

**Comprehensive Annual  
Financial Report**

**of the**

**City of Somers Point Board of Education**

**Somers Point, New Jersey**

**For the Fiscal Year Ended June 30, 2016**



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# **Introductory Section**





**SOMERS POINT BOARD OF EDUCATION**

**NEW YORK AVENUE SCHOOL  
121 W. New York Avenue  
Somers Point, New Jersey 08244  
Phone: (609) 927-2053  
Fax: (609) 927-7351**

**Thomas A. Baruffi, Ed. D.  
Interim Superintendent of School**

**Suzanne Keller, MBA  
Business Administrator  
Board Secretary**

November 4, 2016

Honorable President and  
Members of the Board of Education  
City of Somers Point School District  
County of Atlantic, New Jersey

Dear Board Members:

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

The Comprehensive Annual Financial Report (CAFR) is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, OMB Circular Uniform Guidance and NJ OMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES**

The City of Somers Point School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The City of Somers Point Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2015-2016 fiscal year with an enrollment of 981, which is 5 students less than the previous year's enrollment (count includes out-of-district placements).

The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-2016	981	-1.00%
2014-2015	986	-5.00%
2013-2014	1,036	-3.00%
2012-2013	1,066	1.00%
2011-2012	1,056	-0.85%

## **2. ECONOMIC CONDITION AND OUTLOOK**

The Somers Point School District, along with many districts in the area, continues to feel the impact of the closing of casinos in the Atlantic City area. As a result, enrollments are down, and the number of children qualifying for free and reduced lunch is close to 70%.

Costs to meet increases of students with special needs are also on the rise. We now have seven self-contained classrooms and it is becoming more and more challenging to meet the needs of many of our students in-house. Out-of-district placements remain an economic burden for the district.

## **3. MAJOR INITIATIVES**

The Somers Point Board of Education focused on three major initiatives during the 2015/16 school year:

1. Development of a Strategic Plan. The plan focused on three areas: a) facilities and finance; b) climate and culture; c) student achievement and technology;
2. Hiring of an outside agency to analyze redistricting options. The purpose of the study is to determine the most efficient and effective way to operate the school district relative to grade level configurations in each of the three school buildings;
3. Development of a bond referendum for much needed school improvements. With a focus on mechanical and plumbing needs, the bond referendum was developed to address facility needs in each school building.

## **4. INTERNAL ACCOUNTING CONTROLS**

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

As a recipient of federal and state financial assistance, the District 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's management.

As 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 City of Somers Point School 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. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

## **6. ACCOUNTING SYSTEM AND REPORTS**

The City of Somers Point School District's accounting records reflect accounting principals as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 1.

## **7. CASH MANAGEMENT**

The investment policy of the City of Somers Point School 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 that requires it to deposit public funds in public depositories protected from loss under the provision 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.

## **8. RISK MANAGEMENT**

Our Board of Education is a member of the Atlantic and Cape May Counties School Business Officials Joint Insurance Funds (ACCASBOJIF). This Fund was formed under the provision of N.J.S.A. 18A: 18B1-10.

The ACCASBOJIF provides members with a long-term alternative to the conventional insurance marketplace and is a means of stabilizing the otherwise cyclical nature of insurance expenditures. The Fund provides the following coverage:

1. Property, including buildings, contents, inland marine, crime, boiler and machinery, and auto physical damage; as well as premise/pollution insurance
2. General Liability, including school board legal liability
3. Automobile Liability
4. Workers' Compensation

The Fund provides coverage to its members either directly or through the commercial insurance market, through one or more of the following vehicles: excess insurance, reinsurance or an excess property and casualty joint insurance fund.

The Fund's Mission Statement is as follows: "The ACCASBOJIF is committed to uniting local school districts in a joint effort to better manage their risks and assure fiscal stability by providing cost-effective, comprehensive insurance coverage and minimizing losses through pro-active membership involvement in claims management and loss prevention activities."

Fidelity bonds are covered through an outside insurance carrier as required by the state statutes.

**9. OTHER INFORMATION**

A) **Independent Audit** – State statutes require an annual audit by independent certified public accounts or registered municipal accountants. The accounting firm of Ford-Scott, and Associates, L.L.C., CPAs, is appointed by the Board on an annual basis. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, OMB Circular Uniform Guidance and NJ OMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the financial statements and combining the 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.

**10. ACKNOWLEDGEMENTS**

We would like to express our appreciation to the members of the City of Somers Point Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district, while at the same time, striving to provide the children of Somers Point with the highest quality education possible and contributing full support to the development and maintenance of our financial operation.

Sincere appreciation is offered to the business office staff for their knowledge and continued support in the various business elements and functionalities within the educational environment. Each staff member of the business office proved dedication and support to the district throughout this year.

Respectfully submitted,

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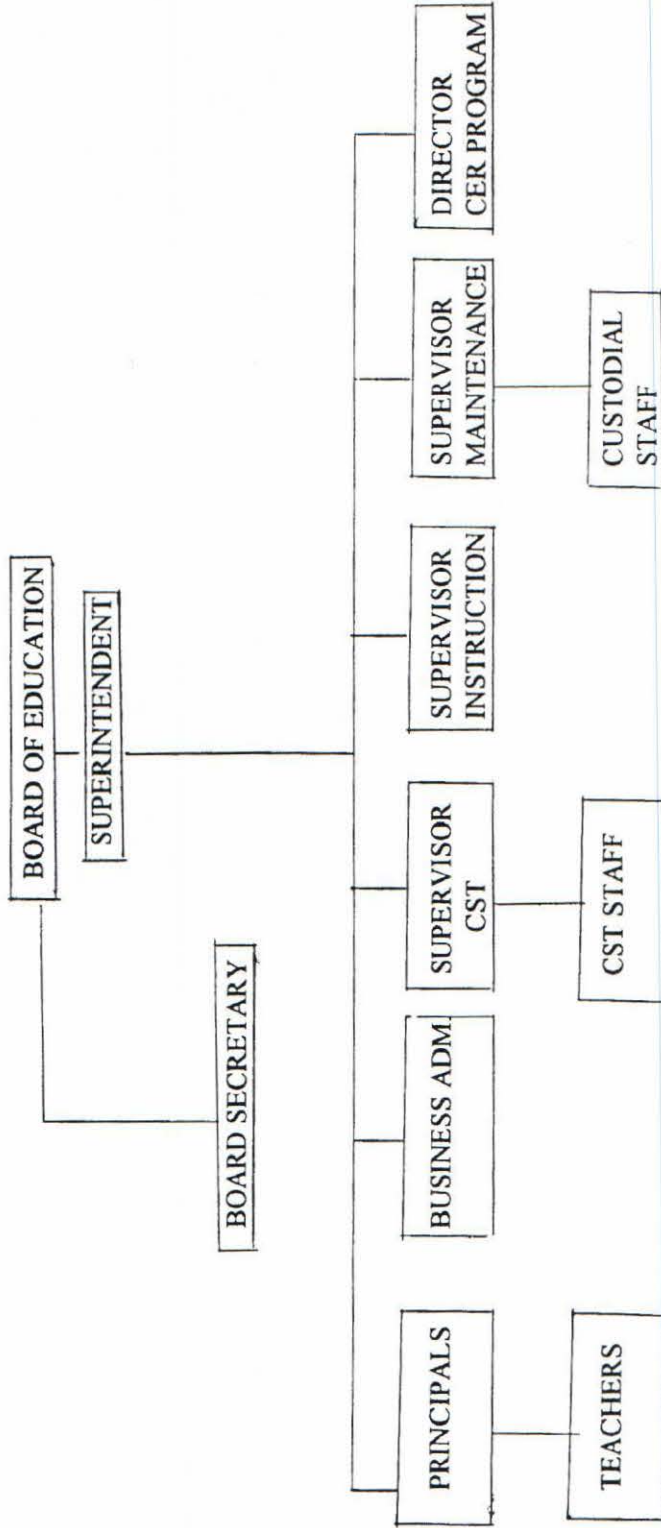
Thomas A. Baruffi, Ed. D.  
Interim Superintendent of Schools

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Suzanne Keller, MBA  
Business Administrator / Board Secretary

POLICY

1110 ORGANIZATIONAL CHART



Adopted: 23 July 1998  
Revised: 22 April 1999

**SOMERS POINT SCHOOL DISTRICT**  
**COUNTY OF ATLANTIC, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2016**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM EXPIRES</u></b>
Richard Gray, President	2016
Wes Kazmarck, Vice President	2016
Karen Broomall	2018
John Conover	2017
Michael O'Brien	2017
Todd Fath	2018
Staci Endicott	2016
Michael Sweeder	2017
Nicholas Wagner	2018

**OTHER OFFICIALS**

Thomas A. Baruffi, Ed. D., Interim Superintendent

Frank Vogel, Superintendent (resigned June 30, 2016)

Suzanne Keller, MBA, Business Administrator/ Board Secretary

**SOMERS POINT SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS**

**ARCHITECT**

**Faridy, Veisz, Hopkins & Duthie, PC**  
1515 Lower Ferry Road  
Trenton, NJ 08628

**AUDIT FIRM**

**Ford, Scott, & Associates, L.L.C.**  
Certified Public Accountants  
1535 Haven Avenue  
Ocean City, NJ 08226-0538

**ATTORNEY**

**Louis J. Greco, Esquire**  
800 Route 50 Suite 2B  
Mays Landing, NJ 08330

**BOND COUNSEL**

**McManimon, Scotland & Baumann, LLC**  
75 Livingston Avenue  
Roseland, NJ 07068

**RISK MANAGEMENT CONSULTANT**

**Dennis Brown**  
Glenn Insurance Agency  
500 East Absecon Boulevard  
Absecon, NJ 08201

**OFFICIAL DEPOSITORY**

**Ocean City Home Bank**  
1001 Asbury Avenue  
Ocean City, NJ 08226

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## **Financial Section**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

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## **Independent Auditor's Report**

Honorable President and  
Members of the Board of Education  
City of Somers Point School District  
County of Atlantic  
Somers Point, 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 City of Somers Point School District, County of Atlantic, State of New Jersey, as of and for the fiscal 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 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 City of Somers Point School District, County of Atlantic, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Somers Point School District's basic financial statements. The introductory section, combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB Circular 15-08, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, combining statements, and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB Circular 15-08, and statistical information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB Circular 15-08, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2016 on our consideration of the City of Somers Point School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Somers Point School District's internal control over financial reporting and compliance.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Michael S. Garcia*  
**Michael S. Garcia**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 2080**

**November 4, 2016**

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## **Required Supplementary Information – Part I**





**SOMERS POINT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED**

The discussion and analysis of Somers Point 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; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2016 are as follows:

- In total, net position decreased \$380,622.42, which represents a less than 8% decrease from 2015.
- General revenues accounted for \$15,439,334.58 of total revenue or 71% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$6,351,883.62 or 29% of total revenues of \$21,791,218.20.
- Total assets of governmental activities decreased by \$502,535.39 as cash and cash equivalents decreased by \$9,752.46, receivables increased by \$2,732.83, internal balances decreased \$30,002.00 and capital assets decreased by \$465,513.76.
- The School District had \$22,171,218.20 in expenses; only \$6,351,883.62 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$15,439,334.58 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$16,962,455.05 in revenues and \$16,883,462.50 in expenditures. The General Fund's fund balance increased \$78,992.55 from 2015.

**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 Somers Point 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. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of Somers Point School District, the General Fund is by far the most significant fund.

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**SOMERS POINT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED (CONTINUED)**

**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 2016?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all position and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration 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 that position. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position 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 instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activity - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The CER enterprise fund is reported as a business activity.

**Reporting the School District's Most Significant Funds**

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transaction. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service 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 the reader 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.

**SOMERS POINT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED (CONTINUED)**

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net position for 2016 and 2015.

**Table 1  
Net Position**

	2016	2015
<b>Assets</b>		
Current and Other Assets	\$ 1,603,393.72	1,597,687.11
Capital Assets	10,576,035.71	11,046,316.00
<b>Total Assets</b>	<b>12,179,429.43</b>	<b>12,644,003.11</b>
<b>Deferred Outflows of Resources</b>		
Deferred Outflows Related to Pensions	755,014.00	401,290.00
<b>Liabilities</b>		
Long-Term Liabilities	7,962,852.13	7,528,636.00
Other Liabilities	432,042.91	443,401.30
<b>Total Liabilities</b>	<b>8,394,895.04</b>	<b>7,972,037.30</b>
<b>Deferred Inflows of Resources</b>		
Deferred Inflows Related to Pensions	74,927.00	228,012.00
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	7,529,479.94	7,630,893.00
Restricted	1,335,356.28	1,221,297.00
Unrestricted	(4,400,214.83)	(4,006,946.19)
<b>Total Net Position</b>	<b>\$ 4,464,621.39</b>	<b>4,845,243.81</b>

The District's combined net position was \$4,464,621.39 on June 30, 2016. This was an 8% decrease from the prior year.

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**SOMERS POINT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED (CONTINUED)**

Table 2 shows changes in net position for fiscal year 2016 and 2015.

**Table 2  
Changes in Net Position**

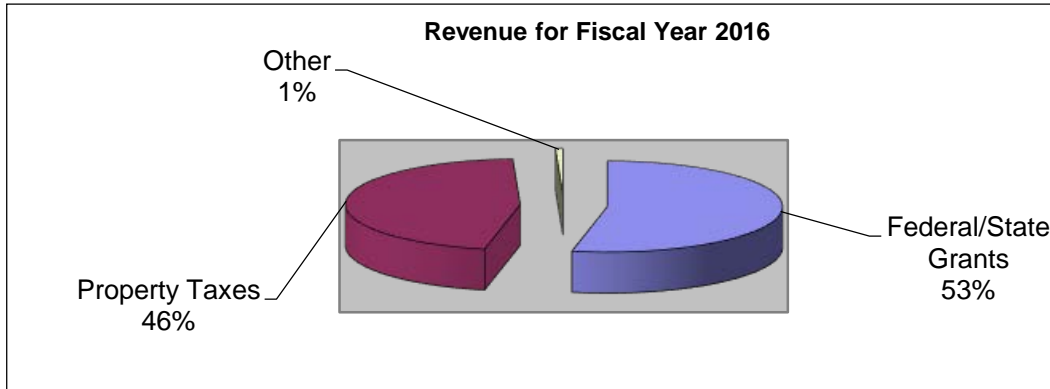
	<u>2016</u>	<u>2015</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 363,010.91	318,641.00
Operating Grants and Contributions	5,988,872.71	5,249,554.00
General Revenues:		
Property Taxes	9,752,324.00	9,248,615.00
Grants and Entitlements	5,681,344.10	5,681,557.00
Other	5,666.48	13,006.00
Special Items	-	14,372.00
Total Revenues	<u>21,791,218.20</u>	<u>20,525,745.00</u>
<b>Program Expenses</b>		
Instruction	13,343,409.96	12,684,530.00
Support Services:		
Tuition	354,870.66	530,832.00
Related Services - Pupils and Instructional Staff	3,454,182.35	3,085,494.00
General Administration, School Administration	1,299,820.62	1,216,113.00
Maintenance of Facilities	1,987,072.97	1,772,395.00
Pupil Transportation	428,568.57	539,849.00
Business and Other Support Services	574,380.34	486,724.00
Interest on Debt	121,692.00	133,231.00
Food Service Program	429,714.38	390,689.00
CER Program	166,004.87	174,287.00
Special Items	12,123.90	-
Total Expenses	<u>22,171,840.62</u>	<u>21,014,144.00</u>
Increase/(Decrease) in Net Position	<u>\$ (380,622.42)</u>	<u>(488,399.00)</u>

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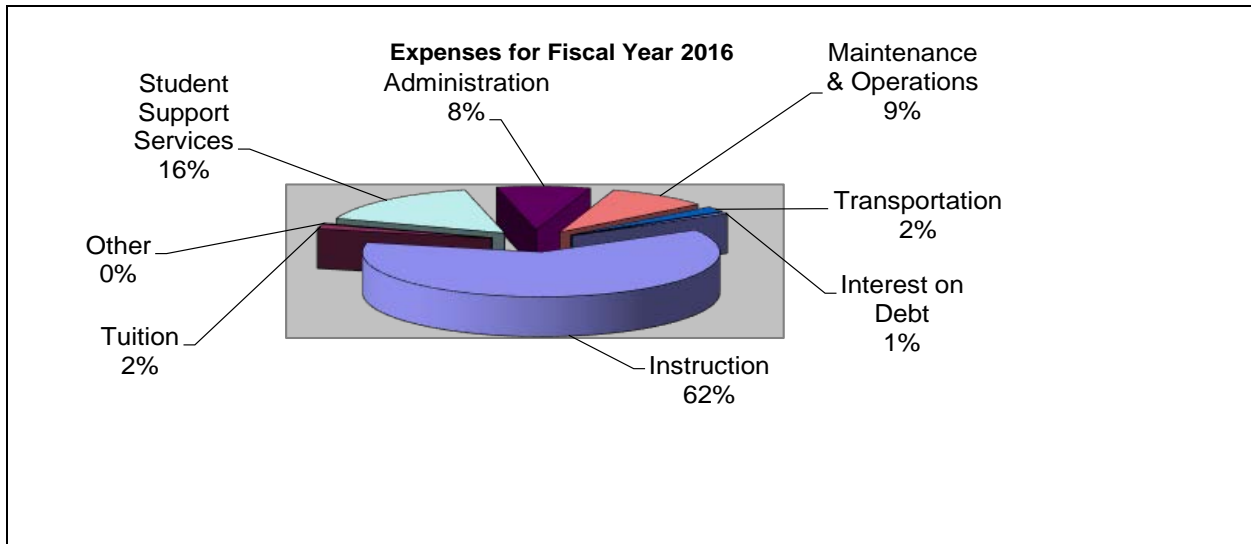
**SOMERS POINT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED (CONTINUED)**

**Governmental Activities**

The District's total revenues were \$21,169,055.25 for the year ended June 30, 2016. Property taxes made up 46 percent of revenues for governmental activities for the City of Somers Point School District for fiscal year 2016. Federal, state, and local grants accounted for 53 percent of the revenue. Local revenue and charges for service make up 1 percent of the revenue.



The total cost of all program and services was \$21,575,001.37. Instruction comprises 60 percent of District expenses.



