

SCHOOL DISTRICT  
OF  
UNION BEACH  
OF MONMOUTH COUNTY

Union Beach School District  
Union Beach, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Fiscal Year Ended June 30, 2016

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

Of the

Union Beach School District  
of Monmouth County

Union Beach, New Jersey

For the Fiscal Year Ended June 30, 2016

Prepared by

Union Beach Board of Education  
Finance Department

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION	Page
Letter of Transmittal	1-4
Organizational Chart	5
Roster of Officials	6
Consultants, Independent Auditors and Advisors	7
FINANCIAL SECTION	
Independent Auditor's Report	9-11
REQUIRED SUPPLEMENTARY INFORMATION - PART I	
Management's Discussion and Analysis	13-19
BASIC FINANCIAL STATEMENTS	
A. District Wide Financial Statements	
A-1 Statement of Net Position	21
A-2 Statement of Activities	22
B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	23
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	24
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Of Governmental Funds to the Statement of Activities	25
Proprietary Funds	
B-4 Statement of Net Position	26
B-5 Statement of Revenues, Expenses and Changes in Fund Net Positions	27
B-6 Statement of Cash Flows	28
Fiduciary Funds	
B-7 Statement of Fiduciary Net Position	29
B-8 Statement of Changes in Fiduciary Net Position	30
Notes to the Financial Statements	31-59

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

C-1	Budgetary Comparison Schedule - General Fund	61-66
C-1a	Combining Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget and Actual	N/A
C-1b	Education Jobs Fund Program - Budget and Actual	N/A
C-2	Budgetary Comparison Schedule - Special Revenue Fund	67

Notes to the Required Supplementary Information

C-3	Budget-to-GAAP Reconciliation	68
-----	-------------------------------	----

Required Supplementary Information - Part III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

L-1	Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	70
L-2	Schedule of District Contributions - PERS	71
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	72

	Notes to the Required Supplementary Information - Part III	73
--	--	----

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3	Blended Resource Fund - Schedule of Blended Expenditures Budget and Actual	N/A

E. Special Revenue Fund

E-1	Combining Schedules of Program Revenues and Expenditures, Special Revenue Fund - Budgetary Basis	75-76
E-2	Schedule(s) of Demonstrably Effective Program Aid- Budgetary Basis	77

F. Capital Projects Fund

F-1	Summary Statement of Project Expenditures	N/A
F-2	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	N/A
F-2a	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis	N/A

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

G.	Proprietary Funds	
	Enterprise Fund	
	G-1 Combining Statement of Net Position	78
	G-2 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	79
	G-3 Combining Statement of Cash Flows	80
H.	Fiduciary Funds	
	H-1 Combining Statement of Fiduciary Net Position	81
	H-2 Combining Statement of Changes in Fiduciary Net Position	82
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	83
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	84
	H-5 Private Purpose Scholarship Fund Schedule of Receipts and Disbursements	N/A
I.	Long-Term Debt	
	I-1 Schedule of Serial Bonds	N/A
	I-2 Schedule of Obligations Under Capital Leases	N/A
	I-3 Debt Service Fund Budgetary Comparison Schedule	N/A
	I-4 Statement of Loans Payable - C.D.L.	85
J.	Introduction to the Statistical Section	
	Financial Trends	
	J-1 Net Position by Component	88
	J-2 Changes in Net Position	89
	J-3 Fund Balances - Governmental Funds	90
	J-4 Changes in Fund Balances, Governmental Funds	91
	J-5 General Fund Other Local Revenue by Source	92
	Revenue Capacity	
	J-6 Assessed Value and Estimated Actual Value of Taxable Property	93
	J-7 Direct and Overlapping Property Tax Rates	94
	J-8 Principal Property Taxpayers	95
	J-9 Property Tax Levies and Collections	96
	Debt Capacity	
	J-10 Ratios of Outstanding Debt by Type	97
	J-11 Ratios of General Bonded Debt Outstanding	98
	J-12 Direct and Overlapping Governmental Activities Debt	99
	J-13 Legal Debt Margin Information	100
	Demographic and Economic Information	
	J-14 Demographic and Economic Statistics	101
	J-15 Principal Employers	102
	Operating Information	
	J-16 Full-time Equivalent District Employees by Function/Program	103
	J-17 Operating Statistics	104
	J-18 School Building Information	105
	J-19 Schedule of Required Maintenance Expenditures by School Facility	106
	J-20 Insurance Schedule	107

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

K. Single Audit Section

K-1	Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	109-110
K-2	Independent Auditor's Report on Compliance for Each Major Program And On Internal Control Over Compliance Required By the Uniform Guidance and New Jersey OMB Circular Letter 15-08	111-113
K-3	Schedule of Expenditures of Federal Awards, Schedule A	114
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	115
K-5	Notes to the Schedules of Awards and Financial Assistance	116-117
K-6	Summary of Findings and Questioned Costs	118-119
K-7	Summary Schedule of Prior Audit Findings	120

INTRODUCTORY SECTION

**UNION BEACH BOARD OF EDUCATION  
1207 FLORENCE AVENUE  
UNION BEACH, NJ 07735  
732-264-3133**

November 23, 2016

Honorable President and  
Members of the Board of Education  
Union Beach School District  
County of Monmouth, New Jersey

Dear Board Members:

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

The CAFR is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Management Discussion and Analysis, the District's organizational chart and a list of principle officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Audit Act and Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** The Union Beach School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Union Beach Board of Education and its school constitute the District's reporting entity.



The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten 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 628 students, which is 7 students below the previous year's enrollment. This continued decline in enrollment is attributed in large part to the many students displaced due to Hurricane Sandy not returning to the district. The following details the changes in the student enrollment of the District over the last eight years. It should be noted that it appears as if the former administration overstated the district's enrollment in prior year CAFRs.

**Average Daily Enrollment**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-16	628	-0.011%
2014-15	635	-3.495%
2013-14	658	-4.638%
2012-13	690	-5.738%
2011-12	732	-0.007%
2010-11	737	-0.037%
2009-10	765	-0.014%
2008-09	776	-0.030%

**2) ECONOMIC CONDITION AND OUTLOOK:** Union Beach is located in the Bayshore area in Monmouth County which experienced extreme devastation due to October 2012 Hurricane Sandy. Many properties were totally destroyed or severely damaged. This has resulted in an impact on the tax basis in the current and future years to come.

**3) MAJOR INITIATIVES:** The Union Beach School District continues to act upon the goals and objectives embedded in our Long Range Facilities Plan for health and safety as well as acting upon the goals and objectives listed in our Five (5) Year Curriculum Plan and Three Year Technology Plan and our Three (3) Year Strategic Plan.

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

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

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 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 and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

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

**8)RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

**9)OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, L.L.P., was selected by the Board. 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 1984 and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and fund financial 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.

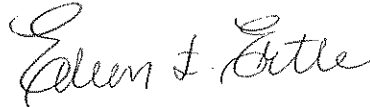
**10) ACKNOWLEDGMENTS:**

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

Respectfully submitted,



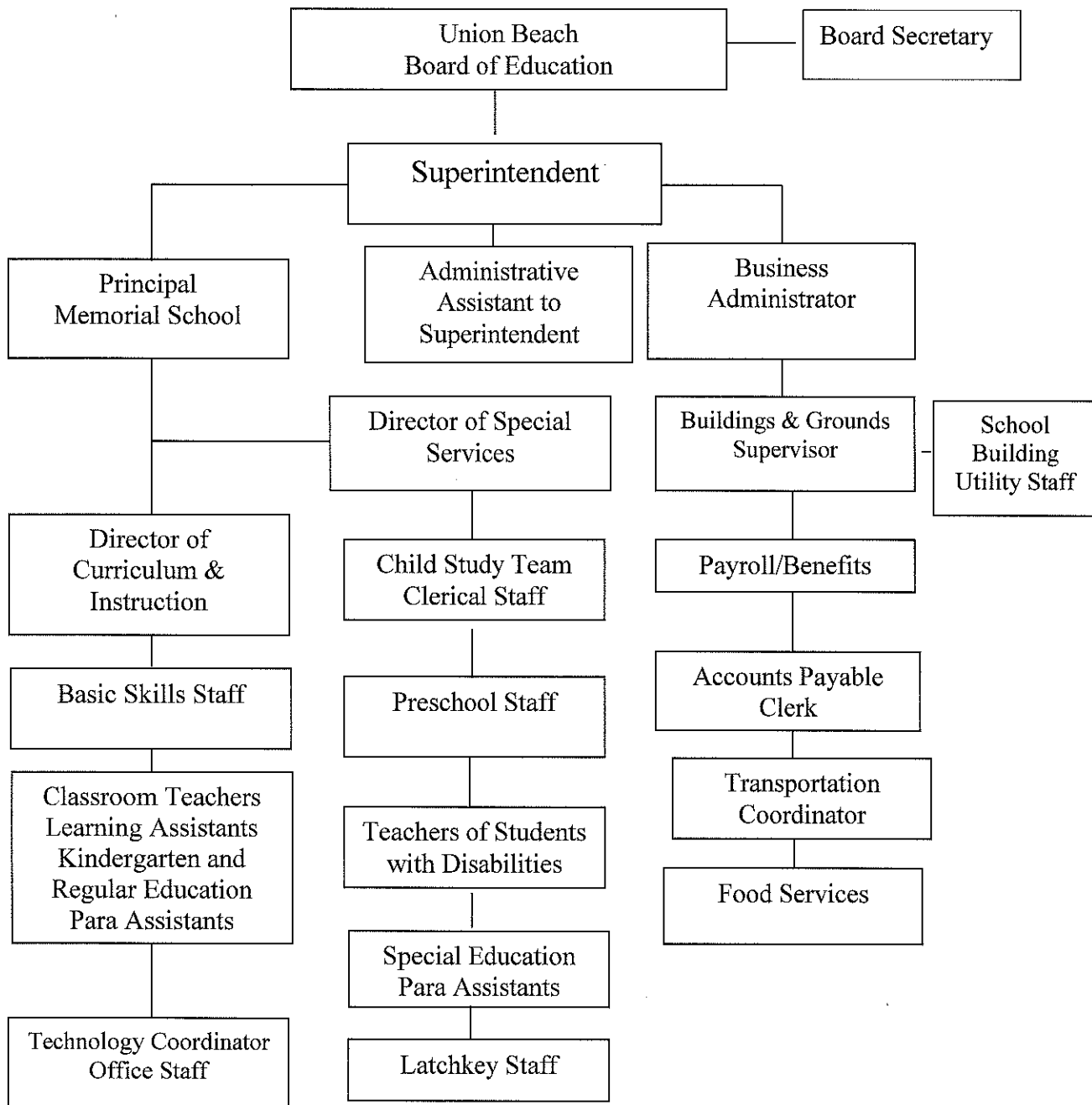
D. Scott Ridley, Ed.D.  
Superintendent



Eileen F. Ertle  
School Business Administrator/Board  
Secretary

ADMINISTRATION  
1110/page 1 of 1  
Organizational Chart

### 1110 ORGANIZATIONAL CHART



Adopted: 22 May 2012

Union Beach School District  
Union Beach, New Jersey

Roster of Officials  
June 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jean Watson, President	2018
Angela Cocuzza, Vice President	2017
Cassie Blashfield	2018
Kelli Kenny	2017
James McGrogan	2016
Geri-Lyn Ryan	2018
Ryan Sobin	2016
Julibeth Harrison-Mendoza	2016
Sarah Boyce	2017

Other Officials

Scott Ridley, Superintendent  
Eileen Ertle, School Business Administrator/Board Secretary  
Kenney, Gross, Kovats & Parton, Attorney

Union Beach School District  
Consultants and Advisors

Audit Firm

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

Attorney

Kenney, Gross, Kovats & Parton  
130 Maple Avenue  
Building 8  
Red Bank, NJ 07701

Official Depositories

Provident Bank  
State of NJ Cash Management Fund

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable President and  
Members of the Board of Education  
Union Beach School District:  
County of Monmouth  
Union Beach, New Jersey

**Report of the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Board of Education of Union Beach School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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



## **Opinion**

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 Union Beach School District in the County of Monmouth, State of New Jersey as of June 30, 2016 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

## **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union Beach School District's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 01, 2016 on our consideration of the Board of Education of the Union Beach School District in the County of Monmouth, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union Beach School District in the County of Monmouth, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted

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



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

December 01, 2016  
Toms River, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Union Beach School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2016

Unaudited

The discussion and analysis of Union Beach School District's financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2016 are as follows:

In total, net position totaled \$4,611,876, which represents a 3.79 percent increase from 2015.

General revenues accounted for \$15,005,725 in revenue or 93.36 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$975,028 or 6.64 percent of total revenues of \$15,980,753.

Total assets of governmental activities increased by \$563,733 as cash and cash equivalents increased by \$1,322,708, receivables decreased by \$446,777 and capital assets decreased by \$88,889.

The District had \$15,505,712 in expenses; only \$975,028 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$15,005,725 were adequate to provide for these programs.

Among major funds, the General Fund had \$15,317,698 in revenues and \$15,021,868 in expenditures and transfers. The General Fund's balance increased \$295,830 over 2015. The General Fund's balance is \$3,352,511. The Capital Reserve Fund balance is \$323,353. The Capital Reserve Fund balance increased \$450,325 over 2015. The increase was anticipated by the Board of Education.

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

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Union Beach 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 District, presenting both an aggregate view of the District's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government 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 District's most significant funds with all other non-major funds presented in total in one column. In the case of Union Beach School District, the General Fund is by far the most significant.

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

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

This document contains all funds used by the District to provide programs and activities viewing the District as a whole a reports the culmination of all financial transactions. The report answers the question "How We Did Financially During Fiscal Year 2016." The Statement of Net Position and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in those assets. This change in net position is important because reports whether the District's financial position has improved or diminished.

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

**Governmental Activities** - All of the 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 Activities** - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and Latchkey Program Enterprise Fund's are reported as business activities.

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

#### **Fund Financial Statement**

The Analysis of the District's major funds begins on page 23. Fund financial reports provide detailed information about the District's major funds. The District's major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

#### **Governmental Funds**

The District's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method 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 District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship 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. The reporting of this fund did not make a change with the conversion to GASB 34.

## The District as a Whole

The Statement of Net Assets provides the financial perspective of the District as a whole.

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

Table 1

Net Assets as of June 30, 2016 and 2015

	2016	2015
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 3,590,295	\$ 2,267,587
Receivables, Net	122,924	569,701
Inventory	2,485	3,206
Restricted Assets:		
Cash and Cash Equivalents	-	133,469
Due from other funds	114,609	186,790
Capital Assets, Net	<u>6,705,516</u>	<u>6,811,343</u>
<b>Total Assets</b>	<u>10,535,829</u>	<u>9,972,096</u>
 Deferred Outflows of Resources	 <u>512,539</u>	 <u>104,802</u>
<b>Liabilities:</b>		
Accounts Payable	45,170	61,924
Due to other funds	90,044	162,226
Unearned Revenue	1,132	895
Other current liabilities	888,009	460,370
Noncurrent Liabilities:		
Due Within One Year	139,388	152,776
Due Beyond One Year	<u>5,118,262</u>	<u>4,869,678</u>
<b>Total Liabilities</b>	<u>6,282,005</u>	<u>5,707,869</u>
 Deferred Inflows of Resources	 <u>154,487</u>	 <u>232,194</u>
<b>Net Position:</b>		
Invested in Capital Assets, Net of Related Debt	6,705,516	6,811,343
Restricted for:		
Special Revenue Fund	(11,356)	(14,850)
Capital Projects	773,678	323,353
Debt Service	-	-
General Fund	1,183,402	1,005,690
Unrestricted	<u>(4,039,364)</u>	<u>(3,988,701)</u>
<b>Total Net Position</b>	<u>\$ 4,611,876</u>	<u>\$ 4,136,835</u>

The District's combined net position were \$4,611,876 on June 30, 2016. This is a change of 11.48% from the previous year.

Table 2 provides a comparison analysis of District-wide changes in net position from fiscal years 2015 and 2016.

Table 2

Changes in Net Assets

	2016	2015
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 167,170	\$ 147,780
Operating Grants and Contributions	807,858	782,390
Capital Grants and Contributions	-	-
General Revenues:		
Property Taxes	5,871,180	5,756,058
Grants and Entitlements	9,125,886	9,172,519
Other	<u>8,659</u>	<u>106,422</u>
 Total Revenues	 <u>15,980,753</u>	 <u>15,965,169</u>
<u>Program Expenses</u>		
Instruction	4,268,092	4,091,305
Support Services:		
Pupils and Instructional Staff	6,105,193	6,634,229
General Administration, School Administration		
Business Operations and Maintenance of		
Facilities	1,681,456	1,650,054
Pupil Transportation	742,462	778,304
Unallocated employee benefits	1,749,579	1,655,501
Non-budgeted expenses	673,775	654,395
Interest	12,363	12,363
Food Service & Latchkey program	<u>272,792</u>	<u>266,350</u>
 Total Expenses	 <u>15,505,712</u>	 <u>15,742,501</u>
 Increase in Net Position	 <u>475,041</u>	 <u>\$ 222,668</u>

**Government Activities**

Property Taxes as approved by the voters of Union Beach made up 36.74% of revenues for governmental activities for the fiscal year 2016. The District's total revenues were \$15,980,753 for the year ended June 30, 2016. Federal, state and local grants accounted for another 62.16%.

The total cost of all programs and services was \$15,505,712. Instruction comprises 27.53% of the District's expenses.

