

**SCHOOL DISTRICT
OF**

CAPE MAY POINT

**Cape May Point Board of Education
Cape May Point, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017**

**Comprehensive Annual
Financial Report**

of the

Cape May Point Board of Education

Cape May Point, New Jersey

For the Fiscal Year Ended June 30, 2017

**Prepared by
Cape May Point Board of Education
Finance Department**

CAPE MAY POINT SCHOOL DISTRICT

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	2
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8

FINANCIAL SECTION

Independent Auditor's Report	10
K-1 Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	13
Required Supplementary Information - Part I Management's Discussion and Analysis	16
Basic Financial Statements	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	23
A-2 Statement of Activities	24
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	26
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	27
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
Proprietary Funds:	
B-4 Statement of Net Position	N/A
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
B-6 Statement of Cash Flows	N/A
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

Required Supplementary Information - Part II

C.	Budgetary Comparison Schedules	
C-1	Budgetary Comparison Schedule - General Fund	43
C-1a	Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (if applicable)	N/A
C-2	Budgetary Comparison Schedule - Special Revenue Fund	N/A

Notes to the Required Supplementary Information

C-3	Budget-to-GAAP Reconciliation	45
-----	-------------------------------	----

Other Supplementary Information

D.	School Level Schedules	N/A
E.	Special Revenue Fund	N/A
F.	Capital Projects Fund	N/A
G.	Proprietary Fund:	
	Enterprise Fund	N/A
	Internal Service Fund	N/A
H.	Fiduciary Funds:	
H-1	Combining Statement of Fiduciary Net Position	48
H-2	Combining Statement of Changes in Fiduciary Net Position	49
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	N/A
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	50
I.	Long-Term Debt:	N/A

STATISTICAL SECTION (Unaudited)

J-1	Net Position by Component	52
J-2	Changes in Net Position, Last Ten Fiscal Years	53
J-3	Fund Balances, Governmental Funds, Last Ten Fiscal Years	55
J-4	Changes in Fund Balances, Governmental Funds, Last Nine Fiscal Years	56
J-5	General Fund - Other Local Revenue by Source, Last Ten Fiscal Years	57
J-6	Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	58
J-7	Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	59

STATISTICAL SECTION (Unaudited) (Continued)

J-8	Principal Property Tax Payers, Current Year and Nine Years Ago	60
J-9	Property Tax Levies and Collections, Last Ten Fiscal Years	61
J-10	Ratios of Outstanding Debt by Type	62
J-11	Ratios of Net General Bonded Debt Outstanding	63
J-12	Ratios of Overlapping Governmental Activities Debt, As of December 31, 2016	64
J-13	Legal Debt Margin Information	65
J-14	Demographic and Economic Statistics	66
J-15	Principal Employers, Current Year & Nine Years Ago (information not available)	N/A
J-16	Full-time Equivalent District Employees by Function/Program	67
J-17	Operating Statistics, Last Eight Fiscal Years	68
J-18	School Building Information	69
J-19	Schedule of Required Maintenance	70
J-20	Insurance Schedule	71

SINGLE AUDIT SECTION

K-2	Report on Compliance for Each Program and Report on Internal Control Over Compliance Required by New Jersey Circular 15-08-OMB	N/A
K-3	Schedule of Expenditures of Federal Awards, Schedule A	N/A
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	73
K-5	Notes to the Schedules of Awards and Financial Assistance	74
K-6	Schedule of Findings and Questioned Costs	76
K-7	Financial Statement Findings	77
K-7	Federal Awards and State Financial Assistance Findings and Questioned Costs	78
K-8	Summary Schedule of Prior Audit Findings	79

Introductory Section

Cape May Point School District
PO Box 143
Cape May Point, New Jersey 08212

October 12, 2017

Honorable President and
Members of the Board of Education
Cape May Point School District
County of Cape May, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Cape May Point School District for the fiscal year ended June 30, 2017, is hereby submitted. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

- The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

1. REPORTING ENTITY AND ITS SERVICES:

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

The District is a sending district and operates no schools and/or facilities. Students are sent on a tuition basis to Cape May City Elementary School for grades PreK-6 and to Lower Cape May Regional School District for grades 7-12. They are sent to the Special Services District when appropriate. The District completed the 2016-2017 school year with an enrollment of 3 students.

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

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-17	3.0	-25.00 %
2015-16	4.0	33.33 %
2014-15	4.0	33.33 %
2013-14	3.0	300.00 %
2012-13	0.0	-100.00 %
2011-12	5.0	-16.67 %
2010-11	6.0	20.00 %
2009-10	5.0	-66.67 %
2008-09	3.0	-25.00 %
2007-08	4.0	-33.33 %

2. ECONOMIC CONDITION AND OUTLOOK:

The Borough of Cape May Point is a relatively affluent area. The majority of taxpayers are summer residents. There is minimal expansion and development occurring at present due to a weak economy and lack of property available for development.

3. MAJOR INITIATIVES:

The Cape May Point School District relies on its receiving districts for curriculum, school management and accomplishments of our students. Board members may attend Board meetings of the Cape May City and Lower Cape May Regional districts but have no voting rights at present.

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 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.

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balances in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2017.

6. ACCOUNTING SYSTEMS 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 that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. 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.

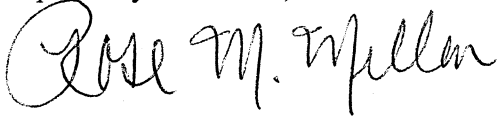
8. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, and fidelity bonds.