**SOMERS POINT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED (CONTINUED)**

**Business-Type Activities**

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

- Revenues exceeded expenses before investment income by \$26,443.70.
- Charges for services represent \$223,769.42 of revenue. This represents amounts paid by patrons for daily food service and childcare.
- For the food service operation, federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$398,393.53.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3**

	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2016</u>	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2015</u>
Instruction	\$ 13,343,409.96	8,901,032.10	12,684,530.00	8,842,248.00
Support Services:				
Tuition	394,587.66	394,587.66	530,832.00	530,832.00
Pupils and Instructional Staff	3,454,182.35	2,341,796.40	3,085,494.00	2,148,717.00
General Administration, School				
Administration, Business				
Operations and Maintenance				
of Facilities	3,821,556.93	3,646,600.07	3,475,232.00	3,317,734.00
Pupil Transportation	428,568.57	428,568.57	539,849.00	539,849.00
Interest and Fiscal Charges	121,692.00	121,692.00	133,231.00	133,231.00
Total Expenses	<u>\$ 21,563,997.47</u>	<u>15,834,276.80</u>	<u>20,449,168.00</u>	<u>15,512,611.00</u>

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 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.

**SOMERS POINT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED (CONTINUED)**

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

"Other" includes special schools and unallocated depreciation.

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$18,789,953.25 and expenditures were \$18,807,369.49. The net decrease in fund balance for the year was \$17,416.24.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2016, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2015	Percent of Increase (Decrease)
Local Sources	\$ 9,897,231.97	52.7%	553,196.97	6%
State Sources	7,967,263.17	42.4%	175,832.17	2%
Federal Sources	925,458.11	4.9%	(79,994.89)	-9%
Total	<u>\$ 18,789,953.25</u>	<u>100.0%</u>	<u>649,034.25</u>	<u>3%</u>

The following schedule represents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2016, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2015	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 7,662,703.69	40.7%	(255,219.31)	-3.3%
Undistributed expenditures	10,579,561.19	56.3%	437,044.19	4.1%
Capital Outlay	59,304.61	0.3%	(211,491.39)	-356.6%
Debt Service	466,083.00	2.5%	(1,440.00)	-0.3%
Transfer to Charter Schools	39,717.00	0.2%	13,860.00	34.9%
Total	<u>\$ 18,807,369.49</u>	<u>100.0%</u>	<u>(17,246.51)</u>	<u>-0.1%</u>

Changes in expenditures were the results of varying factors. The current expense of undistributed expenditures is attributed to tuition, transportation and health benefits.

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**SOMERS POINT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED (CONTINUED)**

**General Fund Budgeting Highlights**

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30<sup>th</sup> carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Contribution, which are not budgeted, the District's actual revenue was more than the budget by approximately \$152,396.67. The added revenue is from approximately \$11,567.00 more state aid and \$134,241.49 of Tuition Revenue that was not budgeted. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Contribution, actual revenues were more than actual expenditures by approximately \$579,643.21. Audit exhibit C-1 does not include current year depreciation expense.

**Capital Assets**

At the end of the fiscal year 2016, the School District had \$10,576,035.71 invested in land, building and machinery and equipment. Table 4 shows fiscal year 2016 balances compared to 2015.

**Table 4  
Capital Assets (Net of Depreciation) at June 30**

	<u>2016</u>	<u>2015</u>
Land and Land Improvements	\$ 81,208.45	87,085.00
Building and Building Improvements	10,299,012.22	10,757,345.00
Machinery and Equipment	195,815.04	201,886.00
Total	<u>\$ 10,576,035.71</u>	<u>11,046,316.00</u>

Overall capital assets decreased \$470,280.29 from fiscal year 2015 to fiscal year 2016. The decrease in capital assets is due to current year depreciation expense. For more detailed information, please refer to the Notes to the Financial Statements.

**Debt Administration**

At June 30, 2016, the School District had \$3,302,683.13 of outstanding debt. Of this amount, \$256,127.36 is for compensated absences and \$2,956,000.00 of serial bonds relating to several capital improvement projects and \$90,555.77 is a capital lease.

**Table 5  
Bonded Outstanding Debt at June 30**

	<u>2016</u>	<u>2015</u>
1996 School Bonds	\$ 403,000.00	543,000.00
2011 School Bonds	2,553,000.00	2,753,000.00
Total	<u>\$ 2,956,000.00</u>	<u>3,296,000.00</u>

At June 30, 2016, the School District's remaining legal debt margin available was \$31,832,181. For more detailed information, please refer to the Notes to the Financial Statements.



**SOMERS POINT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED (CONTINUED)**

**For the Future**

The Somers Point School District is in good financial condition presently. The School District is proud of its community support of the public schools.

The District continues to provide quality education programs while continuing to stabilize the tax rate in Somers Point. In conclusion, the Somers Point School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

**Contacting the School District's 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 Suzanne Keller, Business Administrator at Somers Point School District, 121 West New York Avenue, Somers Point, New Jersey 08244.

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# **Basic Financial Statements**



## DISTRICT – WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business – type activities of the District.



**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2016**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,185,225.54	40,157.59	1,225,383.13
Receivables, Net	105,387.83	86,704.83	192,092.66
Inventory		2,317.93	2,317.93
Internal Balances	37,988.00	(37,988.00)	-
Restricted Assets:			
Cash Reserve Account	100.00		100.00
Maintenance Reserve Account	183,500.00		183,500.00
Capital Assets, Net			
Land	27,012.00		27,012.00
Depreciable assets, net of depreciation	10,504,020.24	45,003.47	10,549,023.71
<b>Total Assets</b>	<b>12,043,233.61</b>	<b>136,195.82</b>	<b>12,179,429.43</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	755,014.00		755,014.00
<b>Total Deferred Outflows of Resources</b>	<b>755,014.00</b>	<b>-</b>	<b>755,014.00</b>
<b>LIABILITIES</b>			
Accounts Payable	316,853.00	10,192.31	327,045.31
Payable to State Government	17,163.00		17,163.00
Unearned Revenue	28,712.60	19,630.00	48,342.60
Accrued Interest	39,492.00		39,492.00
Noncurrent Liabilities			
Due Within One Year	379,516.45		379,516.45
Due Beyond One Year	2,923,166.68		2,923,166.68
Net Pension Liability	4,660,169.00		4,660,169.00
<b>Total Liabilities</b>	<b>8,365,072.73</b>	<b>29,822.31</b>	<b>8,394,895.04</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	74,927.00		74,927.00
<b>NET POSITION</b>			
Net Investment in Capital Assets	7,484,476.47	45,003.47	7,529,479.94
Restricted for:			
Other Purposes	1,335,356.28		1,335,356.28
Unrestricted	(4,461,584.87)	61,370.04	(4,400,214.83)
<b>Total Net Position</b>	<b>\$ 4,358,247.88</b>	<b>106,373.51</b>	<b>4,464,621.39</b>

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

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2016**

Function/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>								
<b>Instruction:</b>								
Regular	\$ 6,155,034.28	2,297,749.58	139,241.49	2,012,074.90		(6,301,467.47)		(6,301,467.47)
Special Education	3,212,074.66	1,104,856.42		2,154,476.31		(2,162,454.77)		(2,162,454.77)
Other Special Instruction	415,446.94	158,248.08		136,585.16		(437,109.86)		(437,109.86)
<b>Support Services:</b>								
Tuition	354,870.66					(354,870.66)		(354,870.66)
Student & Instruction Related Services	2,653,523.83	800,658.52		1,112,385.95		(2,341,796.40)		(2,341,796.40)
School Administrative Services	596,106.57	242,439.68		87,748.86		(750,797.39)		(750,797.39)
General Administrative Services	366,526.52	94,747.85		34,293.74		(426,980.63)		(426,980.63)
Plant Operation and Maintenance	1,675,356.70	311,716.27				(1,987,072.97)		(1,987,072.97)
Pupil Transportation	415,092.51	13,476.06				(428,568.57)		(428,568.57)
Central Services	388,468.63	146,194.71				(481,749.08)		(481,749.08)
Unallocated Benefits	5,170,087.17	(5,170,087.17)		52,914.26		-		-
Interest on Long-Term Debt	121,692.00					(121,692.00)		(121,692.00)
Transfer to Charter Schools	39,717.00					(39,717.00)		(39,717.00)
Total Governmental Activities	21,563,997.47	-	139,241.49	5,590,479.18	-	(15,834,276.80)	-	(15,834,276.80)
<b>Business-Type Activities:</b>								
Food Service	429,714.38		46,035.75	398,393.53			14,714.90	14,714.90
Community Education Recreation Program	166,004.87		177,733.67				11,728.80	11,728.80
Total Business-Type Activities	595,719.25	-	223,769.42	398,393.53	-	-	26,443.70	26,443.70
Total Primary Government	\$ 22,159,716.72	-	363,010.91	5,988,872.71	-	(15,834,276.80)	26,443.70	(15,807,833.10)
<b>General Revenues:</b>								
Property Taxes, Levied for General Purposes, Net						\$ 9,383,122.00		9,383,122.00
Taxes Levied for Debt Service						369,202.00		369,202.00
Federal and State Aid not Restricted						5,681,344.10		5,681,344.10
Investment Earnings						3,045.76		3,045.76
Miscellaneous Income						2,620.72		2,620.72
Special Items:								
Loss on Disposal of Fixed Assets						(11,003.90)	(1,120.00)	(12,123.90)
Total General Revenues, Special Items, Extraordinary Items and Transfers Change in Net Assets						15,428,330.68	(1,120.00)	15,427,210.68
Net Position - Beginning, As restated						(405,946.12)	25,323.70	(380,622.42)
Net Position - Ending						\$ 4,764,194.00	81,049.81	4,845,243.81
						\$ 4,358,247.88	106,373.51	4,464,621.39

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



## FUND FINANCIAL STATEMENTS

The individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.



**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,104,970.90	74,365.07	149.53	5,740.04	1,185,225.54
Receivables from Other Governments	16,905.54				16,905.54
Interfunds Receivable	37,988.00	3.43		137.78	38,129.21
Other Accounts Receivable	88,482.29				88,482.29
Restricted Cash and Cash Equivalents	183,600.00				183,600.00
<b>Total Assets</b>	<u>1,431,946.73</u>	<u>74,368.50</u>	<u>149.53</u>	<u>5,877.82</u>	<u>1,512,342.58</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	258,100.90	58,752.10			316,853.00
Payable to State Government		17,163.00			17,163.00
Interfunds Payable	3.43		137.78		141.21
Unearned Revenue		28,712.60			28,712.60
<b>Total Liabilities</b>	<u>258,104.33</u>	<u>104,627.70</u>	<u>137.78</u>	<u>-</u>	<u>362,869.81</u>
Fund Balances:					
Nonspendable:					
None					
Restricted for:					
Excess Surplus - Current Year	591,105.28				591,105.28
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	460,651.00				460,651.00
Debt Service				5,877.82	5,877.82
Capital Projects			11.75		11.75
Committed to:					
Maintenance Reserve	183,500.00				183,500.00
Capital Reserve	100.00				100.00
Assigned to:					
Designated by BOE for Subsequent Expenditures	100,000.00				100,000.00
Unassigned:					
General Fund	(161,513.88)				(161,513.88)
Special Revenue Fund		(30,259.20)			(30,259.20)
<b>Total Fund Balances</b>	<u>1,173,842.40</u>	<u>(30,259.20)</u>	<u>11.75</u>	<u>5,877.82</u>	<u>1,149,472.77</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,431,946.73</u>	<u>74,368.50</u>	<u>149.53</u>	<u>5,877.82</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 \$16,986,061.96 and the accumulated depreciation is \$6,455,029.72.

10,531,032.24

Long - term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(3,302,683.13)

Pension Liabilities Net of Deferred Outflows & Inflows

(3,980,082.00)

Interest on long-term debt in the statement of activities is accrued, regardless of when due.

(39,492.00)

Net position of governmental activities \$ 4,358,247.88

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 9,383,122.00			369,202.00	9,752,324.00
Tuition	139,241.49				139,241.49
Interest Earned on Investments	2,968.35		77.41		3,045.76
Miscellaneous	2,620.72				2,620.72
Total Local Sources	9,527,952.56	-	77.41	369,202.00	9,897,231.97
State Sources	7,395,707.38	571,555.79			7,967,263.17
Federal Sources	38,795.11	886,663.00			925,458.11
Total Revenues	<u>16,962,455.05</u>	<u>1,458,218.79</u>	<u>77.41</u>	<u>369,202.00</u>	<u>18,789,953.25</u>
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	4,829,865.80				4,829,865.80
Special Education Instruction	1,366,798.30	1,141,541.34			2,508,339.64
Other Special Instruction	324,498.25				324,498.25
Support Services:					
Tuition	354,870.66				354,870.66
Student & Instruction Related Serv.	1,755,355.14	316,282.65			2,071,637.79
School Administrative Services	512,708.77				512,708.77
General Administrative Services	314,968.19				314,968.19
Plant Operation and Maintenance	1,421,562.33				1,421,562.33
Pupil Transportation	399,666.79				399,666.79
Central Services	334,059.49				334,059.49
Employee Benefits	5,170,087.17				5,170,087.17
Debt Service:					
Principal				340,000.00	340,000.00
Interest and Other Charges				126,083.00	126,083.00
Capital Outlay	59,304.61				59,304.61
Transfer to Charter Schools	39,717.00				39,717.00
Total Expenditures	<u>16,883,462.50</u>	<u>1,457,823.99</u>	<u>-</u>	<u>466,083.00</u>	<u>18,807,369.49</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>78,992.55</u>	<u>394.80</u>	<u>77.41</u>	<u>(96,881.00)</u>	<u>(17,416.24)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in				96,935.41	96,935.41
Transfer out			(96,935.41)		(96,935.41)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>(96,935.41)</u>	<u>96,935.41</u>	<u>-</u>
Net Changes in Fund Balance	78,992.55	394.80	(96,858.00)	54.41	(17,416.24)
Fund Balance - July 1	1,094,849.85	(30,654.00)	96,869.75	5,823.41	1,166,889.01
Fund Balance - June 30	<u>\$ 1,173,842.40</u>	<u>(30,259.20)</u>	<u>11.75</u>	<u>5,877.82</u>	<u>1,149,472.77</u>

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

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2016**

Total Net Change in Fund Balance - Governmental Funds (from B-2)	\$	(17,416.24)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, on 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 current fiscal year.</p>		
Depreciation expense	(493,416.66)	
Loss on Disposal of Fixed Assets	(11,003.90)	
Capital Outlay	38,906.81	(465,513.75)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Bonds Payable	340,000.00	
Capital Lease Payable	28,867.23	368,867.23
<p>Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of of employee contributions is reported as pension expense.</p>		
District pension contributions - PERS		
Cost of benefits earned net of employee contributions	(327,305.00)	(327,305.00)
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		31,030.64
<p>In the statement of activities, interest on long - term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.</p>		
		4,391.00
Change in Net Position of Governmental Activities	\$	(405,946.12)

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

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2016**

	Business-Type Activities - Enterprise Fund Non Major Funds		
	Food Service	CER Program	Totals
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 4,099.67	36,057.92	40,157.59
Accounts Receivable	86,704.83		86,704.83
Inventories	2,317.93		2,317.93
Total Current Assets	<u>93,122.43</u>	<u>36,057.92</u>	<u>129,180.35</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	161,248.00		161,248.00
Less: Accumulated Depreciation	<u>(116,244.53)</u>		<u>(116,244.53)</u>
Total Noncurrent Assets	<u>45,003.47</u>	<u>-</u>	<u>45,003.47</u>
Total Assets	<u><u>138,125.90</u></u>	<u><u>36,057.92</u></u>	<u><u>174,183.82</u></u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	10,137.83	54.48	10,192.31
Unearned Revenues		19,630.00	19,630.00
Interfunds Payable	37,988.00		37,988.00
Total Current Liabilities	<u>48,125.83</u>	<u>19,684.48</u>	<u>67,810.31</u>
Noncurrent Liabilities:			
None	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>48,125.83</u>	<u>19,684.48</u>	<u>67,810.31</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	45,003.47	-	45,003.47
Unrestricted	44,996.60	16,373.44	61,370.04
Total Net Position	<u><u>\$ 90,000.07</u></u>	<u><u>16,373.44</u></u>	<u><u>106,373.51</u></u>

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

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended June 30, 2016**

	Business-Type Activities - Enterprise Fund Non Major Funds		
	Food Service	CER Program	Totals Enterprise
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 34,970.99		34,970.99
Daily Sales - Non-reimbursable Programs	10,977.76		10,977.76
Participant Fees		177,733.67	177,733.67
Other Income	87.00		87.00
Total Operating Revenue	<u>46,035.75</u>	<u>177,733.67</u>	<u>223,769.42</u>
Operating Expenses:			
Cost of Sales	197,077.66		197,077.66
Salaries and Benefits	168,977.11	139,641.89	308,619.00
Management Fee	33,495.00		33,495.00
Other Purchased Professional Services		18,829.40	18,829.40
Supplies and Materials	16,475.32	7,533.58	24,008.90
Miscellaneous	10,042.76		10,042.76
Depreciation	3,646.53		3,646.53
Total Operating Expenses	<u>429,714.38</u>	<u>166,004.87</u>	<u>595,719.25</u>
Operating Income (Loss)	<u>(383,678.63)</u>	<u>11,728.80</u>	<u>(371,949.83)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	5,175.39		5,175.39
Federal Sources:			
National School Lunch Program	270,932.31		270,932.31
National School Breakfast Program	72,988.29		72,988.29
After School Snack Program	13,361.88		13,361.88
Food Distribution Program	35,935.66		35,935.66
Loss on Disposal of Fixed Assets	(1,120.00)		(1,120.00)
Total Nonoperating Revenues (Expenses)	<u>397,273.53</u>	<u>-</u>	<u>397,273.53</u>
Income (Loss) before Contributions & Transfers	13,594.90	11,728.80	25,323.70
Changes in Net Position	13,594.90	11,728.80	25,323.70
Total Net Position - Beginning	<u>76,405.17</u>	<u>4,644.64</u>	<u>81,049.81</u>
Total Net Position - Ending	<u>\$ 90,000.07</u>	<u>16,373.44</u>	<u>106,373.51</u>

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

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2016**

	Business-Type Activities - Enterprise Fund Non Major Funds		
	Food Service	CER Program	Totals Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 5,245.67	181,908.67	187,154.34
Payments to Employees		(139,641.89)	(139,641.89)
Payments for Purchased Contracted Services		(18,829.22)	(18,829.22)
Payments for Suppliers	(412,385.37)	(7,573.58)	(419,958.95)
Net Cash Provided by (Used for) Operating Activities	(407,139.70)	15,863.98	(391,275.72)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	5,527.74		5,527.74
Federal Sources	369,775.97		369,775.97
Food Distribution Program	35,935.66		35,935.66
Net Cash Provided by (Used for) Noncapital Financing Activities	411,239.37	-	411,239.37
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
None	-	-	-
Net Cash (Used for) Capital and Related Financing Activities	-	-	-
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
None	-	-	-
Net Cash Provided by (Used for) Investing Activities	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	4,099.67	15,863.98	19,963.65
Balance - Beginning of Year	-	20,193.94	20,193.94
Balance - End of Year	4,099.67	36,057.92	40,157.59
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	(383,678.63)	11,728.80	(371,949.83)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	3,646.53		3,646.53
(Increase) in Inventory	3,544.65		3,544.65
(Decrease) in Interfund	(29,978.05)		(29,978.05)
(Increase) in Accounts Receivable	(10,812.03)	1,635.00	(9,177.03)
(Decrease) in Accounts Payable	10,137.83	(39.82)	10,098.01
Increase in Deferred Revenues		2,540.00	2,540.00
Total Adjustments	(23,461.07)	4,135.18	(19,325.89)
Net Cash Provided by (Used for) Operating Activities	\$ (407,139.70)	15,863.98	(391,275.72)

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



**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**For the Year Ended June 30, 2016**

	<u>Unemployment Compensation</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ <u>161,707.28</u>	<u>24,024.76</u>
Total Assets	<u>161,707.28</u>	<u>24,024.76</u>
<b>LIABILITIES</b>		
Payable to Student Groups		23,293.80
Accounts Payable	<u>699.27</u>	<u>730.96</u>
Total Liabilities	<u>699.27</u>	<u>24,024.76</u>
<b>NET POSITION</b>		
Held in Trust for Unemployment Claims and Other Purposes	\$ <u><u>161,008.01</u></u>	

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

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2016**

		<u>Unemployment Compensation</u>
<b>ADDITIONS</b>		
Contributions:		
Plan Member	\$	17,912.11
Board Contribution		40,000.00
Total Contributions		<u>57,912.11</u>
Investment Earnings:		
Interest		193.61
Net Investment Earnings		<u>193.61</u>
Total Additions		<u>58,105.72</u>
<b>DEDUCTIONS</b>		
Unemployment Claims		7,963.94
Total Deductions		<u>7,963.94</u>
Changes in Net Assets		50,141.78
Net Position - Beginning of the Year		110,866.23
Net Position - End of the Year	\$	<u><u>161,008.01</u></u>

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

**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The financial statements of the Board of Education (Board) of the City of Somers Point 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. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

**A. REPORTING ENTITY**

The City of Somers Point School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The City of Somers Point School District had an enrollment at June 30, 2016 of 963 students.