The District sustained substantial damage in October 2012 due to Superstorm Sandy. The storm damaged the town, the school and the residents homes. The School was uninhabitable and needed to be cleaned and repaired and the children were transported to temporary schools. Insurance covered most of these expenses. The school was reopened in June 2013. The District is unaware what the full impact of the storm will have on its enrollment and the town's tax base.

## Expenses for Fiscal Year 2016

### Business-Type Activities

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

Food service and latchkey revenues exceeded expenses by \$26,721.

Charges for services represent \$165,430 of revenue. This represents the amount paid by patrons for daily food service and after-school care.

Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$134,083.

### 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 costs of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3

#### Governmental Activities

	2016		2015	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 4,268,092	\$ 4,266,352	\$ 4,114,619	\$ 4,091,305
Support Services:				
Pupils and Instructional Staff	6,105,193	6,105,193	6,634,229	6,634,229
General Administration, School Administration, Business Operation and Maintenance of Facilities	1,681,456	1,681,456	1,650,054	1,650,054
Pupil Transportation	742,462	742,462	778,304	778,304
Interest Expense	12,363	12,363	12,363	12,363
Other Charges	<u>2,423,354</u>	<u>1,749,579</u>	<u>2,309,896</u>	<u>1,655,501</u>
Total Expenses	<u>\$15,232,920</u>	<u>\$14,557,405</u>	<u>\$15,499,465</u>	<u>\$14,821,756</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 activities involve keeping the school grounds, buildings, and equipment in an effective working condition.



Pupil transportation includes activities involved with the conveyance of students to and from school, to school curricular and athletic activities and field trips as provided by state law. The 2013 transportation costs include the extra costs of transporting the students to the temporary location while the school was getting repaired from the storm damage.

Other charges involve the health and other employee benefits.

**The District's Funds**

Information about the District's major funds is in the Supplementary Section. These funds are accounted for using the modified accrual basis of accounting. All government funds had total revenues of \$15,980,753 and expenditures of \$16,568,489. The net positive (negative) change in fund balance for the year was most significant in the General Fund, an increase of \$524,013.

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 increase and increases in relation to prior-year revenues.

<u>Revenue</u>	2015-16 <u>Amount</u>	Percent of <u>Total</u>	2014-15 <u>Amount</u>	Percent of <u>Total</u>
Local Sources	\$ 6,047,009	37.83 %	\$ 6,033,540	37.74 %
State Sources	9,236,181	57.80	9,262,419	57.93
Federal Sources	<u>697,563</u>	<u>4.37</u>	<u>692,490</u>	<u>4.33</u>
 Total	 <u>\$15,980,753</u>	 <u>100.00 %</u>	 <u>\$15,988,449</u>	 <u>100.00 %</u>

**General Fund Budgeting Highlights**

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

During the course of the fiscal year 2016, the District amended its General Fund budget as needed. The District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. Transfers from one program to another must be approved by the Business Administration, Superintendent and Board of Education. Transfers were necessitated by:

- Staffing changes based on student needs.
- Building required maintenance and renovation projects.
- Changes in appropriations to prevent budget overruns.

While the District final budget for the General Fund anticipated that revenues and expenditures would roughly equal, the actual results for the year show a \$295,830 surplus.

Actual revenues were \$14,324,067 which is \$84,200 over budget excluding the non-budgeted items. Actual expenditures and transfers were \$14,028,237 which is \$1,176,723 under budget excluding the non-budgeted items.

**Capital Assets**

At the end of the fiscal year 2016, the School District had \$6,634,060 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2016 and 2015

	2016	2015
Land	\$ 1,381,000	\$ 1,381,000
Construction in Progress	-	-
Site Improvements	573,727	592,408
Building and Improvements	4,373,638	4,400,427
Machinery and Equipment	<u>305,695</u>	<u>349,114</u>
Total	<u>\$ 6,634,060</u>	<u>\$ 6,722,949</u>

Overall Capital assets decreased \$88,889 from fiscal year 2015 to 2016.

**For the Future**

The Union Beach School District is in excellent financial position.

The use of Capital Reserve provides funding for capital improvements. The District has funded in 2013 a Maintenance Reserve to maintain its investment in its buildings and grounds. An Emergency Reserve has been established to fund unexpected budgetary needs such as unanticipated special education tuition. The Tuition Reserve is adjusted yearly for possible tuition chargebacks from the sending arrangement with Keyport Board of Education. General Fund Reserve is used each year to reduce tax levied to fund the budget.

The District is primarily residential with very few ratables; thus the burden of taxes levied by the District falls to the homeowners.

The District Board of Education practices long-term financial planning. The District is proud of its system for financial planning, budgeting, and internal financial controls.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Union Beach School District, 1207 Florence Ave, Union Beach, NJ 07735.

BASIC FINANCIAL STATEMENTS

**UNION BEACH SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2016**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents			
Unrestricted	\$ 3,041,368	\$ 415,133	\$ 3,456,501
Restricted	133,794	-	133,794
Receivables - state	107,757	199	107,956
Receivables - federal	7,243	7,725	14,968
Inventory	-	2,485	2,485
Due from other funds	114,609	-	114,609
Capital assets, non-depreciable	1,381,000	-	1,381,000
Capital assets, net depreciable	5,253,060	71,456	5,324,516
Total assets	<u>10,038,831</u>	<u>496,998</u>	<u>10,535,829</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - PERS	512,539	-	512,539
	<u>512,539</u>	<u>-</u>	<u>512,539</u>
<b>LIABILITIES</b>			
Accounts payable	45,170	-	45,170
Due to general fund	-	90,044	90,044
Unearned revenue	-	1,132	1,132
Other current liabilities	888,009	-	888,009
Noncurrent liabilities:			
Due within one year	139,388	-	139,388
Due beyond one year	5,118,262	-	5,118,262
Total liabilities	<u>6,190,829</u>	<u>91,176</u>	<u>6,282,005</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - PERS	154,487	-	154,487
	<u>154,487</u>	<u>-</u>	<u>154,487</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	6,634,060	71,456	6,705,516
Restricted for:			
Special Revenue Fund	(11,356)	-	(11,356)
Capital projects	773,678	-	773,678
Other purposes	1,183,402	-	1,183,402
Unrestricted	(4,373,730)	334,366	(4,039,364)
Total net position	<u>\$ 4,206,054</u>	<u>\$ 405,822</u>	<u>\$ 4,611,876</u>

UNION BEACH SCHOOL DISTRICT  
Statement of Activities  
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>								
Current:								
Regular instruction	\$ 3,122,538	\$ -	\$ 1,740	\$ -	\$ -	\$ (3,120,798)	\$ -	\$ (3,120,798)
Special schools instruction	1,087,527	-	-	-	-	(1,087,527)	-	(1,087,527)
Other special instruction	58,027	-	-	-	-	(58,027)	-	(58,027)
Support services and undistributed costs:								
Instruction	4,997,825	-	-	-	-	(4,997,825)	-	(4,997,825)
Health services	79,301	-	-	-	-	(79,301)	-	(79,301)
Other support services	904,391	-	-	-	-	(904,391)	-	(904,391)
Educational media services	107,246	-	-	-	-	(107,246)	-	(107,246)
Instruction staff training	16,430	-	-	-	-	(16,430)	-	(16,430)
General administrative services	330,980	-	-	-	-	(330,980)	-	(330,980)
School administrative services	199,165	-	-	-	-	(199,165)	-	(199,165)
Central services	179,429	-	-	-	-	(179,429)	-	(179,429)
Allowed maintenance for school facilities	138,160	-	-	-	-	(138,160)	-	(138,160)
Other operation & maintenance of plant	795,986	-	-	-	-	(795,986)	-	(795,986)
Care and upkeep of grounds	19,925	-	-	-	-	(19,925)	-	(19,925)
Security	17,811	-	-	-	-	(17,811)	-	(17,811)
Student transportation services	742,462	-	-	-	-	(742,462)	-	(742,462)
Unallocated employee benefits	1,749,579	-	-	-	-	(1,749,579)	-	(1,749,579)
Non-budgeted expenditures	673,775	-	-	673,775	-	-	-	-
Special schools	-	-	-	-	-	-	-	-
Interest expense	12,363	-	-	-	-	(12,363)	-	(12,363)
Total governmental activities	<u>15,232,920</u>	<u>-</u>	<u>1,740</u>	<u>673,775</u>	<u>-</u>	<u>(14,557,405)</u>	<u>-</u>	<u>(14,557,405)</u>
Business-type activities:								
Food service	227,421	-	103,843	134,083	-	-	10,505	10,505
Latchkey Program	45,371	-	61,587	-	-	-	16,216	16,216
Total business-type activities	<u>272,792</u>	<u>-</u>	<u>165,430</u>	<u>134,083</u>	<u>-</u>	<u>-</u>	<u>26,721</u>	<u>26,721</u>
Total primary government	<u>\$ 15,505,712</u>	<u>-</u>	<u>\$ 167,170</u>	<u>\$ 807,858</u>	<u>\$ -</u>	<u>(14,557,405)</u>	<u>26,721</u>	<u>(14,530,684)</u>
<b>General revenues:</b>								
Taxes:								
Property taxes levied for general purpose						5,871,180	-	5,871,180
Federal and state aid						9,125,886	-	9,125,886
Miscellaneous income						8,659	-	8,659
Investment earnings						-	-	-
Total general revenues, special items, extraordinary items and transfers						<u>15,005,725</u>	<u>-</u>	<u>15,005,725</u>
<b>Change in net position</b>						<u>448,320</u>	<u>26,721</u>	<u>475,041</u>
<b>Net position—beginning</b>						<u>3,757,734</u>	<u>379,101</u>	<u>4,136,835</u>
<b>Net position—ending</b>						<u>\$ 4,206,054</u>	<u>\$ 405,822</u>	<u>\$ 4,611,876</u>

See accompanying notes to financial statements.

UNION BEACH 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	\$ 2,586,614	\$ 454,754	\$ -	\$ -	\$ 3,041,368
Capital reserve	133,794	-	-	-	133,794
Receivables, net	-	-	-	-	-
Due from other funds	587,962	-	-	-	587,962
Receivables - State	107,757	-	-	-	107,757
Receivables - Federal	-	7,243	-	-	7,243
Other - [tuition]	-	-	-	-	-
Total assets	<u>3,416,127</u>	<u>461,997</u>	<u>-</u>	<u>-</u>	<u>3,878,124</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	45,170	-	-	-	45,170
Interfund payable	-	473,353	-	-	473,353
Unearned revenue	-	-	-	-	-
Other current liabilities	862,253	-	-	-	862,253
Total liabilities	<u>907,423</u>	<u>473,353</u>	<u>-</u>	<u>-</u>	<u>1,380,776</u>
Fund Balances:					
Restricted for:					
Capital reserve account	773,678	-	-	-	773,678
Maintenance reserve account	410,675	-	-	-	410,675
Emergency reserve account	50,000	-	-	-	50,000
Tuition reserve	700,000	-	-	-	700,000
Excess surplus	-	-	-	-	-
Excess surplus -- designated for Subsequent year's expenditures	-	-	-	-	-
Committed to:					
Other purposes	22,727	-	-	-	22,727
Assigned to:					
Debt service fund	-	-	-	-	-
Designated by the BOE for subsequent year's expen	1,049,139	-	-	-	1,049,139
Capital projects fund	-	-	-	-	-
Other purposes	-	(941)	-	-	(941)
Unassigned to:					
General fund	(497,515)	-	-	-	(497,515)
Special revenue fund	-	(10,415)	-	-	(10,415)
Total Fund balances	<u>2,508,704</u>	<u>(11,356)</u>	<u>-</u>	<u>-</u>	<u>2,497,348</u>
Total liabilities and fund balances	<u>\$ 3,416,127</u>	<u>\$ 461,997</u>	<u>\$ -</u>	<u>\$ -</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 are \$12,167,690 and the accumulated depreciation is \$5,533,630	6,634,060
Deferred outflows related to the PERS pension plan	512,539
Deferred inflows related to the PERS pension plan	(154,487)
Accrued interest on Community Disaster Loan	(25,756)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(5,257,650)</u>
Net position of governmental activities	<u>\$ 4,206,054</u>

**UNION BEACH SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	GAAP Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 5,871,180	\$ -	\$ -	\$ -	\$ 5,871,180
Tuition charges	1,740	-	-	-	1,740
Interest on investments	-	-	-	-	-
Interest earned on capital reserve funds	-	-	-	-	-
Transportation fees	-	-	-	-	-
Miscellaneous	8,659	-	-	-	8,659
Total - Local Sources	<u>5,881,579</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,881,579</u>
State sources	9,116,263	117,049	-	-	9,233,312
Federal sources	-	566,349	-	-	566,349
Total revenues	<u>\$ 14,997,842</u>	<u>\$ 683,398</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,681,240</u>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	\$ 2,505,647	\$ 616,891	\$ -	\$ -	\$ 3,122,538
Special education instruction	1,087,527	-	-	-	1,087,527
Other special instruction	58,027	-	-	-	58,027
Support services and undistributed costs:					
Instruction	4,771,396	-	-	-	4,771,396
Health services	79,301	-	-	-	79,301
Other support services	829,032	74,771	-	-	903,803
Educational media services	107,246	-	-	-	107,246
Instruction staff training	16,430	-	-	-	16,430
General administrative services	319,402	-	-	-	319,402
School administrative services	199,165	-	-	-	199,165
Allowed maintenance for school facilities	138,160	-	-	-	138,160
Other operation & maintenance of plant	715,989	-	-	-	715,989
Care and upkeep of grounds	19,925	-	-	-	19,925
Security	17,811	-	-	-	17,811
Student transportation services	733,239	-	-	-	733,239
Central services	179,429	-	-	-	179,429
Admin info technology	-	-	-	-	-
Unallocated employee benefits	1,843,333	-	-	-	1,843,333
Non-budgeted expenditures	673,775	-	-	-	673,775
Special schools	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	238,926	-	-	-	238,926
Total expenditures	<u>14,533,760</u>	<u>691,662</u>	<u>-</u>	<u>-</u>	<u>15,225,422</u>
Excess (Deficiency) of revenues over expenditures	464,082	(8,264)	-	-	455,818
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers between funds	(11,758)	11,758	-	-	-
Repayment of CDL	(156,494)	-	-	-	(156,494)
CDL Property Tax Offset-Super Storm Sandy	-	-	-	-	-
Total other financing sources and uses	<u>(168,252)</u>	<u>11,758</u>	<u>-</u>	<u>-</u>	<u>(156,494)</u>
Net change in fund balances	295,830	3,494	-	-	299,324
Fund balance-July 1	2,212,874	(14,850)	-	-	2,198,024
Fund balance-June 30	<u>\$ 2,508,704</u>	<u>\$ (11,356)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,497,348</u>

See accompanying notes to financial statements.

UNION BEACH SCHOOL DISTRICT  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2016

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>\$</b>	<b>299,324</b>
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
	Depreciation expense	(267,604)
	Capital outlays	(88,889)
		<u>178,715</u>
In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey		(76,653)
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 change in accrued interest is an addition to the reconciliation.		(12,363)
The repayment of the Community Disaster Loan in the governmental funds is an other financing source, but decreases long-term liabilities in the statement of net position and is not reported in the statement of activities.		156,494
In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) 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, essentially, the amounts actually paid.		<u>170,407</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>448,320</u></b>



UNION BEACH School District  
Statement of Net Position  
Proprietary Funds  
June 30, 2016

	Business-type-activities-		
	Food Service	Enterprise Funds Latchkey Program	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 192,088	\$ 223,045	\$ 415,133
Accounts receivable - State	199	-	199
Accounts receivable - Federal	7,725	-	7,725
Interfund receivable	-	-	-
Other receivables	-	-	-
Inventories	2,485	-	2,485
Total current assets	<u>202,497</u>	<u>223,045</u>	<u>425,542</u>
Noncurrent assets:			
Furniture, machinery & equipment	338,751	-	338,751
Less accumulated depreciation	(267,295)	-	(267,295)
Total noncurrent assets	<u>71,456</u>	<u>-</u>	<u>71,456</u>
Total assets	<u>273,953</u>	<u>223,045</u>	<u>496,998</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	-	-	-
Deferred revenue	1,132	-	1,132
Interfund payable	90,044	-	90,044
Total current liabilities	<u>91,176</u>	<u>-</u>	<u>91,176</u>
<b>NET POSITION</b>			
Invested in capital assets net of related debt	71,456	-	71,456
Contributed capital	-	-	-
Restricted for:	-	-	-
Capital projects	-	-	-
Unrestricted	<u>111,321</u>	<u>223,045</u>	<u>334,366</u>
Total net position	<u>182,777</u>	<u>223,045</u>	<u>405,822</u>
Total liabilities and net position	<u>\$ 273,953</u>	<u>\$ 223,045</u>	<u>\$ 496,998</u>

See accompanying notes to financial statements.