9. OTHER INFORMATION:

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso & Stewart, LLC, was selected by the Board of Education. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

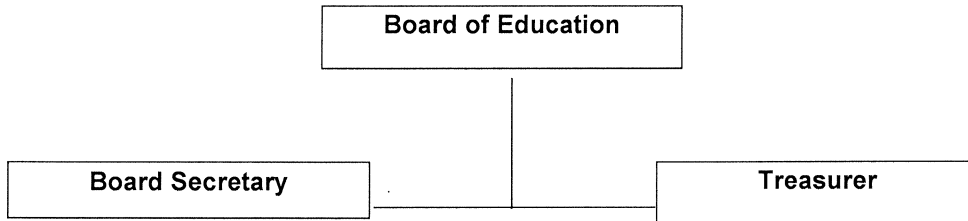
Respectfully submitted,

A handwritten signature in black ink that reads "Rose M. Millar". The signature is written in a cursive style with a large initial "R" and "M".

Rose M. Millar
Board Secretary, Business Administrator

CAPE MAY POINT BOARD OF EDUCATION

Organizational Chart (UNIT CONTROL)



CAPE MAY POINT SCHOOL DISTRICT

**Roster of Officials
June 30, 2017**

Members of the Board of Education:

Term Expires

Alice Gibson - President	2017
Meredith Scott - Vice President	2018
Jane Westcott - Member	2019

Other Officials:

Rose Millar, Business Administrator/Board Secretary
Francine Springer, Treasurer

**CAPE MAY POINT SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

Inverso & Stewart, LLC
651 Route 73 North, Suite 402
Marlton, NJ 08053

Official Depository

Ocean First Bank
975 Hooper Avenue
Toms River, NJ 08753

Financial Section

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: iscpas@concentric.net

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Cape May Point School District
County of Cape May
Cape May Point, New Jersey

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Cape May Point School District, in the County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2017, 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Cape May Point School District, in the County of Cape May, State of New Jersey, as of June 30, 2017, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, and schedule of the School District's contributions, as listed 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. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cape May Point School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedule of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedule of expenditures of state financial assistance 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 my opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated October 12, 2017 on my consideration of the Cape May Point School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cape May Point School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC

Certified Public Accountants

A handwritten signature in black ink, appearing to read 'RPA', is positioned above the printed name of the accountant.

Robert P. Inverso

Certified Public Accountant

Public School Accountant No. CS001095

Marlton, New Jersey
October 12, 2017

INVERSO & STEWART, LLC
 Certified Public Accountants

651 Route 73 North, Suite 402
 Marlton, New Jersey 08053
 (856) 983-2244
 Fax (856) 983-6674
 E-Mail: iscpas@concentric.net

-Member of-
 American Institute of CPAs
 New Jersey Society of CPAs

**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***

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
 of the Board of Education
 Cape May Point School District
 County of Cape May
 Cape May Point, New Jersey

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cape May Point School District, in the County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated October 12, 2017.

Internal Control Over Financial Reporting

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

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

My 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 my audit I did not identify any deficiencies in internal control that I 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 Cape May Point School District's financial statements are free from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

INVERSO & STEWART, LLC

Certified Public Accountants



Robert P. Inverso

Certified Public Accountant

Public School Accountant No. CS001095

Marlton, New Jersey
October 12, 2017

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Cape May Point School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

As management of the Board of Education of the Cape May Point School District in Cape May New Jersey, we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$197,143 (*net position*).
- Governmental activities have unrestricted net position of \$184,955.
- The total net position of the School District increased by \$60,556, or a 44.34% increase from the prior fiscal year-end balance.
- Fund balance of the School District's governmental funds increased by \$60,556 resulting in an ending fund balance of \$197,143. This increase is due to the results of operations of the general fund.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

The district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. The District maintains no Business-type activities.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains one individual governmental fund. The major fund is the General Fund.

The School District adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains no proprietary funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2017.

**Cape May Point School District
Comparative Summary of Net Position
As of June 30, 2017 and 2016**

	Governmental Activities	
	2017	2016
Assets:		
Current assets	\$ 197,340	\$ 137,607
Accounts receivable	<u> </u>	<u> </u>
Total assets	<u>197,340</u>	<u>137,607</u>
Liabilities:		
Current Liabilities	197	1,020
Noncurrent Liabilities	<u> </u>	<u> </u>
Total liabilities	<u>197</u>	<u>1,020</u>
Net position	<u>\$ 197,143</u>	<u>\$ 136,587</u>
Net position consist of:		
Restricted net position	\$ 12,188	\$ 12,188
Unrestricted net position	<u>184,955</u>	<u>124,399</u>
Net position	<u>\$ 197,143</u>	<u>\$ 136,587</u>

Governmental Activities

Governmental activities increased the net position of the School District by \$60,556 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- The increase is primarily due to results of operations in the General Fund.

**Cape May Point School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2017 and 2016**

	Governmental Activities	
	2017	2016
Revenues:		
General Revenues:		
Property Taxes	\$ 103,118	\$ 103,118
Unrestricted State Aid	26,983	26,803
Other Revenues	<u>71</u>	<u>907</u>
Total Revenues	<u>130,172</u>	<u>130,828</u>
Expenses:		
Governmental Activities:		
Tuition	51,244	86,356
Related Services		
Administrative Services	5,703	6,065
Central Services	10,000	9,305
Transportation	1,768	1,716
Employee benefits	<u>901</u>	<u>845</u>
Total Expenses	<u>69,616</u>	<u>104,287</u>
Decrease in net position		
Before transfers	60,556	26,541
Transfers		
Changes in net position	<u>60,556</u>	<u>26,541</u>
Net position, July 1,	<u>136,587</u>	<u>110,046</u>
Net position June 30,	<u>\$ 197,143</u>	<u>\$ 136,587</u>

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$197,143, an increase of \$60,556 in comparison with the prior year.

The unreserved fund balance for the School District at the end of the fiscal year includes an unassigned fund balance for the General Fund of \$184,955, and a reserve for emergencies of \$12,188.