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

Based on the aforementioned criteria, the District has no component units.

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's Food Service and CER program is classified as business-type activities.

In the governmental-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts—invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

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**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, interest income, etc.).

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

**1. Governmental Funds:**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

- a. **General Fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special Revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Capital Projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

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

**Fund Balances – Governmental Funds**

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**2. Proprietary Funds:**

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

- a. **Enterprise Funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a CER fund to provide a Community Education Program for the students of the District and a food service fund to provide a child nutrition program for the students of the district.

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**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

**3. Fiduciary Funds:**

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position, and is reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.), and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

All fund internal activity is eliminated when carried to the Government-Wide statements.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**1. Accrual:**

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**E. FINANCIAL STATEMENT AMOUNTS**

**1. Cash and Cash Equivalents:**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

NJSA 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental units.

**2. Investments:**

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

**3. Inventories:**

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2016, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food and Supplies	\$	2,317.93
	\$	<u>2,317.93</u>

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2016 is \$695.42.

**4. Capital Assets:**

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Infrastructure Assets	50-65 years

Infrastructure assets include roads, parking lots, underground pipe, etc. The District includes all infrastructure assets as depreciable assets in the financial statements.

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**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

**5. Revenues:**

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount 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. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

**6. Expenditures:**

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

**7. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as both an expenditure and a fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**8. Interfund Activity:**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

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**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

**9. 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 for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.

Significant transfers approved by the Board of Education during the fiscal year were as follows:

Regular Programs - Instruction	
Grades 1 - 5 Salaries of Teachers	\$ (36,639.00)
Regular Programs - Undistributed Instruction	
Other Salaries for Instruction	(42,859.00)
Special Education - Instruction	
Multiple Disabilities - Salaries of Teachers	50,409.00
Multiple Disabilities - Other Salaries for Instruction	46,565.00
Community Services Programs/Operations	
Salaries	89,019.00
Undistributed Expenditures -	
Tuition to CSSD & Regional Day Schools	(97,803.00)
Tuition to Private Schools for the Disabled-Within State	50,500.00
Custodial Services - Cleaning, Repair and Maintenance Service	62,746.00
Unallocated Benefits - Health Benefits	(236,782.44)
Unallocated Benefits - Other Employee Benefits	81,152.00
Local Contribution-Transfer to Special Revenue	(66,293.00)

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**10. 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. The final cost is based on agreements with the sending districts with a negotiated amount up to the final cost as determined by State of New Jersey.

**11. Tuition Payable:**

Tuition charges for the fiscal years 2015/16 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**12. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

**13. Allocation of Costs:**

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the budgetary expenditures by program.

**14. Pensions:**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and Public Employee Retirement System (PERS) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the TPAF and PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This statement is effective for fiscal periods beginning after June 30, 2016 establishes new accounting and financial reporting requirements for OPEB plans. It is anticipated that this statement will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement is effective for fiscal periods beginning after June 30, 2017. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77, "Tax Abatement Disclosure". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

**CITY OF SOMERS POINT SCHOOL DISTRICT  
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In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81, "Irrevocable Split-Interest Agreements". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82, "Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No.73". This statement is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting, however will affect the disclosure of pension related items.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act at June 30, 2016, the carrying amount of the Board's deposits were \$1,594,715.17 and the bank balance was \$1,675,471.20. Of the School District's bank balance of \$1,675,471.20 as of June 30, 2016, \$206,764.94 was uninsured and uncollateralized.

**NOTE 3 – RECEIVABLES**

Receivables at June 30, 2016, consisted of accounts (rent, tuition, and fees), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	District Wide Financial Statements
State Aid	\$ 11,567.00	12,473.35
Federal Aid	5,338.54	67,341.15
Other	88,482.29	112,278.16
Gross Receivables	105,387.83	192,092.66
Less: Allowance for Uncollectibles		
Total Receivables, Net	\$ 105,387.83	192,092.66

**NOTE 4 – INTERFUND TRANSFERS AND BALANCES**

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund; (2) repay expenses paid by another fund.

The following interfund balances remained on the fund financial statements at June 30, 2016.

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**CITY OF SOMERS POINT SCHOOL DISTRICT  
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(CONTINUED)**

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 37,988.00	3.43
Special Revenue Fund	3.43	
Capital Projects Fund		137.78
Debt Service Fund	137.78	
Food Service Fund		37,988.00
	<u>\$ 38,129.21</u>	<u>38,129.21</u>

The general fund receivable is comprised of one interfund due from the food service fund in the amount of \$37,988.00 for equipment purchased. The special revenue fund receivable is comprised on one interfund due from the general fund in the amount of \$3.43. The debt service fund receivable is comprised of one interfund. It is due from the capital projects Fund in the amount of \$137.78 which is a result of interest earned on the deposits in the Capital Projects Fund.

**NOTE 5 – CAPITAL ASSETS**

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

	Beginning Balance	Additions	Deletions/ Adjustments	Adjustments	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 27,012.00			\$	27,012.00
Total capital assets not being depreciated	<u>27,012.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,012.00</u>
Capital assets being depreciated:					
Land Improvements	165,531.00				165,531.00
Buildings and building improvements	16,277,094.00				16,277,094.00
Equipment	610,238.00	38,906.80	(154,691.84)	21,972.00	516,424.96
Total capital assets being depreciated at historical cost	<u>17,052,863.00</u>	<u>38,906.80</u>	<u>(154,691.84)</u>	<u>21,972.00</u>	<u>16,959,049.96</u>
Less accumulated depreciation for:					
Land Improvements	(105,458.00)	(5,876.55)			(111,334.55)
Buildings and improvements	(5,519,749.00)	(458,332.78)			(5,978,081.78)
Equipment	(458,122.00)	(30,625.91)	143,687.94	(20,553.42)	(365,613.39)
Total capital assets being depreciated, net of accumulated depreciation	<u>11,253,573.84</u>	<u>(455,928.44)</u>	<u>(11,003.90)</u>	<u>1,418.58</u>	<u>10,504,020.24</u>
Governmental activity capital assets, net	<u>11,280,585.84</u>	<u>(455,928.44)</u>	<u>(11,003.90)</u>	<u>1,418.58</u>	<u>10,531,032.24</u>
<b>Business-type activities:</b>					
Capital assets being depreciated:					
Equipment	168,048.00		(6,800.00)		161,248.00
Less accumulated depreciation	(118,278.00)	(3,646.53)	5,680.00		(116,244.53)
Enterprise Fund capital assets, net	<u>\$ 49,770.00</u>	<u>(3,646.53)</u>	<u>(1,120.00)</u>	<u>-</u>	<u>45,003.47</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT  
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Depreciation expense is charged to governmental functions as follows:

Regular Instruction	\$ 187,393.15
Special Education	97,320.65
Other Special Instruction	12,590.15
Student & Instruction Related Service	80,377.13
School Administrative Services	19,892.50
General Administrative Services	12,220.40
Plant Operations and Maintenance	55,154.96
Pupil Transportation	15,506.60
Central Services	12,961.12
	<u>\$ 493,416.66</u>

**NOTE 6 – LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the year ended June 30, 2016 are as follows:

	<u>Balance July 1, 2015</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance June 30, 2016</u>	<u>Amounts Due Within One Year</u>
Compensated Absences	\$ 287,158.00		31,030.64	256,127.36	
Capital Leases Payable	119,423.00		28,867.23	90,555.77	29,516.45
Bonds Payable	3,296,000.00		340,000.00	2,956,000.00	350,000.00
Net Pension Liability	<u>3,826,055.00</u>	<u>1,488,810.00</u>	<u>654,696.00</u>	<u>4,660,169.00</u>	
	<u>\$ 7,528,636.00</u>	<u>1,488,810.00</u>	<u>1,054,593.87</u>	<u>7,962,852.13</u>	<u>379,516.45</u>

Compensated absences have been liquidated in the General Fund.

Bonds Payable

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

At June 30, 2016, bonds payable consisted of the following issues:

\$1,523,000 School Bonds dated April 4, 2006, due in annual installments beginning February 1, 2005 through February 1, 2019, bearing interest at 4.10% per annum. The balance remaining as of June 30, 2016 is \$403,000.00.

\$3,443,000 School Bonds dated February 15, 2011, due in annual installments beginning February 15, 2011 through February 15, 2026, bearing interest at variable rates from 2.00% to 4.00% per annum. The balance remaining as of June 30, 2016 is \$2,553,000.00.

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**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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Debt service requirements on serial bonds payable at June 30, 2016 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 350,000.00	114,343.00	464,343.00
2018	360,000.00	102,303.00	462,303.00
2019	353,000.00	89,963.00	442,963.00
2020	240,000.00	75,720.00	315,720.00
2021	250,000.00	66,120.00	316,120.00
2022-2026	1,403,000.00	170,000.00	1,573,000.00
	<u>\$ 2,956,000.00</u>	<u>618,449.00</u>	<u>3,574,449.00</u>

Capital Leases

The District is leasing security system equipment amounting to \$159,423.00 under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2016:

Fiscal Year Ending June 30,	Amount
2017	\$ 31,553.05
2018	31,553.05
2019	31,553.05
Total minimum lease payments	94,659.15
Less amount representing interest	4,103.38
Present value of lease payments	<u>\$ 90,555.77</u>

**NOTE 7 – 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 Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml)

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.

**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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Public Employees' Retirement System (PERS)

The Public Employees' 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.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.78% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The School District's contributions to TPAF for the years ending June 30, 2016, 2015, and 2014 were \$553,221.00, \$387,213.00, and \$312,733.00 respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2016, 2015, and 2014 were \$178,479.00, \$168,466.00 and \$165,607.00 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2016, 2015, and 2014, the State of New Jersey contributed \$658,733.00, \$614,701.00, and \$512,763.00, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$541,592.18, \$566,616.12, and \$514,475.70, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund statements and schedules as revenues and expenditures in accordance in GASB Standards.

For the DCRP, members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary. There were employees enrolled in the DCRP for the year ended June 30, 2016.

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**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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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 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years 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.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.



**CITY OF SOMERS POINT SCHOOL DISTRICT  
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Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60<sup>th</sup> from 1/55<sup>th</sup>, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7<sup>th</sup> of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**NOTE 8 – PUBLIC EMPLOYEES RETIREMENT SYSTEM**

At June 30, 2016, the District reported a liability of \$4,660,169.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the District's proportion was 0.02075984620%, which was an increase of 0.0003245% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$337,318.00. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience	\$ 111,175	
Changes of assumptions	500,465	
Net difference between projected and actual earnings on pension plan investments		74,927
Changes in proportion and differences between District contributions and proportionate share of contributions	143,374	
District contributions subsequent to the measurement date		
	\$ 755,014	74,927
Total		

**CITY OF SOMERS POINT SCHOOL DISTRICT  
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\$178,479.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (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:

Year ended June 30,		
2017	\$	127,131
2018		127,131
2019		127,131
2020		190,837
2021		107,857
Total	<u>\$</u>	<u>680,087</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation 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 assumptions, applied to all period in the measurement:

Inflation rate	3.04%
Salary increases:	
2012-2021	2.15% - 4.40% (based on age)
Thereafter	3.15% - 5.40% (based on age)
Investment rate of return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projections Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.9% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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:

**CITY OF SOMERS POINT SCHOOL DISTRICT  
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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	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% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015, based on 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 actuarially determined 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, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*

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

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's proportionate share of the net pension liability	\$ 5,622,289	4,660,169	3,854,873

**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

*Pension plan fiduciary net position.*

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

**NOTE 9 – TEACHERS PENSIONS AND ANNUITY FUND (TPAF)**

At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		45,267,958
Total	\$	45,267,958

The net pension liability was measured as of June 30, 2015 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2015, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$2,764,016 and revenue of \$2,379,102 for support provided by the State. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expensed and actual experience	\$ 230,067	13,637
Changes of assumptions	5,156,871	
Net difference between projected and actual earnings on pension plan investments		383,433
Changes in proportion and differences between District contributions and proportionate share of contributions		1,353,005
District contributions subsequent to the measurement date		
Total	\$ 5,386,938	1,750,075

\$384,914 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (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:

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**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

Year ended June 30,		
2017	\$	427,234
2018		427,234
2019		427,234
2020		654,472
2021		553,910
Thereafter		1,146,779
Total	\$	3,636,863

*Actuarial assumptions.* The total pension liability in the June 30, 2015 actuarial valuation was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all period included 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 from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. 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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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:

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**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Cash	5.00%	53.00%
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 market equities	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 - Multi Strategy	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% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 employers' 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 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 District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.13% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.13%) or 1-percentage point higher (5.13%) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net pension liability	\$ -	-	-

**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

*Pension plan fiduciary net position.*

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

**NOTE 10 – POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 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 changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

**NOTE 11 – COMPENSATED ABSENCES**

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016, no liability existed for compensated absences in the Food Service Fund and Community Education Recreation Program.

**NOTE 12 – DEFERRED COMPENSATION**

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

Lincoln Investments	Valic
Equitable Insurance	Siracusa Insurance

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**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

**NOTE 13 – CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by City of Somers Point Board of Education by the inclusion of \$100.00 on September 21, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Beginning balance, July 1, 2015	\$	100.00
No activity in FY 2016		-
Ending balance, June 30, 2016	\$	100.00

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve account at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

**NOTE 14 – MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established by the City of Somers Point Board of Education for the accumulation of funds for use as required maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the Maintenance reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015	\$	183,500.00
No activity in FY 2016		-
Ending balance, June 30, 2016	\$	183,500.00

**NOTE 15 – 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 insurance coverage for property, liability and surety bonds through the Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund (ACCASBOJIF). A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The 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 and prior year:

Fiscal Year	Interest on Investments	Employee Contributions	Board Contribution	Amount Reimbursed	Ending Balance
2015-2016	\$ 193.61	17,912.11	40,000.00	7,963.94	161,008.01
2014-2015	70.00	18,206.00		17,889.00	110,866.23
2013-2014	105.00	17,101.00		40,283.00	110,479.23

**NOTE 16 – CONTINGENT LIABILITIES**

Federal and State Grants

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

**NOTE 17 – ECONOMIC DEPENDENCY**

The District receives support from federal government and from the state government. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

**NOTE 18 – LITIGATION**

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

**NOTE 19 – FUND BALANCE APPROPRIATED**

General Fund – Of the \$1,173,842.40 General Fund fund balance, at June 30, 2016, \$37,132.59 is reserved for encumbrances, but not reflected as committed on the balance sheet since the unassigned balance is negative; \$1,051,756.28 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$460,651.00 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2016), \$100.00 has been reserved in the Capital Reserve Account; \$183,500.00 has been reserved in the Maintenance Reserve Account; \$100,000.00 is designated by BOE for subsequent expenditures and (\$161,513.88) is classified and Unassigned, after adjusting for the encumbrance amount of \$37,132.59.

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**CITY OF SOMERS POINT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

**NOTE 20 – CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7 as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount of budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$591,105.28. The excess fund balance at June 30, 2015 was \$460,651.00.

**NOTE 21 – DEFICIT FUND BALANCES**

The District has a deficit unassigned fund balance of (\$30,259.20) in the Special Revenue Fund as of June 30, 2016 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last payment as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties. The District deficit in the Special revenue fund in the GAAP fund statements of (\$30,259.20) is equal to the last state aid payment for that fund.

**NOTE 22 – SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred through November 4, 2016, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements.

The District held a special election on September 27, 2016 for the consideration of a \$9,235,000 bond proposal. The project includes renovations, alterations and improvements at the Dawes Avenue, New York Avenue and Jordan Road Elementary Schools. The voters approved this bond referendum.

