

SCHOOL DISTRICT

LITTLE SILVER  
OF MONMOUTH COUNTY

LITTLE SILVER, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2017

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

Of the

Little Silver School District  
of Monmouth County

Little Silver, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

Little Silver School District  
of Monmouth County Board of Education  
Finance Department

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## OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## INTRODUCTORY SECTION



# LITTLE SILVER PUBLIC SCHOOLS

124 Willow Drive, Little Silver, NJ 07739

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Phone: 732-741-2188

Fax: 732-741-3644

December 1, 2017

Honorable President and  
Members of the Board of Education  
Little Silver School District  
County of Monmouth, New Jersey

Dear Board Members and Constituents:

The comprehensive annual financial report of the Little Silver School District (hereinafter, the "District") for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Little Silver Board of Education ("Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES: Little Silver School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No.3. All funds and government-wide financial statements of the District are included in this report. The Little Silver Board of Education and both its schools constitute the District's reporting entity. The Little Silver School District provides a comprehensive full range of educational services appropriate to grade levels Pre-School Handicapped through 8. These include regular instruction and special education for both special needs and for handicapped children in and out of district. The District provides a variety of after school activities which include band, chorus, computer club, and athletic activities. The District provides transportation



for children who live 2 miles from the school and also provides subscription bussing, which allows the District to charge parents for transporting children who live less than 2 miles from school.

The programs are provided at two locations: Markham Place Middle School on Markham Place and Point Road Elementary School on Little Silver Point Road. There are 55 employees at the middle school, 70 at the elementary school and 15 in district positions. School enrollment during 2016-2017 was 371 middle, 478 elementary school, which are 4 students above the 15-16 student enrollments. The following details the changes in the student enrollment of the District over the last ten years.

Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2017-18 Projected	853	0.47%
2016-17	849	0.47%
2015-16	845	-1.05%
2014-15	854	-2.06%
2013-14	872	3.07%
2012-13	846	3.55%
2011-12	817	-1.21%
2010-11	827	1.97%
2009-10	811	0.50%
2008-09	807	0.62%
2007-08	802	0.00%

2) ECONOMIC CONDITION AND OUTLOOK: Little Silver is a suburban community whose residents mainly are professionals who work in corporations in the area or commute to New York City. Most of the area has been developed and there is little commercial enterprise.

The school system is highly valued by local residents. Students in Little Silver attain very high scores on performance assessments, placing the school system year after year in the top five percent in the state academically. 59% of the professional staff holds advanced academic degrees, and there is a great deal of emphasis on continuing professional development.

The Education Foundation of Little Silver, created in 1995, provides additional resources for innovative educational programs with an emphasis on the support of technology in the schools. The Little Silver Parent Teacher Organization is also very generous with its support in enrichment and enhancement of the educational program of the schools.

Little Silver Schools have formed innovative partnerships in education with both corporations and local universities to further the implementation of academic programs and technology. There is a high level of participation by parents and the community members with the school system including making the facilities available for Little Silver’s Recreation programs, Boy Scouts, Girl Scouts and adult recreational activities. The district has the parents involved throughout the school year in many activities such as: Back-to-School Nights, Family Activity Nights and Curriculum programs.

We recognize that the state is in a financial crisis and want to assure our residents that the District is doing its part to maintain a responsible budget. The district’s administration closely monitors the cost of operations and continues to look for new funding sources in order to maintain the quality educational services the district has been accustomed to providing.

*Grade 4	97.75%
*Grade 8	89.65%

The recent release of the 2017 PARCC scores (Partnership for Assessment of Readiness for College and Careers) demonstrated that Little Silver students scored far above State averages across the board in English Language Arts Literacy and Math for students in grade 3 through 8. Further, based on the five levels of performance (1. Did not yet meet expectations; 2. Partially met expectations; 3. Approached expectations; 4. Met expectations; and 5. Exceeded expectations), the vast majority of Little Silver students across the grade levels either met or exceeded expectations.

Many professional development activities were accomplished in the 2016-2017 school year. The district has provided multiple in-service days and training sessions for the staff. Many workshops were also presented during the year including parent workshops. These workshops support the focus on federal and state mandated use of technology as well as the implementation of core curriculum standards and PARCC for both regular and special education. Little Silver Schools is also a member of a number of networks and consortiums, which provide professional development on a shared-cost basis.

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 is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section. P.L. 2011, c 202 allowed school districts to elect to eliminate the budget vote and adopt a budget approved by the Board of Education and the New Jersey Department of Education (NJDOE) providing that the tax levy increase does not exceed 2% plus any allowable waivers.

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

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

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Readers should refer to the Management's Discussion and Analysis for a summary of the financial statements in relation to the prior year.

8) DEBT ADMINISTRATION: At June 30, 2017, the District's outstanding debt issues included \$4,390,425 of general obligation bonds. Annual payments on the outstanding debt are made timely and the district continuously searches for the opportunities to refund existing debt at a savings to the district.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 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 funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

11) OTHER INFORMATION: *Independent Audit*: State statutes require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of Jump, Perry and Company, LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related Uniform Guidance and State Treasury Circular Letter 15-08. The auditor's report in the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

*Awards*: The District had applied to the Association of School Business Officials (ASBO) International for the "Certificate of Excellence in Financial Reporting" for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This is the first year that the District has received this prestigious award. In order to be awarded this certificate, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States and applicable legal requirements.

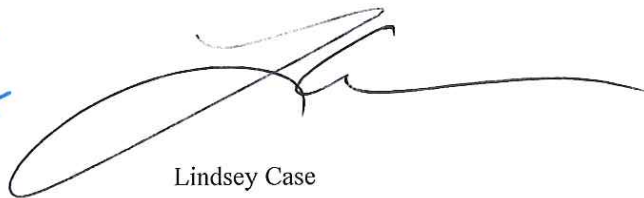
The Certificate is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Programs' requirements and we are submitting it to ASBO to determine its eligibility for another certificate.

12) ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Little Silver Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our fiscal operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the Little Silver Superintendent's Office and Business Office staff.

Respectfully submitted,

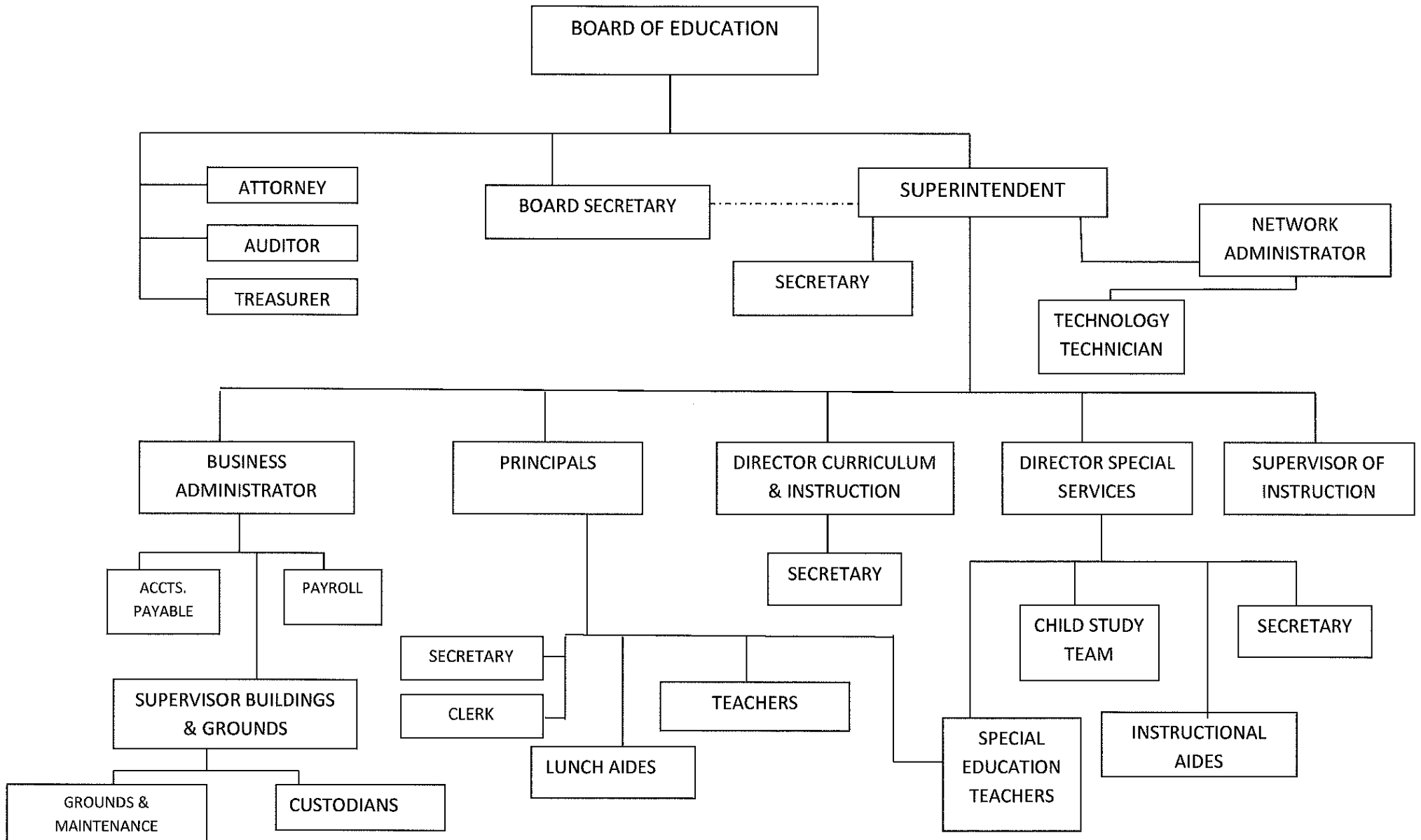


Dr. Carolyn Kossack  
Superintendent of Schools



Lindsey Case  
School Business Administrator/Board Secretary

# LITTLE SILVER BOARD OF EDUCATION ORGANIZATION CHART



REVISED MAY 24, 2016

Little Silver School District  
Little Silver, New Jersey

Roster of Officials  
June 30, 2017

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Christian Smith, President,	2018
Andrew Walsh, Vice President	2019
Meggan Bateman	2017
Stephanie Brannagan	2017
Meghan Clark	2019
Michael Grant	2017
Lorre Weisman	2018