General Fund Budgetary Highlights

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$187,664 and total fund balance (budgetary basis) was \$199,852. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$69,616. Unreserved fund balance (budgetary basis) represents 269.57% of expenditures and total fund balance (budgetary basis) represents 287.08% of that same amount.

Capital Assets

The School District does not have any capital assets.

Debt Administration

At June 30, 2017, the District did not have outstanding debt issues.

For the Future

The Cape May Point School District is in satisfactory financial condition presently. Cape May Point is a residential community, with few large ratables; thus the burden is focused on homeowners to share the tax burden. The 2017-2018 Budget reflects no change from the previous year.

In conclusion, the Cape May Point School District has committed itself to financial excellence. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Cape May Point School District Business Administrator, P.O. Box 143, Cape May Point, NJ 08212.

Basic Financial Statements

District-Wide Financial Statements

CAPE MAY POINT SCHOOL DISTRICT
Statement of Net Position
June 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 197,340	\$ -	\$ 197,340
Accounts Receivable			
Total Assets	197,340		197,340
 LIABILITIES:			
Other Liabilities	197		197
Total Liabilities	197		197
 NET POSITION:			
Restricted for:			
Other Purposes	12,188		12,188
Unrestricted	184,955		184,955
Total Net Position	\$ 197,143	\$ -	\$ 197,143

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

CAPE MAY POINT SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2017

Functions/Programs	Expenses	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
Governmental Activities:							
Support Services:							
Tuition	\$ 51,244				\$ (51,244)		\$ (51,244)
General administrative services	5,703				(5,703)		(5,703)
Central services	10,000				(10,000)		(10,000)
Pupil transportation	1,768				(1,768)		(1,768)
Employee benefits	901				(901)		(901)
Total Governmental Activities	<u>69,616</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(69,616)</u>	<u>---</u>	<u>(69,616)</u>
Business-Type Activities:							
Total Business-Type Activities	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Primary Government	<u>69,616</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(69,616)</u>	<u>---</u>	<u>(69,616)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					103,118		103,118
Federal and State aid not restricted					26,983		26,983
Miscellaneous income					71		71
Total general revenues, special items, and transfers					<u>130,172</u>	<u>---</u>	<u>130,172</u>
Change in Net Position					60,556		60,556
Net Position - July 1					<u>136,587</u>		<u>136,587</u>
Net Position - June 30					<u>\$ 197,143</u>	<u>---</u>	<u>\$ 197,143</u>

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

Fund Financial Statements

CAPE MAY POINT SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2017

ASSETS	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 197,340	\$ -	\$ 197,340
Accounts receivable, net			
Total Assets	<u>197,340</u>	<u></u>	<u>197,340</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Interfund Payable	<u>197</u>		<u>197</u>
Total Liabilities	<u>197</u>		<u>197</u>
Fund Balances:			
Restricted for:			
Emergency reserve	12,188		12,188
Assigned to:			
Unassigned	<u>184,955</u>		<u>184,955</u>
Total Fund Balances	<u>197,143</u>		<u>197,143</u>
Total Liabilities and Fund Balances	<u>\$ 197,340</u>	<u>\$ -</u>	
			<u></u>
Net position of governmental activities			<u>\$ 197,143</u>

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

CAPE MAY POINT SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES:			
Local sources:			
Local tax levy	\$ 103,118	\$ -	\$ 103,118
Miscellaneous	71		71
Total local sources	103,189		103,189
State sources	26,983		26,983
Federal sources			
Total Revenues	<u>130,172</u>		<u>130,172</u>
EXPENDITURES:			
Current expense:			
Support services and undistributed costs:			
Tuition	51,244		51,244
Student and instruction related services			
General administrative services	5,703		5,703
Central services	10,000		10,000
Pupil transportation	1,768		1,768
Unallocated benefits	901		901
Total Expenditures	<u>69,616</u>		<u>69,616</u>
Net Change in Fund Balances	60,556		60,556
Fund Balances - July 1	<u>136,587</u>		<u>136,587</u>
Fund Balances - June 30	<u>\$ 197,143</u>	<u>\$ -</u>	<u>\$ 197,143</u>

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

CAPE MAY POINT 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, 2017

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$ 60,556
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
None	
Change in Net Position of Governmental Activities	<u>\$ 60,556</u>

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

CAPE MAY POINT SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Unemployment Compensation Insurance Trust	Agency Fund
	<u> </u>	<u> </u>
ASSETS:		
Cash and cash equivalents	\$ 1,566	\$ -
Interfund Receivable	<u> 197</u>	<u> </u>
Total assets	<u>\$ 1,763</u>	<u> </u>
LIABILITIES:		
Interfund payable	<u> </u>	<u> </u>
Due to student groups	<u> </u>	<u> </u>
Total liabilities	<u> </u>	<u>\$ -</u>
NET POSITION:		
Held in trust for unemployment claims and other purposes	<u>\$ 1,763</u>	

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

CAPE MAY POINT SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2017

	Unemployment Compensation Insurance Trust
ADDITIONS:	
Contributions:	
Employee contributions	\$ 35
Total Contributions	35
Investment earnings:	
Interest	1
Net investment earnings	1
Total additions	36
DEDUCTIONS:	
Dormant fees	45
Total deductions	45
Change in net POSITION	(9)
Net position - July 1	1,772
Net position - June 30	\$ 1,763

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

Cape May Point School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Cape May Point School District (District) is located in Cape May County, New Jersey. It is organized under the Constitution of the State of New Jersey, and is considered a non-operating school district. Students in grades K through 6 are transported to the Cape May City School District and students in grades 7 through 12 are transported to the Lower Cape May Regional School District. The District is managed under a locally elected Board form of government consisting of three members elected to three-year terms. The terms are staggered so that a least one member's term expires each year. As of June 30, 2017 the District has 3 students.