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

	Business-type Activities -		
	Food Service	Enterprise Fund LatchKey Program	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 103,843	\$ 61,587	\$ 165,430
Daily sales - non-reimbursable programs	-	-	-
Tuition	-	-	-
Special functions	-	-	-
Miscellaneous	-	-	-
Total operating revenues	<u>103,843</u>	<u>61,587</u>	<u>165,430</u>
Operating expenses:			
Cost of sales	117,176	-	117,176
Salaries	62,417	37,731	100,148
Employee benefits	15,973	2,886	18,859
Purchased property services	-	-	-
Other purchased professional services	9,797	625	10,422
Cleaning, repair and maintenance services	-	-	-
Rentals	-	-	-
Miscellaneous	-	-	-
General supplies	5,120	4,129	9,249
Depreciation	16,938	-	16,938
Total Operating Expenses	<u>227,421</u>	<u>45,371</u>	<u>272,792</u>
Operating income (loss)	<u>(123,578)</u>	<u>16,216</u>	<u>(107,362)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	2,869	-	2,869
Federal sources:			
National school lunch program	105,573	-	105,573
National school breakfast program	6,981	-	6,981
National school snack program	-	-	-
Food distribution program	18,660	-	18,660
Interest and investment revenue	-	-	-
Miscellaneous expense	-	-	-
Total nonoperating revenues (expenses)	<u>134,083</u>	<u>-</u>	<u>134,083</u>
Change in net position	<u>10,505</u>	<u>16,216</u>	<u>26,721</u>
Total net position-beginning	172,272	206,829	379,101
Total net position-ending	<u>\$ 182,777</u>	<u>\$ 223,045</u>	<u>\$ 405,822</u>

See accompanying notes to financial statements.

**UNION BEACH SCHOOL DISTRICT**  
**Food Services Enterprise Fund**  
**Statement of Cash Flows**  
**for the Fiscal Year ended June 30, 2016**

	<u>Food Service</u>	<u>LatchKey Program</u>	<u>Total Enterprise</u>
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers and other funds	\$ 104,080	\$ 61,587	\$ 165,667
Payments to employees	(62,417)	(37,731)	(100,148)
Payments for employee benefits	(15,973)	(2,886)	(18,859)
Payments to suppliers	(184,894)	(4,754)	(189,648)
Net cash provided by (used in) operating activities	<u>(159,204)</u>	<u>16,216</u>	<u>(142,988)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
State sources	2,939	-	2,939
Federal sources	115,068	-	115,068
Net cash provided by noncapital financing activities	<u>118,007</u>	<u>-</u>	<u>118,007</u>
<b>Cash Flows from Investing Activities</b>			
Interest income	-	-	-
Net cash provided by investment activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(41,197)	16,216	(24,981)
Balances-beginning of the year	233,285	206,829	440,114
Balances-end of the year	<u>192,088</u>	<u>223,045</u>	<u>415,133</u>
<b>Reconciliation of operating income (loss) to net cash used for operating activities:</b>			
Operating income (loss)	\$ (123,578)	\$ 16,216	(107,362)
Adjustments to reconcile operating income (loss) to cash used by operating activities:			
Depreciation	16,938	-	16,938
Federal commodities	18,660	-	18,660
Change in assets and liabilities:			
Decrease (increase) in interfund receivable	(72,182)	-	(72,182)
Decrease (increase) in accounts receivable	-	-	-
Decrease (increase) in inventory	721	-	721
Increase (decrease) in accounts payable	237	-	237
Total adjustments	<u>(35,626)</u>	<u>-</u>	<u>(35,626)</u>
Net cash provided by (used in) operating activities	<u>\$ (159,204)</u>	<u>16,216</u>	<u>(142,988)</u>

See accompanying notes to financial statements.

UNION BEACH SCHOOL DISTRICT  
Statement of Fiduciary Net Position  
June 30, 2016

	Unemployment Compensation Trust	Student Activity	Agency Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 36,317	\$ 40,970	\$ 8,653	\$ 85,940
Intergovernmental accounts receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	<u>\$ 36,317</u>	<u>\$ 40,970</u>	<u>\$ 8,653</u>	<u>\$ 85,940</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	-	4,217	4,217
Payable to student groups	-	40,970	-	40,970
Interfund payable	20,151	-	4,414	24,565
Other current liabilities	-	-	22	22
Total liabilities	<u>20,151</u>	<u>40,970</u>	<u>8,653</u>	<u>69,774</u>
<b>NET POSITION</b>				
Held in trust for unemployment claims and other purposes	16,166	-	-	16,166
Reserved for scholarships	-	-	-	-
Total net position	<u>16,166</u>	<u>-</u>	<u>-</u>	<u>16,166</u>
Total liabilities and net position	<u>\$ 36,317</u>	<u>\$ 40,970</u>	<u>\$ 8,653</u>	<u>\$ 85,940</u>

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

	Unemployment Compensation Trust
<b>ADDITIONS</b>	
Contributions:	
Plan members	\$ 18,556
Other	-
Total contributions	18,556
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	-
Dividends	101
Less investment expense	-
Net investment earnings	101
Total additions	18,657
<b>DEDUCTIONS</b>	
Quarterly contribution reports	-
Unemployment claims	47,912
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	47,912
Change in net position	(29,255)
Net position—beginning of the year	45,421
Net position—end of the year	\$ 16,166

See accompanying notes to financial statements.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

**1. Summary of Significant Accounting Policies**

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

**A. Reporting Entity:**

The Union Beach School District is a Type II district located in the county of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK-8. The Union Beach School District had an approximate enrollment of 628 students at June 30, 2016.

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

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

**B. Basis of Presentation, Basis of Accounting:**

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

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2016

**1. Summary of Significant Accounting Policies (Cont'd)**

**B. Basis of Presentation, Basis of Accounting (cont'd):**

**Basis of Presentation**

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

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

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

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2016

**1. Summary of Significant Accounting Policies (Cont'd)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Presentation (Cont'd):**

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

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

The District reports the following governmental funds:

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

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

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



Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2016

1. **Summary of Significant Accounting Policies (Cont'd)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Presentation (Cont'd):**

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

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

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

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

The District reports the following fund types:

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

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

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

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2016

**1. Summary of Significant Accounting Policies (Cont'd)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Accounting**

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

**District-Wide, Proprietary, and Fiduciary Fund Financial Statements:** The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds use the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

All governmental and business-type activities and Enterprise Funds of the District follow the codification of the Financial Accounting Standards Board.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

1. **Summary of Significant Accounting Policies (Cont'd)**

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

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

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

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. At June 30, 2016, there was a reconciling difference of \$319,856 between the budgetary basis and GAAP basis in the General Fund and of \$ (2,553) in the Special Revenue Fund.

The following presents a reconciliation of the General Fund revenues and Special Revenue Fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules - General and Special Revenue Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types. Note that the District does not report encumbrances outstanding at year-end as expenditures in the General Fund since the General Fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2016

**1. Summary of Significant Accounting Policies (Cont'd)**

**D. Encumbrance Accounting:**

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

Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the Balance Sheet as deferred revenues at fiscal year-end.

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

**E. Assets, Liabilities, and Equity:**

**Interfund Transactions:**

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

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

**Inventories:**

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

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies (Cont'd)

E. Assets, Liabilities, and Equity (Cont'd):

Capital Assets:

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

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

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

Compensated Absences:

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

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

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

The liability for vested compensated absences of the proprietary fund-types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016, no liability existed for compensated absences in the Enterprise Fund.

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2016

**1. Summary of Significant Accounting Policies (Cont'd)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Unearned Revenue:**

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

**Accrued Liabilities and Long-Term Obligations:**

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

**Net Position:**

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

**Fund Balance Reserves:**

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

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

**1. Summary of Significant Accounting Policies (Cont'd)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Revenues - Exchange and Nonexchange Transactions:**

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

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

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

**Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and latch-key program. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2016

**1. Summary of Significant Accounting Policies (Cont'd)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Deferred Outflows/Inflows of Resources**

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

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

**Allocation of Indirect Expenses:**

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

**Extraordinary and Special Items:**

Extraordinary Items are transactions or events that are unusual in nature and infrequent in occurrence. Special Items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. See footnote 23 for information regarding Superstorm Sandy.

**Management Estimates:**

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



Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

**2. Capital Reserve Account**

A Capital Reserve Account was established by the Union Beach School District in October 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.

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

The activity of the Capital Reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance July 01, 2015	\$	323,353
Add:		
Increase per Resolution		639,325
Unspent project costs		-
Interest Earnings		325
Less:		
Withdrawals for project		<u>(189,325)</u>
Ending Balance, June 30, 2016	\$	<u>773,678</u>

The June 30, 2016 LRFP balance of local support costs of uncompleted Capital Projects is \$5,381,000.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

**3. Maintenance Reserve Account**

A maintenance Reserve Account was established by the Union Beach School District by inclusion of \$ 100,000 for the accumulation of funds for use as required maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Maintenance Reserve Account are to provide maintenance for completed projects in the District's approved LRFP.

The activity of the Maintenance Reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

Balance, July 01, 2015	\$ 400,000
Add:	
Increase per Board Resolution	10,675
Less:	
Withdrawals	<u>          -</u>
Balance, June 30, 2016	<u>\$ 410,675</u>

**4. Emergency Reserve Account**

An Emergency Reserve Account was established by the Union Beach School District by inclusion of \$ 200,000 for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Emergency Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

The activity of the Emergency Reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

Balance, July 01, 2015	\$ 50,000
Add:	
Increase per Board Resolution	<u>          -</u>
Balance, June 30, 2016	<u>\$ 50,000</u>

**5. Tuition Reserve Account**

An Tuition Reserve Account was established by the Union Beach School District by inclusion of \$ 200,000 for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Tuition Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Tuition Reserve Account are to finance tuition charges required for a thorough and efficient education.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

**5. Tuition Reserve Account (cont)**

The activity of the Tuition Reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

Balance, July 01, 2015	\$ 540,000
Add:	
Increase per Board Resolution	300,000
Less:	
Budgeted utilization	<u>(140,000)</u>
Balance, June 30, 2016	<u>\$ 700,000</u>

**6. Deposits and Investments**

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

Deposits

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

Bank balances at June 30, 2016 are insured up to \$ 250,000 in aggregate by the FDIC for each bank. At June 30, 2016, the book value of the Board's deposits were \$3,676,235.

Custodial Credit Risk Related to Deposits

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

At June 30, 2016, the Board's bank balances of \$4,346,920 were exposed to Custodial Credit Risk as follows:

	<u>2016</u>
Insured	\$ 383,794
Uninsured and Uncollateralized	<u>3,963,126</u>
	<u>\$ 4,346,920</u>

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

6. Deposits and Investments (Cont'd)

Investments

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

In order to maximize liquidity, the District utilized the New Jersey Cash Management Fund ("NJCMF") as its sole investment. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty.

As of June 30, 2016, the Board had the following investments:

<u>Investment Type</u>	<u>Fair Value Amount</u>	<u>Moody's Rating</u>	<u>S &amp; P Rating</u>
New Jersey Cash Management Fund	\$133,794	AAA	AAA

Interest Rate Risk

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

Credit Risk

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

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

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

**7. Receivables**

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

	<u>Governmental Fund Financial Statements</u>	<u>District-Wide Financial Statements</u>
State Aid	\$ 107,757	\$ 107,956
Federal Aid	7,243	14,968
Interfunds	<u>587,962</u>	<u>114,609</u>
	702,962	237,533
 Less: Allowance for Uncollectibles	 <u>-</u>	 <u>-</u>
 Total Receivables, Net	 <u>\$ 702,962</u>	 <u>\$ 237,533</u>

**8. Interfund Balances and Transfers**

Balances due to/from other funds at June 30, 2016 consist of the following:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 587,962	\$ -
Special Revenue Fund	-	473,353
Enterprise Fund	-	90,044
Trust and Agency Fund	<u>-</u>	<u>24,565</u>
	<u>\$ 587,962</u>	<u>\$ 587,962</u>

**9. Inventory**

As of June 30, 2016, the District had the following inventory:

Food	\$ 1,657
Supplies	<u>828</u>
	<u>\$ 2,485</u>

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

10. Capital Assets

The District did not have its Fixed Assets appraised by an independent appraiser as of June 30, 2016. The valuation was not properly updated and did not include all the District's Capital Assets. As such, materially accurate asset valuation totals, accumulated depreciation expense and depreciation expense amounts were not ascertainable.

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 1,381,000	\$ -	-	\$ 1,381,000
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>1,381,000</u>	<u>-</u>	<u>-</u>	<u>1,381,000</u>
Capital Assets Being Depreciated				
Site Improvements	934,043	-	-	934,043
Building and Building Improvements	8,803,385	146,352	-	8,949,737
Machinery and Equipment	<u>870,547</u>	<u>32,363</u>	<u>-</u>	<u>902,910</u>
Totals at Historical Cost	<u>10,607,975</u>	<u>178,715</u>	<u>-</u>	<u>10,786,690</u>
Less Accumulated Depreciation for:				
Site Improvements	(341,635)	(18,681)	-	(360,316)
Building and Building Improvements	(4,402,958)	(173,141)	-	(4,576,099)
Machinery and Equipment	<u>(521,433)</u>	<u>(75,782)</u>	<u>-</u>	<u>(597,215)</u>
Total Accumulated Depreciation	<u>(5,266,026)</u>	<u>(267,604)</u>	<u>-</u>	<u>(5,533,630)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>5,341,949</u>	<u>(88,889)</u>	<u>-</u>	<u>5,253,060</u>
Government Activity Capital Assets, Net	<u>6,722,949</u>	<u>(88,889)</u>	<u>-</u>	<u>6,634,060</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	338,751	-	-	338,751
Less Accumulated Depreciation	<u>(250,357)</u>	<u>(16,938)</u>	<u>-</u>	<u>(267,295)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 88,394</u>	<u>\$ (16,938)</u>	<u>-</u>	<u>\$ 71,456</u>

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2016

**10. Capital Assets (Cont'd)**

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

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 226,428
Student and Instruction Related Services	588
General Administration Services	11,578
Plant Operations and Maintenance	19,786
Student Transportation Services	<u>9,224</u>
Total	<u>\$ 267,604</u>

**11. Long-Term Obligations**

**A. Long-Term Obligation Activity:**

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

	<u>Balance</u> <u>July 01, 2015</u>	<u>Increases/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental</u>				
<u>Activities:</u>				
Compensated				
Absences Payable	\$ 484,415	\$ (170,407)	\$ 314,008	\$ -
Community Disaster				
Loan	1,055,641	(156,494)	899,147	-
Pension liability -				
PERS	<u>3,482,398</u>	<u>562,097</u>	<u>4,044,495</u>	<u>139,388</u>
	<u>\$ 5,022,454</u>	<u>\$ 235,196</u>	<u>\$ 5,257,650</u>	<u>\$ 139,388</u>

**B. Bonds Authorized But Not Issued**

As of June 30, 2016, the District had no authorized but not issued bonds.

**C. Capital Leases**

As of June 30, 2016, the District had no capital leases.

**D. Operating Leases**

As of June 30, 2016, the District had no operating leases.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

**13. FEMA Community Disaster Loan (CDL)**

The school district applied for and received a CDL in response to the devastating effects on the property tax ratable base of the municipality due to Superstorm Sandy in October 2012. The district was approved for \$4,158,107 total loan and chose to withdraw \$899,147 as a reduction of the tax levy assessed for the 2013-2014 school year. The amount of principal and interest accrued through June 30, 2016 is \$899,147 and \$25,756, respectively. This loan is subject to FEMA review in 2016 and may be fully or partially cancelled based upon FEMA's calculation of the revenue loss that the district experienced over a specified period. The loan matures in 2018.

**14. Pension Plans**

**Description of Plans**

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

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

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

For the year ended June 30, 2016, the District recognized pension expense of \$319,856 and revenue of \$319,856 for support provided by the State on the fund financials. These amounts are not included in the district-wide financials as required by GASB 68.



Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2016

**14. Pension Plans (Cont'd)**

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

At June 30, 2016, the District has no deferred outflow, deferred inflows or pension liability for the TPAF plan as all future costs are to be incurred by the State of New Jersey. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed. These items are not included on the district-wide financials. The District's proportionate share is 0.0429608354% total plan. The information below was provided from the State of New Jersey June 30, 2015 audit of the TPAF fund and has been adjusted to the District's proportionate share:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 137,190	\$ 8,132
Changes of assumptions	3,075,070	-
Net difference between projected and actual earnings on pension plan investments	-	228,643
Changes in proportion and differences between District contributions and proportionate share of contributions	19,637	31,028
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 3,231,897</u>	<u>\$ 267,803</u>

The District's proportionate share of the pension liability at June 30, 2015 as it relates to the District is \$27,153,083.

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

Year ended June 30:	
2016	\$ 351,606
2017	351,606
2018	351,606
2019	538,618
2020	455,858
Thereafter	<u>943,779</u>
Total	<u>\$ 2,993,073</u>

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

**14. Pension Plans (Cont'd)**

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

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

For the year ended June 30, 2016, the District recognized pension expense of \$497,515. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed and recorded. These items are included on the district-wide financials. The District's proportionate share is 0.0173962391% of the total plan. The information below was provided from the State of New Jersey June 30, 2015 audit of the PERS fund and has been adjusted to the District's proportionate share. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 93,162	\$ -
Changes of assumptions	419,377	-
Net difference between projected and actual earnings on pension plan investments	-	62,787
Changes in proportion and differences between District contributions and proportionate share of contributions	-	91,700
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 512,539</u>	<u>\$ 154,487</u>

The District's proportionate share of the pension liability at June 30, 2015 as it relates to the District is \$3,905,107 and has been recorded on the district-wide financials. The current portion due in April 2017 for the June 30, 2016 liability is \$139,388 and has been included on the district-wide financials. The total PERS pension liability at June 30, 2016 is \$4,044,495.