Other Officials

Dr. Carolyn M. Kossack, Superintendent

Lindsey Case, Board Secretary/School Business Administrator

Sean Boyce, Treasurer

Bruce Padula, Attorney

Little Silver School District  
Consultants and Advisors

Attorney

Cleary Giacobbe Alfieri Jacobs, LLC  
5 Ravine Drive  
Matawan, New Jersey 07747

Audit Firm

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

Official Depositories

Investors Bank  
20 White Street  
Red Bank, New Jersey 07701



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

## **Little Silver Public Schools**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

**Anthony N. Dragona, Ed.D., RSBA**  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

**John D. Musso, CAE, RSBA**  
Executive Director

## FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

***Report of the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Little Silver School District in the County of Monmouth, State of New Jersey, as of and for the 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***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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MANAHAWKIN OFFICE: 21 JENNINGS ROAD · MANAHAWKIN, NJ · 08050 · PHONE (609) 978-9500 · FAX (609) 978-9515

## ***Opinion***

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

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Information***

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

***Other Information (continued)***

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

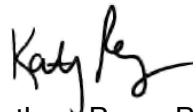
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2017 on our consideration of the Little Silver School District in the County of Monmouth, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Little Silver School District in the County of Monmouth, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted

Jump, Perry and Company L.L.P.  
Toms River, New Jersey



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

October 13, 2017  
Toms River, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Little Silver School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017

Unaudited

The discussion and analysis of Little Silver School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School Board's financial performance.

**Financial Highlights**

Key financial highlights for June 30, 2017 are as follows:

In total, net position totaled \$2,044,441, which represents a 6.02 percent increase from June 30, 2016.

General revenues accounted for \$13,602,851 in revenue or 88.37 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,790,025 or 11.63 percent of total revenues of \$15,392,876.

Total assets increased by \$114,935 as current assets increased by \$230,060 and capital assets decreased by \$115,125.

The School Board had \$14,571,224 in expenses; only \$1,790,025 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$13,602,851 were adequate to provide for these programs.

Among major funds, the General Fund had \$13,915,363 in revenues and \$13,507,776 in expenditures and transfers. The General Fund's balance increased \$407,587 over June 30, 2016. The General Fund's balance is \$2,041,975.

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

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

The Statement of Net Position and Statement of Activities provide information about the activities of the School Board, presenting both an aggregate view of the School Board's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the School Board's most significant funds with all other non-major funds presented in total in one column. In the case of Little Silver School District, the General Fund is by far the most significant.

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

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

This document contains all funds used by the School Board to provide programs and activities viewing the School Board as a whole and reports the culmination of all financial transactions. The report answers the question "How Did We Do Financially During Fiscal Year June 30, 2017?" The Statement of Net Position and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

**Governmental Activities** - All of the School Board's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

**Business-Type Activities** - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Funds are reported as a business activity.

## **Reporting the School Board's Most Significant Funds**

### **Fund Financial Statement**

The Analysis of the School Board's major funds begins on page 27. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund and Special Revenue Fund.

### **Governmental Funds**

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

### **Enterprise Fund**

The Enterprise Fund uses the same basis of accounting as business-type activities.

## The School Board as a Whole

The Statement of Net Position provides the financial perspective of the School Board as a whole.

Table 1 provides a summary comparison of the School Board's net position for June 30, 2017 and 2016.

Table 1

Net Position as of June 30, 2017 and June 30, 2016

	June 30, 2017			June 30, 2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>						
Current and other assets	\$ 2,048,657	\$ 29,478	\$ 2,078,135	\$ 1,825,464	\$ 22,611	\$ 1,848,075
Capital assets, net	19,539,963	8,130	19,548,093	19,663,218	-	19,663,218
<b>Total assets</b>	<b>21,588,620</b>	<b>37,608</b>	<b>21,626,228</b>	<b>21,488,682</b>	<b>22,611</b>	<b>21,511,293</b>
Deferred outflow of resources	1,404,837	-	1,404,837	596,620	-	596,620
<b>Liabilities:</b>						
Current liabilities	4,216	10,346	14,562	35,674	-	35,674
Net pension liability	-	-	-	-	-	-
Long-term liabilities outstanding	8,383,975	-	8,383,975	8,237,866	-	8,237,866
<b>Total liabilities</b>	<b>8,388,191</b>	<b>10,346</b>	<b>8,398,537</b>	<b>8,273,540</b>	<b>-</b>	<b>8,273,540</b>
Deferred inflow of resources	165,228	-	165,228	188,725	-	188,725
<b>Net position:</b>						
Net investment in capital assets	15,668,168	8,130	15,676,298	15,098,218	-	15,098,218
Restricted	1,738,775	-	1,738,775	1,482,788	-	1,482,788
Unrestricted	(2,966,905)	19,132	(2,947,773)	(2,957,969)	22,611	(2,935,358)
<b>Total Net Position</b>	<b>\$ 14,440,038</b>	<b>\$ 27,262</b>	<b>\$ 14,467,300</b>	<b>\$ 13,623,037</b>	<b>\$ 22,611</b>	<b>\$ 13,645,648</b>

The School Board's combined net position was \$14,467,300 on June 30, 2017. This is a change of 6.02% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2017 and 2016.

Table 2

Changes in Net Position

	June 30, 2017			June 30, 2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 217,294	\$ 268,873	\$ 486,167	\$ 166,843	\$ 254,828	\$ 421,671
Operating and capital grants and contributions	1,303,858	-	1,303,858	1,280,758	-	1,280,758
General revenues:						
Property taxes	13,047,024	-	13,047,024	12,564,290	-	12,564,290
Federal and state aid Not restricted to specific purposes	481,434	-	481,434	324,953	-	324,953
Investment earnings	21,629	213	21,842	5,842	97	5,939
Miscellaneous	52,551	-	52,551	196,519	-	196,519
<b>Total revenues</b>	<b>15,123,790</b>	<b>269,086</b>	<b>15,392,876</b>	<b>14,539,205</b>	<b>254,925</b>	<b>14,794,130</b>
<b>Expenses</b>						
Instructional services	6,285,766	-	6,285,766	6,173,323	-	6,173,323
Support services	7,826,726	264,435	8,091,161	8,348,167	197,577	8,545,744
Interest on long-term liabilities	194,297	-	194,297	139,975	-	139,975
<b>Total expenses</b>	<b>14,306,789</b>	<b>264,435</b>	<b>14,571,224</b>	<b>14,661,465</b>	<b>197,577</b>	<b>14,859,042</b>
Change in net position	817,001	4,651	821,652	(122,260)	57,348	(64,912)
Net position - beginning	<u>13,623,037</u>	<u>22,611</u>	<u>13,645,648</u>	<u>13,745,297</u>	<u>(34,737)</u>	<u>13,710,560</u>
Net position (deficit) - ending	<u>\$ 14,440,038</u>	<u>\$ 27,262</u>	<u>\$ 14,467,300</u>	<u>\$ 13,623,037</u>	<u>\$ 22,611</u>	<u>\$ 13,645,648</u>

The tax levy increase was due in general to cover increased costs in salaries and benefits, utilities and the debt service. The Federal and State aid-restricted increased due to the increase in grants available.

Regular instructional costs increased due to contractual increases in salary and benefits as well as program maintenance and enhancements.

Other support services decreased primarily due to the additional other purchased professional services from the Special Revenue Fund.



## Expenses for Fiscal Year June 30, 2017

### Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and royalties.

Total Enterprise Fund revenues exceeded expenses by \$4,651.

Charges for services represent \$268,873 of revenue. This represents the amount paid by patrons for daily food service and catering.

### Governmental Activities

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

Table 3

#### Governmental Activities

	2017		2016	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 6,285,766	\$ 5,838,019	\$ 6,173,323	\$ 6,006,480
Support Services:				
Pupils and Instructional Staff	5,348,614	4,537,843	5,436,727	4,660,779
General Administration, School Administration, Business Operation and Maintenance of Facilities	2,273,112	2,010,478	2,689,259	2,448,404
Pupil Transportation	205,000	205,000	222,181	222,181
Interest and Fiscal Charges	<u>194,297</u>	<u>194,297</u>	<u>139,975</u>	<u>139,975</u>
Total Expenses	<u>\$ 14,306,789</u>	<u>\$ 12,785,637</u>	<u>\$ 14,661,465</u>	<u>\$ 13,477,819</u>

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

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 90% of the student population participates in extracurricular activities.