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## **Required Supplementary Information – Part II**



# **Budgetary Comparison Schedules**



**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 9,383,122.00		9,383,122.00	9,383,122.00	-
Tuition From Other LEAs Within the State	5,000.00		5,000.00	139,241.49	134,241.49
Interest Earned on Maintenance Reserve Funds	100.00		100.00		(100.00)
Unrestricted Miscellaneous Revenues			-	5,589.07	5,589.07
<b>Total Local Sources</b>	<u>9,388,222.00</u>	<u>-</u>	<u>9,388,222.00</u>	<u>9,527,952.56</u>	<u>139,730.56</u>
State Sources:					
Categorical Special Education Aid	561,975.00		561,975.00	561,975.00	-
Equalization Aid	4,959,725.00		4,959,725.00	4,959,725.00	-
Categorical Security Aid	60,375.00		60,375.00	60,375.00	-
Categorical Transportation Aid	16,457.00		16,457.00	16,457.00	-
Under Adequacy Aid	12,194.00		12,194.00	12,194.00	-
PARCC Readiness Aid	9,890.00		9,890.00	9,890.00	-
Per Pupil Growth Aid	9,890.00		9,890.00	9,890.00	-
Extraordinary Aid			-	10,871.00	10,871.00
Non-Public Transportation Aid			-	696.00	696.00
TPAF Post Retirement Pension (On-Behalf - Non-Budgeted)			-	658,733.00	658,733.00
TPAF Pension (On-Behalf - Non-Budgeted)			-	553,221.00	553,221.00
Reimbursed TPAF Social Security Contributions (non-budgeted)			-	541,592.18	541,592.18
<b>Total State Sources</b>	<u>5,630,506.00</u>	<u>-</u>	<u>5,630,506.00</u>	<u>7,395,619.18</u>	<u>1,765,113.18</u>
Federal Sources:					
Medical Assistance Program (SEMI)	37,696.00		37,696.00	38,795.11	1,099.11
<b>Total Federal Sources</b>	<u>37,696.00</u>	<u>-</u>	<u>37,696.00</u>	<u>38,795.11</u>	<u>1,099.11</u>
<b>Total Revenues</b>	<u>15,056,424.00</u>	<u>-</u>	<u>15,056,424.00</u>	<u>16,962,366.85</u>	<u>1,905,942.85</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
<b>REGULAR PROGRAMS - INSTRUCTION</b>					
Kindergarten - Salaries of Teachers	399,766.00	10,884.00	410,650.00	410,282.38	367.62
Grades 1 - 5 Salaries of Teachers	2,375,940.00	(36,639.00)	2,339,301.00	2,334,861.92	4,439.08
Grades 6 - 8 Salaries of Teachers	1,668,639.00	(20,128.00)	1,648,511.00	1,633,026.95	15,484.05
Regular Programs - Home Instruction					
Salaries of Teachers	15,000.00	5,000.00	20,000.00	18,173.25	1,826.75
Purchased Professional - Educational Services	12,000.00	(5,000.00)	7,000.00	2,057.12	4,942.88
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	185,730.00	(42,859.00)	142,871.00	142,578.48	292.52
Other Purchased Services (400-500 series)	136,236.00	(3,000.00)	133,236.00	95,753.96	37,482.04
General Supplies	234,252.81	(2,700.00)	231,552.81	192,213.79	39,339.02
Textbooks	2,500.00	(1,500.00)	1,000.00	917.95	82.05
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>5,030,063.81</u>	<u>(95,942.00)</u>	<u>4,934,121.81</u>	<u>4,829,865.80</u>	<u>104,256.01</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
Learning and/or Language Disabilities					
Salaries of Teachers	51,309.00		51,309.00	51,308.88	0.12
General Supplies	1,000.00	(247.00)	753.00	388.76	364.24
<b>Total Learning and/or Language Disabilities</b>	<u>52,309.00</u>	<u>(247.00)</u>	<u>52,062.00</u>	<u>51,697.64</u>	<u>364.36</u>
Multiple Disabilities					
Salaries of Teachers	125,521.00	50,409.00	175,930.00	172,179.71	3,750.29
Other Salaries for Instruction	15,695.00	46,565.00	62,260.00	61,340.35	919.65
General Supplies	2,000.00		2,000.00	1,778.56	221.44
<b>Total Multiple Disabilities</b>	<u>143,216.00</u>	<u>96,974.00</u>	<u>240,190.00</u>	<u>235,298.62</u>	<u>4,891.38</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	948,800.00	(19,650.00)	929,150.00	912,985.87	16,164.13
Other Salaries for Instruction	106,747.00	13,210.00	119,957.00	107,683.41	12,273.59
General Supplies	2,000.00		2,000.00	1,675.62	324.38
Total Resource Room/Resource Center	<u>1,057,547.00</u>	<u>(6,440.00)</u>	<u>1,051,107.00</u>	<u>1,022,344.90</u>	<u>28,762.10</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	57,309.00		57,309.00	57,083.98	225.02
General Supplies	1,900.00		1,900.00	373.16	1,526.84
Total Preschool Disabilities - Part-Time	<u>59,209.00</u>	<u>-</u>	<u>59,209.00</u>	<u>57,457.14</u>	<u>1,751.86</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>1,312,281.00</u>	<u>90,287.00</u>	<u>1,402,568.00</u>	<u>1,366,798.30</u>	<u>35,769.70</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	-	32,036.00	32,036.00	32,035.92	0.08
Total Basic Skills/Remedial - Instruction	<u>-</u>	<u>32,036.00</u>	<u>32,036.00</u>	<u>32,035.92</u>	<u>0.08</u>
Bilingual Education - Instruction					
Salaries of Teachers	112,877.00		112,877.00	110,065.29	2,811.71
Total Bilingual Education - Instruction	<u>112,877.00</u>	<u>-</u>	<u>112,877.00</u>	<u>110,065.29</u>	<u>2,811.71</u>
School-Spon. Co/Extra-curr. Activities - Instruction					
Salaries	54,350.00		54,350.00	44,910.50	9,439.50
Purchased Services (300-500 series)	2,000.00		2,000.00		2,000.00
Supplies & Materials	1,000.00		1,000.00		1,000.00
Total School-Spon. Cocurricular Activities - Inst.	<u>57,350.00</u>	<u>-</u>	<u>57,350.00</u>	<u>44,910.50</u>	<u>12,439.50</u>
School-Sponsored Athletics - Instruction					
Salaries	43,410.00		43,410.00	38,355.00	5,055.00
Purchased Services (300-500 series)	1,500.00		1,500.00	475.00	1,025.00
Supplies & Materials	5,000.00		5,000.00	4,869.94	130.06
Other Objects	8,000.00		8,000.00	6,553.61	1,446.39
Total School-Spon. Cocurricular Athletics - Inst.	<u>57,910.00</u>	<u>-</u>	<u>57,910.00</u>	<u>50,253.55</u>	<u>7,656.45</u>
Summer School - Instruction					
Other Salaries for Instruction	2,000.00	2,000.00	4,000.00	2,246.00	1,754.00
Total Summer School - Instruction	<u>2,000.00</u>	<u>2,000.00</u>	<u>4,000.00</u>	<u>2,246.00</u>	<u>1,754.00</u>
Community Services Programs/Operations					
Salaries	29,780.00	89,019.00	118,799.00	84,986.99	33,812.01
Total Community Services Programs/Operations	<u>29,780.00</u>	<u>89,019.00</u>	<u>118,799.00</u>	<u>84,986.99</u>	<u>33,812.01</u>
<b>TOTAL INSTRUCTION</b>	<u>\$ 6,602,261.81</u>	<u>117,400.00</u>	<u>6,719,661.81</u>	<u>6,521,162.35</u>	<u>198,499.46</u>
<b>UNDISTRIBUTED EXPENDITURES</b>					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs-Within the State-Regular	\$ 25,787.00		25,787.00	20,423.70	5,363.30
Tuition to Other LEAs-Within the State-Special	14,930.00	3,065.00	17,995.00	17,898.74	96.26
Tuition to CSSD & Regional Day Schools	285,455.00	(97,803.00)	187,652.00	146,269.00	41,383.00
Tuition to Private Schools for the Disabled - Within State	126,208.00	50,500.00	176,708.00	170,279.22	6,428.78
Total Undistributed Expenditures - Instruction	<u>452,380.00</u>	<u>(44,238.00)</u>	<u>408,142.00</u>	<u>354,870.66</u>	<u>53,271.34</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	33,519.00	3,657.00	37,176.00	37,164.12	11.88
Other Purchased Services (400-500)	100.00	(50.00)	50.00		50.00
Total Undist. Expend. - Attend. & Social Worker	<u>33,619.00</u>	<u>3,607.00</u>	<u>37,226.00</u>	<u>37,164.12</u>	<u>61.88</u>
Undistributed Expend. - Health Services					
Salaries	183,724.00	31,336.00	215,060.00	213,208.88	1,851.12
Purchased Professional and Technical Services	1,000.00	1,200.00	2,200.00	1,121.50	1,078.50
Supplies & Materials	5,425.69	1,017.00	6,442.69	5,684.21	758.48
Total Undistributed Expend. - Health Services	<u>190,149.69</u>	<u>33,553.00</u>	<u>223,702.69</u>	<u>220,014.59</u>	<u>3,688.10</u>



**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undist. Expend. - Other Support Serv. Students - Speech, OT, PT & Related Services					
Salaries	\$ 211,040.00	(8,340.00)	202,700.00	200,633.72	2,066.28
Purchased Professional - Educational Services	58,700.00	20,586.00	79,286.00	77,611.10	1,674.90
Supplies & Materials	3,425.00		3,425.00	3,425.00	-
Total Undist. Expend. - Other Support Services Student - Speech, OT, PT & Related Services	<u>273,165.00</u>	<u>12,246.00</u>	<u>285,411.00</u>	<u>281,669.82</u>	<u>3,741.18</u>
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	18,042.00		18,042.00	18,041.94	0.06
Purchased Professional - Educational Services	72,000.00	19,519.00	91,519.00	73,867.50	17,651.50
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	<u>90,042.00</u>	<u>19,519.00</u>	<u>109,561.00</u>	<u>91,909.44</u>	<u>17,651.56</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	242,036.00	(1,520.00)	240,516.00	240,515.86	0.14
Other Purchased Services (400-500 series)	13,821.00		13,821.00	13,821.00	-
Supplies & Materials	1,500.00		1,500.00	1,500.00	-
Total Undist. Expend. - Other Support Services Students - Regular	<u>257,357.00</u>	<u>(1,520.00)</u>	<u>255,837.00</u>	<u>255,836.86</u>	<u>0.14</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	365,429.00	(1,275.00)	364,154.00	364,153.73	0.27
Salaries of Secretarial and Clerical Assistants	50,031.00		50,031.00	50,030.76	0.24
Purchased Professional - Educational Services	8,000.00	28,296.00	36,296.00	30,568.00	5,728.00
Other Purchased Professional & Tech. Services	4,935.00		4,935.00	4,935.00	-
Other Purchased Services (400-500 series)	2,640.00		2,640.00	2,640.00	-
Misc Purch Serv (400-500 series O/t Resid Costs)	3,500.00		3,500.00	3,054.64	445.36
Supplies & Materials	4,500.00		4,500.00	3,856.27	643.73
Other Objects	2,800.00	(1,950.00)	850.00	850.00	-
Total Undist. Expend. - Child Study Teams	<u>441,835.00</u>	<u>25,071.00</u>	<u>466,906.00</u>	<u>460,088.40</u>	<u>6,817.60</u>
Undist. Expend. - Improvement of Inst. Services					
Salaries Supervisor of Instruction	90,460.00		90,460.00	90,459.98	0.02
Salaries of Other Professional Staff	16,216.00	815.00	17,031.00	17,009.22	21.78
Salaries of Secretaries and Clerical Assistants	28,567.00	(315.00)	28,252.00	28,223.20	28.80
Other Salaries	36,439.00		36,439.00	36,439.00	-
Other Purchased Services (400-500 series)	4,100.00		4,100.00	859.00	3,241.00
Supplies & Materials	4,521.00	(2,000.00)	2,521.00	1,667.31	853.69
Other Objects	800.00		800.00	800.00	-
Total Undist. Expend. - Improvement of Inst. Serv.	<u>181,103.00</u>	<u>(1,500.00)</u>	<u>179,603.00</u>	<u>175,457.71</u>	<u>4,145.29</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	115,677.00	(860.00)	114,817.00	114,816.61	0.39
Purchased Professional and Technical Services	3,800.00		3,800.00	3,572.51	227.49
Other Purchased Services (400-500 series)	65,720.00	1,500.00	67,220.00	67,030.05	189.95
Supplies & Materials	15,000.00	860.00	15,860.00	14,444.44	1,415.56
Other Objects	200.00		200.00	200.00	-
Total Undistributed Expenditures - Educational Media Services - School Library	<u>200,397.00</u>	<u>1,500.00</u>	<u>201,897.00</u>	<u>199,863.61</u>	<u>2,033.39</u>
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff	24,000.00	-	24,000.00	17,042.59	6,957.41
Purchased Professional - Educational Services	10,000.00		10,000.00	5,500.00	4,500.00
Other Purchased Services (400-500 series)	11,700.00		11,700.00	10,728.01	971.99
Supplies & Materials	2,200.00		2,200.00	79.99	2,120.01
Total Undistributed Expenditures - Instructional Staff Training Services	<u>47,900.00</u>	<u>-</u>	<u>47,900.00</u>	<u>33,350.59</u>	<u>14,549.41</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	\$ 184,515.00	4,300.00	188,815.00	187,162.77	1,652.23
Legal Services	13,800.00	14,000.00	27,800.00	25,772.00	2,028.00
Audit Fees	27,200.00	(6,300.00)	20,900.00	20,900.00	-
Purchased Professional - Educational Services		23,748.00	23,748.00	7,975.66	15,772.34
Purchased Technical Services	16,559.00	300.00	16,859.00	15,668.40	1,190.60
Communications/Telephone	48,100.00	(27,400.00)	20,700.00	2,531.81	18,168.19
BOE Other Purchased Services	300.00	4,000.00	4,300.00	3,060.04	1,239.96
Misc. Purch Services (400-500 series)(Other than 530&585)	14,809.00	22,700.00	37,509.00	38,435.52	(926.52)
General Supplies	3,500.00	(1,000.00)	2,500.00	1,363.65	1,136.35
BOE In-House Training/Meeting Supplies	5,800.00	(4,000.00)	1,800.00	1,464.49	335.51
Miscellaneous Expenditures	2,000.00	200.00	2,200.00	2,150.00	50.00
BOE Membership Dues and Fees	8,900.00		8,900.00	8,483.85	416.15
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>325,483.00</b>	<b>30,548.00</b>	<b>356,031.00</b>	<b>314,968.19</b>	<b>41,062.81</b>
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals/Prog Dir	337,632.00		337,632.00	337,631.84	0.16
Salaries of Secretarial and Clerical Assistants	182,310.00	(25,739.00)	156,571.00	141,278.07	15,292.93
Other Purchased Services (400-500 series)	23,204.00	-	23,204.00	17,880.54	5,323.46
Supplies & Materials	15,200.00		15,200.00	13,518.32	1,681.68
Other Objects	2,400.00		2,400.00	2,400.00	-
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>560,746.00</b>	<b>(25,739.00)</b>	<b>535,007.00</b>	<b>512,708.77</b>	<b>22,298.23</b>
Undist. Expend - Central Services					
Salaries	245,450.00	26,008.00	271,458.00	252,375.76	19,082.24
Purchased Technical Services	13,367.00		13,367.00	13,367.00	-
Misc. Purchased Services (400-500 series)(O/T 594)	6,358.00		6,358.00	5,226.35	1,131.65
Supplies and Materials	16,045.00		16,045.00	11,525.00	4,520.00
Miscellaneous Expenditures	5,275.00		5,275.00	2,521.00	2,754.00
<b>Total Undistributed Expenditures - Central Services</b>	<b>286,495.00</b>	<b>26,008.00</b>	<b>312,503.00</b>	<b>285,015.11</b>	<b>27,487.89</b>
Undis. Expend - Admin. Info Technology					
Salaries	36,414.00		36,414.00	36,414.00	-
Other Purchased Services (400-500 series)	16,300.00		16,300.00	5,359.52	10,940.48
Supplies and Materials	9,300.00		9,300.00	7,270.86	2,029.14
<b>Total Undistributed Expenditures - Administration Information Technology</b>	<b>62,014.00</b>	<b>-</b>	<b>62,014.00</b>	<b>49,044.38</b>	<b>12,969.62</b>
Undist. Expend. - Required Maint. School Fac.					
Salaries	141,243.00		141,243.00	141,242.66	0.34
Cleaning, Repair and Maintenance Service	181,562.00	62,746.00	244,308.00	238,295.36	6,012.64
General Supplies	27,097.36	(2,000.00)	25,097.36	17,768.19	7,329.17
Other Objects	2,775.00		2,775.00	1,156.00	1,619.00
<b>Total Undistributed Expenditures - Allowable Maintenance for School Facilities</b>	<b>352,677.36</b>	<b>60,746.00</b>	<b>413,423.36</b>	<b>398,462.21</b>	<b>14,961.15</b>
Undistributed Expenditures - Custodial Services					
Salaries	501,104.00	(20,000.00)	481,104.00	474,514.66	6,589.34
Purchased Professional and Technical Services	500.00		500.00	484.90	15.10
Cleaning, Repair and Maintenance Service	12,000.00	(5,000.00)	7,000.00	5,634.91	1,365.09
Rental of Land & Bldg. Oth. then Lease Pur Agrmt	2,000.00		2,000.00	1,800.00	200.00
Other Purchased Property Services	29,915.52		29,915.52	26,308.73	3,606.79
Insurance	128,738.00	(5,245.00)	123,493.00	123,131.00	362.00
Miscellaneous Purchased Services	4,000.00		4,000.00	2,792.28	1,207.72
General Supplies	52,087.00	3,245.00	55,332.00	54,839.75	492.25
Energy (Natural Gas)	86,763.00		86,763.00	48,994.67	37,768.33
Energy (Electricity)	294,974.00		294,974.00	248,499.17	46,474.83
<b>Total Undistributed Expenditures - Custodial Services</b>	<b>1,112,081.52</b>	<b>(27,000.00)</b>	<b>1,085,081.52</b>	<b>987,000.07</b>	<b>98,081.45</b>
Undist. Expend. - Care & Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	4,670.00		4,670.00	4,547.00	123.00
<b>Total Care and Upkeep of Grounds</b>	<b>4,670.00</b>	<b>-</b>	<b>4,670.00</b>	<b>4,547.00</b>	<b>123.00</b>
Undist. Expend. - Security					
Cleaning, Repair and Maintenance Services	40,000.00	(8,446.00)	31,554.00	31,553.05	0.95
<b>Total Security</b>	<b>40,000.00</b>	<b>(8,446.00)</b>	<b>31,554.00</b>	<b>31,553.05</b>	<b>0.95</b>