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

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2016

**14. Pension Plans (Cont'd)**

**Description of Plans (Cont'd)**

**Public Employees' Retirement System ("PERS") (Con't)**

Year ended June 30:		
2016	\$	81,878
2017		81,878
2018		81,878
2019		130,403
2020		73,717
Thereafter		-
Total	\$	<u><u>449,754</u></u>

**Long-Term Expected Rate of Return**

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

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

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

14. Pension Plans (Cont'd)

Discount Rate(Cont'd)

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2016 and 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease ( 3.90 %)	Current Discount Rate ( 4.90 %)	1% Increase ( 5.90 %)
District's proportionate share of the net pension liability	4,853,570	3,905,107	3,109,922

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

**Vesting and Benefit Provisions**

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

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

14. Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

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

Contribution Requirements

<u>Three-Year Trend Information for PERS</u>			
<u>Year Funding</u>	<u>Annual</u>	<u>Percentage</u>	<u>Net</u>
<u>June 30,</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
2016	\$ 149,561	100 %	\$ 149,561
2015	146,635	100 %	146,635
2014	141,759	100 %	141,759

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
<u>Year Funding</u>	<u>Annual</u>	<u>Percentage</u>	<u>Net</u>
<u>June 30,</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
2016	\$ 700,717	100 %	\$ 700,717
2015	600,978	100 %	600,978
2014	627,606	100 %	627,606

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution included funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

There was a current year contribution to the TPAF post-retirement medical benefits made by the State of New Jersey on behalf of the Board in the amount of \$700,717. The State did not make any normal contributions on behalf of the Board. Also, in accordance with N.J.S.A 18A: 66-66, the State of New Jersey reimbursed the District \$292,914 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

These amounts have been included in the general purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenues and expenditures in accordance with Governmental Accounting Standards.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

**14. Pension Plans (Cont'd)**

**Defined Contribution Retirement Plan (DCRP)**

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

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

The District's contributions to the DCRP for June 30, 2016 were \$5,783. There was no liability for unpaid contributions at June 30, 2016.

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

**15. Post-Retirement Benefits**

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

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

**15. Post-Retirement Benefits (Cont'd)**

P.L. 1987, c 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees eligible for post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

**16. Deferred Compensation**

The Board offers its employees a choice of Deferred Compensation Plans 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 Investment Financial  
Franklin Templeton  
AXA Equitable

Metropolitan Life Insurance  
Oppenheimer Funds  
Siracusa

**17. Risk Management**

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

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

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

**17. Risk Management (Cont'd)**

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table below is a summary of the District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and the previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015 / 2016	-	18,556	101	(47,912)	16,166
2014 / 2015	-	18,125	87	(6,709)	45,421
2013 / 2014	25,000	23,262	49	(37,799)	33,918

**18. Contingent Liabilities**

**Grant Programs**

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

**19. Fund Balance Appropriated**

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

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



Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

**19. Fund Balance Appropriated (Cont'd)**

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

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

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

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

Classification Totals

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
Fund Balances:					
Restricted	1,934,353	-	-	-	1,934,353
Committed	22,727	-	-	-	22,727
Assigned	1,049,139	(941)	-	-	1,048,198
Unassigned	(497,515)	(10,415)	-	-	(507,930)
	<u>2,508,704</u>	<u>(11,356)</u>	<u>-</u>	<u>-</u>	<u>2,497,348</u>

**20. Deficit Fund Balances**

The District has a deficit fund balance of \$497,515 in the General Fund as of June 30, 2016 as reported in the fund statements. 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 delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, Governmental Accounting Standards require 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 can not 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 June state aid payments, the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2016

**20. Deficit Fund Balances (Cont'd)**

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in June payments of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$497,515 is less than the two state aid payments.

**21. Calculation of Excess Surplus**

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

**22. Uncertain Tax Positions**

The school district had no unrecognized tax benefits at June 30, 2016. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open year prior to June 30, 2013.

**23. Superstorm Sandy**

In October 2012 Superstorm Sandy damaged the Union Beach Memorial Elementary School and forced the District to relocate all of the students and teachers to rented facilities. The building was covered by insurance with the District only responsible for the deductible. The additional rent and transportation fees were covered by insurance. The school was repaired and re-opened in June 2013. The District was still receiving Sandy related grants and insurance in the year ended June 30, 2016.

**24. Subsequent Events**

Management has evaluated subsequent events through December 01, 2016, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

**UNION BEACH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2016**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 5,871,180	\$ -	\$ 5,871,180	5,871,180	-
Tuition	-	-	-	1,740	1,740
Interest	-	-	-	-	-
Interest earned on capital reserve funds	-	-	-	-	-
Transportation fees	-	-	-	-	-
Miscellaneous	4,000	-	4,000	8,659	4,659
<b>Total - local sources</b>	<u>5,875,180</u>	<u>-</u>	<u>5,875,180</u>	<u>5,881,579</u>	<u>6,399</u>
State sources:					
Transportation aid	39,173	-	39,173	39,173	-
Special education aid	658,640	-	658,640	658,640	-
Equalization aid	7,444,810	-	7,444,810	7,444,810	-
Extraordinary aid	-	-	-	88,345	88,345
Security aid	28,312	-	28,312	28,312	-
Adjustment Aid	73,023	-	73,023	73,023	-
Additional Adjustment Aid	87,352	-	87,352	87,352	-
Non-public transportation	-	-	-	5,193	5,193
PARCC Readiness	8,820	-	8,820	8,820	-
Per Pupil Growth	8,820	-	8,820	8,820	-
Other state aid	-	-	-	-	-
TPAF pension (on-behalf - Non-budgeted)	-	-	-	319,856	319,856
TPAF social security (reimbursed - Non-budgeted)	-	-	-	292,914	292,914
On-Behalf TPAF Post Retirement Medical Contributions	-	-	-	380,861	380,861
<b>Total state sources</b>	<u>8,348,950</u>	<u>-</u>	<u>8,348,950</u>	<u>9,436,119</u>	<u>1,087,169</u>
Federal sources:					
SEMI-ARRA Add'l Aid	15,737	-	15,737	-	(15,737)
FEMA-Sandy Aid	-	-	-	-	-
<b>Total federal sources</b>	<u>15,737</u>	<u>-</u>	<u>15,737</u>	<u>-</u>	<u>(15,737)</u>
<b>Total revenues</b>	<u>\$ 14,239,867</u>	<u>\$ -</u>	<u>\$ 14,239,867</u>	<u>\$ 15,317,698</u>	<u>\$ 1,077,831</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of teachers	\$ 329,653	\$ (63,072)	\$ 266,581	\$ 252,538	\$ 14,043
Grades 1-5 - Salaries of teachers	1,099,603	42,766	1,142,369	1,137,773	4,596
Grades 6-8 - Salaries of teachers	876,652	(2,033)	874,619	832,234	42,385
<b>Regular Programs - Home Instruction:</b>					
Salaries of teachers	10,000	1,192	11,192	11,191	1
<b>Regular Programs - Undistributed Instruction</b>					
Salaries of Teachers	-	850	850	849	1
Other salaries for instruction	42,391	841	43,232	42,586	646
Other purchased services (400-500 series)	1,000	-	1,000	224	776
General supplies	167,950	(5,254)	162,696	148,234	14,462
Textbooks	60,000	(7,472)	52,528	5,835	46,693
Other objects	80,473	13,891	94,364	74,183	20,181
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>2,667,722</u>	<u>(18,291)</u>	<u>2,649,431</u>	<u>2,505,647</u>	<u>143,784</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of teachers	-	1,650	1,650	1,650	-
Other salaries for instruction	-	-	-	-	-
<b>Total Learning and/or Language Disabilities</b>	<u>-</u>	<u>1,650</u>	<u>1,650</u>	<u>1,650</u>	<u>-</u>

**UNION BEACH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Resource Room/Resource Center:</b>					
Salaries of teachers	\$ 712,764	\$ 55,853	\$ 768,617	\$ 768,616	\$ 1
Other salaries for instruction	208,639	(641)	207,998	207,998	-
Other purchased services (400-500 series)	-	113	113	61	52
<b>Total Resource Room/Resource Center</b>	<u>921,403</u>	<u>55,325</u>	<u>976,728</u>	<u>976,675</u>	<u>53</u>
<b>Preschool Disabilities Part Time</b>					
Salaries of teachers	111,579	(30,633)	80,946	80,757	189
Other salaries for instruction	29,746	(1,301)	28,445	28,445	-
<b>Total Preschool Disabilities Full Time:</b>	<u>141,325</u>	<u>(31,934)</u>	<u>109,391</u>	<u>109,202</u>	<u>189</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>1,062,728</u>	<u>25,041</u>	<u>1,087,769</u>	<u>1,087,527</u>	<u>242</u>
<b>School-Spon. Cocurricular Actvts. - Instruction</b>					
Salaries	9,625	125	9,750	9,750	-
Supplies and materials	1,000	-	1,000	-	1,000
<b>Total School-Spon. Cocurric. Actvts. - Instruction</b>	<u>10,625</u>	<u>125</u>	<u>10,750</u>	<u>9,750</u>	<u>1,000</u>
<b>School-Spon. Athletics - Instruction</b>					
Salaries	36,256	(125)	36,131	32,300	3,831
Other purchased services (300-500 series)	5,000	1,100	6,100	5,825	275
Supplies and materials	12,600	(1,100)	11,500	10,002	1,498
Other objects	1,000	-	1,000	150	850
<b>Total School-Spon. Athletics - Instruction</b>	<u>54,856</u>	<u>(125)</u>	<u>54,731</u>	<u>48,277</u>	<u>6,454</u>
<b>Total Instruction</b>	<u>3,795,931</u>	<u>6,750</u>	<u>3,802,681</u>	<u>3,651,201</u>	<u>151,480</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to other LEAs within the state-regular	3,374,909	-	3,374,909	3,325,572	49,337
Tuition to other LEAs within the state - special	424,478	1,370	425,848	423,771	2,077
Tuition to Co. Voc. School Dist. - reg.	94,660	-	94,660	76,064	18,596
Tuition to Co. Voc. School Dist. - special	10,600	(2,574)	8,026	-	8,026
Tuition to private schools for the handicapped - Within state	1,130,062	1,204	1,131,266	945,989	185,277
Tuition - state facilities	-	-	-	-	-
<b>Total Undistributed Expenditures - Instruction:</b>	<u>5,034,709</u>	<u>-</u>	<u>5,034,709</u>	<u>4,771,396</u>	<u>263,313</u>
<b>Undistributed Expenditures - Attend. &amp; Social Work</b>					
Salaries	1,500	-	1,500	891	609
<b>Total Undistributed Expenditures - Attend. &amp; Social Work</b>	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>891</u>	<u>609</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	66,698	5,016	71,714	70,619	1,095
Purchased professional and technical services	7,500	(736)	6,764	5,213	1,551
Supplies and materials	3,500	-	3,500	3,267	233
Other objects	900	-	900	202	698
<b>Total Undistributed Expenditures - Health Services</b>	<u>78,598</u>	<u>4,280</u>	<u>82,878</u>	<u>79,301</u>	<u>3,577</u>
<b>Undist. Expend. - Other Supp. Service - Stud. - Related Service</b>					
Salaries of other professional staff	146,058	23,120	169,178	169,177	1
Purchased professional - educational services	204,500	(50,161)	154,339	145,662	8,677
General supplies	6,800	(3,165)	3,635	3,392	243
<b>Total Undist. Expend. - Other Supp. Serv - Stud. - Rel. Ser.</b>	<u>357,358</u>	<u>(30,206)</u>	<u>327,152</u>	<u>318,231</u>	<u>8,921</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Other Supp. Services - Stud. - Extraord. Ser.</b>					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased professional - educational services	-	-	-	-	-
Supplies and materials	-	-	-	-	-
Other objects	-	165	165	-	165
<b>Total Undist. Expend. - Other Supp. Serv. Stud. - Extraord. Ser.</b>	<b>-</b>	<b>165</b>	<b>165</b>	<b>-</b>	<b>165</b>
<b>Guidance</b>					
Purchased professional - educational services	10,000	-	10,000	4,369	5,631
<b>Total Guidance</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>4,369</b>	<b>5,631</b>
<b>Child Study Teams</b>					
Salaries of other professional staff	366,234	(221)	366,013	342,311	23,702
Salaries of secretarial and clerical assistants	68,352	922	69,274	69,274	-
Other purchased professional & tech services	7,400	118	7,518	7,518	-
Residential costs	-	-	-	-	-
Miscellaneous purchased service	1,500	-	1,500	313	1,187
Supplies and materials	3,500	(118)	3,382	2,421	961
Other objects	2,000	-	2,000	1,000	1,000
<b>Total Child Study Teams</b>	<b>448,986</b>	<b>701</b>	<b>449,687</b>	<b>422,837</b>	<b>26,850</b>
<b>Undist. Expend. - Improvement of Instruction Services</b>					
Salaries of supervisor of instruction	73,130	9,574	82,704	82,704	-
<b>Total Undist. Expend. - Improvement of Instruction Services</b>	<b>73,130</b>	<b>9,574</b>	<b>82,704</b>	<b>82,704</b>	<b>-</b>
<b>Undist. Expend. - Educational Media Services/School Library</b>					
Salaries	18,177	126	18,303	18,303	-
Salaries of Technology Coordinators	76,405	4,651	81,056	81,056	-
Purchased professional and technical services	2,300	1,600	3,900	-	3,900
Other purchased services (400-500 series)	500	-	500	499	1
Supplies and materials	16,000	(6,379)	9,621	7,388	2,233
<b>Total Undist. Expend. - Ed. Media Services/School Library</b>	<b>113,382</b>	<b>(2)</b>	<b>113,380</b>	<b>107,246</b>	<b>6,134</b>
<b>Undist. Expend. - Instruction Staff Training Services</b>					
Purchased professional - educational services	30,000	(3,700)	26,300	15,041	11,259
Other purchased professional and technical services	21,550	-	21,550	1,389	20,161
Other purchased services (400-500 series)	-	-	-	-	-
Supplies and materials	500	-	500	-	500
Other objects	500	-	500	-	500
<b>Total Undist. Expend. - Instruction Staff Training Services</b>	<b>52,550</b>	<b>(3,700)</b>	<b>48,850</b>	<b>16,430</b>	<b>32,420</b>
<b>Undist. Expend. - Support Service - General Administration</b>					
Salaries	183,741	313	184,054	176,154	7,900
Legal services	33,000	(2,200)	30,800	30,244	556
Audit fees	20,500	-	20,500	20,500	-
Other purchased professional services	-	-	-	-	-
Purchased technical services	16,460	(313)	16,147	11,117	5,030
Communications/Telephone	43,700	-	43,700	33,456	10,244
Other Purchased Services	5,500	65	5,565	3,378	2,187
Other purchased services (400-500 series)	23,800	2,200	26,000	25,220	780
General supplies	9,000	-	9,000	7,787	1,213
In-House Training/Meeting Supplies	500	-	500	-	500
Miscellaneous expenditures	4,000	-	4,000	3,833	167
Membership Dues and Fees	8,000	-	8,000	7,713	287
<b>Total Undist. Expend. - Support Service - Gen. Admin.</b>	<b>348,201</b>	<b>65</b>	<b>348,266</b>	<b>319,402</b>	<b>28,864</b>

**UNION BEACH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Support Service - School Administration</b>					
Salaries of principals/Assistant principals	\$ 95,790	\$ -	\$ 95,790	\$ 95,790	\$ -
Salaries of secretarial and clerical assistants	86,219	2,019	88,238	87,637	601
Other purchased services (400-500 series)	10,000	(25)	9,975	1,207	8,768
Supplies and materials	19,500	(1,994)	17,506	12,791	4,715
Other objects	1,800	-	1,800	1,740	60
<b>Total Undist. Expend. - Support Service - School Admin.</b>	<b>213,309</b>	<b>-</b>	<b>213,309</b>	<b>199,165</b>	<b>14,144</b>
<b>Undist. Expend. - Support Service - Central Services</b>					
Salaries	136,475	7,808	144,283	139,745	4,538
Other purchased professional services	16,100	-	16,100	15,150	950
Purchased technical services	18,582	-	18,582	17,681	901
Miscellaneous purchased services	2,000	-	2,000	1,249	751
Supplies and materials	6,000	-	6,000	4,185	1,815
Miscellaneous expenditures	1,450	-	1,450	1,419	31
<b>Total Undist. Expend. - Support Service - Central Services</b>	<b>180,607</b>	<b>7,808</b>	<b>188,415</b>	<b>179,429</b>	<b>8,986</b>
<b>Undist. Expend. - Required Maintenance for School Facilities</b>					
Cleaning, repair and maintenance services	197,946	(656)	197,290	121,116	76,174
Travel	-	-	-	-	-
General supplies	15,000	3,000	18,000	16,878	1,122
Other objects	700	-	700	166	534
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<b>213,646</b>	<b>2,344</b>	<b>215,990</b>	<b>138,160</b>	<b>77,830</b>
<b>Undist. Expend. - Other Operation &amp; Maintenance of Plant</b>					
Salaries	375,559	2,865	378,424	339,803	38,621
Salaries of Non-Instructional Aids	48,086	17,630	65,716	65,716	-
Purchased professional and technical services	1,500	-	1,500	72	1,428
Cleaning, repair and maintenance services	4,700	-	4,700	3,429	1,271
Lease Purchase payments Energy Savings	37,000	18,600	55,600	49,108	6,492
Other purchased property services	35,000	-	35,000	26,816	8,184
Insurance	95,000	(6,600)	88,400	85,672	2,728
Miscellaneous purchased services	4,650	-	4,650	164	4,486
General supplies	32,000	(3,726)	28,274	28,209	65
Energy (energy and electricity)	77,000	(10,600)	66,400	58,188	8,212
Other objects	3,500	400	3,900	3,529	371
Energy (Natural Gas)	90,000	(5,020)	84,980	55,283	29,697
<b>Total Undist. Expend. - Other Operation &amp; Maint. Of Plant</b>	<b>803,995</b>	<b>13,549</b>	<b>817,544</b>	<b>715,989</b>	<b>101,555</b>
<b>Undist. Expend. - Care &amp; Upkeep of Grounds</b>					
Cleaning, repair and maintenance services	15,000	(1,300)	13,700	13,067	633
General supplies	5,500	1,300	6,800	6,768	32
Other Objects	500	-	500	90	410
<b>Total Undist. Expend. - Care and Upkeep of Grounds</b>	<b>21,000</b>	<b>-</b>	<b>21,000</b>	<b>19,925</b>	<b>1,075</b>
<b>Undist. Expend. - Security</b>					
Cleaning, repair and maintenance services	10,435	5,829	16,264	16,176	88
General supplies	9,000	(2,600)	6,400	1,635	4,765
<b>Total Undist. Expend. - Security</b>	<b>19,435</b>	<b>3,229</b>	<b>22,664</b>	<b>17,811</b>	<b>4,853</b>