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

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

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

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

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the District.

## The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2017, it reported a combined fund balance of \$2,044,441, which is an increase of \$254,651. The Reconciliation of the Statement of Revenue Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Exhibit B-3, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2017.

<u>Revenue</u>	<u>2016-17 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2016-17</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 13,462,571	88.29 %	\$ 529,077	3.93 %
State Sources	1,522,658	9.99	157,802	10.36
Federal Sources	<u>262,634</u>	<u>1.72</u>	<u>21,779</u>	<u>8.29</u>
Total	<u>\$ 15,247,863</u>	<u>100.00 %</u>	<u>\$ 708,658</u>	<u>22.58 %</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2017.

<u>Expenditures</u>	<u>2016-17 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2016-17</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 6,285,766	42.28 %	\$ 112,443	1.79 %
Undistributed Expenditures	7,443,076	50.06	222,305	2.99
Capital Outlay	226,747	1.52	177,953	78.48
Debt Service:				
Principal	720,000	4.84	(95,000)	(13.19)
Interest	<u>193,550</u>	<u>1.30</u>	<u>53,575</u>	<u>27.68</u>
Total	<u>\$ 14,869,139</u>	<u>100.00 %</u>	<u>\$ 471,276</u>	<u>3.17 %</u>

## **General Fund Budgeting Highlights**

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

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

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

The General Fund finished the fiscal year approximately \$545,816 more than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$85,250 better than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are Capital Reserve \$755,087, Maintenance Reserve \$415,255 and Emergency Reserve \$105. These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District.

The expenditures were less due to cost containment by the Board even after the salary and benefit increases. General supplies were purchased at better prices than expected due to the school board joining other schools in cooperative bidding. The district also joined a co-op for energy consumption, which was done after the budget was struck. Through efforts made in finding jointures with other local districts, and increase students on district owned vehicles the district transportation costs were lowered for special needs students.

The revenue situation arose primarily because of tuition received from out of district students.

The excesses will be carried forward into the beginning fund balance from the 2016-2017 fiscal year and will be used to reduce the local tax levy for the 2018-2019 fiscal year.

## Capital Assets and Debt Administration

*Capital Assets.* At the end of the fiscal year June 30, 2017, the School Board had \$19,548,093 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2017 and June 30, 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 5,297,900	\$ 5,297,900	\$ -	\$ -	\$ 5,297,900	\$ 5,297,900
Construction in Progress	190,447	5,447	-	-	190,447	5,447
Building and Improvements	13,737,767	14,031,776	-	-	13,737,767	14,031,776
Machinery and Equipment	313,849	328,095	8,130	-	321,979	328,095
<b>Total</b>	<b>\$ 19,539,963</b>	<b>\$ 19,663,218</b>	<b>\$ 8,130</b>	<b>\$ -</b>	<b>\$ 19,548,093</b>	<b>\$ 19,663,218</b>

During the current fiscal year, \$226,442 of fixed assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

*Debt Administration.* The District's long-term liabilities are as follows for the governmental activities at June 30, 2017 and June 30, 2016.

	June 30, 2017	June 30, 2016
Bonds Payable (net)	\$ 3,845,000	\$ 4,565,000
Capital Leases payable	26,795	-
Pension Liability-PERS	4,263,882	3,442,726
Compensated Absences payable	<u>248,298</u>	<u>230,140</u>
<b>Total long-term liabilities</b>	<b><u>\$ 8,383,975</u></b>	<b><u>\$ 8,237,866</u></b>

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

## Economic Factors and Next Year's Budget

For the 2016-2017 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 11.71% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 88.29% of total revenue is from local tax levy.

The \$(2,966,905) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2016-2017 budget was adopted in March 2016 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State for the current year remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Borough of Little Silver for increased aid.

The School Board anticipates a slight increase in enrollment for the 2017-2018 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

### **Contacting the School Board's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Little Silver School District, 124 Willow Drive, Little Silver, NJ, 07739.

## BASIC FINANCIAL STATEMENTS

**LITTLE SILVER SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2017**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,823,700	\$ 29,478	\$ 1,853,178
Receivables, state	184,950	-	184,950
Receivables, federal	18,634	-	-
Receivables, other	21,373	-	-
Capital assets, non-depreciable	5,297,900	-	5,297,900
Capital assets, net	14,242,063	8,130	14,250,193
Total assets	<u>21,588,620</u>	<u>37,608</u>	<u>21,586,221</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - PERS	<u>1,404,837</u>	<u>-</u>	<u>1,404,837</u>
<b>LIABILITIES</b>			
Accounts payable	-	7,360	7,360
Unearned revenue	4,216	2,986	7,202
Intergovernmental payable	-	-	-
Noncurrent liabilities:			
Due within one year	726,679	-	726,679
Due beyond one year	7,657,296	-	7,657,296
Total liabilities	<u>8,388,191</u>	<u>10,346</u>	<u>8,398,537</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - PERS	<u>165,228</u>	<u>-</u>	<u>165,228</u>
<b>NET POSITION</b>			
Net Investment in capital assets	15,668,168	8,130	15,676,298
Restricted for:			
Debt service	-	-	-
Capital projects	757,553	-	757,553
Other purposes	981,222	-	981,222
Unrestricted	(2,966,905)	19,132	(2,947,773)
Total net position	<u>\$ 14,440,038</u>	<u>\$ 27,262</u>	<u>\$ 14,467,300</u>



LITTLE SILVER 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
<b>Governmental activities:</b>							
Current:							
Regular instruction	\$ 5,246,960	\$ 217,294	\$ 230,453	\$ -	\$ (4,799,213)	\$ -	\$ (4,799,213)
Special education instruction	800,501	-	-	-	(800,501)	-	(800,501)
Other special instruction	238,305	-	-	-	(238,305)	-	(238,305)
Support services and undistributed costs:							
Instruction	94,815	-	-	-	(94,815)	-	(94,815)
Health services	159,702	-	-	-	(159,702)	-	(159,702)
Student and instr related services	1,304,604	-	32,181	-	(1,272,423)	-	(1,272,423)
Educational media services	162,003	-	-	-	(162,003)	-	(162,003)
Instruction staff training	27,569	-	-	-	(27,569)	-	(27,569)
General administrative services	388,633	-	-	-	(388,633)	-	(388,633)
School administrative services	512,513	-	-	-	(512,513)	-	(512,513)
Information technology services	247,655	-	-	-	(247,655)	-	(247,655)
Allowed maintenance for school facilities	184,097	-	-	-	(184,097)	-	(184,097)
Other operation & maintenance of plant	1,225,799	-	-	-	(1,225,799)	-	(1,225,799)
Student transportation services	205,000	-	-	-	(205,000)	-	(205,000)
Unallocated employee benefits	2,273,112	-	-	-	(2,273,112)	-	(2,273,112)
Non-budgeted expenditures	1,041,224	-	1,041,224	-	-	-	-
Special schools	-	-	-	-	-	-	-
Interest expense	194,297	-	-	-	(194,297)	-	(194,297)
Total governmental activities	<u>14,306,789</u>	<u>217,294</u>	<u>1,303,858</u>	<u>-</u>	<u>(12,785,637)</u>	<u>-</u>	<u>(12,785,637)</u>
Business-type activities:							
Food service	264,435	268,873	-	-	-	4,438	4,438
Total business-type activities	<u>264,435</u>	<u>268,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,438</u>	<u>4,438</u>
Total primary government	<u>\$ 14,571,224</u>	<u>\$ 486,167</u>	<u>\$ 1,303,858</u>	<u>\$ -</u>	<u>\$ (12,785,637)</u>	<u>\$ 4,438</u>	<u>\$ (12,781,199)</u>
<b>General revenues:</b>							
Taxes:							
Property taxes levied for general purpose					12,179,323	-	12,179,323
Taxes levied for debt service					867,701	-	867,701
Federal and state aid					481,434	-	481,434
Miscellaneous income					52,551	-	52,551
Investment earnings					21,629	213	21,842
Total general revenues					<u>13,602,638</u>	<u>213</u>	<u>13,602,851</u>
<b>Change in net position</b>					817,001	4,651	821,652
<b>Net position—beginning</b>					13,623,037	22,611	13,645,648
<b>Net position—ending</b>					<u>\$ 14,440,038</u>	<u>\$ 27,262</u>	<u>\$ 14,467,300</u>