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Total Undistributed Expenditures					
Operations and Maintenance of Plant	\$ 1,509,428.88	25,300.00	1,534,728.88	1,421,562.33	113,166.55
Undist. Expend. - Student Transportation Serv.					
Salaries of Non-Instructional Aides	21,060.00	5,600.00	26,660.00	26,620.31	39.69
Contr. Serv. - Aid in Lieu Pymts-NonPub Sch	20,911.48	(3,536.00)	17,375.48	13,702.00	3,673.48
Contr. Serv. - (Oth than Bet Home & Sch)-Vend	32,730.00	(5,100.00)	27,630.00	19,357.00	8,273.00
Contr. Serv. - (Bet. Home & School) Joint Agrm.	174,980.00		174,980.00	173,697.95	1,282.05
Contr. Serv. - (Spc Ed. Students) - Joint Agrmt	169,204.00		169,204.00	166,289.53	2,914.47
Total Undistributed Expenditures - Student Transportation Services	418,885.48	(3,036.00)	415,849.48	399,666.79	16,182.69
Undist. Expend. - Unallocated Benefits					
Social Security Contributions	197,000.00	6,000.00	203,000.00	202,724.95	275.05
Other Retirement Contributions - PERS	183,261.00	(4,000.00)	179,261.00	178,479.00	782.00
Unemployment Compensation	40,000.00		40,000.00	40,000.00	-
Workmen's Compensation	124,563.00	(146.56)	124,416.44	123,519.00	897.44
Health Benefits	2,841,984.00	(236,782.44)	2,605,201.56	2,594,733.04	10,468.52
Tuition Reimbursement	41,925.67	(12,749.00)	29,176.67	20,959.07	8,217.60
Other Employee Benefits	184,249.00	81,152.00	265,401.00	256,125.93	9,275.07
Total Unallocated Benefits	3,612,982.67	(166,526.00)	3,446,456.67	3,416,540.99	29,915.68
On-behalf TPAF Postretirement Contributions (non-budgeted)			-	658,733.00	(658,733.00)
On-Behalf TPAF Pension Contribution (non-bud)			-	553,221.00	(553,221.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)			-	541,592.18	(541,592.18)
Total Personal Services - Unallocated Benefits	-	-	-	1,753,546.18	(1,753,546.18)
<b>TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS</b>	<b>3,612,982.67</b>	<b>(166,526.00)</b>	<b>3,446,456.67</b>	<b>5,170,087.17</b>	<b>(1,723,630.50)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>8,943,982.72</b>	<b>(65,207.00)</b>	<b>8,878,775.72</b>	<b>10,263,278.54</b>	<b>(1,384,502.82)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>15,546,244.53</b>	<b>52,193.00</b>	<b>15,598,437.53</b>	<b>16,784,440.89</b>	<b>(1,186,003.36)</b>
Capital Outlay					
Interest Earned on Maintenance Reserve	100.00		100.00		100.00
Total Interest Deposit to Capital Reserve	100.00	-	100.00	-	100.00
Equipment:					
Undist. Expend. - Admin Info Tech.	37,000.00		37,000.00	25,239.61	11,760.39
Total Equipment	37,000.00	-	37,000.00	25,239.61	11,760.39
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	34,065.00		34,065.00	34,065.00	-
Total Facilities Acquisition and Construction Services	34,065.00	-	34,065.00	34,065.00	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>71,165.00</b>	<b>-</b>	<b>71,165.00</b>	<b>59,304.61</b>	<b>11,860.39</b>
Transfer of Funds to Charter Schools	25,857.00	14,100.00	39,957.00	39,717.00	240.00
<b>TOTAL EXPENDITURES</b>	<b>15,643,266.53</b>	<b>66,293.00</b>	<b>15,709,559.53</b>	<b>16,883,462.50</b>	<b>(1,173,902.97)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(586,842.53)</b>	<b>(66,293.00)</b>	<b>(653,135.53)</b>	<b>78,904.35</b>	<b>732,039.88</b>

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Other Financing Sources:					
Local Contribution- Transfer to Special Revenue	(66,293.00)	66,293.00	-	-	-
Total Other Financing Sources	<u>(66,293.00)</u>	<u>66,293.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(653,135.53)	-	(653,135.53)	78,904.35	732,039.88
Fund Balance July 1	<u>1,607,749.85</u>		<u>1,607,749.85</u>	<u>1,607,749.85</u>	
Fund Balance June 30	<u>\$ 954,614.32</u>	<u>-</u>	<u>954,614.32</u>	<u>1,686,654.20</u>	<u>732,039.88</u>
Recapitulation:					
Nonspendable Fund Balance:					
None					
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Expenditures				460,651.00	
Excess Surplus - Current Year				591,105.28	
Committed Fund Balance					
Maintenance Reserve				183,500.00	
Capital Reserve				100.00	
Assigned Fund Balance:					
Designated by BOE for Subsequent Expenditures				100,000.00	
Year-End Encumbrances				37,132.59	
Unassigned Fund Balance				<u>314,165.33</u>	
				1,686,654.20	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP basis				<u>(512,811.80)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>1,173,842.40</u>	

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 545,351.00	70,433.00	615,784.00	598,620.59	(17,163.41)
Federal Sources	816,346.00	125,777.00	942,123.00	885,913.00	(56,210.00)
Total Revenues	<u>1,361,697.00</u>	<u>196,210.00</u>	<u>1,557,907.00</u>	<u>1,484,533.59</u>	<u>(73,373.41)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	636,591.00	74,437.00	711,028.00	687,019.39	24,008.61
Other Salaries for Instruction	147,352.00	(14,445.00)	132,907.00	132,907.00	-
Purchased Professional and Technical Services	37,489.00	2,381.00	39,870.00	39,870.00	-
Other Purchased Services (400-500 series)	210,000.00	15,840.00	225,840.00	225,840.00	-
General Supplies	17,249.00	42,726.50	59,975.50	57,319.55	2,655.95
Textbooks	23,549.00	1,746.00	25,295.00	25,295.00	-
Total Instruction	<u>1,072,230.00</u>	<u>122,685.50</u>	<u>1,194,915.50</u>	<u>1,168,250.94</u>	<u>26,664.56</u>
Support Services:					
Salaries of Program Directors	9,500.00	-	9,500.00	9,499.88	0.12
Salaries of Other Professional Staff	149,431.00	29,804.00	179,235.00	144,363.40	34,871.60
Personal Services - Employee Benefits	79,800.00	60,323.00	140,123.00	136,287.02	3,835.98
Purchased Professional - Educational Services	22,836.00	(10,579.00)	12,257.00	9,605.00	2,652.00
Other Purchased Services (400-500 series)	14,300.00	(4,940.00)	9,360.00	7,208.00	2,152.00
General Supplies	13,600.00	3,416.50	3,416.50	2,719.35	697.15
Other Objects		(4,500.00)	9,100.00	6,600.00	2,500.00
Total Support Services	<u>289,467.00</u>	<u>73,524.50</u>	<u>362,991.50</u>	<u>316,282.65</u>	<u>46,708.85</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES(cont'd):</b>					
Facilities Acquisitions and Construction Services:					
Instructional Equipment	\$ -	-	-	-	-
Total Facilities Acquisitions and Const. Services:	-	-	-	-	-
Transfers to Charter Schools					
Other Financing Sources (Uses)					
Transfer in from General Fund	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Total Outflows	<u>1,361,697.00</u>	<u>196,210.00</u>	<u>1,557,907.00</u>	<u>1,484,533.59</u>	<u>73,373.41</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-

## **Notes to the Required Supplementary Information**





**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budget-to-GAAP Reconciliation**  
**Notes to the Required Supplementary Information**  
**For the Year Ended June 30, 2016**

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

		General Fund		Special Revenue Fund
<b>Sources / inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 16,962,366.85	[C-2]	\$ 1,484,533.59
<b>Difference - budget to GAAP:</b>				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Prior Year				2,003.00
Current Year				(28,712.60)
Prior year final State Aid payments were delayed until July 2015 and is recorded as revenue in current year under GAAP.				
		512,900.00		30,654.00
Final State Aid payments were delayed until July 2016 is recorded as budgetary revenue but are not recognized under GAAP.				
		(512,811.80)		(30,259.20)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 16,962,455.05	[B-2]	\$ 1,458,218.79
<b>Uses / outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 16,883,462.50	[C-2]	\$ 1,484,533.59
<b>Difference - budget to GAAP:</b>				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.				
Prior Year				2,003.00
Current Year				(28,712.60)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 16,883,462.50	[B-2]	\$ 1,457,823.99

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## **Required Supplementary Information – Part III**



**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employee Retirement System**  
**Last Three Fiscal Years**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.0207598462%	0.0204353405%	0.0197384249%
District's proportionate of the net pension liability (asset)	\$ 4,660,169	\$ 3,826,055	\$ 3,772,405
District's covered payroll	\$ 1,441,882	\$ 1,394,028	\$ 1,420,653
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	323.20%	274.46%	265.54%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for three years. Additional years will be presented as they become available.

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employee Retirement System**  
**Last Three Fiscal Years**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 178,479	\$ 168,466	\$ 148,725
Contributions in relation to the contractually required contribution	<u>\$ 178,479</u>	<u>\$ 168,466</u>	<u>\$ 148,725</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,441,882	\$ 1,394,028	\$ 1,420,653
Contributions as a percentage of covered-employee payroll	12.38%	12.08%	10.47%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period.  
However, information is only currently available for three years.  
Additional years will be presented as they become available.

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund**  
**Last Three Fiscal Years**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>45,267,958</u>	<u>39,510,379</u>	<u>37,827,202</u>
Total	<u>\$ 45,267,958</u>	<u>\$ 39,510,379</u>	<u>\$ 37,827,202</u>
District's covered payroll	\$ 7,165,179	\$ 6,906,748	\$ 7,186,899
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for three years. Additional years will be presented as they become available.

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## **Other Supplementary Information**



## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.



**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2016**

	Total Brought Forward (Ex. E-1a)	Title I	Title II Part A	IDEA Part B Basic	IDEA Preschool	Totals 2016
<b>REVENUES:</b>						
State Sources	\$ 598,620.59	-	-	-	-	598,620.59
Federal Sources	-	472,967.00	59,433.00	342,641.00	10,872.00	885,913.00
Total Revenues	598,620.59	472,967.00	59,433.00	342,641.00	10,872.00	1,484,533.59
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers	377,867.97	266,599.42	38,712.00	64,056.00	3,840.00	687,019.39
Other Salaries for Instruction	67,801.00	1,050.00	-	-	-	132,907.00
Purchased Professional and Technical Services	39,870.00	-	-	225,840.00	-	39,870.00
Other Purchased Services (400-500 series)	-	2,711.77	410.50	410.50	-	225,840.00
General Supplies	54,197.28	-	-	-	-	57,319.55
Textbooks	25,295.00	-	-	-	-	25,295.00
Total Instruction	565,031.25	270,361.19	38,712.00	290,306.50	3,840.00	1,168,250.94
Support Services:						
Salaries of Program Directors	-	9,499.88	-	-	-	9,499.88
Salaries of Other Professional Staff	14,329.91	97,033.49	-	28,000.00	5,000.00	144,363.40
Personal Services - Employee Benefits	18,278.83	74,796.19	17,361.00	24,334.50	1,516.50	136,287.02
Purchased Professional - Educational Services	-	9,605.00	-	-	-	9,605.00
Other Purchased Services (400-500 series)	-	3,848.00	3,360.00	-	515.50	7,208.00
General Supplies	980.60	1,223.25	-	-	-	2,719.35
Other Objects	-	6,600.00	-	-	-	6,600.00
Total Support Services	33,589.34	202,605.81	20,721.00	52,334.50	7,032.00	316,282.65
Facilities Acquisition and Constr. Services:						
Instructional Equipment	-	-	-	-	-	-
Total Facilities Acquisition and Constr. Services	-	-	-	-	-	-
Contribution to Charter Schools	-	-	-	-	-	-
Total Outflows	598,620.59	472,967.00	59,433.00	342,641.00	10,872.00	1,484,533.59
Other Financing Sources (Uses)						
Transfer from Operating Budget - PreK	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-	-

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2016**

	Total Brought Forward (Ex. E-1b)	Nonpublic Security	Nonpublic Corrective Speech	Nonpublic Auxiliary Basic Skills	Nonpublic Technology	Total Carried Forward
<b>REVENUES:</b>						
State Sources	\$ 396,961.91	11,075.00	21,045.54	158,020.14	11,518.00	598,620.59
Federal Sources	-					-
Total Revenues	<u>396,961.91</u>	<u>11,075.00</u>	<u>21,045.54</u>	<u>158,020.14</u>	<u>11,518.00</u>	<u>598,620.59</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers	244,794.00		20,064.94	113,009.03		377,867.97
Other Salaries for Instruction	67,801.00					67,801.00
Purchased Professional and Technical Services	39,870.00					39,870.00
Other Purchased Services (400-500 series)	-	11,075.00		31,604.28	11,518.00	-
General Supplies	-					54,197.28
Textbooks	25,295.00					25,295.00
Total Instruction	<u>377,760.00</u>	<u>11,075.00</u>	<u>20,064.94</u>	<u>144,613.31</u>	<u>11,518.00</u>	<u>565,031.25</u>
Support Services:						
Salaries of Program Directors	-					-
Salaries of Other Professional Staff	10,829.91			3,500.00		14,329.91
Personal Services - Employee Benefits	8,372.00			9,906.83		18,278.83
Purchased Professional - Educational Services	-					-
Other Purchased Services (400-500 series)	-		980.60			-
General Supplies	-					980.60
Other Objects	-					-
Total Support Services	<u>19,201.91</u>	<u>-</u>	<u>980.60</u>	<u>13,406.83</u>	<u>-</u>	<u>33,589.34</u>
Facilities Acquisition and Constr. Services:						
Instructional Equipment	-					-
Total Facilities Acquisition and Constr. Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution to Charter Schools	-					-
Total Outflows	<u>396,961.91</u>	<u>11,075.00</u>	<u>21,045.54</u>	<u>158,020.14</u>	<u>11,518.00</u>	<u>598,620.59</u>
Other Financing Sources (Uses)						
Transfer from Operating Budget - PreK	-					-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ 0.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2016**

	Nonpublic Supplementary Instruction	Nonpublic Exam & Class	Nonpublic Textbooks	Nonpublic Nurse	Preschool Education Aid	Total Carried Forward
<b>REVENUES:</b>						
State Sources	\$ 6,683.00	10,829.91	25,295.00	39,870.00	314,284.00	396,961.91
Federal Sources						-
Total Revenues	<u>6,683.00</u>	<u>10,829.91</u>	<u>25,295.00</u>	<u>39,870.00</u>	<u>314,284.00</u>	<u>396,961.91</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers	6,683.00				238,111.00	244,794.00
Other Salaries for Instruction					67,801.00	67,801.00
Purchased Professional and Technical Services				39,870.00		39,870.00
Other Purchased Services (400-500 series)						-
General Supplies			25,295.00			-
Textbooks						25,295.00
Total Instruction	<u>6,683.00</u>	<u>-</u>	<u>25,295.00</u>	<u>39,870.00</u>	<u>305,912.00</u>	<u>377,760.00</u>
Support Services:						
Salaries of Program Directors		10,829.91				-
Salaries of Other Professional Staff					8,372.00	10,829.91
Personal Services - Employee Benefits						8,372.00
Purchased Professional - Educational Services						-
Other Purchased Services (400-500 series)						-
General Supplies						-
Other Objects						-
Total Support Services	<u>-</u>	<u>10,829.91</u>	<u>-</u>	<u>-</u>	<u>8,372.00</u>	<u>19,201.91</u>
Facilities Acquisition and Constr. Services:						
Instructional Equipment						-
Total Facilities Acquisition and Constr. Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution to Charter Schools						
Total Outflows	<u>6,683.00</u>	<u>10,829.91</u>	<u>25,295.00</u>	<u>39,870.00</u>	<u>314,284.00</u>	<u>396,961.91</u>
Other Financing Sources (Uses)						
Transfer from Operating Budget - PreK						-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT  
 Special Revenue Fund  
 Preschool Education Aid  
 Budgetary Basis  
 For the Year Ended June 30, 2016**

<u>District-Wide Total</u>	<u>Total</u>		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 238,111.00	238,111.00	-
Other Salaries for Instruction	67,801.00	67,801.00	-
Total Instruction	<u>305,912.00</u>	<u>305,912.00</u>	<u>-</u>
Support Services:			
Personal Services - Employee Benefits	8,372.00	8,372.00	-
Total Support Services	<u>8,372.00</u>	<u>8,372.00</u>	<u>-</u>
Total Expenditures	<u>\$ 314,284.00</u>	<u>314,284.00</u>	<u>-</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total Revised 2015-16 Preschool Education Aid Allocation	302,556.00
Add: Actual ECPA/PEA Carryover (June 30, 2015)	11,728.00
Add: Budgeted Transfer from the General Fund 2015-16	-
Total Preschool Education Aid Funds Available for 2015-16 Budget	<u>314,284.00</u>
Less: 2015-16 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(314,284.00)</u>
Available & Unbudgeted Preschool Education Aid Funds as June 30, 2016	-
Add: June 30, 2016 Unexpended Preschool Education Aid	-
2015-16 Carryover – Preschool Education Aid/Preschool	<u>-</u>
2015-16 Preschool Education Aid Carryover Budgeted for Preschool Programs 2016-17	<u>-</u>



## **CAPITAL PROJECTS FUND DETAIL STATEMENTS**

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.