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

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The basic financial statements of the School 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 School District's accounting policies are described below.

The School District's basic financial statements consists of government-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.

Government-wide Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions.

**Cape May Point School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Statements (Continued) -The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is the general operating fund of the School 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 non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America 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 which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: trust funds and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has two fiduciary funds; an unemployment compensation trust fund and a payroll fund.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Cape May Point School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued) - Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that 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 School District, available means expected to be received within sixty days after fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. 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 School 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 School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, 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 fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Cape May Point School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for their approval. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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.

The budget, as detailed on Exhibit C-1 includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School 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 one or more June state aid payments.

Encumbrances - Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, and all eligibility and time requirements satisfied are reflected on the balance sheet as unearned grant revenue 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.

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

Cape May Point School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments (Continued) - New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2017 and 2016 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets - The District is a non-operating school district and does not possess any fixed assets required to be capitalized.

Compensated Absences - The District does not offer compensated absences (e.g. unused vacation, sick leave) to its employees.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and 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.

Cape May Point School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position - Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets. The District is a non-operating school district and does not possess any fixed assets required to be capitalized.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Fund Balance - The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2016.

Restricted - This fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

Assigned - This fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

Unassigned - This fund balance classification is the residual classification for the General Fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the School District's policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Cape May Point School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfunds – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Recently Issued Accounting Pronouncements - In June 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for financial statements for periods beginning after June 30, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In March 2016, the GASB issued Statement 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. Furthermore, this Statement clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statement 67, Statement 68, or Statement 73 for the selection of assumptions used in determining the total pension liability and related measures. Also, this Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In November 2016, the GASB issued Statement 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

**Cape May Point School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued) - In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In March 2017, the GASB issued Statement 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In May 2017, the GASB issued Statement 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In June 2017, the GASB issued Statement 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$216,465 as of June 30, 2017, \$216,465 was insured under FDIC.

**Cape May Point School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

3. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

The School District maintains commercial insurance coverage for workers compensation and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>Interest Earnings</u>	<u>Board Contributions</u>	<u>Employee Contributions</u>	<u>Disbursed</u>	<u>Ending Balance</u>
2016-2017	\$ 1	\$ -0-	\$ 35	\$ 45	\$ 1,763
2015-2016	1	- 0 -	33		1,772
2014-2015	1	- 0 -	32	5	1,738

4. PENSION PLANS

None of the School District's employees are eligible to participate in the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP).

5. INTERFUND BALANCES AND TRANSFERS

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2018. The following interfund balances were recorded on the various balance sheets as of June 30, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General		\$ 197
Fiduciary Fund	\$ 197	
	<u>\$ 197</u>	<u>\$ 197</u>

**Cape May Point School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

6. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

As of December 31, 2016, the Borough of Cape May Point had no tax abatements.

7. FUND BALANCES

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund:

Emergency Reserve – As of June 30, 2017, the balance in the emergency reserve is \$12,188. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a through and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund – As of June 30, 2017, \$184,955 of general fund balance was unassigned.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

CAPE MAY POINT SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 103,118	\$ -	\$ 103,118	\$ 103,118	\$ -
Unrestricted misc. revenues	180	-	180	71	(109)
Total local sources	103,298	-	103,298	103,189	(109)
State sources:					
Special education aid	187		187	187	
Security aid	156	-	156	156	
Adjustment aid	24,770	(4,544)	20,226	20,226	
Add'l Adjustment aid		4,544	4,544	4,544	
Transportation aid	1,796	-	1,796	1,796	
PARCC Readiness Aid	30		30	30	
Per Pupil Growth Aid	30		30	30	
Professional Learning Community Aid	40		40	40	
On-behalf TPAF Pension (non-budgeted)					
On-behalf TPAF Post Retirement Medical (non-budgeted)					
Reimbursed TPAF social security contributions (non-budgeted)					
Total state sources	27,009	-	27,009	27,009	
TOTAL REVENUES	130,307	-	130,307	130,198	(109)
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	99,385	-	99,385	51,244	48,141
Total undistributed expenditures - instruction	99,385	-	99,385	51,244	48,141
Support Services - General Administration:					
Salaries	1,776	-	1,776	1,742	34
Legal services	200	-	200		200
Audit fees	3,500	-	3,500	3,500	-
Communications / telephone	200	-	200	114	86
Other purchased services	500	-	500		500
Miscellaneous expenditures	5,000	-	5,000	252	4,748
BOE Membership Dues and Fees	1,000	-	1,000	95	905
Total support services - general administration	12,176	-	12,176	5,703	6,473

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

CAPE MAY POINT SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Central Services					
Salaries	\$ 10,000	\$ -	\$ 10,000	\$ 10,000	\$ -
Total central services	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Student Transportation Services:					
Contr. Serv. (between home & schl) - joint agree.	7,746	-	7,746	1,768	5,978
Total student transportation	<u>7,746</u>	<u>-</u>	<u>7,746</u>	<u>1,768</u>	<u>5,978</u>
Unallocated Benefits - Employee Benefits					
Social Security Contributions	890	110	1,000	901	99
Unemployment	10	(10)	-	-	-
Employee benefits	100	(100)	-	-	-
Total regular programs - instruction - employee benefits	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>901</u>	<u>99</u>
On-behalf TPAF Pension (non-budgeted)					
On-behalf TPAF Post Retirement Medical (non-budgeted)					
Reimbursed TPAF social security contributions (non-budgeted)					
Total Undistributed Expenditures - TPAF					
Total Undistributed Expenditures	<u>130,307</u>	<u>-</u>	<u>130,307</u>	<u>69,616</u>	<u>60,691</u>
Total General Current Expense	<u>130,307</u>	<u>-</u>	<u>130,307</u>	<u>69,616</u>	<u>60,691</u>
TOTAL EXPENDITURES	<u>130,307</u>	<u>-</u>	<u>130,307</u>	<u>69,616</u>	<u>60,691</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	0		0	60,582	60,582
Fund Balance - July 1	<u>139,270</u>		<u>139,270</u>	<u>139,270</u>	
Fund Balance - June 30	<u>\$ 139,270</u>	<u>\$ -</u>	<u>\$ 139,270</u>	<u>\$ 199,852</u>	<u>\$ 60,582</u>
Recapitulation of fund balance:					
Restricted Fund Balance:					
Emergency Reserve				\$ 12,188	
Assigned Fund Balance					
Designated for Subsequent Year Expenditures				<u>187,664</u>	
Unassigned Fund Balance				<u>199,852</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(2,709)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 197,143</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