**LITTLE SILVER SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,849,583	\$ (35,791)	\$ 1,068	\$ 8,840	\$ 1,823,700
Interfund receivables	84,641	-	-	-	84,641
Other receivable	-	21,373	-	-	21,373
Receivables from state	107,751	-	77,199	-	184,950
Receivables from other governments	-	18,634	-	-	18,634
Total assets	<u>\$ 2,041,975</u>	<u>\$ 4,216</u>	<u>\$ 78,267</u>	<u>\$ 8,840</u>	<u>\$ 2,133,298</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	-	-	-	-	-
Interfund payable	-	-	75,801	8,840	84,641
Intergovernment payable	-	-	-	-	-
Unearned revenue	-	4,216	-	-	4,216
Total liabilities	<u>-</u>	<u>4,216</u>	<u>75,801</u>	<u>8,840</u>	<u>88,857</u>
Fund Balances:					
Restricted for:					
Other purposes	-	-	-	-	-
Excess surplus prior year - designated for subsequent years expenditures	222,138	-	-	-	222,138
Emergency reserve	105	-	-	-	105
Maintenance reserve	415,255	-	-	-	415,255
Capital reserve account	755,087	-	-	-	755,087
Excess surplus	293,882	-	-	-	293,882
Committed to:					
Other purposes	49,842	-	-	-	49,842
Capital projects	-	-	-	-	-
Assigned to:					
Designated for subsequent year's expended by the board of education	-	-	-	-	-
Unassigned to:					
General fund	305,666	-	-	-	305,666
Capital projects	-	-	2,466	-	2,466
Debt service fund	-	-	-	-	-
Total Fund balances	<u>2,041,975</u>	<u>-</u>	<u>2,466</u>	<u>-</u>	<u>2,044,441</u>
Total liabilities and fund balances	<u>\$ 2,041,975</u>	<u>\$ 4,216</u>	<u>\$ 78,267</u>	<u>\$ 8,840</u>	
Amounts reported for government activities in the statement of net position (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$26,385,151 and the accumulated depreciation is \$6,845,188.					19,539,963
Deferred outflows related to the PERS pension plan					1,404,837
Deferred inflows related to the PERS pension plan					(165,228)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					<u>(8,383,975)</u>
Net position of governmental activities					<u>\$ 14,440,038</u>

**LITTLE SILVER SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 12,179,323	\$ -	\$ -	\$ 867,701	\$ 13,047,024
Tuition charges	217,294	-	-	-	217,294
Transportation fees	11,665	-	-	-	11,665
Interest income	8,093	-	-	-	8,093
Interest earned - capital reserve	1,871	-	-	-	1,871
Miscellaneous	52,372	124,252	-	-	176,624
Total Local Sources	12,470,618	124,252	-	867,701	13,462,571
State sources	1,444,745	-	77,913	-	1,522,658
Federal sources	-	262,634	-	-	262,634
Total revenues	\$ 13,915,363	\$ 386,886	\$ 77,913	\$ 867,701	\$ 15,247,863
<b>EXPENDITURES</b>					
Current:					
Regular instruction	\$ 4,892,255	\$ 354,705	\$ -	\$ -	\$ 5,246,960
Special education instruction	800,501	-	-	-	800,501
Other special instruction	238,305	-	-	-	238,305
Undistributed - current:					
Instruction	94,815	-	-	-	94,815
Health services	159,702	-	-	-	159,702
Student and instruction related services	1,272,423	32,181	-	-	1,304,604
Educational media services	162,003	-	-	-	162,003
Instruction staff training	27,569	-	-	-	27,569
General administrative services	388,633	-	-	-	388,633
School administrative services	512,513	-	-	-	512,513
Information technology	247,655	-	-	-	247,655
Allowed maintenance for school facilities	184,097	-	-	-	184,097
Other operation & maintenance of plant	849,749	-	-	-	849,749
Student transportation services	205,000	-	-	-	205,000
Unallocated employee benefits	2,265,512	-	-	-	2,265,512
Non-budgeted expenditures	1,041,224	-	-	-	1,041,224
Special schools	-	-	-	-	-
Debt service:					
Principal	-	-	-	720,000	720,000
Interest and other charges	-	-	-	193,550	193,550
Capital outlay	41,747	-	185,000	-	226,747
Total expenditures	13,383,703	386,886	185,000	913,550	14,869,139
Excess (Deficiency) of revenues over expenditures	531,660	-	(107,087)	(45,849)	378,724
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer capital reserve to capital projects	-	-	-	-	-
Adjustment for grants received in prior years	(124,073)	-	-	-	(124,073)
Transfer to cover deficit food service	-	-	-	-	-
Total other financing sources and (uses)	(124,073)	-	-	-	(124,073)
Excess (Deficiency) of revenues over expenditures and other financings sources and (uses)	407,587	-	(107,087)	(45,849)	254,651
Fund balance—July 1	1,634,388	-	109,553	45,849	1,789,790
Fund balance—June 30	\$ 2,041,975	\$ -	\$ 2,466	\$ -	\$ 2,044,441

**LITTLE SILVER 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**

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>\$</b>	<b>254,651</b>				
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>						
	<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 10px;">Depreciation expense</td> <td style="text-align: right;">(349,697)</td> </tr> <tr> <td style="padding-right: 10px;">Capital outlays</td> <td style="text-align: right;"><u>226,442</u></td> </tr> </table>	Depreciation expense	(349,697)	Capital outlays	<u>226,442</u>	(123,255)
Depreciation expense	(349,697)					
Capital outlays	<u>226,442</u>					
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		720,000				
Proceeds from lease agreements are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.		(29,398)				
Payment of lease is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		2,603				
In the statement of activities, certain operating expenses such as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported when paid.		(18,158)				
In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey		<u>10,558</u>				
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>817,001</u></b>				

**LITTLE SILVER SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2017**

	<b>Enterprise Fund</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 29,478
Total current assets	29,478
Fixed assets:	
Equipment, net	8,130
Total assets	\$ 37,608
Current liabilities:	
Accounts payable	7,360
Deferred revenue	2,986
Total liabilities	10,346
<b>NET POSITION</b>	
Net investments in capital assets	8,130
Unrestricted	19,132
Total liabilities and net position	\$ 37,608

**LITTLE SILVER SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	<b>Enterprise Fund</b>
Operating revenues:	
Sales	\$ 268,873
Total operating revenue	268,873
Operating expenses:	
Cost of sales - reimbursable programs	-
Cost of sales - non-reimbursable programs	121,285
Salaries and benefits	96,188
Cost of supplies	7,378
Depreciation	450
Other purchased services	39,134
Total operating expenses	264,435
Operating (loss)/profit	4,438
Non-operating revenues:	
Interest revenue	213
Total non-operating revenues	213
Change in net position	4,651
Total net position—beginning	22,611
Total net position—ending	\$ 27,262

**LITTLE SILVER SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**for the Fiscal Year ended June 30, 2017**

	<u>Enterprise Fund</u>
Cash Flows from Operating Activities:	
Sales to customers	\$ 271,859
Payments to suppliers	(256,625)
Net cash provided by operating activities	<u>15,234</u>
Cash Flows from Investing Activities	
Interest	213
Fixed asset purchases	(8,580)
Net cash provided by investing activities	<u>(8,367)</u>
Net increase in cash and cash equivalents	6,867
Cash and cash equivalents July 1	<u>22,611</u>
Cash and cash equivalents June 30	<u><u>29,478</u></u>
Cash flows from operating activities:	
Operating profit	4,438
Depreciation	450
Change in assets and liabilities:	
Decrease (increase) in deferred revenues	2,986
Increase (decrease) in accounts payable	7,360
Net cash provided by operating activities	<u><u>\$ 15,234</u></u>

**LITTLE SILVER SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2017**

	Agency Funds	Unemployment Compensation Trust
<b>ASSETS</b>		
Cash and cash equivalents	\$ 26,939	\$ 29,283
Total assets	26,939	29,283
<b>LIABILITIES</b>		
Payroll deductions and withholdings	10,945	-
Due to student groups	15,994	-
Total liabilities	26,939	-
<b>NET POSITION</b>		
Held in trust for unemployment claims and other purposes	-	29,283
Total net position	-	29,283
Total liabilities and net position	\$ 26,939	\$ 29,283



**LITTLE SILVER SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2017**

	<b>Unemployment Compensation Trust</b>
<b><u>ADDITIONS</u></b>	
Contributions:	\$ 14,226
Investment earnings:	
Interest	108
Total additions	14,334
<b><u>DEDUCTIONS</u></b>	
Unemployment claims	624
Total deductions	624
Change in net position	13,710
Net position—beginning of the year	15,573
Net position—end of the year	\$ 29,283

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

**1. Summary of Significant Accounting Policies**

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

**A. Reporting Entity:**

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

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

**B. Basis of Presentation**

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. Items not meeting that definition of assets and liabilities have been classified as deferred outflows or deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

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

The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 11.

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

B. Basis of Presentation (Cont'd):

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

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

The District reports the following governmental funds:

**General Fund:** The general fund is the general operating fund of the District. It 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 which are classified in the Capital Outlay sub-fund.

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

B. Basis of Presentation (Cont'd):

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

**Special Revenue Fund:** The special revenue fund is used to account for the proceeds of specific revenue from state and federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

The District reports the following proprietary fund:

**Enterprise Funds:** The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

B. Basis of Presentation (Cont'd):

Depreciation of all fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	5-20 Years
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Additionally, the District reports the following fund type:

**Fiduciary Funds:** The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Payroll Agency Fund, Unemployment Compensation Insurance Trust Fund and Student Activities.

C. Basis of Accounting:

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

**District-Wide, Proprietary, and Fiduciary Fund Financial Statements:** The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds use the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. The tax revenues are recognized in the year for which they are levied (see Note 1.d.). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

**D. Property Taxes**

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

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6a:23-1.2.

All budget amendments/transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2017 were insignificant.

