,241	30,241
2016	13,720	13,720

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

**BOROUGH OF SEASIDE PARK SCHOOL DISTRICT  
INSURANCE SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

**UNAUDITED**

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



**SINGLE AUDIT SECTION**

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
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**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  
Seaside Park School District  
County of Ocean  
Seaside Park, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Seaside Park Board of Education, County of Ocean, 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 Seaside Park Board of Education, County of Ocean, State of New Jersey's basic financial statements, and have issued our report thereon dated November 14, 2016.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

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

November 14, 2016

SEASIDE PARK SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Schedule A  
K-3

Not Applicable - No Federal Awards

See Accompanying Notes to Schedules of Financial Assistance.

**SEASIDE PARK SCHOOL DISTRICT**

**SCHEDULE OF STATE FINANCIAL ASSISTANCE**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

State Grantor/Program State Department of Education:	Grant or State Project Number	Grant Period	Program or Award Amount	Balance June 30, 2015	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Adjustment	Balance at June 30, 2016			MEMO	
										(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures
Special Education Aid	16-495-034-5120-089	7-1-15 to 6-30-16	\$ 22,919	\$ -		22,919	(22,919)						2,332	(22,919)
Security Aid	16-495-034-5120-084	7-1-15 to 6-30-16	9,974			9,974	(9,974)						933	(9,974)
Adjustment Aid	16-495-034-5120-085	7-1-15 to 6-30-16	110,734			110,734	(110,734)						11,039	(110,734)
Transportation Aid	16-495-034-5120-014	7-1-15 to 6-30-16	11,943			11,943	(11,943)						1,244	(11,943)
PARCC Readiness Aid	16-495-034-5120-097	7-1-15 to 6-30-16	320			320	(320)						32	(320)
Per Pupil Growth Aid	16-495-034-5120-098	7-1-15 to 6-30-16	320			320	(320)						32	(320)
Transportation Costs in Excess	15-495-034-5120-014	7-1-14 to 6-30-15	522	(522)		522								(522)
Transportation Costs in Excess	16-495-034-5120-014	7-1-15 to 6-30-16	522				(522)			(522)				
On-Behalf TPAF Pension Contrib.	16-100-034-5095-050	7-1-15 to 6-30-16	4,358			4,358	(4,358)							(4,358)
Reimbursed TPAF Social Security Contributions	15-100-034-5095-051	7-1-14 to 6-30-15	2,047	(167)		167								(2,008)
Reimbursed TPAF Social Security Contributions	16-100-034-5095-051	7-1-15 to 6-30-16	2,008			1,841	(2,008)			(167)				(2,008)
				(689)	-	163,098	(163,098)	-	-	(689)	-	-	15,612	(163,098)
Total State Financial Assistance				\$ (689)	-	163,098	(163,098)	-	-	(689)	-	-	15,612	(163,098)

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

**BOARD OF EDUCATION**

K-5

**SEASIDE PARK SCHOOL DISTRICT****NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2016****NOTE 1: General**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Seaside Park School District. The Board of Education is defined in Note 1 to the Board's general-purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2: Basis of Accounting**

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

**NOTE 3: Relationship to General Purpose Financial Statements**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(0) for the general fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's general-purpose financial statements on a GAAP basis as presented below:

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

	<u>General Fund</u>
<u>State Assistance</u>	
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 163,098
 The Last State Aid Payment is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	 _____
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 163,098</u>

**NOTE 4:      Relationship to Federal and State Financial Reports**

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

SEASIDE PARK SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

*Part I - Summary of Auditor's Results*

**Financial Statement Section**

(A) Type of auditor's report issued on financial statements

**Description**

Unmodified

(B) Internal control over financial reporting:

1) Material weakness(es) identified?

\_\_\_\_\_ Yes      x   No

2) Significant deficiencies identified that are not considered to be material weaknesses?

\_\_\_\_\_ Yes      x   None Reported

Noncompliance material to basic financial statements noted?

\_\_\_\_\_ Yes      x   No

**Federal Awards**

NOT APPLICABLE

**State Awards**

NOT APPLICABLE



**SEASIDE PARK SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part II - Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There are none.

**SEASIDE PARK SCHOOL DISTRICT****SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016*****Part III - Schedule of Federal Awards and State Financial Assistance  
Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08, as amended.

**Current Year Federal Awards**

Not Applicable

**Current Year State Awards**

Not Applicable

**SEASIDE PARK SCHOOL DISTRICT****SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

K-7

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08.

**Status of Prior Year Findings**

There were none.