CAPE MAY POINT SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2017

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 130,198	\$ -
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	2,683	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(2,709)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 130,172	\$ -
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 69,616	\$ -
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 69,616	\$ -

Other Supplementary Information

Fiduciary Funds

CAPE MAY POINT SCHOOL DISTRICT
Fiduciary Funds
 Combining Statement of Net Position
 June 30, 2017

	Agency Funds	Unemployment Compensation Insurance Fund	Total
	Payroll		
ASSETS:			
Cash and cash equivalents	\$ -	\$ 1,566	\$ 1,566
Interfund Receivable		197	197
TOTAL ASSETS	\$ -	\$ 1,763	\$ 1,763
 LIABILITIES			
LIABILITIES:			
Interfund payable			
Total liabilities			
 NET POSITION			
Reserved for unemployment claims		\$ 1,763	\$ 1,763
Total net position	\$ -	\$ 1,763	\$ 1,763

CAPE MAY POINT SCHOOL DISTRICT
Fiduciary Fund
 Comparative Statement of Changes in Fiduciary Net Position
 for the Fiscal Year ended June 30, 2017

	Unemployment Compensation Insurance
REVENUES:	
Local sources:	
Employee contributions	\$ 35
Interest on Investments	1
Total Revenues	36
 EXPENDITURES:	
Current Expense:	
Undistributed Expenditures:	
Dormant Fee	45
Unemployment claims	
Total Expenditures	45
Excess (deficiency) of revenues over (under) expenditures	(9)
Net Position July 1	1,772
Net Position June 30	\$ 1,763

CAPE MAY POINT SCHOOL DISTRICT
Payroll Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2017

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
ASSETS:				
Cash and cash equivalents	\$ -	\$ 12,640	\$ 12,640	\$ -
Total assets	<u>\$ -</u>	<u>\$ 12,640</u>	<u>\$ 12,640</u>	<u>\$ -</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ -	\$ 2,522	\$ 2,522	\$ -
Net payroll Interfund payable		10,118	10,118	
Total liabilities	<u>\$ -</u>	<u>\$ 12,640</u>	<u>\$ 12,640</u>	<u>\$ -</u>

Statistical Section

Cape May Point School District
 Net Position by Component,
 Last Ten Fiscal Years
 (accrual basis of accounting)

Exhibit J-1

		Fiscal Year Ending June 30,									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:											
Net investment in capital assets											
Restricted for:											
Capital projects											
Debt service											
Other purposes		\$ 17,098	\$ 34,224	\$ 34,224	\$ 12,188	\$ 12,188	\$ 12,188	\$ 54,477	\$ 48,496	\$ 12,188	\$ 12,188
Unrestricted		103,451	112,516	112,461	122,772	96,965	118,547	88,282	61,550	124,399	184,955
Total governmental activities net position		<u>\$ 120,549</u>	<u>\$ 146,740</u>	<u>\$ 146,685</u>	<u>\$ 134,960</u>	<u>\$ 109,153</u>	<u>\$ 130,735</u>	<u>\$ 142,759</u>	<u>\$ 110,046</u>	<u>\$ 136,587</u>	<u>\$ 197,143</u>
Business-type activities:											
Net investment in capital assets		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted											
Total business-type activities net position		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District-wide:											
Net investment in capital assets		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:											
Capital projects		-	-	-	-	-	-	-	-	-	-
Debt service											
Other purposes		17,098	34,224	34,224	12,188	12,188	12,188	54,477	48,496	12,188	12,188
Unrestricted		103,451	112,516	112,461	122,772	96,965	118,547	88,282	61,550	124,399	184,955
Total district net position		<u>\$ 120,549</u>	<u>\$ 146,740</u>	<u>\$ 146,685</u>	<u>\$ 134,960</u>	<u>\$ 109,153</u>	<u>\$ 130,735</u>	<u>\$ 142,759</u>	<u>\$ 110,046</u>	<u>\$ 136,587</u>	<u>\$ 197,143</u>

Cape May Point School District
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

Fiscal Year Ending June 30,

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental activities:										
Instruction:										
Regular										
Special education										
Other instruction										
Support Services:										
Tuition	\$ 5,385	\$ 11,073	\$ 27,032	\$ 44,610	\$ 70,053	\$ 27,624	\$ 36,372	\$ 79,236	\$ 86,356	\$ 51,244
Student & instruction related services										
School administrative services										
General administrative services	7,409	7,134	8,615	6,876	7,756	6,643	6,502	7,845	6,065	5,703
Central services	8,034	8,436	8,773	8,842	8,000	8,160	8,920	9,123	9,305	10,000
Plant operations and maintenance										
Pupil transportation	5,728	4,299	4,728	7,452	4,299	867	871	1,729	1,716	1,768
Business and other support services										
Unallocated employee benefits	1,315	771	802	1,400	1,583	757	816	831	845	901
Special schools										
Charter schools										
Interest on long-term debt										
Unallocated depreciation										
Total governmental activities expenses	<u>27,871</u>	<u>31,713</u>	<u>49,950</u>	<u>69,180</u>	<u>91,691</u>	<u>44,051</u>	<u>53,481</u>	<u>98,764</u>	<u>104,287</u>	<u>69,616</u>
Business-type activities:										
Food service	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district expenses	<u>\$ 27,871</u>	<u>\$ 31,713</u>	<u>\$ 49,950</u>	<u>\$ 69,180</u>	<u>\$ 91,691</u>	<u>\$ 44,051</u>	<u>\$ 53,481</u>	<u>\$ 98,764</u>	<u>\$ 104,287</u>	<u>\$ 69,616</u>
Program Revenues:										
Governmental activities:										
Operating grants and contributions										
Total governmental activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