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

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

**F. Encumbrances**

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

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

**G. Cash, Cash Equivalents and Investments**

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

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:2037 provides a list of permissible investments that may be purchased by New Jersey school districts

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

**H. Tuition Receivable**

Tuition charges were established by the District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

**I. Tuition Payable**

Tuition charges for the fiscal years 2016-2017 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**J. Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods are recorded as an expenditure during the year of purchase.

Inventories in the enterprise funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

**K. 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 District and that are due within one year.



Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

L. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	Estimated	<u>Useful Lives</u>
School Buildings		50
Building Improvements		20
Electrical/Plumbing		30
Vehicles		8
Office & computer equipment		5-10
Instructional equipment		10
Grounds equipment		15

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

M. Compensated Absences

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences.

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

Little Silver School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

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

**N. Unearned/Deferred Revenue**

Unearned/Deferred revenue in the general and special revenue funds represent cash which has been received but not yet earned.

**O. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables 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. Bonds are recognized as a liability on the fund financial statements when due.

**P. Deferred Outflows/Inflows of Resources**

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

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

**Q. Net Position**

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

**R. Fund Balance Resources**

Governmental Accounting Standards established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. **Nonspendable** - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. **Restricted** - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. **Committed** - includes amounts that can be spent only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. **Assigned** - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. **Unassigned** - includes all spendable amounts not contained in the other classifications

**S. 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 the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the 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. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Little Silver School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

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

**S. Revenues - Exchange and Non-exchange Transactions (Cont'd)**

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

**T. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**U. Management Estimates**

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

**2. Cash and Cash Equivalents and Investments**

Operating cash, in the form of Negotiable Order of Withdrawal ("NOW") accounts, is held in the District's name by a commercial banking institution. At June 30, 2017, the carrying amount of the District's deposits was \$1,909,400 and the bank balance was \$2,167,003. Of the bank balance, \$250,000 was insured with Federal Deposit Insurance.

Pursuant to Government Accounting Standards, the District's NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2017, all of the District's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The District does not have a policy for custodial credit risk.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

**2. Cash and Cash Equivalents and Investments (Cont'd)**

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

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

**3. Investments**

Pursuant to the Enabling Act, the funds of the District may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the District may approve.

Credit Risk: Government Accounting Standards, require that disclosure be made as to the credit rating of all debt security investments except for obligations of U.S. government or investments guaranteed by the U.S. government. The District has no uninsured deposits.

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

The District has no deposits invested.

**4. Capital Reserve Account**

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

**4. Capital Reserve Account (Cont'd)**

Funds placed in the capital reserve account are restricted to capital projects in the District's Long Range Facilities Plan, ("LRFP"). Upon submission of the LRFP to the department, a district may deposit funds by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the Capital Reserve for the July 01, 2016 to June 30, 2017 fiscal year is as follows:

Balance, July 1, 2016	\$	528,216
Add:		
Interest Earned		1,871
Approved at June 2017 Meeting		<u>225,000</u>
Balance, June 30, 2017	\$	<u><u>755,087</u></u>

**5. Maintenance Reserve Account**

A Maintenance Reserve Account was established by the Little Silver School District for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Maintenance Reserve Account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP). Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

**5. Maintenance Reserve Account (Cont'd)**

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2017.

The activity of the Maintenance Reserve for the June 30, 2016 to June 30, 2017 fiscal year is as follows:

Balance, July 1, 2016	\$	190,000
Add:		
Interest		255
Approved at June 2017 Meeting		225,000
Less:		
Budgeted transfer out		-
Balance, at June 30, 2017	\$	<u><u>415,255</u></u>

**6. Emergency Reserve Account**

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

The activity of the Emergency Reserve for the June 30, 2016 to June 30, 2017 fiscal year is as follows:

Balance July 1, 2016	\$	104
Add:		
Interest		<u>1</u>
Less:		
Budgeted transfer out		-
Balance, June 30, 2017	\$	<u><u>105</u></u>

**7. Receivables**

Receivables at June 30, 2017, consisted of accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of governmental receivables is as follows:

	Governmental Fund Financial Statements	District-Wide Financial Statements
State Aid	\$ 184,950	\$ 184,950
Federal Aid	18,634	18,634
Interfunds	84,641	-
Other	<u>21,373</u>	<u>21,373</u>
Gross Receivables	309,598	224,957
Allowance for Uncollectible	-	-
Total Receivables, Net	<u><u>\$ 309,598</u></u>	<u><u>\$ 224,957</u></u>

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

8. Capital Assets

Capital Assets consisted of the following at June 30, 2017.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 5,297,900	-	-	\$ 5,297,900
Construction in Progress	<u>5,447</u>	<u>185,000</u>	<u>-</u>	<u>190,447</u>
Total Capital Assets Not Being Depreciated	<u>5,303,347</u>	<u>185,000</u>	<u>-</u>	<u>5,488,347</u>
Capital Assets Being Depreciated				
Building and Building Improvements	19,741,001	9,850	-	19,750,851
Machinery and Equipment	<u>1,114,361</u>	<u>31,592</u>	<u>-</u>	<u>1,145,953</u>
Totals at Historical Cost	<u>20,855,362</u>	<u>41,442</u>	<u>-</u>	<u>20,896,804</u>
Less Accumulated Depreciation for:				
Site Improvements	-	-	-	-
Building and Building Improvements	(5,709,225)	(303,859)	-	(6,013,084)
Machinery and Equipment	<u>(786,266)</u>	<u>(45,838)</u>	<u>-</u>	<u>(832,104)</u>
Total Accumulated Depreciation	<u>(6,495,491)</u>	<u>(349,697)</u>	<u>-</u>	<u>(6,845,188)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>14,359,871</u>	<u>(308,255)</u>	<u>-</u>	<u>14,051,616</u>
Government Activity Capital Assets, Net	<u>\$ 19,663,218</u>	<u>(123,255)</u>	<u>-</u>	<u>\$ 19,539,963</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	-	8,580	-	8,580
Less: Accumulated Depreciation	<u>-</u>	<u>(450)</u>	<u>-</u>	<u>(450)</u>
Enterprise Fund Capital Assets, Net	<u>\$ -</u>	<u>\$ 8,130</u>	<u>-</u>	<u>\$ 8,130</u>

Depreciation expense was charged to governmental functions as follows:

Operations and maintenance	\$ <u>349,697</u>
Total depreciation expense	\$ <u><u>349,697</u></u>



Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

**9. Non-current Liabilities**

During the fiscal year ended June 30, 2017 the following changes occurred in the non-current liabilities:

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Due within one year
Bonds payable	\$ 4,565,000	-	(720,000)	3,845,000	\$ 710,000
Capital leases	-	29,398	(2,603)	26,795	5,417
Compensated absences payable	230,140	-	18,158	248,298	11,262
Pension liability - PERS	3,442,726	821,156	-	4,263,882	-
	<u>\$ 8,237,866</u>	<u>850,554</u>	<u>(704,445)</u>	<u>8,383,975</u>	<u>\$ 726,679</u>

**A. Bonds Payable**

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. The bonds issued were used for various capital projects within the District.

In 2012, the District issued \$750,000 of School District Bonds in order to fund various facility upgrades within the school district. The bonds are due to mature annually through the 2027 fiscal year at annual interest rates ranging from 2.75% to 3.00%.

In 2015, the District issued \$4,715,000 of refunding bonds to provide resources to refund a portion of the District's bonds issued by the Monmouth County Improvement Authority. The bonds are due to mature annually through the 2022 fiscal year at annual interest rates ranging from 4.00% to 5.00%.

Principal and interest due on serial bonds outstanding is as follows:

Year ended June 30	Principal	Interest	Total
2018	\$ 710,000	\$ 165,200	\$ 875,200
2019	705,000	137,250	842,250
2020	705,000	102,825	807,825
2021	705,000	68,825	773,825
2022	685,000	41,563	726,563
2023-2027	275,000	28,863	303,863
2028	60,000	900	60,900
	<u>\$ 3,845,000</u>	<u>\$ 545,426</u>	<u>\$ 4,390,426</u>

Little Silver School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

**9. Non-current Liabilities (Cont'd)**

**B. Bonds Authorized But Not Issued**

As of June 30, 2017 the District had no authorized but not issued bonds.

**C. Capital Leases:**

The District is leasing equipment under various capital leases. The following is a schedule of the remaining future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2017:

Year ended June 30,	
2018	\$ 6,703
2019	6,703
2020	6,703
2021	6,702
2022	<u>3,352</u>
Total minimum lease payments	30,163
Less: amounts representing interest	<u>(3,368)</u>
Present value of lease payments	<u><u>\$ 26,795</u></u>

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans

**Description of Plans**

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

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

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

For the year ended June 30, 2017, the District recognized pension expense of \$679,621 and revenue of \$679,621 for support provided by the State on the fund financials. These amounts are not included in the district-wide financials as required by GASB 68.

At June 30, 2017, the District has no deferred outflow, deferred inflows or pension liability for the TPAF plan as all future costs are to be incurred by the State of New Jersey. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed. These items are not included on the district-wide financials. The District's proportionate share is 0.0602867644% of the total plan. The information on the following page was provided from the State of New Jersey June 30, 2016 audit of the TPAF fund and has been adjusted to the District's proportionate share.

Little Silver School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

10. Pension Plans (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 166,361	\$ 80,733
Changes of assumptions	9,423,253	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	63,416	36,843
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 9,653,030</u>	<u>\$ 117,576</u>

The District's proportionate share of the pension liability at June 30, 2016 as it relates to the District is \$47,425,407.