**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Capital Projects Funds**  
**Summary Schedule of Project Expenditures**  
**For the Year Ended June 30, 2016**

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Cumulative SDA Grants Canceled	Cumulative Transferred to Debt Service Fund	Unexpended Balance June 30, 2016
			Prior Years	Current Year			
Jordan Road Elementary School: Replacement of Exterior Windows	12/14/2010	\$ 572,582.00	458,337.00	-	74,851.00	39,382.25	11.75
Roof Replacement New York Avenue School:	12/14/2010	1,977,200.00	1,698,479.00	-	112,518.00	166,203.00	-
Replacement of Exterior Windows	12/14/2010	178,860.00	145,642.00	-	53,290.00	(20,072.00)	-
		<u>\$ 2,728,642.00</u>	<u>2,302,458.00</u>	<u>-</u>	<u>240,659.00</u>	<u>185,513.25</u>	<u>11.75</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Capital Projects Funds**  
**Summary Schedule of Project Revenues, Expenditures, and**  
**Changes in Fund Balance - Budgetary Basis**  
**For the Year Ended June 30, 2016**

<b>Revenues and Other Financing Sources:</b>	
Miscellaneous	\$ 77.41
Total Revenues	<u>77.41</u>
<b>Expenditures and Other Financing Uses:</b>	
Other Purchased Professional and Technical Services	-
Construction Services	-
Legal Services	-
Other Objects	-
Total Expenditures	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>77.41</u>
<b>Other Financing Sources (Uses):</b>	
Transfer Out to the Debt Service Fund	<u>(96,935.41)</u>
Total Other Financing Sources (Uses)	<u>(96,935.41)</u>
Excess (Deficiency) of revenues and other financing sources sources over (under) expenditures and other financing sources (uses)	(96,858.00)
Fund Balance - July1	<u>96,869.75</u>
Fund Balance - June 30	<u>\$ 11.75</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Capital Projects Funds**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Jordan Road Elementary School - Replacement of Exterior Windows**  
**From Inception and for the Year Ended June 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
Bond Proceeds and Transfers	\$ 312,705.00		312,705.00	312,705.00
State Sources - EDA Grant	185,027.00		185,027.00	259,877.00
<b>Total Revenues</b>	<b>497,732.00</b>	<b>-</b>	<b>497,732.00</b>	<b>572,582.00</b>
<b>Expenditures and Other Financing Uses:</b>				
Other Purchased Professional and Technical Services	34,762.00		34,762.00	70,112.00
Construction Services	410,550.00		410,550.00	463,235.00
Legal Services	6,394.00		6,394.00	6,400.00
Other Objects	6,631.00		6,631.00	32,835.00
<b>Total Expenditures</b>	<b>458,337.00</b>	<b>-</b>	<b>458,337.00</b>	<b>572,582.00</b>
Excess (deficiency) of revenues E over (under) expenditures	39,395.00	-	39,395.00	-
<b>Other Financing Sources (Uses):</b>				
Transfer Out to the Debt Service Fund	(15,425.25)	(23,958.00)	(39,383.25)	
Excess (Deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	\$ 23,969.75	(23,958.00)	11.75	-
<b>Additional Project Information:</b>				
Project Number	4800-055-10-1002			
Grant Date	4/7/2011			
Bond Authorization Date	12/14/2010			
Bonds Authorized	383,873			
Bonds Issued	383,873			
Original Authorized Cost	643,750			
Additional Authorized Cost	(71,168)			
Revised Authorized Cost	572,582			
Percentage Increase over Original Authorized Cost	-11%			
Percentage Completion	80%			
Original Target Completion Date	9/1/2011			
Revised Target Completion Date				

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Capital Projects Funds**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Jordan Road Elementary School - Roof Replacement**  
**From Inception and for the Year Ended June 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
Bond Proceeds and Transfers	\$ 1,179,018.00		1,179,018.00	1,179,018.00
State Sources - EDA Grant	685,664.00		685,664.00	798,182.00
Total Revenues	<u>1,864,682.00</u>	<u>-</u>	<u>1,864,682.00</u>	<u>1,977,200.00</u>
<b>Expenditures and Other Financing Uses:</b>				
Other Purchased Professional and Technical Services	111,865.00		111,865.00	220,092.00
Construction Services	1,548,716.00		1,548,716.00	1,581,700.00
Legal Services	17,000.00		17,000.00	17,000.00
Other Objects	20,898.00		20,898.00	158,408.00
Total Expenditures	<u>1,698,479.00</u>	<u>-</u>	<u>1,698,479.00</u>	<u>1,977,200.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>166,203.00</u>	<u>-</u>	<u>166,203.00</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>				
Transfer Out to the Debt Service Fund	<u>(93,302.00)</u>	<u>(72,901.00)</u>	<u>(166,203.00)</u>	
Excess (Deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>\$ 72,901.00</u>	<u>(72,901.00)</u>	<u>-</u>	<u>-</u>
<b>Additional Project Information:</b>				
Project Number	4800-055-10-1003			
Grant Date	4/7/2011			
Bond Authorization Date	12/14/2010			
Bonds Authorized	1,179,018			
Bonds Issued	1,179,018			
Original Authorized Cost	1,977,200			
Additional Authorized Cost	-			
Revised Authorized Cost	1,977,200			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	86%			
Original Target Completion Date	9/1/2011			
Revised Target Completion Date				

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Capital Projects Funds**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**New York Avenue School - Replacement of Exterior Windows**  
**From Inception and for the Year Ended June 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
Bond Proceeds and Transfers	\$ 66,774.00		66,774.00	66,775.00
State Sources - EDA Grant	58,795.00		58,795.00	112,085.00
<b>Total Revenues</b>	<u>125,569.00</u>	<u>-</u>	<u>125,569.00</u>	<u>178,860.00</u>
<b>Expenditures and Other Financing Uses:</b>				
Other Purchased Professional and Technical Services	14,992.00		14,992.00	29,791.00
Construction Services	125,050.00		125,050.00	137,543.00
Legal Services	2,745.00		2,745.00	2,799.00
Other Objects	2,855.00		2,855.00	8,727.00
<b>Total Expenditures</b>	<u>145,642.00</u>	<u>-</u>	<u>145,642.00</u>	<u>178,860.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,073.00)</u>	<u>-</u>	<u>(20,073.00)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>				
Transfer Out to the Debt Service Fund	<u>20,072.00</u>	<u>1.00</u>	<u>20,073.00</u>	
Excess (Deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>\$ (1.00)</u>	<u>1.00</u>	<u>-</u>	<u>-</u>
<b>Additional Project Information:</b>				
Project Number	4800-060-10-1011			
Grant Date	4/7/2011			
Bond Authorization Date	12/14/2010			
Bonds Authorized	165,565			
Bonds Issued	165,565			
Original Authorized Cost	277,650			
Additional Authorized Cost	(98,790)			
Revised Authorized Cost	178,860			
Percentage Increase over Original Authorized Cost	-36%			
Percentage Completion	81%			
Original Target Completion Date	9/1/2011			
Revised Target Completion Date				

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## **FIDUCIARY FUNDS DETAIL STATEMENTS**

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

**Unemployment Compensation Fund** - This Trust Fund is an expendable trust fund and limits expenses set aside for this purpose in current and prior budgets and contributions from employee withholding in prior years.

Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

**Student Activity Fund** - This agency fund is used to account for student funds held at the schools.

**Payroll Fund** - This agency fund is used to account for the payroll transactions of the school district.



**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Assets**  
**June 30, 2016**

	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 161,707.28	24,024.76	185,732.04
Total Assets	<u>161,707.28</u>	<u>24,024.76</u>	<u>185,732.04</u>
<b>LIABILITIES</b>			
Payable to Student Groups		23,293.80	23,293.80
Accounts Payable	699.27	730.96	1,430.23
Total Liabilities	<u>699.27</u>	<u>24,024.76</u>	<u>24,724.03</u>
<b>NET ASSETS</b>			
Held in Trust for Unemployment Claims and Other Purposes	\$ <u>161,008.01</u>		<u>161,008.01</u>
Total Net Assets			<u>161,008.01</u>
Total Liabilities and Net Assets			<u><u>185,732.04</u></u>

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**For the Year Ended June 30, 2016**

	Unemployment Compensation Trust	Totals
	<u>Trust</u>	<u>Totals</u>
<b>ADDITIONS</b>		
Contributions:		
Plan Member	\$ 17,912.11	17,912.11
Board Contribution	40,000.00	40,000.00
	<u>57,912.11</u>	<u>57,912.11</u>
Investments Earnings:		
Interest	193.61	193.61
	<u>193.61</u>	<u>193.61</u>
Net Investment Earnings	<u>58,105.72</u>	<u>58,105.72</u>
Total Additions		
Deductions		
Unemployment Claims	7,963.94	7,963.94
	<u>7,963.94</u>	<u>7,963.94</u>
Total Deductions		
Change in Net Assets	50,141.78	50,141.78
Net Assets - Beginning of the Year	<u>110,866.23</u>	<u>110,866.23</u>
Net Assets - End of the Year	<u>\$ 161,008.01</u>	<u>161,008.01</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 As of June 30, 2016**

	<u>Balance June 30, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance June 30, 2016</u>
Elementary Schools:				
Cash and Cash Equivalents	\$ 23,806.61	38,569.89	38,351.74	24,024.76
Total Assets	\$ <u>23,806.61</u>	<u>38,569.89</u>	<u>38,351.74</u>	<u>24,024.76</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**As of 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>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 24.34	5,123,466.19	5,123,490.53	-
Total Assets	<u>24.34</u>	<u>5,123,466.19</u>	<u>5,123,490.53</u>	<u>-</u>
<b>LIABILITIES:</b>				
Interfund Payable	24.34		24.34	-
Payroll Deductions & Withholding	-	5,123,466.19	5,123,466.19	-
Total Liabilities	<u>\$ 24.34</u>	<u>5,123,466.19</u>	<u>5,123,490.53</u>	<u>-</u>

## **LONG-TERM DEBT SCHEDULES**

The long-term debt schedules are used to reflect the outstanding principal balance of the general long-term liabilities of the school district. This includes serial bonds outstanding, the outstanding principal balance on capital leases.





**CITY OF SOMERS POINT SCHOOL DISTRICT  
Schedule of General Serial Bonds  
As of June 30, 2016**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds				Balance June 30, 2015	Increased	Decreased	Balance June 30, 2016
			Date	Amount	Interest Rate	Outstanding June 30, 2016				
Renovations Project	4/4/2005	\$ 1,523,000	2/1/2017	\$ 140,000	4.100%	\$ 543,000.00		140,000.00	403,000.00	
			2/1/2018	140,000	4.100%					
			2/1/2019	123,000	4.100%					
Renovations Project	2/15/2011	3,443,000	2/15/2017	210,000	3.000%	2,753,000.00		200,000.00	2,553,000.00	
			2/15/2018	220,000	3.000%					
			2/15/2019	230,000	4.000%					
			2/15/2020	240,000	4.000%					
			2/15/2021	250,000	4.000%					
			2/15/2022	265,000	4.000%					
			2/15/2023	275,000	4.000%					
		2/15/2024	290,000	4.000%						
		2/15/2025	300,000	4.000%						
		2/15/2026	273,000	4.000%						
						\$ 3,296,000.00	-	340,000.00	2,956,000.00	

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Schedule of Obligations Under Capital Lease**  
**As of June 30, 2016**

Description	Amount of Original Issue	Balance June 30, 2015	Issued Current Year	Retired Current Year	Balance June 30, 2016
Security System	\$ 159,423.00	\$ 119,423.00		28,867.23	90,555.77
		<u>\$ 119,423.00</u>	<u>-</u>	<u>28,867.23</u>	<u>90,555.77</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 369,202.00		369,202.00	369,202.00	-
Total - Local Sources	369,202.00	-	369,202.00	369,202.00	-
Total Revenues	369,202.00	-	369,202.00	369,202.00	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	126,083.00		126,083.00	126,083.00	-
Redemption of Principal	340,000.00		340,000.00	340,000.00	-
Total Regular Debt Service	466,083.00	-	466,083.00	466,083.00	-
Total Expenditures	466,083.00	-	466,083.00	466,083.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(96,881.00)	-	(96,881.00)	(96,881.00)	-
Other Financing Sources(Uses):					
Operating Transfers In:					
Transfer from Capital Projects	96,858.00		96,858.00	96,935.41	77.41
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	(23.00)	-	(23.00)	54.41	77.41
Fund Balance, July 1	5,823.41		5,823.41	5,823.41	-
Fund Balance, June 30	\$ 5,800.41	-	5,800.41	5,877.82	77.41

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## **Statistical Section**

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**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-1

	2007	2008	2009	2010	2011	2012	2013	2014 *	2015	2016
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 3,736,252	4,303,442	5,041,078	5,852,699	3,660,228	7,757,099	7,651,778	7,654,586	7,581,123	7,484,476
Restricted	596,521	795,797	1,120,692	987,328	3,424,885	866,143	448,518	271,089	1,221,297	1,335,356
Unrestricted	(118,765)	(307,654)	(337,244)	(650,373)	359,980	689,088	770,913	(2,592,048)	(4,038,226)	(4,461,585)
Total governmental activities net position	4,213,988	4,791,585	5,824,526	6,289,653	7,444,092	9,292,330	8,871,209	5,333,627	4,764,194	4,388,248
<b>Business-type activities</b>										
Invested in capital assets, net of related debt									49,770	45,003
Restricted	45,761	59,080	87,281	34,280	1,689	2,141	5,585	16	31,280	61,370
Unrestricted	45,761	59,080	87,281	34,280	1,689	2,141	5,585	16	81,050	1,06,374
Total business-type activities net position										
<b>District-wide</b>										
Invested in capital assets, net of related debt	3,736,252	4,303,442	5,041,078	5,852,699	3,660,228	7,757,099	7,651,778	7,654,586	7,630,893	7,529,480
Restricted	596,521	795,797	1,120,692	987,328	3,424,885	866,143	448,518	271,089	1,221,297	1,335,356
Unrestricted	(73,024)	(248,574)	(249,964)	(526,093)	360,669	671,229	778,498	(2,592,032)	(4,006,946)	(4,400,215)
Total district net position	4,259,749	4,850,665	5,911,807	6,323,933	7,445,782	9,294,471	8,876,794	5,333,643	4,845,244	4,464,621

\* as restated

Source: CAFR Schedule A-1

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Changes in Net Position,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental activities:										
Instruction:										
Regular	5,815,643	6,314,548	6,606,506	6,921,451	7,073,713	6,644,725	7,124,442	7,080,991	8,270,608	8,452,784
Other special instruction	2,690,954	2,721,629	2,376,461	3,240,279	3,349,398	2,791,730	3,307,683	3,296,418	3,966,027	4,316,931
	457,366	589,656	357,033	337,139	361,430	327,018	363,029	385,511	447,895	573,695
Support Services:										
Tuition	637,988	469,064	449,947	446,018	178,645	393,091	361,795	428,506	504,975	354,871
Student & instruction related services	1,916,815	1,969,075	2,346,504	2,426,798	2,283,288	2,482,682	2,463,182	2,501,100	3,085,494	3,454,182
General administrative services	487,338	603,896	504,463	423,563	427,830	400,038	423,021	759,152	808,478	838,546
School administrative services	524,634	613,267	537,843	648,361	669,601	687,089	422,431	417,584	407,635	461,274
Central services	353,944	431,140	360,241	334,019	345,635	371,134	372,547	392,303	486,724	534,663
Plant operations and maintenance	1,307,908	1,299,196	1,219,804	1,237,252	1,247,037	1,680,859	1,987,523	1,593,943	1,772,395	1,987,073
Pupil transportation	300,583	307,132	266,427	290,119	250,453	366,660	392,669	511,432	539,849	428,569
Food Service	24,629	25,263	24,922	26,997	27,884	30,000	29,794	31,193		
Charter Schools	66,851	53,006	37,419	109,285	31,523				25,857	39,717
Interest on long-term debt	238,350	199,517	159,117	117,934	90,665	209,236	128,677	142,486	133,231	121,692
Unallocated depreciation	2,174	2,174	2,174	2,174	2,174					
Total governmental activities expenses	14,825,177	15,598,564	15,248,962	16,561,398	16,339,275	16,384,262	17,715,793	17,540,619	20,449,168	21,563,997
Business-type activities:										
Food Service	341,047	324,775	243,475	269,397	178,420	169,262	186,048	179,627	390,689	429,714
Community Education Recreation Program	341,047	324,775	243,475	269,397	178,420	169,262	186,048	179,627	390,689	429,714
Total business-type activities expenses	15,166,224	15,923,339	15,492,337	16,830,786	16,517,695	16,553,524	17,901,841	17,720,246	21,014,144	22,159,717
<b>Program Revenues</b>										
Governmental activities:										
Charges for services	4,331,128	4,861,386	2,532,296	2,769,460	1,663,147	39,647	69,515	82,948	82,414	139,241
Operating grants and contributions					206,886	1,720,018	1,392,851	2,791,752	4,854,143	5,590,479
Capital grants and contributions					1,870,033	2,741,727	1,462,366	2,874,700	4,936,557	5,729,721
Total governmental activities program revenues	4,331,128	4,861,386	2,532,296	2,769,460	1,870,033	2,741,727	1,462,366	2,874,700	4,936,557	5,729,721
Business-type activities:										
Charges for services:										
Food Service	233,680	252,339	271,676	216,396	145,830	169,714	189,492	174,058	57,311	46,036
Community Education Recreation Program									178,916	177,734
Operating grants and contributions									396,411	398,394
Capital grants and contributions										
Total business-type activities program revenue	233,680	252,339	271,676	216,396	145,830	169,714	189,492	174,058	631,638	622,163
Total district program revenue	4,564,808	5,113,725	2,803,972	2,985,856	2,015,863	2,911,441	1,651,858	3,048,758	5,568,195	6,351,884



**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Changes in Net Position,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (10,494,049)	(10,737,179)	(12,716,566)	(13,791,929)	(14,469,242)	(13,642,535)	(16,253,427)	(14,665,919)	(15,512,611)	(15,834,277)
Business-type activities	(107,366)	(72,435)	28,201	(53,001)	(32,591)	452	3,444	(5,569)	66,662	26,444
Total district-wide net expense	<u>(10,601,416)</u>	<u>(10,809,614)</u>	<u>(12,688,365)</u>	<u>(13,844,930)</u>	<u>(14,501,832)</u>	<u>(13,642,083)</u>	<u>(16,249,983)</u>	<u>(14,671,488)</u>	<u>(15,445,949)</u>	<u>(15,807,833)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes levied for general purposes, net	7,861,264	7,725,264	7,726,935	7,794,737	7,816,157	8,078,673	8,383,479	8,711,622	8,949,548	9,383,122
Taxes levied for debt service	813,791	849,263	819,451	826,393	859,124	459,463	459,919	288,892	299,067	369,202
Unrestricted grants and contributions	2,538,872	2,701,025	5,094,808	5,573,503	6,867,315	7,035,603	7,016,628	5,729,528	5,681,557	5,681,344
Investment earnings	80,787	46,067	13,727	9,876	11,487	1,000	5,252	268	1,724	3,046
Miscellaneous income	55,102	78,911	94,585	52,547	69,598	13,484	8,601	21,707	11,282	2,621
Transfers	(103,017)	(85,754)	-	-	69,598	(97,450)	(24,179)	-	-	-
Special Item - NonCash Equipment										
Total governmental activities	<u>11,246,799</u>	<u>11,314,776</u>	<u>13,749,507</u>	<u>14,257,056</u>	<u>15,623,681</u>	<u>15,490,773</u>	<u>15,849,700</u>	<u>14,752,017</u>	<u>14,943,178</u>	<u>15,428,331</u>
Business-type activities:										
Transfers	103,017	85,754	-	-	-	-	-	-	14,372	(1,120)
Special Item - NonCash Equipment										
Total business-type activities	<u>103,017</u>	<u>85,754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,372</u>	<u>(1,120)</u>
Total district-wide	<u>\$ 11,349,816</u>	<u>\$ 11,400,530</u>	<u>\$ 13,749,507</u>	<u>\$ 14,257,056</u>	<u>\$ 15,623,681</u>	<u>\$ 15,490,773</u>	<u>\$ 15,849,700</u>	<u>\$ 14,752,017</u>	<u>\$ 14,957,550</u>	<u>\$ 15,427,211</u>
Changes in Net Position										
Governmental activities	752,750	577,597	1,032,941	465,127	1,154,439	1,848,238	(403,727)	86,098	(569,433)	(405,946)
Business-type activities	(4,350)	13,319	28,201	(53,001)	(32,591)	452	3,444	(5,569)	81,034	25,324
Total district	<u>\$ 748,400</u>	<u>\$ 590,916</u>	<u>\$ 1,061,142</u>	<u>\$ 412,127</u>	<u>\$ 1,121,848</u>	<u>\$ 1,848,690</u>	<u>\$ (400,283)</u>	<u>\$ 80,529</u>	<u>\$ (488,399)</u>	<u>\$ (380,622)</u>