Cape May Point School District
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities:										
Charges for services:										
Food service										
Operating grants and contributions										
Capital grants and contributions										
Total business type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district program revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (27,871)	\$ (31,713)	\$ (49,950)	\$ (69,180)	\$ (91,691)	\$ (44,051)	\$ (53,481)	\$ (98,764)	\$ (104,287)	\$ (69,616)
Business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide net expense	<u>\$ (27,871)</u>	<u>\$ (31,713)</u>	<u>\$ (49,950)</u>	<u>\$ (69,180)</u>	<u>\$ (91,691)</u>	<u>\$ (44,051)</u>	<u>\$ (53,481)</u>	<u>\$ (98,764)</u>	<u>\$ (104,287)</u>	<u>\$ (69,616)</u>
General Revenues and Other Changes in Net Assets:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 27,620	\$ 27,620	\$ 27,620	\$ 27,620	\$ 37,000	\$ 37,740	\$ 37,740	\$ 39,058	\$ 103,118	\$ 103,118
Taxes levied for debt service										
Unrestricted grants and contributions	29,316	28,731	19,726	28,940	28,327	26,984	26,896	26,797	26,803	26,983
Miscellaneous income	2,055	1,553	2,549	895	557	909	869	196	907	71
Transfers										
Total governmental activities	<u>58,991</u>	<u>57,904</u>	<u>49,895</u>	<u>57,455</u>	<u>65,884</u>	<u>65,633</u>	<u>65,505</u>	<u>66,051</u>	<u>130,828</u>	<u>130,172</u>
Business-type activities:										
Investment earnings										
Transfers										
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 58,991</u>	<u>\$ 57,904</u>	<u>\$ 49,895</u>	<u>\$ 57,455</u>	<u>\$ 65,884</u>	<u>\$ 65,633</u>	<u>\$ 65,505</u>	<u>\$ 66,051</u>	<u>\$ 130,828</u>	<u>\$ 130,172</u>
Change in Net Assets:										
Governmental activities	\$ 31,120	\$ 26,191	\$ (55)	\$ (11,725)	\$ (25,807)	\$ 21,582	\$ 12,024	\$ (32,713)	\$ 26,541	\$ 60,556
Business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 31,120</u>	<u>\$ 26,191</u>	<u>\$ (55)</u>	<u>\$ (11,725)</u>	<u>\$ (25,807)</u>	<u>\$ 21,582</u>	<u>\$ 12,024</u>	<u>\$ (32,713)</u>	<u>\$ 26,541</u>	<u>\$ 60,556</u>

Cape May Point School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

		Fiscal Year Ending June 30,									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:											
Reserved for:											
Encumbrances											
Excess surplus - designated for subsequent years expenditures											
Emergencies		\$ 17,098	\$ 34,224	\$ 34,224	\$ 12,188	\$ 12,188	\$ 12,188	\$ 12,188	\$ 12,188	\$ 12,188	\$ 12,188
Unreserved - designated for subsequent years expenditures					33,054	26,949	42,289	36,308	-	-	-
Unreserved		104,474	112,516	112,461	89,718	70,016	118,547	88,282	61,550	124,399	184,955
Total general fund		<u>\$ 121,572</u>	<u>\$ 146,740</u>	<u>\$ 146,685</u>	<u>\$ 134,960</u>	<u>\$ 109,153</u>	<u>\$ 130,735</u>	<u>\$ 142,759</u>	<u>\$ 110,046</u>	<u>\$ 136,587</u>	<u>\$ 197,143</u>
All Other Governmental Funds											
Reserved:											
Encumbrances		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:											
Special revenue fund											
Total all other governmental funds		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(A) District was not required to implement GASB-34 until fiscal year 2004.

Cape May Point School District
 Changes in Fund Balances, Governmental Funds,
 Last Nine Fiscal Years
 (modified accrual basis of accounting)

Exhibit J-4

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax levy	\$ 27,620	\$ 27,620	\$ 27,620	\$ 27,620	\$ 37,000	\$ 37,740	\$ 37,740	\$ 39,058	\$ 103,118	\$ 103,118
Miscellaneous	3,124	1,553	2,549	895	557	909	869	196	907	71
State sources	30,339	28,731	19,726	27,966	28,327	26,984	26,896	26,797	26,803	26,983
Federal sources				974						
Total revenue	<u>61,083</u>	<u>57,904</u>	<u>49,895</u>	<u>57,455</u>	<u>65,884</u>	<u>65,633</u>	<u>65,505</u>	<u>66,051</u>	<u>130,828</u>	<u>130,172</u>
Expenditures										
Support Services:										
Tuition	6,454	11,073	27,032	44,610	73,053	27,624	36,372	79,236	86,356	51,244
Student & instruction related services										
School administrative services										
General and business admin. services	15,443	15,570	17,388	15,718	15,756	14,803	15,422	16,968	15,370	15,703
Plant operations and maintenance										
Pupil transportation	5,728	4,299	4,728	7,452	4,299	867	871	1,729	1,716	1,768
Other support services	1,315	771	802	1,400	1,583	757	816	831	845	901
Special Schools										
Charter Schools										
Capital outlay										
Debt service:										
Principal										
Interest and other charges										
Total expenditures	<u>28,940</u>	<u>31,713</u>	<u>49,950</u>	<u>69,180</u>	<u>94,691</u>	<u>44,051</u>	<u>53,481</u>	<u>98,764</u>	<u>104,287</u>	<u>69,616</u>
Excess (Deficiency) of revenues over (under) expenditures	32,143	26,191	(55)	(11,725)	(28,807)	21,582	12,024	(32,713)	26,541	60,556
Other Financing sources (uses)										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out										
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 32,143</u>	<u>\$ 26,191</u>	<u>\$ (55)</u>	<u>\$ (11,725)</u>	<u>\$ (28,807)</u>	<u>\$ 21,582</u>	<u>\$ 12,024</u>	<u>\$ (32,713)</u>	<u>\$ 26,541</u>	<u>\$ 60,556</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	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.