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

Year ended June 30:	
2017	\$ 1,530,401
2018	1,530,401
2019	1,792,835
2020	1,676,697
2021	1,416,346
Thereafter	<u>2,470,975</u>
Total	<u>\$ 10,417,655</u>

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (Continued)

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00 %	0.39 %
US Government Bonds	1.50 %	1.28 %
US Credit Bondst	13.00 %	2.76 %
US Mortgages	2.00 %	2.38 %
US Inflation-Indexed Bonds	1.50 %	1.41 %
US High Yield Bonds	2.00 %	4.70 %
US Equity Market	26.00 %	5.14 %
Foreign-Developed Equity	13.25 %	5.91 %
Emerging Market Equity	6.50 %	8.16 %
Private Real Estate Property	5.25 %	3.64 %
Timber	1.00 %	3.86 %
Farmland	1.00 %	4.39 %
Private Equity	9.00 %	8.97 %
Commodities	0.50 %	2.87 %
Hedge Funds - MultiStrategy	5.00 %	3.70 %
Hedge Funds - Equity Hedge	3.75 %	4.72 %
Hedge Funds - Distressed	3.75 %	3.49 %

**Discount Rate**

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Little Silver School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

10. Pension Plans (Continued)

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

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

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

	1% Decrease ( 2.22 %)	Current Discount Rate ( 3.22 %)	1% Increase ( 4.22 %)
District's proportionate share of the net pension liability	56,897,549	47,643,971	40,087,231

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

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

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

For the year ended June 30, 2017, the District recognized pension expense of \$132,938. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed and recorded. These items are included on the district-wide financials. The District's proportionate share is 0.0143966745% of the total plan. The information on the following page was provided from the State of New Jersey June 30, 2016 audit of the PERS fund and has been adjusted to the District's proportionate share. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

Little Silver School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

10. Pension Plans (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,295	\$ -
Changes of assumptions	883,249	-
Net difference between projected and actual earnings on pension plan investments	162,586	-
Changes in proportion and differences between District contributions and proportionate share of contributions	127,326	165,228
District contributions subsequent to the measurement date	<u>152,381</u>	<u>-</u>
Total	<u>\$ 1,404,837</u>	<u>\$ 165,228</u>

The District's proportionate share of the pension liability at June 30, 2016 as it relates to the District is \$4,263,882 and has been recorded on the district-wide financials.

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

Year ended June 30:	
2017	\$ 253,313
2018	253,313
2019	293,471
2020	246,559
2021	78,474
Thereafter	<u>-</u>
Total	<u>\$ 1,125,130</u>

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (Cont'd)

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00 %	0.87 %
U.S. Treasuries	1.50 %	1.74 %
Investment Grade Credit	8.00 %	1.79 %
Mortgages	2.00 %	1.67 %
High Yield Bonds	2.00 %	4.56 %
Inflation-Indexed Bonds	1.50 %	3.44 %
Broad US Equities	26.00 %	8.53 %
Developed Foreign Equities	13.25 %	6.83 %
Emerging Market Equities	6.50 %	9.95 %
Private Equity	9.00 %	12.40 %
Hedge Funds/Absolute Return	12.50 %	4.68 %
Real Estate (Property)	2.00 %	6.91 %
Commodities	0.50 %	5.45 %
Global Debt ex US	5.00 %	(0.25)%
REIT	5.25 %	5.63 %

**Discount Rate**

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.



Little Silver School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

10. Pension Plans (Cont'd)

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

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

	1% Decrease ( 2.98 %)	Current Discount Rate ( 3.98 %)	1% Increase ( 4.98 %)
District's proportionate share of the net pension liability	5,224,890	4,263,882	3,470,487

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

**Vesting and Benefit Provisions**

The vesting and benefit provisions for PERS are set by the N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years or service prior to retirement (or highest three years' compensation if other than the final three years).

Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (Cont'd)

Contribution Requirements

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (ACP)	Percentage of ACP Contributed	Net Pension Obligation
6/30/17	\$ 132,938	100	0
6/30/16	129,425	100	0
6/30/15	1,154,023	100	0

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

Year Funding	Annual Pension Cost (ACP)	Percentage of ACP Contributed	Net Pension Obligation
06/30/17	\$ 1,247,482	100	0
06/30/16	1,057,417	100	0
06/30/15	3,681,742	100	0

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of legislation. TPAF and PERS provide for employee contributions of 6.78% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

There was a current year contribution to the TPAF post-retirement medical benefits made by the State of New Jersey on behalf of the Board in the amount of \$1,247,482. The State did not make any normal contributions on behalf of the Board. Also, in accordance with N.J.S.A. 18A:6666 the State of New Jersey reimbursed the District \$473,363 during the year ended June 30, 2017 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenues and expenditures in accordance with Governmental Accounting Standards.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (Cont'd)

**Defined Contribution Retirement Plan (DCRP)**

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

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

The District's contributions to the DCRP for June 30, 2017 were \$6,200. There was no liability for unpaid contributions at June 30, 2017.

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

**11. Post-Retirement Benefits**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits of those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with, P.L. 1994 Chapter 62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126 which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

**12. Compensated Absences**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards.

District employees are granted varying amounts of sick leave in accordance with the districts personnel policy. District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. Upon separation the District shall pay the employee for unused sick leave in accordance with the Districts' agreements with the various employees. Vacation days not used during the year may only be carried forward with approval from the Superintendent.

The liability for vested compensated absences of the governmental fund types is recorded on the District-wide financials. The current portion of the compensated absences balance is shown separately from the long-term liability balance of compensated absences. The liability for vested compensated absences of the proprietary fund type is recorded within those funds as the benefits accrue to employees.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

**13. Deferred Compensation**

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

Lincoln Financial  
AXA Equitable Life Insurance Co.  
Metlife Resources  
AIG/Valic

**14. Risk Management**

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

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

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

District Financial Year	Employee Contributions	Interest	Amount Reimbursed	Ending Balance
2016-2017	\$ 14,226	108	(624)	\$ 29,283
2015-2016	35,372	15	(24,176)	15,573
2014-2015	\$ 12,835	16	(13,727)	\$ 4,362

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

**15. Interfund Receivables and Payables**

The following interfund balances remained on the balance sheet at June 30, 2017:

	Interfund Receivable	Interfund Payable
General Fund	\$ 84,641	\$ -
Special Revenue Fund	-	-
Capital Projects Fund	-	75,801
Debt Service Fund	-	8,840
Enterprise Fund	-	-
Trust and Agency Fund	-	-
	<u>\$ 84,641</u>	<u>\$ 84,641</u>

The Debt Service Fund owes the General Fund for refunding fees paid by the General Fund.

The Capital Projects Fund owes the General Fund for advances for the current capital project.

**16. Contingent Liabilities**

Grant Programs

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

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2017

**17. Fund Balances**

General Fund - Of the \$2,041,975 General Fund balance at June 30, 2017, \$49,842 of encumbrances is committed to other purposes, \$755,087 is restricted for capital reserve, \$415,255 is restricted for maintenance reserve, \$105 is restricted for the emergency reserve, \$222,138 is restricted for excess surplus for subsequent year expenditures, \$- has been classified as assigned fund balance designated for subsequent year expenditures, \$293,882 is restricted for excess surplus and \$305,666 is unassigned.

**18. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$293,882. The excess fund balance at June 30, 2016 was \$222,138.

**19. Uncertain Tax Positions**

The school district had no unrecognized tax benefits at June 30, 2017. The school district files tax returns in the U.S. federal jurisdiction and various states. The school district has no open year prior to June 30, 2014.

**20. Subsequent Events**

Management has evaluated subsequent events through October 13, 2017, the date the financial statements were available to be issued.

**21. Tax Abatement**

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.