**UNION BEACH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Student Transportation Services</b>					
Salaries of Non-Instructional Aids	\$ 31,415	\$ 3,573	\$ 34,988	\$ 34,988	\$ -
Salaries for pupil transportation (between home and school) - Regula	67,416	4,645	72,061	71,253	808
Salaries for pupil transportation (between home and school) - Specia	21,790	2,324	24,114	24,113	1
Other purchased professional & tech services	46,400	(2,588)	43,812	42,778	1,034
Cleaning, repair and maintenance services	16,000	10,513	26,513	25,922	591
Contract services (between home & school) - Vendors	101,000	-	101,000	99,256	1,744
Contract services (other than between home & school) - Vendors	7,000	-	7,000	3,200	3,800
Contract services (between home & school) - joint agreements	20,000	3,100	23,100	23,085	15
Contract services - (Sp Ed) - vendors	6,000	350	6,350	6,336	14
Contract services - (regular education students) - ESCs & CTSAs	110,000	27,500	137,500	136,874	626
Contract services - (special education students) - ESCs & CTSAs	350,000	(36,250)	313,750	234,014	79,736
Aid in lieu of payments	15,000	(6,654)	8,346	7,956	390
Miscellaneous purchased services - Transportation	16,500	(800)	15,700	11,633	4,067
Transportation Supplies	21,000	(2,800)	18,200	11,831	6,369
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>829,521</b>	<b>2,913</b>	<b>832,434</b>	<b>733,239</b>	<b>99,195</b>
<b>UNALLOCATED EMPLOYEE BENEFITS</b>					
Group insurance	200	21	221	221	-
Social security contributions	125,000	-	125,000	117,100	7,900
Other Retirement Contributions - PERS	150,000	(21)	149,979	149,561	418
Other Retirement Contributions - ERIP	15,000	-	15,000	13,876	1,124
Other Retirement Contributions - Regular	8,000	-	8,000	5,212	2,788
Unemployment compensation	50,000	(25,725)	24,275	-	24,275
Workmen's compensation	65,000	(2,226)	62,774	56,312	6,462
Health benefits	1,482,927	15,350	1,498,277	1,464,567	33,710
Tuition reimbursement	12,000	4,150	16,150	6,903	9,247
Other employee benefits	65,780	(5,274)	60,506	29,581	30,925
<b>TOTAL UNALLOCATED EMPLOYEE BENEFITS</b>	<b>1,973,907</b>	<b>(13,725)</b>	<b>1,960,182</b>	<b>1,843,333</b>	<b>116,849</b>
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	319,856	(319,856)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	292,914	(292,914)
On-Behalf TPAF Post Retirement Medical Contributions (non-budgeted)	-	-	-	380,861	(380,861)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>993,631</b>	<b>(993,631)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>1,973,907</b>	<b>(13,725)</b>	<b>1,960,182</b>	<b>2,836,964</b>	<b>(876,782)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>10,773,834</b>	<b>(3,005)</b>	<b>10,770,829</b>	<b>10,963,489</b>	<b>(192,660)</b>
Transfer from Surplus to Debt Serv to Repay CDL	1,403,985	-	1,403,985	-	1,403,985
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>15,973,750</b>	<b>3,745</b>	<b>15,977,495</b>	<b>14,614,690</b>	<b>1,362,805</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Preschool	8,000	-	8,000	-	8,000
Grades 1-5	-	-	-	-	-
Grades 6-8	-	-	-	-	-
<b>Special Education - Instruction:</b>					
Preschool handicapped - Part-time	-	-	-	-	-
Basic skills/Remedial - Instruction	-	-	-	-	-
Bilingual education - Instruction	-	-	-	-	-
School - Sponsored and other instructional program	-	-	-	-	-
Undistributed expenditures - Instruction	5,150	(2,350)	2,800	-	2,800
Undistributed expenditures - Support services - Special	-	2,538	2,538	2,538	-
Undistributed expenditures - General administration	-	-	-	-	-
Undistributed expenditures - Admin Info Tech.	-	20,797	20,797	20,797	-
undistributed expenditures technology maintenance	-	-	-	-	-
Undistributed expenditures - School administration	-	-	-	-	-
Undistributed expenditures - Custodial services	-	9,028	9,028	9,028	-
Undistributed expenditures - Operation & maintenance of plant servic	-	-	-	-	-
Undistributed expenditures - Student transportation	-	-	-	-	-
Undistributed expenditures - Business/Other support services	-	-	-	-	-
Grade 1-5	-	-	-	-	-
Classroom Furniture	-	-	-	-	-
Athletics	-	-	-	-	-
Construction services	-	-	-	-	-
Interest Earned on Capital Reserve	-	-	-	-	-
<b>Total Equipment</b>	<b>13,150</b>	<b>30,013</b>	<b>43,163</b>	<b>32,363</b>	<b>10,800</b>
<b>Undistributed Expenses - Non instructional Services</b>					
Undist. Exp. Custodial Services	-	-	-	-	-
Undist. Exp - Req. Maint. Schl Facilities	9,850	-	9,850	-	9,850
<b>Total Undistributed Expenses - Non instructional Services</b>	<b>9,850</b>	<b>-</b>	<b>9,850</b>	<b>-</b>	<b>9,850</b>



**UNION BEACH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Facilities Acquisition and Construction Services</b>					
Current capital outlay transfer - Capital projects	\$ -	\$ -	\$ -	\$ -	\$ -
Other purchased professional & tech services	-	-	-	-	-
Construction services	165,000	(29,825)	135,175	123,025	12,150
Legal	1,000	(200)	800	423	377
Architect	23,325	200	23,525	23,328	197
Land and improvements	-	-	-	-	-
Lease purchase agreements - principal	27,437	-	27,437	27,437	-
Assessment for Debt Service on SDA Funding	32,350	-	32,350	32,350	-
<b>Total Facilities Acquisition and Construction Services</b>	<u>249,112</u>	<u>(29,825)</u>	<u>219,287</u>	<u>206,563</u>	<u>12,724</u>
Capital reserve - Transfer to	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<u>272,112</u>	<u>188</u>	<u>272,300</u>	<u>238,926</u>	<u>33,374</u>
<b>TOTAL EXPENDITURES</b>	<u>16,245,862</u>	<u>3,933</u>	<u>16,249,795</u>	<u>14,853,616</u>	<u>1,396,179</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,005,995)</u>	<u>(3,933)</u>	<u>(2,009,928)</u>	<u>464,082</u>	<u>2,474,010</u>
<b>Other Financing Sources:</b>					
Local contribution - transfer to special revenue fund	-	(11,758)	(11,758)	(11,758)	-
CDL Property Tax Offset-Super Storm Sandy	-	-	-	-	-
Repayment of CDL	627,531	-	627,531	(156,494)	(784,025)
<b>Total Other Financing Sources:</b>	<u>627,531</u>	<u>(11,758)</u>	<u>615,773</u>	<u>(168,252)</u>	<u>(784,025)</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>(1,378,464)</u>	<u>(15,691)</u>	<u>(1,394,155)</u>	<u>295,830</u>	<u>1,689,985</u>
<b>Fund Balance, July 1</b>	<u>3,056,681</u>	<u>-</u>	<u>3,056,681</u>	<u>3,056,681</u>	<u>-</u>
<b>Fund Balance, June 30</b>	<u>\$ 1,678,217</u>	<u>\$ (15,691)</u>	<u>\$ 1,662,526</u>	<u>3,352,511</u>	<u>\$ 1,689,985</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital reserve				773,678	
Emergency reserve				50,000	
Maintenance reserve				410,675	
Tuition reserve				700,000	
Excess surplus - current year				-	
Excess surplus - designated for subsequent year's expenditures				-	
Other - Community Disaster loan				-	
<b>Committed Fund Balance:</b>					
Other purposes				-	
Year-end encumbrances				22,727	
<b>Assigned Fund Balance:</b>					
Designated for subsequent year's expenditures				1,049,139	
<b>Unrestricted/undesignated fund balance</b>				<u>\$ 346,292</u>	
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Fund balance per governmental funds (Budgetary)				\$ 3,352,511	
Last state aid payment not recognized on GAAP basis				(843,807)	
<b>Fund balance per governmental funds (GAAP) - B-1</b>				<u>2,508,704</u>	
Restricted fund balances				3,006,219	
Unrestricted fund balances				(497,515)	
<b>Fund balance per governmental funds (GAAP) - B-1</b>				<u>\$ 2,508,704</u>	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	113,555	113,555
Federal sources	617,609	79,888	697,497	567,290	(130,207)
<b>Total Revenues</b>	<b>617,609</b>	<b>79,888</b>	<b>697,497</b>	<b>680,845</b>	<b>(16,652)</b>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Salaries of teachers	277,821	23,544	301,365	301,365	-
Other salaries for instruction	31,506	(10,936)	20,570	20,570	-
Purchased professional services	-	-	-	-	-
Tuition	211,862	40,822	252,684	252,684	-
Textbooks	-	-	-	-	-
Miscellaneous expense	-	-	-	-	-
General supplies	43,480	8,470	51,950	43,213	8,737
<b>Total instruction</b>	<b>564,669</b>	<b>61,900</b>	<b>626,569</b>	<b>617,832</b>	<b>8,737</b>
<b>Support services:</b>					
Other professional staff salaries	-	-	-	-	-
Secretarial/clerical salaries	-	-	-	-	-
Personal services - employee benefits	8,990	16,973	25,963	25,963	-
Purchased professional - educational services	32,000	10,520	42,520	34,605	7,915
Other purchased professional services	11,950	2,253	14,203	14,203	-
Purchased technical services	-	-	-	-	-
Travel	-	-	-	-	-
Miscellaneous purchased services (400-500 series)	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Supplies & materials	-	-	-	-	-
<b>Total support services</b>	<b>52,940</b>	<b>29,746</b>	<b>82,686</b>	<b>74,771</b>	<b>7,915</b>
<b>Facilities acquisition and const. serv.:</b>					
Instructional equipment	-	-	-	-	-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>617,609</b>	<b>91,646</b>	<b>709,255</b>	<b>692,603</b>	<b>16,652</b>
<b>Other financing sources (uses)</b>					
Transfer in from general fund	-	11,758	11,758	11,758	-
Contribution to whole school reform	-	-	-	-	-
	-	11,758	11,758	11,758	-
<b>Total outflows</b>	<b>617,609</b>	<b>79,888</b>	<b>697,497</b>	<b>680,845</b>	<b>16,652</b>
<b>Excess (deficiency) of revenues</b>					
Over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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

\$ (11,356)  
\$ (11,356)

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

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

		General Fund		Special Revenue Fund
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 15,317,698	[C-2]	\$ 680,845
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(941)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(319,856)		
The 2014-15 last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense.		843,807		14,850
The 2015-16 last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense.		(843,807)		(11,356)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 14,997,842	[B-2]	\$ 683,398
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	[C-1]	\$ 15,010,110	[C-2]	\$ 680,845
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(319,856)		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-		(941)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 14,690,254	[B-2]	\$ 679,904

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

Last 10 Fiscal Years\*

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.0178010150%	0.0173962391%
District's proportionate share of the net pension liability	\$ 3,332,837	\$ 4,044,495
District's covered-employee payroll	277,585	226,561
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	8.33%	5.60%
Plan fiduciary net position as a percentage of the total pension liability	67.89%	61.84%

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

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

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

Last 10 Fiscal Years\*

	<u>2015</u>	<u>2016</u>
Contractually required contributions	\$ 146,749	\$ 149,561
Contributions in relation to the contractually required contribution	<u>146,635</u>	<u>149,561</u>
Contribution deficiency (excess)	<u>\$ 114</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 277,585	\$ 226,561
Contributions as a percentage of covered-employee payroll	52.87%	66.01%

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

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

Last 10 Fiscal Years\*

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.0447031709%	0.0429608354%
District's proportionate share of the net pension liability	\$ 23,892,390	\$ 27,153,083
District's covered-employee payroll	1,155,506	966,280
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	4.84%	3.56%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%

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

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

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

Union Beach School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2016

Assumptions

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

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

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

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



OTHER SUPPLEMENTARY INFORMATION

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

	Title I Part A 15/16	Title II Part A 15/16	IDEA-Part B-Basic Reg Prog 15/16
<b>Revenues:</b>			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Federal sources	<u>258,195</u>	<u>42,208</u>	<u>252,684</u>
<b>Total revenues</b>	<u><b>258,195</b></u>	<u><b>42,208</b></u>	<u><b>252,684</b></u>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	187,622	9,000	-
Other salaries/instruction	-	-	-
Purchased professional services	-	-	-
General supplies	43,213	-	-
Tuition	-	-	252,684
Textbooks	-	-	-
Miscellaneous expenses	-	-	-
<b>Total instruction</b>	<u><b>230,835</b></u>	<u><b>9,000</b></u>	<u><b>252,684</b></u>
<b>Support services:</b>			
<b>Other support services - students - special:</b>			
Other professional staff salaries	-	-	-
Secretarial/Clerical salaries	-	-	-
Purchased professional services	2,085	32,520	-
Other purchased professional services	-	-	-
Purchased technical services	-	-	-
Employee benefits	25,275	688	-
Travel	-	-	-
Miscellaneous purchased services	-	-	-
General supplies	-	-	-
Miscellaneous expenses	-	-	-
<b>Total other support services - students - special</b>	<u><b>27,360</b></u>	<u><b>33,208</b></u>	<u><b>-</b></u>
<b>Total support services</b>	<u><b>27,360</b></u>	<u><b>33,208</b></u>	<u><b>-</b></u>
<b>Equipment:</b>			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
<b>Total equipment</b>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>
<b>Total expenditures</b>	<u><b>\$ 258,195</b></u>	<u><b>\$ 42,208</b></u>	<u><b>\$ 252,684</b></u>
<b>Other financing sources</b>			
Transfer from other funds	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total outflows</b>	<u><b>258,195</b></u>	<u><b>42,208</b></u>	<u><b>252,684</b></u>
<b>Excess (deficiency) of revenue over expen</b>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>

(continued on next page)

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

(continued from next page)

	IDEA-Part B-Preschool Reg Prog 15/16	Pre-school Aid 15/16	Total 2016
<b>Revenues:</b>			
Local sources	\$ -	\$ -	\$ -
State sources	-	113,555	113,555
Federal sources	14,203	-	567,290
<b>Total revenues</b>	<u>14,203</u>	<u>113,555</u>	<u>680,845</u>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	-	104,743	301,365
Other salaries/instruction	-	20,570	20,570
Purchased professional services	-	-	-
General supplies	-	-	43,213
Tuition	-	-	252,684
Textbooks	-	-	-
Miscellaneous expenses	-	-	-
<b>Total instruction</b>	<u>-</u>	<u>125,313</u>	<u>617,832</u>
<b>Support services:</b>			
<b>Other support services - students - special:</b>			
Other professional staff salaries	-	-	-
Secretarial/Clerical salaries	-	-	-
Purchased professional services	-	-	34,605
Other purchased professional services	14,203	-	14,203
Purchased technical services	-	-	-
Employee benefits	-	-	25,963
Travel	-	-	-
Miscellaneous purchased services	-	-	-
General supplies	-	-	-
Miscellaneous expenses	-	-	-
<b>Total other support services - students - special</b>	<u>14,203</u>	<u>-</u>	<u>74,771</u>
<b>Total support services</b>	<u>14,203</u>	<u>-</u>	<u>74,771</u>
<b>Equipment:</b>			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 14,203</u>	<u>\$ 125,313</u>	<u>\$ 692,603</u>
<b>Other financing sources</b>			
Transfer from other funds	-	11,758	11,758
<b>Total outflows</b>	<u>\$ 14,203</u>	<u>\$ 113,555</u>	<u>\$ 680,845</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UNION BEACH SCHOOL DISTRICT  
 Special Revenue Fund  
 Schedule of Preschool Education Aid Expenditures  
 Preschool - All Programs  
 Budgetary Basis  
 For the Fiscal Year Ended June 30, 2016