Cape May Point School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-5

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Refund</u>	<u>Miscellaneous</u>	<u>Total</u>
2008	\$ 2,055		\$ 1,069	\$ 3,124
2009	1,553			1,553
2010	930	1,619		2,549
2011	895			895
2012	557			557
2013	308		601	909
2014	225		644	869
2015	196			196
2016	186		721	907
2017	62		9	71
	<u>\$ 6,967</u>	<u>\$ 1,619</u>	<u>\$ 3,044</u>	<u>\$ 11,630</u>

Source: District records

Cape May Point School District
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2008	\$ 18,369,100	\$ 268,016,400	\$ -	\$ -	\$ 410,100	\$ -	\$ -	\$ 286,795,600	\$ 27,626	\$ 286,823,226	\$ 22,096,100	\$ 0.010	546,152,655
2009	36,977,500	477,839,200			703,500			515,520,200	59,173	515,579,373	43,206,100	0.006	562,542,541
2010	36,042,000	477,253,000			703,500			513,998,500	57,478	514,055,978	43,206,100	0.006	496,394,092
2011	34,271,600	477,704,100			703,500			512,679,200	43,822	512,723,022	43,206,100	0.007	502,818,156
2012	36,074,300	476,079,500			884,700			513,038,500	40,942	513,079,442	47,190,700	0.009	519,410,844
2013	33,449,200	479,875,900			884,700			514,209,800	41,571	514,251,371	47,242,600	0.008	510,673,605
2014	33,616,400	481,120,900			884,700			515,622,000	24,873	515,646,873	47,242,600	0.008	476,616,185
2015	34,211,700	481,385,600			884,700			516,482,000	24,901	516,506,901	47,242,600	0.011	463,613,831
2016	27,995,000	420,927,600			817,400			449,740,000	24,483	449,764,483	44,118,800	0.023	445,972,218
2017	23,303,300	429,110,100			817,400			453,230,800	24,201	453,255,001	44,118,800	0.023	458,568,545

Source: Municipal Tax Assessor

Note:

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

c Information not available.

**Cape May Point School District
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years**
 (rate per \$100 of assessed value)

Exhibit J-7

Fiscal Year Ended June 30,	Cape May Point School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation		Borough of Cape May Point	Cape May County	
		Debt Service	Total Direct			
2008	\$ 0.010		\$ 0.010	\$ 0.416	\$ 0.365	\$ 0.791
2009	0.006		0.006	0.239	0.220	0.465
2010	0.006		0.006	0.252	0.206	0.464
2011	0.007		0.007	0.261	0.218	0.486
2012	0.009		0.009	0.259	0.236	0.504
2013	0.008		0.008	0.258	0.243	0.509
2014	0.008		0.008	0.258	0.232	0.498
2015	0.011		0.011	0.258	0.229	0.498
2016	0.023		0.023	0.296	0.255	0.574
2017	0.023		0.023	0.296	0.267	0.586

Source: Municipal Tax Collector

**Cape May Point School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Exhibit J-8

Taxpayer	2017		Taxpayer	2008	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Sisters of Saint Joseph	\$ 2,109,500	0.47%	Mount Saint Joseph Convent	\$ 2,499,600	0.87%
Individual # 1	1,594,300	0.35%	Individual # 1	930,800	0.32%
Individual # 2	1,594,200	0.35%	Individual # 2	872,400	0.30%
Individual # 3	1,550,300	0.34%	Sisters of Saint Joseph	867,400	0.30%
Individual # 4	1,545,600	0.34%	Individual # 3	854,900	0.30%
Individual # 5	1,539,400	0.34%	Individual # 4	852,400	0.30%
Individual # 6	1,500,300	0.33%	Individual # 5	819,300	0.29%
Individual # 7	1,429,600	0.32%	Individual # 6	818,500	0.29%
Individual # 8	1,296,700	0.29%	Individual # 7	815,000	0.28%
Individual # 9	1,279,500	0.28%	Individual # 8	811,000	0.28%
Total	\$ 15,439,400	3.41%		\$ 10,141,300	3.54%

Source: Municipal Tax Assessor

**Cape May Point School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 27,620	\$ 27,620	100.00%	-
2009	27,620	27,620	100.00%	-
2010	27,620	27,620	100.00%	-
2011	27,620	27,620	100.00%	-
2012	37,000	32,310	87.32%	4,690
2013	37,740	16,525	43.79%	21,215
2014	37,740	58,955	156.21%	-
2015	39,058	39,058	100.00%	-
2016	103,118	103,118	100.00%	-
2017	103,118	103,118	100.00%	-

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

- a** School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Cape May Point School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Exhibit J-10

Not applicable as the District has no debt outstanding for the past ten years.

Cape May Point School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Exhibit J-11

Not applicable as the District has no debt outstanding for the past ten years.