REQUIRED SUPPLEMENTARY INFORMATION - PART II



LITTLE SILVER SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 12,179,323	\$ -	\$ 12,179,323	\$ 12,179,323	\$ -
Tuition	96,500	-	96,500	151,800	55,300
Tuition from LEA's Within State	-	-	-	65,494	65,494
Interest on Investments	-	-	-	7,837	7,837
Transportation Fees from Other Individuals	27,000	-	27,000	11,665	(15,335)
Interest earned on capital reserve funds	1,000	-	1,000	1,871	871
Interest earned on current expense emergency reserve	1	-	1	1	-
Interest earned on maintenance reserve	200	-	200	255	55
Miscellaneous	17,000	-	17,000	52,372	35,372
<b>Total - local sources</b>	<b>12,321,024</b>	<b>-</b>	<b>12,321,024</b>	<b>12,470,618</b>	<b>149,594</b>
State sources:					
Categorical transportation aid	12,408	-	12,408	12,408	-
Categorical special education aid	270,349	-	270,349	270,349	-
Extraordinary aid	25,000	-	25,000	81,952	56,952
Non public transportation aid	-	-	-	2,777	2,777
Categorical security aid	13,628	-	13,628	13,628	-
PARCC readiness aid	8,430	-	8,430	8,430	-
Per pupil growth aid	8,430	-	8,430	8,430	-
Professional learning community aid	8,410	-	8,410	8,410	-
TPAF-LTDI (on-behalf - Non-budgeted)	-	-	-	1,582	1,582
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	566,279	566,279
Teacher' pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	679,621	679,621
TPAF social security (reimbursed - Non-budgeted)	-	-	-	473,363	473,363
<b>Total state sources</b>	<b>346,655</b>	<b>-</b>	<b>346,655</b>	<b>2,127,229</b>	<b>1,780,574</b>
<b>Total revenues</b>	<b>12,667,679</b>	<b>-</b>	<b>12,667,679</b>	<b>14,597,847</b>	<b>1,930,168</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
Preschool/Kindergarten - Salaries of teachers	400,119	9,846	409,965	400,510	9,455
Grades 1-5 - Salaries of teachers	2,471,917	30,877	2,502,794	2,502,790	4
Grades 6-8 - Salaries of teachers	1,639,172	(17,549)	1,621,623	1,621,622	1
<b>Regular Programs - Home Instruction:</b>					
Salaries of teachers	750	1,315	2,065	1,500	565
Purchased professional-educational services	500	(315)	185	-	185
<b>Regular Programs - Undistributed Instruction:</b>					
Other salaries for instruction	118,868	(4,390)	114,478	114,432	46
Purchased professional-educational services	500	(500)	-	-	-
Purchased professional technical services	20,590	(3,712)	16,878	9,573	7,305
Other purchased services (400-500 series)	600	-	600	517	83
General supplies	279,583	17,633	297,216	231,079	66,137
Textbooks	13,000	758	13,758	6,258	7,500
Other objects	9,954	-	9,954	3,974	5,980
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>4,955,553</b>	<b>33,963</b>	<b>4,989,516</b>	<b>4,892,255</b>	<b>97,261</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Multiple Disabilities:</b>					
Salaries of teachers	63,028	14,113	77,141	77,138	3
Other salaries for instruction	14,000	5,736	19,736	19,699	37
General supplies	1,000	(45)	955	855	100
<b>Multiple Disabilities:</b>	<b>78,028</b>	<b>19,804</b>	<b>97,832</b>	<b>97,692</b>	<b>140</b>

LITTLE SILVER SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Resource Room/Resource Center:</b>					
Salaries of teachers	\$ 752,192	\$ (22,153)	\$ 730,039	\$ 659,877	\$ 70,162
Other salaries for instruction	29,550	10,135	39,685	39,495	190
Purchased professional-educational services	3,500	(800)	2,700	2,450	250
General supplies	1,400	320	1,720	987	733
<b>Total Resource Room/Resource Center</b>	<b>786,642</b>	<b>(12,498)</b>	<b>774,144</b>	<b>702,809</b>	<b>71,335</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>864,670</b>	<b>7,306</b>	<b>871,976</b>	<b>800,501</b>	<b>71,475</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of teachers	122,015	-	122,015	121,070	945
General Supplies	417	-	417	353	64
<b>Total Basic Skills/Remedial - Instruction</b>	<b>122,432</b>	<b>-</b>	<b>122,432</b>	<b>121,423</b>	<b>1,009</b>
<b>School-Spon. Cocurricular Activities - Instruction</b>					
Salaries	50,100	6,750	56,850	54,687	2,163
Supplies and materials	7,415	10,233	17,648	-	17,648
Other objects	450	-	450	100	350
<b>Total School-Spon. Cocurricular Actvts. - Instruction</b>	<b>57,965</b>	<b>16,983</b>	<b>74,948</b>	<b>54,787</b>	<b>20,161</b>
<b>School-Spon. Athletics - Instruction</b>					
Salaries	42,324	(13,000)	29,324	28,861	463
Purchased services (300-500 series)	6,000	67	6,067	6,067	-
Supplies and materials	10,785	310	11,095	10,062	1,033
Other objects	2,000	-	2,000	1,550	450
<b>Total School-Spon. Cocurricular Actvts. - Instruction</b>	<b>61,109</b>	<b>(12,623)</b>	<b>48,486</b>	<b>46,540</b>	<b>1,946</b>
<b>Summer School - Instruction</b>					
Salaries of teachers	14,000	1,555	15,555	15,555	-
General Supplies	600	-	600	-	600
<b>Total Summer School - Instruction</b>	<b>14,600</b>	<b>1,555</b>	<b>16,155</b>	<b>15,555</b>	<b>600</b>
<b>Total Instruction</b>	<b>6,076,329</b>	<b>47,184</b>	<b>6,123,513</b>	<b>5,931,061</b>	<b>192,452</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to other LEAs within the state - special	103,461	(46,729)	56,732	39,109	17,623
Tuition to Priv. Sch. For Handic. in state	10,000	45,729	55,729	55,706	23
<b>Total Undistributed Expenditures - Instruction:</b>	<b>113,461</b>	<b>(1,000)</b>	<b>112,461</b>	<b>94,815</b>	<b>17,646</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	150,049	2,762	152,811	152,344	467
Purchased professional and technical services	3,500	-	3,500	3,500	-
Supplies and materials	3,565	330	3,895	3,858	37
<b>Total Undistributed Expenditures - Health Services</b>	<b>157,114</b>	<b>3,092</b>	<b>160,206</b>	<b>159,702</b>	<b>504</b>
<b>Undist. Expend. - Other Support Serv - Students Related Service</b>					
Salaries	288,445	24,489	312,934	312,876	58
Purchased professional - educational services	76,060	(25,909)	50,151	48,775	1,376
Supplies and materials	5,350	(2,865)	2,485	2,004	481
<b>Total Undist. Expend. - Other Support Serv - Students</b>	<b>369,855</b>	<b>(4,285)</b>	<b>365,570</b>	<b>363,655</b>	<b>1,915</b>
<b>Undist. Expend. - Other Support Services - Students - Extraordinary Services</b>					
Salaries	195,716	20,913	216,629	216,523	106
<b>Total Undist. Expend. - Other Support Services Students - Extraordi</b>	<b>195,716</b>	<b>20,913</b>	<b>216,629</b>	<b>216,523</b>	<b>106</b>
<b>Undist. Expend. - Other Support Serv Students-Regular</b>					
Salaries of other professional staff	125,190	-	125,190	124,700	490
Other purchased prof. and tech. services	14,900	-	14,900	14,056	844
Supplies and materials	5,967	-	5,967	5,136	831
<b>Total Undist. Expend. - Other Support Serv - Students-Regular</b>	<b>146,057</b>	<b>-</b>	<b>146,057</b>	<b>143,892</b>	<b>2,165</b>
<b>Undist. Expend. - Other Support Serv - Students-Special</b>					
Salaries of other professional staff	352,608	1,832	354,440	354,440	-
Salaries of secretarial and clerical assistants	35,580	200	35,780	35,780	-
Purchased Prof. Ed. Services	-	2,178	2,178	2,178	-
Other purchased prof. and tech. services	19,100	(6,027)	13,073	13,043	30
Other purchased services (400-500 series)	-	341	341	310	31
Supplies and materials	6,000	4,411	10,411	9,911	500
Other objects	8,345	1	8,346	7,339	1,007
<b>Total Undist. Expend. - Other Supp Services - Students-Special</b>	<b>421,633</b>	<b>2,936</b>	<b>424,569</b>	<b>423,001</b>	<b>1,568</b>