	Budget	Actual	Variance
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 92,985	\$ 92,985	\$ -
Other Salaries for Instruction	20,570	20,570	-
Purchased Professional & Technical Services	-	-	-
Other Purchased Services (400-500 series)	-	-	-
Tuition to Other LEAs Within the State - Regular	-	-	-
General Supplies	-	-	-
Other Objects	-	-	-
<b>Total instruction</b>	<u>113,555</u>	<u>113,555</u>	<u>-</u>
<b>Support services:</b>			
Salaries of Program Directors	-	-	-
Salaries of Supervisors of Instruction	-	-	-
Salaries of Other Professional Staff	-	-	-
Salaries of Secr. And Clerical Assistants	-	-	-
Other Salaries	-	-	-
Salaries of Community Parent Involvement Spec.	-	-	-
Salaries of Master Teachers	-	-	-
Personal Services - Employee Benefits	-	-	-
Purchased Educational Services - Contracted Pre-K	-	-	-
Purchased Professional - Educational Services	-	-	-
Other Purchased Professional Services	-	-	-
Cleaning, Repair, and Maintenance Services	-	-	-
Purchased Technical Services	-	-	-
Rentals	-	-	-
Contr. Serv.-Trans. (Bet. Home & Sch.)	-	-	-
Contr. Serv.-Trans. (Wrap Around Services)	-	-	-
Contr. Serv.-Trans. (Field Trips)	-	-	-
Travel	-	-	-
Other Purchased Services (400-500 series)	-	-	-
Supplies & Materials	-	-	-
Other Objects	-	-	-
<b>Total support services</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Facilities acquisition and cont. serv:</b>			
Instructional equipment	-	-	-
Noninstructional Equipment	-	-	-
<b>Total Facilities acquisition and cont. serv.</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Contribution to Charter Schools</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfer to General Fund</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 113,555</u>	<u>\$ 113,555</u>	<u>\$ -</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2015-16 PreK/ECPA Aid Allocation	\$ 113,555
Add: Actual PreK/ECPA Aid Carryover June 30, 2015	-
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2014-15 Budget	<u>113,555</u>
Less: 2015-16 Budgeted PreK/ECPA (Including prior year budgeted carryover)	<u>(113,555)</u>
Available & Unbudgeted Funds as of June 30, 2015	-
Add: June 30, 2015 Unexpended PreK Aid	-
2015- Actual Carryover - PreK Aid	<u>\$ -</u>
2015-16 PreK Aid Carryover Budgeted in 2017-FY	<u>\$ -</u>

UNION BEACH SCHOOL DISTRICT  
Enterprise Fund  
Statement of Net Position  
June 30, 2016

	Business-Type Activities-Enterprise Funds		
	Food Service	Latchkey Program	Totals
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 192,088	\$ 223,045	\$ 415,133
Accounts receivable:			
State	199	-	199
Federal	7,725	-	7,725
Interfunds	-	-	-
Other	-	-	-
Inventories	2,485	-	2,485
<b>Total current assets</b>	<u>202,497</u>	<u>223,045</u>	<u>425,542</u>
<b>Fixed assets:</b>			
Equipment	338,751	-	338,751
Accumulated depreciation	(267,295)	-	(267,295)
<b>Total fixed assets</b>	<u>71,456</u>	<u>-</u>	<u>71,456</u>
<b>Total assets</b>	<u>273,953</u>	<u>223,045</u>	<u>496,998</u>
<b>Liabilities and Net Position:</b>			
<b>Liabilities:</b>			
Accounts payable	-	-	-
Deferred Revenues	1,132	-	1,132
Interfunds	90,044	-	90,044
<b>Total liabilities</b>	<u>91,176</u>	<u>-</u>	<u>91,176</u>
<b>Net position:</b>			
Invested in capital assets, net of related	71,456	-	71,456
Restricted for other purposes	-	-	-
Contributed capital	-	-	-
Unrestricted net position	111,321	223,045	334,366
<b>Total net position</b>	<u>182,777</u>	<u>223,045</u>	<u>405,822</u>
<b>Total liabilities and net position</b>	<u>\$ 273,953</u>	<u>\$ 223,045</u>	<u>\$ 496,998</u>

UNION BEACH SCHOOL DISTRICT  
 Food Services Enterprise Fund  
 Statement of Revenues, Expenses and  
 Changes in Net Position  
 for the Fiscal Year ended June 30, 2016

	Business-Type Activities-Enterprise Funds		
	Food Service	Latchkey Program	Totals
Operating revenues:			
Tuition	\$ -	\$ 61,587	\$ 61,587
Local sources:			
Daily sales-reimbursable programs:			
School lunch program	103,843	-	103,843
School snack program	-	-	-
School breakfast program	-	-	-
Special Functions	-	-	-
Summer transportation revenue	-	-	-
Special milk program	-	-	-
Total-daily sales-reimbursable programs	103,843	61,587	165,430
Daily sales non-reimbursable programs	-	-	-
Total operating revenues	103,843	61,587	165,430
Operating expenses:			
Salaries	62,417	37,731	100,148
Employee benefits	15,973	2,886	18,859
Purchased property	-	-	-
Other purchased services	9,797	625	10,422
Supplies and materials	5,120	4,129	9,249
Depreciation	16,938	-	16,938
Miscellaneous	-	-	-
Cost of sales	117,176	-	117,176
Total operating expenses	227,421	45,371	272,792
Operating loss	(123,578)	16,216	(107,362)
Nonoperating revenues:			
Interest income	-	-	-
State sources:			
State school lunch program	2,869	-	2,869
Federal sources:			
National school lunch program	105,573	-	105,573
National school breakfast program	6,981	-	6,981
National school snack program	-	-	-
U.S.D.A. commodities	18,660	-	18,660
Total nonoperating revenues	134,083	-	134,083
Change in net position	10,505	16,216	26,721
Total net position beginning	172,272	206,829	379,101
Total net position ending	\$ 182,777	\$ 223,045	\$ 405,822

UNION BEACH SCHOOL DISTRICT  
 Food Services Enterprise Fund  
 Statement of Cash Flows  
 for the Fiscal Year ended June 30, 2016

	Business-Type Activities-Enterprise Funds		
	Food Service	Latchkey Program	Totals
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers and other funds	\$ 104,080	\$ 61,587	\$ 165,667
Payments to employees	(62,417)	(37,731)	(100,148)
Payments for employee benefits	(15,973)	(2,886)	(18,859)
Payments to suppliers	(184,894)	(4,754)	(189,648)
Net cash provided by (used for) operating activities	(159,204)	16,216	(142,988)
<b>Cash Flows from Noncapital Financing Activities</b>			
State sources	2,939	-	2,939
Federal sources	115,068	-	115,068
Net cash provided by (used for) noncapital financing activities	118,007	-	118,007
<b>Cash Flows from Investing Activities</b>			
Interest Income	-	-	-
Net cash provided by (used for) investing activities	-	-	-
Net increase (decrease) in cash and cash equivalents:	(41,197)	16,216	(24,981)
Balances-beginning of the year	233,285	206,829	440,114
Balances-end of the year	192,088	223,045	415,133
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating loss	(123,578)	16,216	(107,362)
Adjustments to reconcile operating loss to cash used by operating activities:			
Depreciation	16,938	-	16,938
Federal commodities	18,660	-	18,660
Change in assets and liabilities:			
Decrease (increase) in interfund	(72,182)	-	(72,182)
Decrease (increase) in accounts receivable	-	-	-
Decrease (increase) in inventory	721	-	721
Increase (decrease) in deferred revenues	237	-	237
Total adjustments	(35,626)	-	(35,626)
Net cash used by operating activities	\$ (159,204)	\$ 16,216	\$ (142,988)

**UNION BEACH SCHOOL DISTRICT**  
**Statement of Agency Fund Assets, Liabilities and Net Position**  
**Fiduciary Funds**  
**June 30, 2016**

	Trust	Agency		Total
	Unemployment Compensation Trust	Student Activity	Agency Fund	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 36,317	\$ 40,970	\$ 8,653	\$ 85,940
Intergovernmental Accounts Receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	<u>36,317</u>	<u>40,970</u>	<u>8,653</u>	<u>85,940</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	-	4,217	4,217
Payable to student groups	-	40,970	-	40,970
Interfund payable	20,151	-	4,414	24,565
Other current liabilities	-	-	22	22
Total liabilities	<u>20,151</u>	<u>40,970</u>	<u>8,653</u>	<u>69,774</u>
<b>NET POSITION</b>				
Held in trust for unemployment claims and other purposes	16,166	-	-	16,166
Reserved for scholarships	-	-	-	-
Total net position	<u>16,166</u>	<u>-</u>	<u>-</u>	<u>16,166</u>
Total liabilities and net position	<u>\$ 36,317</u>	<u>\$ 40,970</u>	<u>\$ 8,653</u>	<u>\$ 85,940</u>



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

	Unemployment Compensation Trust	Total
<b>ADDITIONS</b>		
Contributions:		
Plan member	\$ 18,556	\$ 18,556
Other	-	-
Total Contributions	<u>18,556</u>	<u>18,556</u>
Investment earnings:		
Net increase (decrease) in fair value of investments	-	-
Interest	101	101
Dividends	-	-
Less investment expense	-	-
Net investment earnings	<u>101</u>	<u>101</u>
Total additions	<u>18,657</u>	<u>18,657</u>
<b>DEDUCTIONS</b>		
Quarterly contribution reports	-	-
Unemployment claims	47,912	47,912
Scholarships awarded	-	-
Refunds of contributions	-	-
Administrative expenses	-	-
Total deductions	<u>47,912</u>	<u>47,912</u>
Change in net positions	(29,255)	(29,255)
Net position—beginning of the year	<u>45,421</u>	<u>45,421</u>
Net position—end of the year	<u>\$ 16,166</u>	<u>\$ 16,166</u>

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

	<u>Balance</u> <u>July 1, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Due to Student Groups	\$ 48,130	66,719	73,879	\$ 40,970
Total all schools	<u>\$ 48,130</u>	<u>66,719</u>	<u>73,879</u>	<u>\$ 40,970</u>

UNION BEACH SCHOOL DISTRICT  
 Payroll Agency and Payroll Account Funds  
 Schedule of receipts and disbursements  
 For the Fiscal Year ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Interfund Accounts Payable	\$ 4,414	-	-	\$ 4,414
Accrued Salaries and Benefits	112	6,289,496	6,289,586	22
Payroll deductions and withholdings	<u>2,915</u>	<u>3,437,607</u>	<u>3,436,305</u>	<u>4,217</u>
Total	<u>\$ 7,441</u>	<u>9,727,103</u>	<u>9,725,891</u>	<u>\$ 8,653</u>

UNION BEACH SCHOOL DISTRICT  
 SCHEDULE OF LOANS PAYABLE  
 AS OF JUNE 30, 2016

	<u>Interest Rate Payables</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2015</u>	<u>Additions Current Year</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2016</u>
Community Disaster Loan	1.50%	899,147	\$ 1,055,641	-	156,494	\$ 899,147
			<u>\$ 1,055,641</u>	<u>-</u>	<u>156,494</u>	<u>\$ 899,147</u>

STATISTICAL SECTION

**Union Beach School District  
Statistical Section**

<u>Contents</u>	<u>Pages</u>
<p><b>Financial Trends</b></p> <p>These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	<b>88-92</b>
<p><b>Revenue Capacity</b></p> <p>These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	<b>93-96</b>
<p><b>Debt Capacity</b></p> <p>These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the</p>	<b>97-100</b>
<p><b>Demographic and Economic Information</b></p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	<b>101-102</b>
<p><b>Operating Information</b></p> <p>These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</p>	<b>103-107</b>

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.*

**Union Beach School District**  
**Net Assets/Position by Component**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(accrual basis of accounting)*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 7,862,922	\$ 7,712,770	\$ 7,430,567	\$ 7,167,697	\$ 6,884,634	\$ 6,636,702	\$ 6,674,457	\$ 6,914,516	\$ 6,722,949	\$ 6,634,060
Restricted	1,797,920	2,269,740	3,507,220	2,502,604	2,562,352	1,528,816	1,773,680	1,260,194	1,314,193	1,945,724
Unrestricted	(353,131)	(437,841)	(1,263,522)	(1,584,780)	(1,623,761)	(1,125,797)	(988,485)	(1,023,207)	(4,279,408)	(4,373,730)
<b>Total governmental activities net assets/position</b>	<b>\$ 9,307,711</b>	<b>\$ 9,544,669</b>	<b>\$ 9,674,265</b>	<b>\$ 8,085,521</b>	<b>\$ 7,823,225</b>	<b>\$ 7,039,721</b>	<b>\$ 7,459,652</b>	<b>\$ 7,151,503</b>	<b>\$ 3,757,734</b>	<b>\$ 4,206,054</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 34,834	\$ 186,893	\$ 167,073	\$ 151,002	\$ 156,146	\$ 139,208	\$ 122,270	\$ 105,332	\$ 88,394	\$ 71,456
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	378,271	275,771	322,527	369,936	373,038	395,353	235,276	264,310	290,707	334,366
<b>Total business-type activities net assets/position</b>	<b>\$ 413,105</b>	<b>\$ 462,664</b>	<b>\$ 489,600</b>	<b>\$ 520,938</b>	<b>\$ 529,184</b>	<b>\$ 534,561</b>	<b>\$ 357,546</b>	<b>\$ 369,642</b>	<b>\$ 379,101</b>	<b>\$ 405,822</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 7,897,756	\$ 7,899,663	\$ 7,597,640	\$ 7,318,699	\$ 7,040,780	\$ 6,775,910	\$ 6,796,727	\$ 7,019,848	\$ 6,811,343	\$ 6,705,516
Restricted	1,797,920	2,269,740	3,507,220	2,502,604	2,562,352	1,528,816	1,773,680	1,260,194	1,314,193	1,945,724
Unrestricted	25,140	(162,070)	(940,995)	(1,214,844)	(1,250,723)	(730,444)	(753,209)	(758,897)	(3,988,701)	(4,039,364)
<b>Total district net assets/position</b>	<b>\$ 9,720,816</b>	<b>\$ 10,007,333</b>	<b>\$ 10,163,865</b>	<b>\$ 8,606,459</b>	<b>\$ 8,352,409</b>	<b>\$ 7,574,282</b>	<b>\$ 7,817,198</b>	<b>\$ 7,521,145</b>	<b>\$ 4,136,835</b>	<b>\$ 4,611,876</b>