Source: CAFR Schedule A-2

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds,**  
**Last Nine Fiscal Years**  
*(modified accrual basis of accounting)*

**Exhibit J-3**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Restricted										
Committed					1,015,083	1,044,855	1,205,131	1,132,183	987,797	1,061,756
Assigned					288,171	244,129	250,100	205,100	183,600	183,600
Unassigned					(185,754)	235,784	(201,929)	50,000	49,900	100,000
Reserved	670,102	857,848	1,169,043	1,031,195		(189,216)		63,047	(126,447)	(161,514)
Unreserved	251,693	179,439	53,976	(151,948)						
Total general fund	921,795	1,037,287	1,223,019	879,247	1,117,500	1,335,552	1,253,302	1,450,330	1,094,850	1,173,842
All Other Governmental Funds										
Restricted										
Capital Projects Fund					(1,106,277)	6,714	439,529	267,947	96,870	12
Debt Service Fund					844		3,119	3,142	5,823	5,878
Committed					4,241,083					
Assigned						591,465	5,870			
Unassigned					(28,172)	(27,791)	(34,524)	(30,256)	(30,654)	(30,259)
Reserved										
Unreserved, reported in:										
Special revenue fund	(36,745)	(48,045)	(26,523)	(26,645)						
Capital projects fund										
Debt service fund	2,170	352								
Permanent fund										
Total all other governmental funds	(34,575)	(47,693)	(26,523)	(26,645)	3,107,478	570,388	413,994	240,833	72,039	(24,370)

Source: CAFR Schedule B-1

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

Exhibit J-4

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax Levy	5,147,103	5,343,861	4,890,007	4,978,785	4,806,047	4,876,392	4,738,254	4,884,301	5,150,780	4,829,866
Tuition charges	2,337,783	2,446,532	1,787,734	2,493,013	2,460,873	2,049,202	2,273,266	2,238,596	2,492,599	2,508,340
Interest earnings	429,778	473,538	259,623	241,440	252,552	240,040	241,746	260,998	274,544	324,498
Miscellaneous	5,988,419	6,809,816	6,838,579	6,037,644	7,006,920	8,729,524	7,591,497	7,590,786	7,791,431	7,967,263
State sources	881,580	752,594	788,526	2,305,319	1,523,543	1,008,159	874,178	930,494	1,005,453	925,458
Federal sources	15,680,943	16,261,915	16,281,803	17,026,516	17,286,828	18,329,950	17,392,441	17,628,717	18,140,919	18,789,953
<b>Total revenue</b>										
<b>Expenditures</b>										
Instruction:										
Regular instruction	1,690,468	1,650,622	1,830,866	1,881,355	1,784,070	1,822,353	1,739,926	1,840,504	1,971,361	2,071,638
Special education instruction	448,102	492,499	395,967	323,956	331,221	293,638	325,871	317,565	313,859	314,968
Other special education instruction	464,244	484,973	414,544	488,220	484,299	504,341	510,150	513,662	551,423	512,709
Support Services:										
Tuition	314,556	346,237	269,382	244,141	248,973	272,421	255,554	348,008	348,008	334,059
Student & instruction related services	1,309,050	1,286,353	1,100,230	1,091,886	1,095,620	1,233,794	1,607,967	1,301,411	1,395,058	1,421,562
General administrative services	293,474	296,686	254,388	282,867	243,794	269,138	368,407	491,418	511,604	399,867
School administrative services	24,629	25,263	24,922	26,997	27,884	30,000	29,794	31,193	25,857	39,717
Central services	1,139,122	1,586,364	3,245,593	3,610,039	3,728,427	4,010,958	4,507,543	4,387,630	4,546,229	5,170,087
Plant operations and maintenance	66,851	53,006	37,419	109,285	31,523	-	-	-	25,857	39,717
Pupil transportation	39,716	155,604	71,460	129,992	591,856	4,297,306	290,149	163,463	270,796	59,305
Food Service Program	820,000	870,000	870,000	920,000	962,000	295,000	305,000	320,000	330,000	340,000
Unallocated employee benefits	251,267	213,217	172,817	132,417	89,667	164,463	155,763	146,863	137,523	126,083
Charter schools	15,414,131	16,193,819	16,074,901	17,370,410	17,357,452	20,647,585	17,711,185	17,602,850	18,824,616	18,807,369
Capital outlay	266,812	68,096	206,902	(343,894)	(70,624)	(2,317,635)	(318,744)	23,867	(683,697)	(17,416)
Debt service:										
Principal	351	-	1	-	844	5,870	3,119	233,408	234,348	96,935
Interest and other charges	(103,368)	(85,754)	(1)	-	(844)	(5,870)	(3,119)	(233,408)	(234,348)	(96,935)
Total Expenditures	15,414,131	16,193,819	16,074,901	17,370,410	17,357,452	20,647,585	17,711,185	17,602,850	18,824,616	18,807,369
Excess (Deficiency) of revenues over (under) expenditures	266,812	68,096	206,902	(343,894)	(70,624)	(2,317,635)	(318,744)	23,867	(683,697)	(17,416)
<b>Other Financing Sources (Uses)</b>										
Transfers in	351	-	1	-	844	5,870	3,119	233,408	234,348	96,935
Transfers out	(103,368)	(85,754)	(1)	-	(844)	(5,870)	(3,119)	(233,408)	(234,348)	(96,935)
Capital Leases (non-budgeted)	-	121,032	-	-	-	-	136,296	(233,408)	159,423	-
Canceled accounts receivable	-	-	-	-	-	-	(56,196)	-	-	-
Bond proceeds	-	-	-	-	3,443,000	-	-	-	-	-
Transfer to arbitrage	(103,017)	35,278	-	-	-	-	80,100	-	159,423	-
Total other financing sources (uses)	163,795	103,374	206,902	(343,894)	3,372,376	(2,317,635)	(238,644)	23,867	(524,274)	(17,416)
Net change in fund balances	6,97%	6.75%	6.52%	6.10%	6.27%	2.81%	2.64%	2.68%	2.52%	2.49%
Debt service as a percentage of noncapital expenditures										

Source: CAFR Schedule B-2

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**General Fund Other Local Revenue by Source,**  
**Last Ten Fiscal Years**  
 Unaudited

Fiscal Year Ended June 30,	Interest on		Tuition		Rentals	Miscellaneous	Totals
		Investments	Revenue	Revenue			
2007	\$	80,435.68	9,163.12	45,939.08		135,537.88	
2008		46,066.75	12,402.40	66,508.72		124,977.87	
2009		13,726.82	13,681.48	80,903.94		108,312.24	
2010		9,875.82	35,666.79	16,880.64		62,423.25	
2011		9,792.53	37,226.41	32,371.60		79,390.54	
2012		1,000.00	39,647.00	13,484.00		54,131.00	
2013		3,588.00	69,515.00	8,601.00		81,704.00	
2014		245.00	82,948.00	21,707.00		104,900.00	
2015		1,664.00	82,414.00	11,282.00		95,360.00	
2016		2,968.35	139,241.49	2,620.72		144,830.56	

Source: District Records

Exhibit J-6

CITY OF SOMERS POINT SCHOOL DISTRICT  
 Assessed Value and Actual Value of Taxable Property,  
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	O Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2007	\$ 11,367,900	465,068,900			168,398,000		41,028,800	685,863,600		1,857,315	687,720,915	1.254	1,304,973,273
2008	12,735,000	469,806,200			172,679,800		41,205,100	696,426,100		1,813,810	698,239,910	1.226	1,498,690,513
2009	11,560,500	473,264,900			172,297,300		41,205,100	696,327,800		1,685,627	700,013,427	1.226	1,586,612,482
2010	9,673,000	475,701,700			164,782,600		41,205,100	691,362,400		1,786,733	693,149,133	1.248	1,483,674,622
2011	9,424,200	473,997,500			163,589,400		40,905,100	687,916,200		1,796,796	689,712,996	1.247	1,409,648,108
2012	9,416,400	473,012,000			162,959,800		40,397,100	685,785,300		1,918,493	687,703,793	1.264	1,303,189,532
2013	8,351,400	473,381,500			159,401,300		40,372,100	681,506,300		1,521,274	683,027,574	1.306	1,290,761,884
2014	11,663,100	814,795,100			290,337,600		71,576,000	1,188,371,800		-	1,188,371,800	0.768	1,180,523,189
2015	10,206,200	808,079,300			288,177,000		71,576,000	1,178,038,500		-	1,178,038,500	0.827	1,169,275,027
2016	10,385,800	804,520,400			285,895,900		71,576,000	1,172,378,100		-	1,172,378,100	0.875	1,124,475,446

\* Revalued

Source: County Abstract of Ratables & Municipal Tax Assessor

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

Exhibit J-7

Fiscal Year Ended June 30,	CITY OF SOMERS POINT SCHOOL DISTRICT				Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	County Other	Regional School	Municipal Local Purpose		
2007	1.133	0.119	1.252	0.516	0.043	0.092	0.852	1.084	3.839	
2008	1.107	0.119	1.226	0.510	0.046	0.093	0.862	1.169	3.906	
2009	1.107	0.122	1.229	0.563	0.011	0.103	0.881	1.226	4.013	
2010	1.126	0.096	1.222	0.560	0.011	0.099	0.986	1.251	4.129	
2011	1.151	0.067	1.218	0.628	0.011	0.102	1.053	1.274	4.286	
2012	1.197	0.067	1.265	0.599	0.010	0.099	1.027	1.294	4.294	
2013	1.239	0.024	1.263	0.767	0.012	0.102	1.073	1.390	4.607	
2014	0.744	0.025	0.769	0.396	0.005	0.070	0.622	0.839	2.701	
2015	0.802	0.025	0.827	0.447	0.002	0.042	0.595	0.881	2.794	
2016	0.844	0.031	0.875	0.494	0.002	0.042	0.632	0.907	2.952	

\* Revalued

Source: District Records and Municipal Tax Collector

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Principal Property Tax Payers,**  
**Last Year and Eleven Years Ago**

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Village Plaza, LLC	\$ 23,486,000	1	1.99%			
Sea Aire Apartments, LLC	14,760,000	2	1.25%	\$ 9,005,000	2	1.32%
IDA K mart Sears	13,586,000	3	1.15%			
West America, LTD	10,272,000	4	0.87%	5,250,000	9	0.77%
Related Somers Point, LLC	10,244,000	5	0.87%			
American Stores Reality Co	9,506,000	6	0.81%			
Ocean Heights Manor LLC	9,189,000	7	0.78%			
WWW Associates	8,835,000	8	0.75%	5,491,000	8	0.81%
Est. of P Kiejdan-Marital Trust				4,567,400	10	0.67%
EQI Financial Partners, LP	7,601,000	9	0.65%	7,098,000	5	1.04%
Somers Point, LLC	7,081,000	10	0.60%			
Acme Markets				6,100,000	6	0.90%
Somers Point Apartments, LLC				5,800,000	7	0.85%
Brahin/Somers Point Builders				28,472,700	1	4.18%
Scarborough/Harbour Cove				8,850,300	3	1.30%
Plantation Bay, LLC				8,100,000	4	1.19%
<b>Totals</b>	<b>\$ 114,560,000</b>		<b>9.72%</b>	<b>\$ 88,734,400</b>		<b>13.04%</b>
			<b>District Assessed Value</b>			<b>\$ 680,636,201</b>

Source: District CAFR & Municipal Tax Assessor

**CITY OF SOMERS POINT SCHOOL DISTRICT  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 8,675,055.00	8,675,055.00	100%	-
2008	8,574,527.00	8,574,527.00	100%	-
2009	8,546,386.00	8,546,386.00	100%	-
2010	7,794,737.00	7,794,737.00	100%	-
2011	7,816,157.00	7,816,157.00	100%	-
2012	8,606,708.00	8,606,708.00	100%	-
2013	8,843,398.00	8,843,398.00	100%	-
2014	9,000,514.00	9,000,514.00	100%	-
2015	9,248,615.00	9,248,615.00	100%	-
2016	9,752,324.00	9,752,324.00	100%	-

Source: District records including the Certificate and Report of School Taxes (A-4F form)



**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type,**  
**Last Ten Fiscal Years**

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2007	4,725,000		6,659		4,731,659		0.81%	38,110	
2008	3,855,000		44,183		3,899,183		1.00%	39,106	
2009	2,985,000		105,250		3,090,250		1.27%	39,153	
2010	2,065,000		41,032		2,106,032		1.88%	39,545	
2011	4,546,000				4,546,000		0.91%	41,338	
2012	4,251,000				4,251,000		0.99%	41,927	
2013	3,946,000		90,006		4,036,006		1.03%	41,659	
2014	3,626,000		45,427		3,671,427		1.18%	43,336	
2015	3,296,000		119,423		3,415,423		1.27%	43,336	
2016	2,956,000		90,556		3,046,556		1.42%	43,336	

Source: District CAFR Schedules I-1, I-2

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding,**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	\$ 4,725,000	-	4,725,000	0.69%	38,110
2008	3,855,000	-	3,855,000	0.55%	39,106
2009	2,985,000	-	2,985,000	0.43%	39,153
2010	2,065,000	-	2,065,000	0.30%	39,545
2011	4,546,000	-	4,546,000	0.66%	41,338
2012	4,251,000	-	4,251,000	0.62%	41,927
2013	3,946,000	-	3,946,000	0.58%	41,659
2014	3,626,000	-	3,626,000	0.31%	43,336
2015	3,296,000	-	3,296,000	0.28%	43,336
2016	2,956,000	-	2,956,000	0.25%	43,336

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt,**  
**As of December 31, 2015**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
City of Somers Point	\$ 10,298,050	100.00%	\$ 10,298,050
<b>Other Debt</b>			
Mainland Regional High School District County of Atlantic	3,901,000 164,136,199	37.00% Not Available	1,443,370 Not Available
Subtotal, Overlapping Debt			11,741,420
<b>City of Somers Point School District Direct Debt</b>			<u>3,296,000</u>
<b>Total Direct and Overlapping Debt</b>			<u>\$ 15,037,420</u>

Sources:  
Atlantic County Abstract of Ratables  
County of Atlantic  
Mainland Regional High School District  
Annual Debt Statement - City of Somers Point

CITY OF SOMERS POINT SCHOOL DISTRICT  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years

Exhibit J-13

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 37,208,789	41,576,765	45,799,492	46,155,753	46,299,146	42,042,019	40,057,390	37,566,756	36,317,722	34,788,181
Total net debt applicable to limit	4,725,000	3,855,000	2,985,000	2,065,000	4,546,000	4,251,000	3,946,000	3,626,000	3,296,000	2,956,000
Legal debt margin	\$ 32,483,789	37,721,765	42,814,492	44,090,753	41,753,146	37,791,019	36,111,390	33,940,756	33,021,722	31,832,181
Total net debt applicable to the limit as a percentage of debt limit	12.70%	9.27%	6.52%	4.47%	9.82%	10.11%	9.85%	9.65%	9.08%	8.50%

	2015	2014	2013
Equalized valuation basis	\$ 1,140,736,419	1,176,489,258	1,161,592,466
			\$ 3,478,818,143
Average equalized valuation of taxable property	\$ 1,159,606,048		
Debt limit (3% of average)	34,788,181		
Net bonded school debt	2,956,000		
Legal debt margin	\$ 31,832,181		

Source: Abstract of Ratables and District Records CAFR Schedule J-7

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Demographic and Economic Statistics,**  
**Last Ten Fiscal Years**

**Exhibit J-14**

<u>Fiscal Year Ended June 30,</u>	<u>Population (a)</u>	<u>Personal Income (thousands of dollars) (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate</u>
2007	11,390	434,072,900	38,110	5.3%
2008	11,341	443,501,146	39,106	6.6%
2009	11,354	444,543,162	39,153	11.8%
2010	10,794	426,848,730	39,545	12.4%
2011	10,803	446,574,414	41,338	12.4%
2012	10,815	453,440,505	41,927	12.8%
2013	10,811	450,375,449	41,659	12.8%
2014	10,766	466,555,376	43,336	9.4%
2015	10,688	463,175,168	43,336	10.7%
2016	10,688	463,175,168	43,336	9.0%

Source:

- (a) U.S. Bureau of Census - Population Estimates
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (c) Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Census

**CITY OF SOMERS POINT SCHOOL DISTRICT  
Principal Employers,  
Current Year and Ten Years Ago**

**Exhibit J-15**

<b>Employer</b>	2016			2007		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
<b>INFORMATION NOT AVAILABLE</b>						
		1				
		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
<b>Totals</b>	-			-		<b>Not Available</b>

CITY OF SOMERS POINT SCHOOL DISTRICT  
 Full-Time Equivalent District Employees by Function/Program,  
 Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction:										
Regular instruction	86	86	93	95	89	86	92	92	96	96
Special education instruction	16	19	20	18	18	22	24	25	32	32
Support Services:										
Student & instruction related services	23	23	27	31	31	34	30	31	23	23
General administrative services	2	3	3	3	2	3	2	2	2	2
School administrative services	5	4	4	4	5	7	8	8	9	9
Business administrative services	3	3	3	3	4	1	4	4	4	4
Plant operations and maintenance	14	13	13	13	13	13	13	12	16	16
Pupil transportation	1	1							4	4
<b>Total</b>	<b>150</b>	<b>152</b>	<b>163</b>	<b>167</b>	<b>162</b>	<b>166</b>	<b>173</b>	<b>174</b>	<b>186</b>	<b>186</b>

Source: District Personnel Records

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Operating Statistics,**  
**Last Ten Fiscal Years**

**Exhibit J-17**

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2007	1,143	\$ 14,236,297	\$ 12,455	6.55%	96	1:20	1:15	1,122	1,058	-3.42%	94.28%	
2008	1,151	14,901,992	12,947	3.95%	97	1:19	1:15	1,116	1,054	-0.56%	94.44%	
2009	1,204	14,923,204	12,395	-4.27%	110	1:19	1:19	1,133	1,073	1.52%	94.70%	
2010	1,092	16,078,716	14,724	18.79%	113	1:19	1:19	1,093	1,026	-3.53%	93.87%	
2011	1,065	16,305,785	15,311	3.98%	107	1:19	1:20	1,053	994	-3.66%	94.40%	
2012	1,056	15,890,816	15,048	-1.71%	107	1:19	1:20	1,100	1,038	4.46%	94.36%	
2013	1,066	16,960,273	15,910	5.73%	116	1:19	1:20	1,080	1,015	-1.82%	93.98%	
2014	1,038	16,972,524	16,351	2.77%	113	1:11	1:8	1,096	1,059	1.48%	96.62%	
2015	984	18,060,440	18,354	12.25%	113	1:11	1:8	1,003	954	-8.49%	95.11%	
2016	963	18,242,265	18,943	3.21%	114	1:11	1:5	972	923	-3.09%	94.96%	