Cape May Point School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2016

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Cape May Point	\$ 606,700	100.000%	\$ 606,700
Cape May County General Obligation Debt	226,540,860	0.936%	2,120,422
			<hr/>
Subtotal, overlapping debt			2,727,122
Cape May Point School District Direct Debt			<hr/> -
Total direct and overlapping debt			<hr/> \$ 2,727,122 <hr/>

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

Note: Debt outstanding data provided by each governmental unit. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Cape May Point Borough. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Cape May Point School District
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2017

		Equalized valuation basis	
	2014	\$	462,773,290
	2015		444,170,967
	2016		<u>454,972,180</u>
	[A]	\$	<u>1,361,916,437</u>
Average equalized valuation of taxable property	[A/3]	\$	453,972,146

School borrowing margin - N/A Cape May Point is a sending district.

**Cape May Point School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Exhibit J-14

<u>Year</u>	<u>Population^a</u>	<u>Personal Income^b</u>	<u>Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
2008	223	\$ 9,584,763	\$ 42,981	0.0
2009	222	9,633,024	43,392	0.0
2010	291	12,920,109	44,399	0.0
2011	289	13,505,259	46,731	0.0
2012	288	13,957,344	48,463	2.6%
2013	284	1,398,700	4,925	2.6%
2014	283	14,397,625	50,875	8.0%
2015	282	15,033,138	53,309	9.8%
2016	281	e	e	5.3%
2017	e	e	e	e

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development.
- ^b Personal income for Cape May Point.
- ^c Per Capita income for Cape May County.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development.
- ^e Not available.

**Cape May Point School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

Exhibit J-16

Not applicable - Cape May Point is a nonoperating School District with no full-time employees.

Cape May Point School District
 Operating Statistics,
 Last Nine Fiscal Years

Exhibit J-17

68

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2008	4	\$ 28,940	\$ 7,235	#DIV/0!	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2009	2	31,713	15,857	119.16%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2010	4	49,950	12,488	-21.25%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2011	4	69,180	17,295	38.50%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	5	91,691	18,338	6.03%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	-	44,051	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	3	53,481	17,827	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	4	98,764	24,691	38.50%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	4	104,287	26,072	5.59%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	3	69,616	23,205	-10.99%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

**Cape May Point School District
School Building Information
Last Ten Fiscal Years**

Exhibit J-18

Not applicable - Cape May Point is a nonoperating School District.

**Cape May Point School District
Schedule of Required Maintenance
Last Ten Fiscal Years**

Exhibit J-19

Not applicable - Cape May Point is a nonoperating School District.

Cape May Point School District
Insurance Schedule
June 30, 2017

Exhibit J-20

	<u>Coverage</u>	<u>Deductible</u>
RLI Insurance Company:		
Treasurer	35,000	
Board Secretary/Business Administrator	25,000	

Source: District records

Single Audit Section

CAPE MAY POINT SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2017

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2016			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2017		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education												
General Fund:												
Security Aid	17-495-034-5120-084	\$ 156	7/1/16 - 6/30/17	\$ -	\$ -	\$ -	\$ 141	\$ (156)	\$ -	\$ (15)	\$ -	\$ -
Security Aid	16-495-034-5120-084	151	7/1/15 - 6/30/16	(15)			15					
Special Education Aid	17-495-034-5120-089	187	7/1/16 - 6/30/17				168	(187)		(19)		
Adjustment Aid	17-495-034-5120-085	20,226	7/1/16 - 6/30/17				18,197	(20,226)		(2,029)		
Adjustment Aid	16-495-034-5120-085	20,226	7/1/15 - 6/30/16	(2,025)			2,025					
Additional Adjustment Aid	17-495-034-5120-085	4,544	7/1/16 - 6/30/17				4,088	(4,544)		(456)		
Additional Adjustment Aid	16-495-034-5120-085	4,544	7/1/15 - 6/30/16	(455)			455					
PARCC Readiness Aid	17-495-034-5120-098	30	7/1/16 - 6/30/17				27	(30)		(3)		
PARCC Readiness Aid	16-495-034-5120-098	30	7/1/15 - 6/30/16	(3)			3					
Per Pupil Growth Aid	17-495-034-5120-097	30	7/1/16 - 6/30/17				27	(30)		(3)		
Per Pupil Growth Aid	16-495-034-5120-097	30	7/1/15 - 6/30/16	(3)			3					
Professional Learning Community Aid	17-495-034-5120-101	40	7/1/16 - 6/30/17				36	(40)		(4)		
Transportation Aid	17-495-034-5120-014	1,796	7/1/16 - 6/30/17				1,616	(1,796)		(180)		
Transportation Aid	16-495-034-5120-014	1,822	7/1/15 - 6/30/16	(182)			182					
Total General Fund				(2,683)			26,983	(27,009)		(2,709)		
Total State Financial Assistance				\$ (2,683)			\$ 26,983	\$ (27,009)		\$ (2,709)		

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

**Cape May Point School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2017**

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Cape May Point School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using 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 School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The school district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes 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. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$26) for the general fund and \$0 for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ - 0 -	\$ 26,983	\$ 26,983
Total Awards & Financial Assistance	\$ - 0 -	\$ 26,983	\$ 26,983

**Cape May Point School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2017
(Continued)**

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.

**CAPE MAY POINT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	_____	Unmodified	_____
Internal control over financial reporting:			
Material weaknesses identified?	_____	yes	_____ X _____ no
Significant deficiencies identified?	_____	yes	_____ X _____ none reported
Noncompliance material to general purpose financial statements noted?	_____	yes	_____ X _____ no

Federal Awards

Not Applicable.

State Awards

Not Applicable.

**CAPE MAY POINT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

No findings identified.

**CAPE MAY POINT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FEDERAL AWARDS:

A federal single audit was not required.

STATE AWARDS:

A state single audit was not required.

**CAPE MAY POINT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

A state single audit was not required.