**Union Beach School District**  
**Changes in Net Assets/Position**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(accrual basis of accounting)*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
<b>Governmental activities</b>										
<b>Instruction</b>										
Regular	\$ 5,368,213	\$ 5,307,569	\$ 4,926,525	\$ 5,861,985	\$ 5,594,153	\$ 3,663,075	\$ 3,450,127	\$ 3,450,528	\$ 3,027,074	\$ 3,122,538
Special education	1,237,123	1,258,974	1,414,406	664,106	1,138,160	834,897	917,104	914,164	1,038,462	1,087,527
Other special education	54,253	59,191	53,942	50,953	10,949	50,217	49,461	-	53,540	58,027
Other instruction	73,147	71,552	60,468	64,795	68,942	-	-	-	-	-
<b>Support Services:</b>										
<b>Instruction</b>	4,255,534	4,509,769	4,914,402	5,229,798	4,878,956	6,520,501	6,187,161	5,547,840	5,479,405	4,997,825
Student and Instruction Services	1,204,041	1,128,786	1,066,067	1,486,089	1,618,449	202,760	222,305	201,964	208,988	202,977
Other support services	712,364	743,712	762,988	860,936	733,766	955,499	906,186	1,089,669	945,836	904,391
General Business and Administrative	-	-	-	-	-	327,711	535,454	306,298	297,047	330,980
School administrative services	533,830	539,401	533,719	269,366	264,380	201,063	202,384	220,908	220,470	199,165
Central services	-	-	-	-	-	244,875	179,191	159,839	180,681	179,429
Plant operations and maintenance	1,402,249	1,481,013	1,298,958	1,307,281	1,221,260	895,782	1,036,502	1,093,614	932,586	951,957
Care & upkeep of grounds	-	-	-	-	-	101,451	4,788	10,724	19,260	19,925
Pupil transportation	578,922	580,753	595,926	642,944	655,527	612,363	1,330,413	626,931	778,304	742,462
Attendance and social work	-	-	87,400	26,800	326,519	-	-	-	-	-
Special schools	572,147	620,141	16,727	14,064	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	1,030	12,363	12,363
Unallocated employee benefits	-	-	-	-	-	1,729,195	1,476,000	2,001,405	1,655,501	1,749,579
Non-budgeted expenditures	-	-	-	-	-	807,664	915,576	802,704	654,395	673,775
<b>Total governmental activities expenses</b>	<b>16,011,823</b>	<b>16,299,861</b>	<b>15,731,528</b>	<b>16,478,317</b>	<b>16,511,061</b>	<b>17,142,073</b>	<b>17,412,652</b>	<b>16,481,158</b>	<b>15,499,465</b>	<b>15,232,920</b>
<b>Business-type activities:</b>										
Food service/LatchKey Program	329,720	331,189	336,414	347,769	360,213	354,938	383,732	279,113	266,350	272,792
<b>Total business-type activities expense</b>	<b>329,720</b>	<b>331,189</b>	<b>336,414</b>	<b>347,769</b>	<b>360,213</b>	<b>354,938</b>	<b>383,732</b>	<b>279,113</b>	<b>266,350</b>	<b>272,792</b>
<b>Total district expenses</b>	<b>\$ 16,341,543</b>	<b>\$ 16,631,050</b>	<b>\$ 16,067,942</b>	<b>\$ 16,826,086</b>	<b>\$ 16,871,274</b>	<b>\$ 17,497,011</b>	<b>\$ 17,796,384</b>	<b>\$ 16,760,271</b>	<b>\$ 15,765,815</b>	<b>\$ 15,505,712</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,210	\$ -	\$ -	\$ 23,314.0	\$ 1,740
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	2,255,293	2,291,985	886,417	844,431	662,436	807,664	915,576	802,704	654,395	673,775
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities program revenues</b>	<b>2,255,293</b>	<b>2,291,985</b>	<b>886,417</b>	<b>844,431</b>	<b>662,436</b>	<b>819,874</b>	<b>915,576</b>	<b>802,704</b>	<b>677,709</b>	<b>675,515</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Food service	270,669	244,621	234,073	233,168	211,624	125,592	29,524	100,739	101,745	103,843
Child care	-	-	-	-	-	72,766	24,497	44,440	46,035	61,587
Operating grants and contributions	123,862	132,960	129,277	145,939	136,554	161,957	152,612	145,920	127,995	134,083
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>394,531</b>	<b>377,581</b>	<b>363,350</b>	<b>379,107</b>	<b>348,178</b>	<b>360,315</b>	<b>206,633</b>	<b>291,099</b>	<b>275,775</b>	<b>299,513</b>
<b>Total district program revenues</b>	<b>\$ 2,649,824</b>	<b>\$ 2,669,566</b>	<b>\$ 1,249,767</b>	<b>\$ 1,223,538</b>	<b>\$ 1,010,614</b>	<b>\$ 1,180,189</b>	<b>\$ 1,122,209</b>	<b>\$ 1,093,803</b>	<b>\$ 953,484</b>	<b>\$ 975,028</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental activities</b>	<b>\$ (13,756,530)</b>	<b>\$ (14,007,876)</b>	<b>\$ (14,845,111)</b>	<b>\$ (15,633,886)</b>	<b>\$ (15,848,625)</b>	<b>\$ (16,322,199)</b>	<b>\$ (16,497,076)</b>	<b>\$ (15,678,454)</b>	<b>\$ (14,821,756)</b>	<b>\$ (14,557,405)</b>
<b>Business-type activities</b>	<b>64,811</b>	<b>46,992</b>	<b>26,936</b>	<b>31,338</b>	<b>(12,035)</b>	<b>5,377</b>	<b>(177,099)</b>	<b>11,996</b>	<b>9,425</b>	<b>26,721</b>
<b>Total district-wide net expense</b>	<b>\$ (13,691,719)</b>	<b>\$ (13,961,484)</b>	<b>\$ (14,818,175)</b>	<b>\$ (15,602,628)</b>	<b>\$ (15,860,660)</b>	<b>\$ (16,316,822)</b>	<b>\$ (16,674,175)</b>	<b>\$ (15,666,468)</b>	<b>\$ (14,812,331)</b>	<b>\$ (14,530,684)</b>
<b>General Revenues and Other Changes in Net Assets/Position</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes, net	\$ 6,153,919	\$ 6,246,176	\$ 6,280,672	\$ 6,280,672	\$ 6,280,672	\$ 6,371,285	\$ 6,498,711	\$ 5,999,563	\$ 5,756,058	\$ 5,871,180
Unrestricted grants and contributions	7,312,769	7,929,280	8,609,308	7,717,485	9,307,691	9,149,475	9,422,727	9,549,813	9,172,519	9,125,886
Investment earnings	105,168	69,331	29,698	26,118	2,650	259	2,741	3,330	4,992	-
Miscellaneous income	23,691	47	55,029	20,947	20,000	17,676	1,211,739	217,599	101,396	8,659
Loss on disposal of asset	-	-	-	-	-	-	(218,913)	-	-	-
<b>Total governmental activities</b>	<b>13,595,547</b>	<b>14,244,834</b>	<b>14,974,707</b>	<b>14,045,222</b>	<b>15,611,013</b>	<b>15,538,695</b>	<b>16,917,007</b>	<b>15,370,305</b>	<b>15,034,965</b>	<b>15,005,725</b>
<b>Business-type activities:</b>										
Miscellaneous Income	790	3,167	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	84	110	34	-
<b>Total business-type activities</b>	<b>790</b>	<b>3,167</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84</b>	<b>110</b>	<b>34</b>	<b>-</b>
<b>Total district-wide</b>	<b>\$ 13,596,337</b>	<b>\$ 14,248,001</b>	<b>\$ 14,974,707</b>	<b>\$ 14,045,222</b>	<b>\$ 15,611,013</b>	<b>\$ 15,538,695</b>	<b>\$ 16,917,091</b>	<b>\$ 15,370,415</b>	<b>\$ 15,034,999</b>	<b>\$ 15,005,725</b>
<b>Change in Net Assets/Position</b>										
<b>Governmental activities</b>	<b>\$ (160,983)</b>	<b>\$ 236,958</b>	<b>\$ 129,596</b>	<b>\$ (1,588,744)</b>	<b>\$ (237,612)</b>	<b>\$ (783,504)</b>	<b>\$ 419,931</b>	<b>\$ (308,149)</b>	<b>\$ 213,209</b>	<b>\$ 448,320</b>
<b>Business-type activities</b>	<b>65,601</b>	<b>49,559</b>	<b>26,936</b>	<b>31,338</b>	<b>(12,035)</b>	<b>5,377</b>	<b>(177,015)</b>	<b>12,096</b>	<b>9,459</b>	<b>26,721</b>
<b>Total district</b>	<b>\$ (95,382)</b>	<b>\$ 286,517</b>	<b>\$ 156,532</b>	<b>\$ (1,557,406)</b>	<b>\$ (249,647)</b>	<b>\$ (778,127)</b>	<b>\$ 242,916</b>	<b>\$ (296,053)</b>	<b>\$ 222,668</b>	<b>\$ 475,041</b>

**Notes**  
The J-2 is a ten year schedule. This sample is for Districts are not required by GASB to report years prior to the implementation date of Statement 44. However, the department strongly encourages districts to report retroactively back to the year



Union Beach School District  
 Fund Balances, Governmental Funds,  
 Last Ten Fiscal Years  
 UNAUDITED  
 (modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 1,952,208	\$ 2,384,444	\$ 3,527,967	\$ 2,522,074	\$ 2,143,918	\$ 1,575,284	\$ 1,788,149	\$ 2,182,930	\$ 2,682,507	\$ 3,006,219
Unreserved	271,394	263,454	(472,070)	(812,556)	(448,141)	(400,800)	(521,114)	(477,956)	(469,633)	(497,515)
Total general fund	<u>\$ 2,223,602</u>	<u>\$ 2,647,898</u>	<u>\$ 3,055,897</u>	<u>\$ 1,709,518</u>	<u>\$ 1,695,777</u>	<u>\$ 1,174,484</u>	<u>\$ 1,267,035</u>	<u>\$ 1,704,974</u>	<u>\$ 2,212,874</u>	<u>\$ 2,508,704</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	(19,870)	(24,988)	(20,747)	(20,970)	(25,681)	(46,468)	(14,469)	(23,589)	(14,850)	(10,415)
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental	<u>\$ (19,870)</u>	<u>\$ (24,988)</u>	<u>\$ (20,747)</u>	<u>\$ (20,970)</u>	<u>\$ (25,681)</u>	<u>\$ (46,468)</u>	<u>\$ (14,469)</u>	<u>\$ (23,589)</u>	<u>\$ (14,850)</u>	<u>\$ (10,415)</u>

**Union Beach School District**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax levy	\$ 6,153,919	\$ 6,246,176	\$ 6,280,672	\$ 6,280,672	\$ 6,280,672	\$ 6,371,285	\$ 6,498,711	\$ 5,599,563	\$ 5,756,058	\$ 5,871,180
Tuition charges	-	-	-	-	-	-	-	-	23,314	1,740
Interest earnings	105,168	20,604	29,698	26,118	2,650	259	2,741	3,330	4,992	-
Miscellaneous	25,761	48,774	55,029	20,947	20,000	17,676	228,499	142,751	101,396	8,659
State sources	8,933,832	9,728,190	9,373,680	6,963,500	9,259,664	9,416,614	9,492,697	9,410,906	9,259,437	9,233,312
Federal sources	634,230	493,075	423,197	1,901,162	710,463	540,525	845,606	941,611	567,477	566,349
<b>Total revenue</b>	<b>15,852,910</b>	<b>16,536,819</b>	<b>16,162,276</b>	<b>15,192,399</b>	<b>16,273,449</b>	<b>16,358,569</b>	<b>17,068,254</b>	<b>16,098,161</b>	<b>15,712,674</b>	<b>15,681,240</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	3,566,894	3,696,653	3,669,600	4,417,394	3,901,037	3,663,075	3,450,127	3,450,528	3,027,074	3,122,538
Special education instruction	801,683	824,565	1,033,395	485,569	747,895	834,897	917,104	914,164	1,038,462	1,087,527
Other special instruction	33,916	38,009	39,411	37,255	7,195	50,217	49,461	53,540	49,083	58,027
Other instruction	52,446	54,016	47,807	51,868	50,008	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education	-	-	-	-	-	-	-	-	-	-
<b>Support Services:</b>										
Tuition	4,255,534	4,509,769	4,914,402	5,229,798	4,878,956	6,310,717	5,984,559	5,327,103	5,252,152	4,771,396
Student & inst. related services	843,414	819,771	820,320	1,119,261	1,129,222	202,760	222,305	201,964	208,988	202,977
General administration	511,920	542,555	559,411	528,745	546,102	316,984	269,592	295,011	285,427	319,402
School administrative services	336,265	355,778	392,372	199,316	176,382	201,083	202,384	220,908	220,470	199,165
Central services	-	-	-	-	-	244,875	179,191	159,839	180,681	179,429
Security	-	-	-	-	-	5,128	5,988	16,092	5,998	17,811
Plant operations and maintenance	1,075,033	1,192,179	1,064,713	1,085,672	965,370	832,713	969,968	897,607	839,033	854,149
Pupil transportation	505,198	514,913	538,998	585,735	571,036	603,818	999,808	617,939	769,047	733,239
Other Support Services	-	-	-	-	-	954,954	905,660	1,089,096	945,246	903,803
Care & upkeep of grounds	-	-	-	-	-	101,451	4,788	10,724	19,260	19,925
Employee benefits	3,009,809	3,025,964	2,551,760	2,771,508	2,977,380	1,735,703	1,733,626	1,924,555	1,712,495	1,843,333
Non-budgeted expenditures	-	-	-	-	-	807,664	915,576	802,704	654,395	673,775
Special Schools	397,826	443,135	-	-	-	-	-	-	-	-
Capital outlay	216,675	100,334	117,847	26,880	341,318	34,610	133,567	586,715	144,718	238,926
<b>Debt service:</b>										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>15,606,613</b>	<b>16,117,641</b>	<b>15,750,036</b>	<b>16,539,001</b>	<b>16,291,901</b>	<b>16,900,649</b>	<b>16,943,704</b>	<b>16,568,489</b>	<b>15,352,529</b>	<b>15,225,422</b>
Excess (Deficiency) of revenues over (under) expenditures	246,297	419,178	412,240	(1,346,602)	(18,452)	(542,080)	124,550	(470,328)	360,145	455,818
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing	-	-	-	-	-	-	-	-	156,494	-
Repayment of CDL	-	-	-	-	-	-	-	-	-	(156,494)
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
State school building aid - Section 15	-	-	-	-	-	-	-	-	-	-
Original issue discount	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Transfers in	100,182	397,390	1,768,068	-	-	-	-	-	-	-
Transfers out	(100,182)	(397,390)	(1,768,068)	-	-	-	-	-	-	-
Costs of issuance	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156,494</b>	<b>(156,494)</b>
<b>Net change in fund balances</b>	<b>246,297</b>	<b>419,178</b>	<b>412,240</b>	<b>(1,346,602)</b>	<b>(18,452)</b>	<b>(542,080)</b>	<b>124,550</b>	<b>(470,328)</b>	<b>516,639</b>	<b>299,324</b>
Debt service as a percentage of noncapital expenditures	5.29%	0.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Source: District records**

Note: Noncapital expenditures are total expenditures less capital outlay.  
 Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.  
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services

**Union Beach School District  
General Fund - Other Local Revenue by Source  
Last Ten Fiscal Years**

**UNAUDITED**

*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	Sale of Capital Assets	Donations	Rentals	Prior Year Refunds	Sale and Leaseback of Textbooks	Miscellaneous	Annual Totals
2007	-	-	18,000	5,322	-	2,439	25,761
2008	-	-	-	-	-	48,774	48,774
2009	-	-	-	-	-	55,029	55,029
2010	-	-	-	-	-	20,947	20,947
2011	-	-	-	-	-	20,000	20,000
2012	-	-	-	-	-	17,676	17,676
2013	-	-	-	-	-	228,499	228,499
2014	-	-	-	-	-	14,942	14,942
2015	-	-	8,625	-	-	85,600	94,225
2016	-	-	-	-	-	8,659	8,659

Source: District records

Union Beach School District  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Fiscal Years  
 UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qform	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2007	7,759,300	380,763,400	-	-	14,017,100	44,428,600	190,800	447,159,200	-	349,498	447,508,698	1.385	641,307,897
2008	7,182,800	383,651,000	-	-	14,099,100	44,428,600	190,800	449,552,300	-	364,263	449,916,563	1.393	681,371,734
2009	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2010	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2011	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2012	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2013	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2014	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2015	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2016	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A

Source: Municipal Tax Assessor

**Union Beach School District  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

**UNAUDITED**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	Union Beach School District		Overlapping Rates			Total Direct and Overlapping Tax Rate
	<u>Basic Rate</u> <sup>a</sup>	<u>General Obligation Debt Service</u> <sup>b</sup>	<u>Total Direct J- 7</u>	<u>Borough of Union Beach</u>	<u>Monmouth County</u>	
2007	1.385	0.000	1.385	1.064	0.398	2.847
2008	1.393	0.000	1.393	1.118	0.398	2.909
2009	N/A	0.000	N/A	N/A	N/A	N/A
2010	N/A	0.000	N/A	N/A	N/A	N/A
2011	N/A	0.000	N/A	N/A	N/A	N/A
2012	N/A	0.000	N/A	N/A	N/A	N/A
2013	N/A	0.000	N/A	N/A	N/A	N/A
2014	N/A	0.000	N/A	N/A	N/A	N/A
2015	N/A	0.000	N/A	N/A	N/A	N/A
2016	N/A	0.000	N/A	N/A	N/A	N/A

Source: Municipal Tax Collector

**Union Beach School District  
 Principal Property Tax Payers,  
 Current Year and Nine Years Ago  
 UNAUDITED**

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Not Available						
Total	\$ -		0.00%	-		0.00%

Source: Municipal Tax Assessor

**Union Beach School District  
Property Tax Levies and Collections,  
Last Ten Fiscal Years  
UNAUDITED**

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	6,153,919	6,153,919	100.00%	-
2008	6,246,176	6,246,176	100.00%	-
2009	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A

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

**Union Beach School District  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years  
 UNAUDITED**

Fiscal Year Ended June 30,	Governmental Activities				Compensated Absences Payable	Business- Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)		Capital Leases			
2007	-	-	-	-	758,943	-	758,943	0.22%	114
2008	-	-	-	-	791,011	-	791,011	0.00%	-
2009	-	-	-	-	791,452	-	791,452	0.00%	-
2010	-	-	-	-	770,724	-	770,724	0.00%	-
2011	-	-	-	-	731,505	-	731,505	0.00%	-
2012	-	-	-	-	724,997	-	724,997	0.00%	-
2013	-	-	-	-	467,371	-	467,371	0.00%	-
2014	-	-	-	-	484,415	-	484,415	0.00%	-
2015	-	-	-	-	484,415	-	484,415	0.00%	-
2016	-	-	-	-	314,008	-	314,008	0.00%	-

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



**Union Beach School District**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**UNAUDITED**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	-	-	-	N/A	N/A
2008	-	-	-	N/A	N/A
2009	-	-	-	N/A	N/A
2010	-	-	-	N/A	N/A
2011	-	-	-	N/A	N/A
2012	-	-	-	N/A	N/A
2013	-	-	-	N/A	N/A
2014	-	-	-	N/A	N/A
2015	-	-	-	N/A	N/A
2016					

Union Beach School District  
 Ratios of Overlapping Governmental Activities Debt  
 As of June 30, 2016  
 UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Borough of Union Beach	0	100.000%	0
Monmouth County General Obligation Debt	0	0.541%	0
<b>Other debt</b>			
Subtotal, overlapping debt			0
<b>Union Beach School District Direct Debt</b>			<u>N/A</u>
<b>Total direct and overlapping debt</b>			<u>\$ -</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation

Union Beach School District  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years  
 UNAUDITED

	Equalized valuation basis	
	2016	\$ -
	2015	\$ -
	2014	\$ -
	<b>[A]</b>	<u>\$ -</u>
	<b>[A/3]</b>	\$ -
% of average	<b>[B]</b>	0 a
Net bonded school	<b>[C]</b>	\$ -
Legal debt margin	<b>[B-C]</b>	<u>\$ -</u>

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 22,286,821	\$ 25,014,171	\$ 26,815,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 22,286,821</u>	<u>\$ 25,014,171</u>	<u>\$ 26,815,590</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

**Union Beach School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
UNAUDITED**

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2007	6,666	342,999,030	51,455	5.1%
2008	6,616	392,553,744	59,334	0.0%
2009	6,612	368,711,568	55,764	0.0%
2010	6,250	355,968,750	56,955	0.0%
2011	6,251	N/A	N/A	0.0%
2012	N/A	N/A	N/A	10.9%
2013	N/A	N/A	N/A	10.9%
2014	N/A	N/A	N/A	10.9%
2015	N/A	N/A	N/A	10.9%
2016	N/A	N/A	N/A	10.9%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept. of Labor and Workforce Development

<sup>b</sup> Personal income not available by municipality.