Source: District records, ASSA and Schedules J-12, J-14



**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**School Building Information,**  
**Last Ten Fiscal Years**

**Exhibit J-18**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b><u>District Buildings</u></b>										
<b><u>Elementary</u></b>										
New York Avenue School										
Square Feet	13,841	13,841	13,841	13,841	13,841	13,841	13,841	13,841	13,841	13,841
Capacity (students)	150	150	150	150	150	150	150	150	150	150
Enrollment	66	57	83	77	81	95	80	79	72	74
Dawes Avenue School										
Square Feet	54,525	54,525	54,525	54,525	54,525	54,525	54,525	54,525	54,525	54,525
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	367	390	402	400	371	381	411	403	354	354
<b><u>Elementary/Middle School</u></b>										
Jordan Road School										
Square Feet	83,892	83,892	83,592	83,592	83,592	83,592	83,592	83,592	83,592	83,592
Capacity (students)	950	950	950	950	950	950	950	950	950	950
Enrollment	691	704	719	615	600	624	569	556	558	535

Number of Schools at June 30, 2015  
 Elementary - 2  
 Middle - 1

Source: District Records, ASSA, SRS, LRFP

CITY OF SOMERS POINT SCHOOL DISTRICT  
 General Fund  
 Schedule of Required Maintenance for School Facilities,  
 Last Ten Fiscal Years  
 (Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
New York Avenue School	N/A	\$ 31,494	30,679	27,140	52,625	35,507	36,764	186,558	84,400	68,270	85,900
Dawes Avenue School	N/A	65,238	77,745	66,007	55,393	55,174	71,764	247,596	121,824	138,951	150,834
Jordan Road School	N/A	128,226	95,710	77,382	56,807	50,792	66,314	209,167	127,052	144,482	161,728
Total School Facilities		<u>224,958</u>	<u>204,134</u>	<u>170,530</u>	<u>164,825</u>	<u>141,473</u>	<u>174,842</u>	<u>643,321</u>	<u>333,276</u>	<u>351,703</u>	<u>398,462</u>
Other Facilities											
Grand Total		<u>\$ 224,958</u>	<u>204,134</u>	<u>170,530</u>	<u>164,825</u>	<u>141,473</u>	<u>174,842</u>	<u>643,321</u>	<u>333,276</u>	<u>351,703</u>	<u>398,462</u>

Source: District Records

**CITY OF SOMERS POINT SCHOOL DISTRICT**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2016**  
*(Unaudited)*

**Exhibit J-20**

Company	Type of Coverage	Amount of Coverage	Deductible
ACCASBOJIF	School Package Policy - ACCASBOJIF:		
	Property, Inland Marine and Auto and		
	Physical Damages	\$ 150,000,000	\$ 500
	Boiler and Machinery	125,000,000	1,000
	Crime	500,000	500
	General and Automobile Liability	20,000,000	None
	Workers' Compensation	Statutory	None
	Educator's Legal Liability	20,000,000	None
	Pollution Legal Liability	3,000,000	25,000
	Cyber Liability	1,000,000	25,000
	Violent Malicious Acts	1,000,000	15,000
Selective Insurance Company	Board Secretary Surety Bond	189,000	

Source: District Records

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# **Single Audit Section**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## K-1 INDEPENDENT AUDITOR'S REPORT

Honorable President and  
Members of the Board of Education  
City of Somers Point School District  
County of Atlantic  
Somers Point, 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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Somers Point School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Somers Point School District's basic financial statements, and have issued our report thereon dated November 4, 2016.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Somers Point School Districts' control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of City of Somers Point School Districts' internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Michael S. Garcia*

**Michael S. Garcia**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 2080**

**November 4, 2016**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

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**K-2 INDEPENDENT AUDITOR'S REPORT**  
**ON COMPLIANCE FOR EACH MAJOR PROGRAM; ON INTERNAL CONTROL OVER COMPLIANCE;**  
**AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL**  
**ASSISTANCE**

The Honorable President and  
Members of Board of Education  
City of Somers Point School District  
Absecon, New Jersey  
County of Atlantic

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

We have audited the City of Somers Point School District, County of Atlantic, State of New Jersey compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016. The City of Somers Point School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Somers Point School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and New Jersey OMB 15-08. Those standards, the Uniform Guidance and NJ OMB 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about the City of Somers Point School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major program. However, our audit does not provide a legal determination of the City of Somers Point School District's compliance.

### ***Opinion on Each Major Program***

In our opinion, the City of Somers Point School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

### **Report on Internal Control over Compliance**

Management of the City of Somers Point School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Somers Point School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Somers Point School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedules of Expenditures of Federal Awards Required by the Uniform Guidance and Expenditures of State Financial Assistance Required by NJ OMB 15-08**

We have audited the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund of the City of Somers Point School District as of and for the year ended June 30, 2016, and have issued our report thereon dated November 4, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and NJ Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

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

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Michael S. Garcia*  
**Michael S. Garcia**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 2080**

**November 4, 2016**

**SOMERS POINT SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**for the Fiscal Year Ended June 30, 2016**

Federal Award Title	Federal Award Number	Grant or State Number	Grant Period From	Grant Period To	Program or Activity Amount	Balance June 30, 2015	Committed Amount	Cash Received	Budgetary Expenditures		(MEMO) Payments to Sub-Recipients	Adjustments	Repayment of Prior Balances	(Accounts Receivable)	Balance June 30, 2016	Days Over
									Pass Through	Direct						
<b>U.S. Department of Education</b>																
<b>Passed-through State Department of Education:</b>																
General Fund:																
Medical Assistance Program (SEM)	1605NURMAP	N/A	7/1/2015	6/30/2016	38,795.11	(41,365.71)	-	38,167.57	(38,795.11)	(38,795.11)	-	-	-	(627.54)	-	-
Medical Assistance Program (SEM)	1605NURMAP	N/A	7/1/2014	6/30/2015	81,101.84	(13,269.71)	-	41,866.79	(38,795.11)	(38,795.11)	-	-	-	(627.54)	-	-
Total General Fund								79,534.29								
Special Revenue Fund:																
Title I Cluster:																
IDEA-4800-16	S010A150100	NCLB-4800-16	7/1/2015	6/30/2016	529,171.00	(735.00)	-	472,967.00	(472,967.00)	(472,967.00)	-	-	-	-	-	-
IDEA-4800-16	S010A150100	NCLB-4800-16	7/1/2014	6/30/2015	453,617.00	(735.00)	-	472,967.00	(472,967.00)	(472,967.00)	-	-	-	-	-	-
Total Title I Cluster																
Special Education Cluster:																
IDEA-4800-16	S027A150100	IDEA-4800-16	7/1/2015	6/30/2016	342,641.00	-	342,641.00	(342,641.00)	(342,641.00)	(342,641.00)	-	-	-	-	-	-
IDEA-4800-16	S173A150114	IDEA-4800-16	7/1/2015	6/30/2016	10,872.00	-	10,872.00	(10,872.00)	(10,872.00)	(10,872.00)	-	-	-	-	-	-
Total Special Education Cluster																
Title II, Part A Improving Teacher Quality																
IDEA-4800-16	S387A150209	NCLB-4800-16	7/1/2015	6/30/2016	59,433.00	(566.00)	-	59,433.00	(59,433.00)	(59,433.00)	-	-	-	-	-	-
IDEA-4800-16	S387A150209	NCLB-4800-16	7/1/2014	6/30/2015	60,161.00	(566.00)	-	59,433.00	(59,433.00)	(59,433.00)	-	-	-	-	-	-
Total Title II, Part A																
Total Special Revenue Fund						(1,301.00)	-	867,214.00	(865,913.00)	(865,913.00)	-	-	-	-	-	-
<b>U.S. Department of Education</b>																
<b>Passed-through State Department of Education:</b>																
Enterprise Fund:																
Food Distribution Program	16161N1304N1089	N/A	7/1/2015	6/30/2016	35,835.66	-	35,835.66	(35,835.66)	(35,835.66)	(35,835.66)	-	-	-	-	-	-
Total Food Distribution Program																
Child Nutrition Cluster:																
National School Lunch Program	16161N1304N1089	N/A	7/1/2015	6/30/2016	72,988.20	(15,300.46)	60,615.07	(72,988.20)	(72,988.20)	(72,988.20)	-	-	(12,373.22)	-	-	-
National School Lunch Program	16161N1304N1089	N/A	7/1/2014	6/30/2015	71,229.56	(66,865.30)	15,300.46	(72,988.20)	(72,988.20)	(72,988.20)	-	-	(47,793.99)	-	-	-
National School Lunch Program	16161N1304N1089	N/A	7/1/2015	6/30/2016	270,532.31	(66,865.30)	223,138.32	(270,832.31)	(270,832.31)	(270,832.31)	-	-	(1,695.40)	-	-	-
National School Lunch Program	16161N1304N1089	N/A	7/1/2014	6/30/2015	262,519.88	(2,326.34)	56,869.30	(13,361.88)	(13,361.88)	(13,361.88)	-	-	(62,002.61)	-	-	-
National School Lunch Program	16161N1304N1089	N/A	7/1/2014	6/30/2015	8,667.40	(74,465.10)	369,775.97	(357,282.46)	(357,282.46)	(357,282.46)	-	-	(62,002.61)	-	-	-
Total National School Lunch Program																
Total Child Nutrition Cluster						(74,465.10)	-	465,711.62	(393,218.14)	(393,218.14)	-	-	(62,002.61)	-	-	-
Total Enterprise Fund																
Total Federal Financial Awards						\$ (117,653.81)	-	1,372,459.91	(1,317,926.25)	(1,317,926.25)	-	-	-	(62,630.15)	-	-

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

**SOMERS POINT SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance**  
**for the Fiscal Year ended June 30, 2016**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2015		Due to Grantor	Carryover / Amount	Cash Received	Budgetary Expenditures	Adjustments/ Reversals of Prior Years' Balances	Balance June 30, 2016		MEMO	
			From	To	Unearned Revenue (Accts Receivable)	Unearned Revenue (Accounts Receivable)						Due to Grantor	Budgetary Receivable		Cumulative Total Expenditures
<b>State Department of Education</b>															
General Fund:															
State Aid Public Cluster:															
Equalization Aid	16-495-034-5120-078	4,999,725.00	07/01/15	06/30/16	\$				4,999,725.00	(4,999,725.00)				(451,718.80)	4,999,725.00
Special Education Categorical Aid	16-495-034-5120-089	961,975.00	07/01/15	06/30/16					961,975.00	(961,975.00)				(51,183.22)	961,975.00
Library Aid	16-495-034-5120-090	12,184.00	07/01/15	06/30/16					12,184.00	(12,184.00)				(1,110.60)	12,184.00
Underage Aid	16-495-034-5120-098	9,890.00	07/01/15	06/30/16					9,890.00	(9,890.00)				(900.76)	9,890.00
PARCC Readiness	16-495-034-5120-099	9,890.00	07/01/15	06/30/16					9,890.00	(9,890.00)				(900.76)	9,890.00
Per Pupil Growth Aid	16-495-034-5120-097	9,890.00	07/01/15	06/30/16					9,890.00	(9,890.00)				(900.76)	9,890.00
Total State Aid Public Cluster									5,614,049.00	(5,614,049.00)				(511,312.94)	5,614,049.00
Transportation Aid	16-495-034-5120-014	16,457.00	07/01/15	06/30/16					16,457.00	(16,457.00)				(1,488.86)	16,457.00
Extracurricular Aid	16-100-034-5120-473	10,871.00	07/01/15	06/30/16					6,234.00	(10,871.00)					10,871.00
Extraordinary Aid	15-100-034-5120-473	6,234.00	07/01/14	06/30/15					6,234.00	(6,234.00)					6,234.00
Additional Non Public Transportation Aid	16-495-034-5120-014	686.00	07/01/15	06/30/16					1,218.00	(686.00)					686.00
Additional Non Public Transportation Aid	15-495-034-5120-014	1,218.00	07/01/14	06/30/15					541,592.18	(641,592.18)					541,592.18
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	541,592.18	07/01/15	06/30/16					6,179,550.18	(6,183,665.18)				(512,811.80)	6,183,665.18
Total General Fund									302,556.00	(302,556.00)				(30,259.20)	302,556.00
Special Revenue Fund:									306,537.00	(11,728.00)					11,728.00
Preschool Education Aid	16-495-034-5120-086	306,537.00	07/01/14	06/30/15					306,537.00	(11,728.00)					306,537.00
Preschool Education Aid	15-495-034-5120-086	306,537.00	07/01/14	06/30/15					306,537.00	(11,728.00)					306,537.00
N.J. Nonpublic Aid:									39,076.00	(39,076.00)					39,076.00
Nursing Aid	16-100-034-5120-070	31,025.00	07/01/15	06/30/16					31,025.00	(31,025.00)					31,025.00
Technology Aid	16-100-034-5120-069	11,051.00	07/01/15	06/30/16					25,295.00	(25,295.00)					25,295.00
Textbook Aid	16-100-034-5120-064	25,295.00	07/01/15	06/30/16					11,518.00	(11,518.00)					11,518.00
Technology Aid	16-100-034-5120-073	11,518.00	07/01/15	06/30/16					186,666.00	(158,020.14)					186,666.00
Auxiliary Services:									13,724.00	(1,880.66)					1,870.00
Compensatory Education	16-100-034-5120-087	186,666.00	07/01/15	06/30/16					186,666.00	(158,020.14)					186,666.00
Compensatory Education	15-100-034-5120-087	186,666.00	07/01/15	06/30/15					186,666.00	(158,020.14)					186,666.00
Home Instruction	16-100-034-5120-085	1,870.00	07/01/15	06/30/16					1,870.00	(0.00)					1,870.00
Home Instruction	15-100-034-5120-087	1,870.00	07/01/14	06/30/15					1,870.00	(0.00)					1,870.00
Handicapped Services:									6,683.00	(6,683.00)					6,683.00
Supplemental Instruction	16-100-034-5120-066	6,683.00	07/01/15	06/30/16					12,801.00	(10,829.91)					12,801.00
Examination & Classification	16-100-034-5120-068	12,801.00	07/01/15	06/30/16					3,779.00	(3,779.00)					3,779.00
Examination & Classification	15-100-034-5120-068	12,801.00	07/01/14	06/30/15					27,590.00	(21,045.54)					27,590.00
Connecticut Speech	16-100-034-5120-060	27,590.00	07/01/15	06/30/16					6,955.34	(9,855.34)					6,955.34
Total Special Revenue Fund									17,503.00	(17,503.00)					17,503.00
<b>State Department of Agriculture</b>															
Enterprise Fund:									1,258.70	(1,258.70)					1,258.70
Child Nutrition Cluster:									4,208.04	(5,175.39)					4,208.04
State School Lunch Program	16-100-010-3350-023	5,652.29	07/01/14	06/30/15					1,258.70	(1,258.70)					1,258.70
State School Lunch Program	16-100-010-3350-023	5,362.63	07/01/15	06/30/16					4,208.04	(5,175.39)					4,208.04
Total Child Nutrition Cluster									5,466.74	(6,433.18)					5,466.74
Total Enterprise Fund									6,724.74	(7,431.57)					6,724.74
Total State Financial Assistance									6,791,003.92	(6,797,461.16)				(543,071.00)	6,797,461.16

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

**SOMERS POINT SCHOOL DISTRICT**  
**Notes to the Schedules of Financial Assistance**  
**June 30, 2016**

**K-5**

**Note 1: General**

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state award programs of the Board of Education, City of Somers Point School District. The Board of Education is defined in Note 1(A) to the Board's basic 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 programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

**Note 3: Relationship to Basic Financial Statements**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (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 GAAP reporting, revenue is not recognized until the subsequent year or when the 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 the payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$88.20 for the General Fund and (\$26,314.80) for the Special Revenue Fund. See the Notes to Required Supplementary Information 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 basic financial statements on a GAAP basis as follows:

	Federal	State	TPAF Pension	Total
General Fund	\$ 38,795.11	7,395,619.18	(1,211,954.00)	6,222,460.29
Special Revenue Fund	885,913.00	598,620.59		1,484,533.59
Food Service Fund	393,218.14	5,175.39		398,393.53
	\$ 1,317,926.25	7,999,415.16	(1,211,954.00)	8,105,387.41

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.

**SOMERS POINT SCHOOL DISTRICT**  
**Notes to the Schedules of Financial Assistance**  
**June 30, 2016**

**K-5**

**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.

**Note 5: Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

**Note 6: Adjustments**

Both favorable and unfavorable differences incurred as a result of final grant payments being rounded by the grantor and are included in the schedule(s) of financial assistance in a column entitled "Adjustments."

**SOMERS POINT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Section I - Summary of Auditor's Results**

**Financial Statement**

Type of auditor's report issued	<u>Unmodified</u>		
Internal control over financial reporting:			
• Material weakness(es) identified?	_____ yes	<u>  X  </u>	no
• Significant deficiency(ies) identified?	_____ yes	<u>  X  </u>	none reported
Noncompliance material to financial statements noted?	_____ yes	<u>  X  </u>	no

**Federal Awards**

Internal Control over major programs:			
• Material weakness(es) identified?	_____ yes	<u>  X  </u>	no
• Significant deficiency(ies) identified?	_____ yes	<u>  X  </u>	none reported
Type of auditor's report issued on compliance major programs	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	_____ yes	<u>  X  </u>	no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	Child Nutrition Cluster:
10.553	16161NJ304N1099	School Breakfast Program
10.555	16161NJ304N1099	National School Lunch Program
10.555	16161NJ304N1099	National Snack Program
_____	_____	_____
_____	_____	Special Education Cluster:
84.027	S027A150100	I.D.E.A. Part B, Basic
84.173	S173A150114	I.D.E.A. Part B, Preschool
_____	_____	_____

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

Auditee qualified as low-risk auditee? X yes \_\_\_\_\_ no



**SOMERS POINT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

**Section I - Summary of Auditor's Results**

**State Awards**

Internal Control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes     X     no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes     X     none reported

Type of auditor's report issued on compliance major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08

\_\_\_\_\_ yes     X     no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
16-495-034-5120-078	State Aid - Public Cluster:
16-495-034-5120-089	Equalization Aid
16-495-034-5120-084	Special Education Aid
16-495-034-5120-096	Security Aid
16-495-034-5120-097	Under Adequacy Aid
16-495-034-5120-098	Per Pupil Growth Aid
	PARCC Readiness

Dollar Threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

    X     yes \_\_\_\_\_ no

**SOMERS POINT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

**II. Financial Statement Findings**

There are none

**III. Federal Awards and State Financial Assistance Findings and Questioned Costs**

**FEDERAL AWARDS:**

Our audit disclosed no material Findings or Questioned Costs.

**STATE AWARDS:**

Our audit disclosed no material Findings or Questioned Costs.

**Status of Prior Year Findings**

None