<sup>c</sup> Per Capita Income not available by municipality

<sup>d</sup> Unemployment data provided by the NJ Dept. of Labor and Workforce Development

**N/A** At the time of CAFR completion, this data was not available



Union Beach School District  
 Full-time Equivalent District Employees by Function/Program,  
 Last Ten Fiscal Years  
 UNAUDITED

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction											
Regular	59	66	65	60	62	62	62	62	62	62	62
Special education	13	11	12	8	23	23	23	23	23	23	23
Adult/continuing education programs	4	6	6	-	-	-	-	-	-	-	-
Support Services:											
Tuition	-	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	11	11	11	12	16	16	16	16	16	16	16
General administrative services	5	5	5	1	1	1	1	1	1	1	1
School administrative services	6	6	6	5	2	2	2	2	2	2	2
Other Administrative Services	1	1	1	1	5	5	5	5	5	5	5
Business administrative services	-	-	-	-	-	-	-	-	-	-	-
Plant operations and maintenance	18	24	24	46	10	10	10	10	10	10	10
Pupil transportation	5	7	7	7	4	4	4	4	4	4	4
Food Service	1	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-	-
Total	<u>123</u>	<u>137</u>	<u>137</u>	<u>140</u>	<u>123</u>	<u>123</u>	<u>123</u>	<u>123</u>	<u>123</u>	<u>123</u>	<u>123</u>

Source: District Personnel Records

Union Beach School District  
 Operating Statistics  
 Last Ten Fiscal Years  
 UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2007	1,102	15,389,938	13,965	11.11%	83	13.3	0.1	0.0	846.6	798.3	-4.81%	94.29%
2008	1,086	16,017,307	14,749	5.61%	82	13.2	0.0	0.0	813.9	772.1	-4.02%	94.86%
2009	794	15,632,189	19,688	33.49%	82	9.7	0.0	0.0	799.7	758.0	-1.78%	94.79%
2010	875	16,512,121	18,871	-4.15%	82	10.7	0.0	0.0	875.0	875.0	8.61%	100.00%
2011	1,158	15,950,583	13,774	-27.01%	82	14.1	0.0	0.0	1,158.0	1,158.0	24.44%	100.00%
2012	1,068	16,046,404	15,025	9.08%	83	8.9	0.0	0.0	1,068.0	1,068.0	22.06%	100.00%
2013	690	16,251,085	23,552	56.76%	-	-	0.0	0.0	690.0	690.0	-40.41%	100.00%
2014	658	0	-	-100.00%	62	-	0.0	0.0	658.0	658.0	-24.80%	100.00%
2015	658	14,869,096	22,597	50.40%	85	-	0.0	0.0	658.0	658.0	-43.18%	100.00%
2016	628	14,853,616	23,652	57.42%	85	-	0.0	0.0	628.0	628.0	-45.77%	100.00%

Sources: District records and Schedules J-12, J-14

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from School Register Summary (SRS)

Union Beach School District  
 School Building Information  
 Last Ten Fiscal Years  
 UNAUDITED

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b><u>District Building</u><sup>a</sup></b>										
<b><u>Elementary</u></b>										
Memorial School										
Square Feet	99,106	99,106	99,106	102,009	102,009	102,009	102,009	102,009	102,009	102,009
Capacity (students)	826	826	826	826	826	826	826	826	826	826
Enrollment	848	813	800	794	794	794	794	794	794	628
<b><u>Other</u></b>										
Central Administration										
Square Feet	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818
Number of Schools at June 30, 2004										
Elementary = 1										
Middle School = 0										
Other = 1										

**Source:** District Facilities Office

<sup>a</sup> Increases in square footage and capacity are the result of and additions  
 Enrollment is based on the annual October District count

<sup>b</sup> At the time of CAFR completion, this data was not yet available



UNION BEACH SCHOOL DISTRICT  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years  
 UNAUDITED

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

* School Facilities Project # (s)	Memorial School N/A	Florence Avenue N/A	Total
2007	88,711	11,565	100,276
2008	188,314	9,163	197,477
2009	120,667	6,351	127,018
2010			-
2011			-
2012	95,968	5,051	101,019
2013	190,826	36,500	227,326
2014	71,169	36,500	107,669
2015	126,772	13,000	139,772
2016	138,160	-	138,160
Total School Facilities	<u>\$ 1,020,587</u>	<u>\$ 118,130</u>	<u>\$ 1,138,717</u>

\* School facilities as defined under EFCFA.  
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

UNION BEACH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

Company	Type of Coverage	Coverage	Deductible
G.R. Murray Insurance	<b>Property</b> Blanket Building & Contents	10,157,088,555	5,000
New Jersey School Boards Association Insurance Group	Business Income & Extra Exp. Flood Computer Equipment Contractors Equipment		
	<b>Equipment Breakdown (Blanket)</b> Per Breakdown	100,000,000	5,000
	<b>Commercial Liability</b> Bodily Injury & Property Damage Each Occurrence General Aggregate Damage to Premises Rented Medical Payments Personal & Advertising Injury Employee Benefits Liability		
	<b>Crime</b> Employee Theft Forgery or Alteration Computer Fraud	100,000,000	5,000
	<b>Business Auto</b> Combined Single Limit Personal Injury Protection Medical Payments Uninsured & Underinsured Comprehensive Deductible Collision Deductible		
	<b>School Board Legal</b> Limit of Liability		
	<b>Worker's Compensation</b> Section A Section B	2,000,000	-
	<b>Supplemental Worker's Compensation</b> Maximum Benefit Period Waiting Period		
	<b>Student Accident</b> Maximum Benefit		
	<b>Bonds</b> Business Adm./Board Sec'y.		
	<b>Environmental Policy</b> Each Incident Aggregate		
	<b>Excess Umbrella</b> Limit of Liability Retention		
	<b>CAP Program</b> Each Occurrence Aggregate		

Source: District Records

SINGLE AUDIT SECTION

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

Honorable President and  
Members of the Board of Education  
Union Beach School District  
County of Monmouth  
Union Beach, New Jersey 07760

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Board of Education of the Union Beach School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Board of Education of the Union Beach School District basic financial statements, and have issued our report thereon dated December 01, 2016.

**Internal Control Over Financial Reporting**

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

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

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

#### **Compliance and Other Matters**

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

#### **Purpose of this Report**

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

Respectfully Submitted

Jump, Perry and Company, LLP  
Toms River, NJ



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

December 01, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW  
JERSEY OMB CIRCULAR 15-08**

Honorable President and  
Members of the Board of Education  
Union Beach School District  
County of Monmouth  
Union Beach, New Jersey 07760

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

We have audited Union Beach School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Union Beach School District's major federal and state programs for the year ended June 30, 2016. Union Beach 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 federal and state programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Union Beach 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; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, the Uniform Guidance and the New Jersey OMB Circular 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 federal and state program occurred. An audit includes examining, on a test basis, evidence about Union Beach 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 federal and state program. However, our audit does not provide a legal determination of Union Beach School District's compliance.

**Opinion on Each Major Federal and State Program**

In our opinion, Union Beach 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 Union Beach 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 Union Beach 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 programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the New Jersey 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 Union Beach 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 and 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 and state 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 and 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.

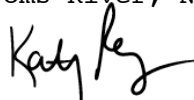
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

**Purpose of this Report**

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 New Jersey State OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

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



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

December 01, 2016



UNION BEACH SCHOOL DISTRICT  
 Schedule of Expenditures of Federal Awards  
 for the Fiscal Year ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2015	Adjustment Amount	Cash Received	Budgetary Expenditures	Repayment of Prior years' Balances	Deferred Revenue at June 30, 2016	(Accounts Receivable) at June 30, 2016	Due to Grantor at June 30, 2016
U.S. Department of Agriculture											
Passed-through State Department of Education:											
Food Distribution Program	10.550	7/1/15-6/30/16	18,660	-	-	18,660	(18,660)	-	-	-	-
School Breakfast Program	10.553	7/1/14-6/30/15	4,956	(578)	-	578	-	-	-	-	-
School Breakfast Program	10.553	7/1/15-6/30/16	6,981	-	-	6,478	(6,981)	-	-	(503)	-
After School Snacks Program	10.558	7/1/14-6/30/15	1,191	(77)	-	77	-	-	-	-	-
After School Snacks Program	10.558	7/1/15-6/30/16	-	-	-	-	-	-	-	-	-
National School Lunch Program	10.555	7/1/14-6/30/15	105,722	(9,584)	-	9,584	-	-	-	-	-
National School Lunch Program	10.555	7/1/15-6/30/16	105,573	-	-	98,351	(105,573)	-	-	(7,222)	-
<b>Total U.S. Department of Agriculture</b>				<b>(10,239)</b>	<b>-</b>	<b>133,728</b>	<b>(131,214)</b>	<b>-</b>	<b>-</b>	<b>(7,725)</b>	<b>-</b>
U.S. Department of Education											
Passed-through State Department of Education:											
Title I	84.010	9/1/14-8/31/15	234,250	(128,677)	-	161,849	(33,172)	-	-	-	-
Title I	84.010	9/1/15-8/31/16	241,675	-	-	218,500	(225,023)	-	-	(6,523)	-
Title II Part A	84.168	9/1/14-8/31/15	42,907	(6,850)	-	6,850	-	-	-	-	-
Title II Part A	84.168	9/1/15-8/31/16	42,208	-	-	41,488	(42,208)	-	-	(720)	-
Race to the Top	84.395	9/1/12-8/31/15	11,541	(11,541)	-	11,541	-	-	-	-	-
I.D.E.A. Part B Basic Regular	84.027	9/1/15-8/31/16	252,684	-	-	252,684	(252,684)	-	-	-	-
I.D.E.A. Part B Preschool	84.173	9/1/15-8/31/16	14,203	-	-	14,203	(14,203)	-	-	-	-
<b>Total U.S. Department of Education</b>				<b>(147,068)</b>	<b>-</b>	<b>707,115</b>	<b>(567,290)</b>	<b>-</b>	<b>-</b>	<b>(7,243)</b>	<b>-</b>
<b>Total Expenditures of Federal Awards</b>				<b>\$ (157,307)</b>	<b>\$ -</b>	<b>\$ 840,843</b>	<b>\$ (698,504)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (14,968)</b>	<b>\$ -</b>

See accompanying notes to schedules of expenditures.

**UNION BEACH SCHOOL DISTRICT**  
**Schedule of Expenditures of State Awards**  
**for the Fiscal Year ended June 30, 2016**

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015	Adjustment Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2016	(Accounts Receivable) at June 30, 2016	Due to Grantor at June 30, 2016	Budgetary Receivable	Total Expenditures
<b>State Department of Education</b>													
General Fund:													
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	\$ 39,173	\$ -	\$ -	\$ 39,173	\$ (39,173)	\$ -	\$ -	\$ -	\$ -	\$ -	39,173
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	7,444,810	(843,807)	-	843,807	-	-	-	-	-	-	-
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	7,444,810	-	-	6,601,003	(7,444,810)	-	-	-	-	843,807	7,444,810
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	658,640	-	-	658,640	(658,640)	-	-	-	-	-	658,640
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	28,312	-	-	28,312	(28,312)	-	-	-	-	-	28,312
Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	73,023	-	-	73,023	(73,023)	-	-	-	-	-	73,023
Additional Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	87,352	-	-	87,352	(87,352)	-	-	-	-	-	87,352
PARCC Readiness	16-495-034-5120-098	7/1/15-6/30/16	8,820	-	-	8,820	(8,820)	-	-	-	-	-	8,820
Per Pupil Growth	16-495-034-5120-097	7/1/15-6/30/16	8,820	-	-	8,820	(8,820)	-	-	-	-	-	8,820
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	112,246	(111,741)	-	111,741	-	-	-	-	-	-	-
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	88,345	-	-	-	(88,345)	-	-	(88,345)	-	-	88,345
Nonpublic Transportation Aid	16-100-034-5120-068	7/1/15-6/30/16	5,193	-	-	-	(5,193)	-	-	(5,193)	-	-	5,193
Nonpublic Transportation Aid	15-100-034-5120-068	7/1/14-6/30/15	2,725	(2,725)	-	2,725	-	-	-	-	-	-	-
On-Behalf TPAF Post Retirement Medi	16-100-034-5095-001	7/1/15-6/30/16	380,861	-	-	380,861	(380,861)	-	-	-	-	-	380,861
On-Behalf TPAF Pension	16-100-034-5095-001	7/1/15-6/30/16	319,856	-	-	319,856	(319,856)	-	-	-	-	-	319,856
Reimbursed TPAF Social Security Contribution	15-100-034-5095-002	7/1/14-6/30/15	285,679	(14,692)	-	14,692	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	16-100-034-5095-002	7/1/15-6/30/16	292,914	-	-	278,695	(292,914)	-	-	(14,219)	-	-	292,914
<b>Total General Fund</b>				<b>(972,965)</b>	<b>-</b>	<b>9,457,520</b>	<b>(9,436,119)</b>	<b>-</b>	<b>-</b>	<b>(107,757)</b>	<b>-</b>	<b>843,807</b>	<b>9,436,119</b>
Special Revenue Fund:													
Preschool Education Aid	10-495-034-5120-086	7/1/14-6/30/15	148,495	(14,850)	-	14,850	-	-	-	-	-	-	-
Preschool Education Aid	14-495-034-5120-086	7/1/15-6/30/16	113,555	-	-	102,199	(113,555)	-	-	-	-	11,356	113,555
<b>Total Special Revenue Fund</b>				<b>(14,850)</b>	<b>-</b>	<b>117,049</b>	<b>(113,555)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,356</b>	<b>113,555</b>
<b>State Department of Agriculture</b>													
Enterprise Fund													
State School Lunch Program	13-100-010-3350-023	7/1/13-6/30/14	3,431	(484)	-	484	-	-	-	-	-	-	-
State School Lunch Program	14-100-010-3350-023	7/1/14-6/30/15	2,869	-	-	2,670	(2,869)	-	-	(199)	-	-	2,869
<b>Total Special Revenue Fund</b>				<b>(484)</b>	<b>-</b>	<b>3,154</b>	<b>(2,869)</b>	<b>-</b>	<b>-</b>	<b>(199)</b>	<b>-</b>	<b>-</b>	<b>2,869</b>
<b>Total Expenditures of State Awards</b>				<b>\$ (988,299)</b>	<b>\$ -</b>	<b>\$ 9,577,723</b>	<b>\$ (9,552,543)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (107,956)</b>	<b>\$ -</b>	<b>\$ 855,163</b>	<b>\$ 9,552,543</b>
State Financial Assistance Not Subject to Single Audit Determination				-	-	(700,717)	700,717	-	-	-	-	-	(700,717)
<b>Total Expenditures of State Awards Subject to Single Audit Determination</b>				<b>\$ (988,299)</b>	<b>\$ -</b>	<b>\$ 8,877,006</b>	<b>\$ (8,851,826)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (107,956)</b>	<b>\$ -</b>	<b>\$ 855,163</b>	<b>\$ 8,851,826</b>

See accompanying notes to schedules of expenditures.

## Union Beach School District

## Notes to Schedules of Awards and Financial Assistance

June 30, 2016

## 1. General

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

## 2. Basis of Accounting

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

## 3. Relationship to Basic Financial Statements

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

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

## Union Beach School District

## Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2016

## 3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(319,856) for the general fund and \$2553 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	9,116,263	\$ 9,116,263
Special Revenue Fund	566,349	117,049	683,398
Debt Service Fund	-	-	-
Food Service Fund	<u>131,214</u>	<u>2,869</u>	<u>134,083</u>
Total awards and financial assistance	<u>\$ 697,563</u>	<u>9,236,181</u>	<u>\$ 9,933,744</u>

## 4. Relationship to Federal and State Financial Reports

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

## 5. Other

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

The TPAF Post Retirement/Medical Benefits expenditures are not subject to New Jersey OMB Circular 15-08 and are not included in the above schedule.

Union Beach School District  
 Schedule of Findings and Questioned Costs  
 June 30, 2016

**Section I – Summary of Auditor’s Results**

Financial Statements

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified?      \_\_\_ yes       X  no
  - 2) Significant deficiencies identified?      \_\_\_ yes       X  none reported
- Noncompliance material to basic financial statements noted?      \_\_\_ yes       X  no

Federal Awards: N/A

Internal Control over major programs:

- 1) Material weakness(es) identified?      \_\_\_ yes      \_\_\_no
- 2) Significant deficiencies identified?      \_\_\_ yes      \_\_\_none reported

Type of auditor's report issued on compliance for major programs:\_\_\_ N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a) of the Uniform Guidance?      \_\_\_ yes      \_\_\_no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A	

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

Auditee qualified as low-risk auditee?      \_\_\_yes      \_\_\_no

Union Beach School District  
 Schedule of Findings and Questioned Costs (continued)  
 June 30, 2016

**Section I – Summary of Auditor’s Results (continued)**

State Awards

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

Auditee qualified as low-risk auditee?              X   yes                   no

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

Internal Control over major programs:

- 1) Material weakness(es) identified?                   yes              X   no
- 2) Significant deficiencies identified that are not considered to be material weaknesses?                   yes              X   none reported

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>State grant/Project Number(s)</u>	<u>Name of State Program</u>
<b>State Aid-Cluster</b>	
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-085	Additional Adjustment Aid
495-034-5130-098	PARCC Readiness
495-034-5130-097	Per Pupil Growth

**Section II – Financial Statement Findings**

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

**Section III – State Award Findings and Questioned Costs**

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

Union Beach School District  
Summary Schedule of Prior Audit Findings

June 30, 2016

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