**LITTLE SILVER SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr</b>					
Salaries of supervisor of instruction	\$ 99,671	\$ 2,410	\$ 102,081	\$ 102,081	\$ -
Salaries of secretarial and clerical assistants	14,084	200	14,284	14,284	-
Other Salaries	4,000	-	4,000	1,350	2,650
Purchased professional - educational services	4,500	-	4,250	4,250	-
Supplies and materials	1,000	-	1,000	622	378
Other objects	3,310	-	3,310	2,765	545
<b>Total Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr</b>	<b>126,565</b>	<b>2,610</b>	<b>128,925</b>	<b>125,352</b>	<b>3,573</b>
<b>Undist. Expend. - Educational Media Services/School Library</b>					
Salaries	29,167	-	29,167	24,937	4,230
Salaries - Technology Coordinators	118,045	279	118,324	118,324	-
Purchased professional and technical services	46,258	-	46,258	-	46,258
Supplies and materials	21,019	673	21,692	18,742	2,950
<b>Total Undist. Expend. - Educational Media Services/School Library</b>	<b>214,489</b>	<b>952</b>	<b>215,441</b>	<b>162,003</b>	<b>53,438</b>
<b>Undist. Expend. - Instruction Staff Training Services</b>					
Salaries of supervisor of instruction	21,330	84	21,414	21,266	148
Other Salaries	7,000	(564)	6,436	6,303	133
Purchased professional - educational services	4,500	(4,500)	-	-	-
Supplies and materials	1,000	(500)	500	-	500
<b>Total Undist. Expend. - Instruction Staff Training Services</b>	<b>33,830</b>	<b>(5,480)</b>	<b>28,350</b>	<b>27,569</b>	<b>781</b>
<b>Undist. Expend. - Support Service - General Administration</b>					
Salaries	242,714	(2,005)	240,709	240,709	-
Legal services	20,000	3,900	23,900	23,883	17
Audit Fees	10,000	(250)	9,750	9,182	568
Architectural/Engineering Services	6,000	2,000	8,000	2,550	5,450
Other purchased professional services	5,000	-	5,000	4,527	473
Purchased technical services	4,100	-	4,100	2,047	2,053
Communications/Telephone	44,182	2,488	46,670	44,189	2,481
BOE Other purchased services	2,500	354	2,854	2,730	124
Other purchased services (400-500 series)	36,200	34,259	70,459	41,359	29,100
General supplies	2,500	(2,500)	2,000	917	1,083
Judgements against the school district	4,367	500	4,867	4,536	331
Miscellaneous expenditures	8,350	(500)	7,850	6,014	1,836
BOE membership dues and fees	6,150	-	6,150	5,990	160
<b>Total Undist. Expend. - Support Service - General Administration</b>	<b>392,063</b>	<b>40,246</b>	<b>432,309</b>	<b>388,633</b>	<b>43,676</b>
<b>Undist. Expend. - Support Service - School Administration</b>					
Salaries of principals/Assistant principals	277,007	1,893	278,900	278,900	-
Salaries of secretarial and clerical assistants	132,922	(414)	132,508	132,489	19
Salaries of other professional staff	84,900	1,500	86,400	86,400	-
Purchased professional and technical services	3,500	-	3,500	2,147	1,353
Other purchased services (400-500 series)	4,000	763	4,763	4,555	208
Supplies and materials	9,626	-	9,626	5,494	4,132
Other objects	2,648	-	2,648	2,528	120
<b>Total Undist. Expend. - Support Service - School Administration</b>	<b>514,603</b>	<b>3,742</b>	<b>518,345</b>	<b>512,513</b>	<b>5,832</b>
<b>Undistributed Expenditures - Central Services</b>					
Salaries	202,325	2,240	204,565	201,919	2,646
Purchased professional services	10,456	500	10,956	10,565	391
Purchased technical services	3,250	-	3,250	2,322	928
Misc. Purchased Services	4,450	-	4,450	3,086	1,364
Supplies and materials	3,000	-	3,000	2,733	267
Miscellaneous expenditures	2,070	7,185	9,255	8,755	500
<b>Total Undist. Expend. - Central Services</b>	<b>225,551</b>	<b>9,925</b>	<b>235,476</b>	<b>229,380</b>	<b>6,096</b>
<b>Undist.- Admin. Info. Technology</b>					
Purchased technical services	41,147	-	41,147	16,540	24,607
Supplies and materials	3,628	-	3,628	1,735	1,893
<b>Total Undist. Expend - Admin. Info. Technology</b>	<b>44,775</b>	<b>-</b>	<b>44,775</b>	<b>18,275</b>	<b>26,500</b>
<b>Undist. Expend. - Allowed Maintenance for School Facilities</b>					
Salaries	35,418	-	35,418	35,418	-
Cleaning, repair and maintenance services	162,612	28,138	190,750	131,868	58,882
Other objects	3,750	-	3,750	3,395	355
General supplies	15,000	-	15,000	13,416	1,584
<b>Total Undist. Expend. - Allowed Maintenance for School Facilities</b>	<b>216,780</b>	<b>28,138</b>	<b>244,918</b>	<b>184,097</b>	<b>60,821</b>

**LITTLE SILVER SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Other Operation &amp; Maintenance of Plant</b>					
Salaries	\$ 378,076	\$ (2,194)	\$ 375,882	\$ 373,242	\$ 2,640
Salaries of non-instructional aides	17,974	-	17,974	14,172	3,802
Cleaning, repair and maintenance services	79,300	1,400	80,700	72,637	8,063
Other purchased property services	29,000	(1,990)	27,010	25,730	1,280
Insurance	81,424	(5,949)	75,475	75,460	15
General supplies	41,010	-	41,010	40,324	686
Energy (electricity)	160,000	(5,000)	155,000	150,447	4,553
Energy (natural gas)	60,000	4,000	64,000	60,562	3,438
Other objects	3,500	-	3,500	1,839	1,661
<b>Total Undist Expend-Other Operation &amp; Maint Of Plant</b>	<b>850,284</b>	<b>(9,733)</b>	<b>840,551</b>	<b>814,413</b>	<b>26,138</b>
<b>Undist. Expend. - Care &amp; Upkeep of Grounds</b>					
Salaries	22,640	-	22,640	22,638	2
Cleaning, repair and maintenance services	4,000	-	4,000	3,138	862
General supplies	400	-	400	-	400
<b>Total Undist Expend-Care &amp; Upkeep of Grounds</b>	<b>27,040</b>	<b>-</b>	<b>27,040</b>	<b>25,776</b>	<b>1,264</b>
<b>Security</b>					
Cleaning, repair and maintenance services	10,000	-	10,000	9,560	440
General supplies	500	-	500	-	500
<b>Total Security</b>	<b>10,500</b>	<b>-</b>	<b>10,500</b>	<b>9,560</b>	<b>940</b>
<b>Undist. Expend. - Student Transportation Services</b>					
Salaries of non-instructional aides	-	14	14	-	14
Salaries-pupil transport(between home & school)-Regular	10,132	20	10,152	10,152	-
Salaries-pupil transport (between home & school)-Special	8,855	(14)	8,841	4,343	4,498
Contract Svc (btw Home & Sch.) - Vendors	34,000	9,402	43,402	34,050	9,352
Contract Svc (other btw home & Sch.) - Vendors	22,000	(18,743)	3,257	2,707	550
Contract Svc (btw home & Sch.) - Joint Agreements	16,500	8,743	25,243	24,804	439
Contract Svc (Spl. Ed. Students) - ESCs & CTSAs	131,000	(3,824)	127,176	127,176	-
Contract Svc - Aid in Lieu Pymts - NonPub Sch	7,100	-	7,100	1,768	5,332
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>229,587</b>	<b>(4,402)</b>	<b>225,185</b>	<b>205,000</b>	<b>20,185</b>
<b>UNALLOCATED EMPLOYEE BENEFITS</b>					
Group insurance	8,750	(564)	8,186	7,720	466
Social security contributions	135,200	11,285	146,485	146,485	-
Other retirement contributions - PERS	133,000	564	133,564	132,938	626
Other retirement contributions - regular	-	-	-	-	-
Unemployment Compensation	11,000	(5,000)	6,000	-	6,000
Workmen's compensation	83,000	(582)	82,418	82,418	-
Health benefits	2,024,881	(106,309)	1,918,572	1,873,367	45,205
Tuition reimbursement	17,000	5,352	22,352	22,298	54
Other employee benefits	600	(275)	325	286	39
<b>TOTAL UNALLOCATED EMPLOYEE BENEFITS</b>	<b>2,413,431</b>	<b>(95,529)</b>	<b>2,317,902</b>	<b>2,265,512</b>	<b>52,390</b>
On-behalf TPAF-LTDI (non-budgeted)	-	-	-	1,582	(1,582)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	566,279	(566,279)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	679,621	(679,621)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	473,363	(473,363)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,720,845</b>	<b>(1,720,845)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>2,413,431</b>	<b>-</b>	<b>-</b>	<b>1,720,845</b>	<b>(1,720,845)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>6,703,334</b>	<b>87,654</b>	<b>6,695,209</b>	<b>8,090,516</b>	<b>(1,395,307)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>12,779,663</b>	<b>39,059</b>	<b>12,818,722</b>	<b>14,021,577</b>	<b>(1,202,855)</b>
<b>CAPITAL OUTLAY</b>					
Interest	201	(201)	-	-	-
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Undistributed expenditures-Support services-Child Study Teams	37,385	-	37,385	13,881	23,504
<b>Total Equipment</b>	<b>37,385</b>	<b>-</b>	<b>37,385</b>	<b>13,881</b>	<b>23,504</b>
<b>Facilities Acquisition and Construction Services</b>					
Assessment for Debt Service on SDA Funding	30,962	1,226	32,188	27,866	4,322
<b>Total Facilities Acquisition and Construction Services</b>	<b>30,962</b>	<b>1,226</b>	<b>32,188</b>	<b>27,866</b>	<b>4,322</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>68,548</b>	<b>1,025</b>	<b>69,573</b>	<b>41,747</b>	<b>27,826</b>

LITTLE SILVER SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>SPECIAL SCHOOLS</b>					
<b>Summer School - Instruction</b>					
Salaries of teachers	\$ -	\$ -	\$ -	-	\$ -
General Supplies	-	-	-	-	-
<b>Total Summer School - Instruction</b>	-	-	-	-	-
<b>TOTAL SPECIAL SCHOOLS</b>	-	-	-	-	-
Transfer of funds to Charter Schools	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>12,848,211</u>	<u>40,084</u>	<u>12,888,295</u>	<u>14,063,324</u>	<u>(1,175,029)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(180,532)	(40,084)	(220,616)	534,523	(755,139)
<b>Other Financing Sources/ (Uses):</b>					
Transfer to capital projects from capital reserve	176,931	-	176,931	-	176,931
Adjustment for grant received in prior year	-	-	-	(124,073)	124,073
Interest deposit to capital reserve	1,000	(1,000)	-	-	-
<b>Total Other Financing Sources:</b>	<u>177,931</u>	<u>(1,000)</u>	<u>176,931</u>	<u>(124,073)</u>	<u>301,004</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures &amp; Other Financing Sources (Uses)</b>	(358,463)	(39,084)	(397,547)	410,450	(454,135)
<b>Fund Balance, July 1</b>	1,660,588	-	1,660,588	1,660,588	-
<b>Fund Balance, June 30</b>	<u>\$ 1,302,125</u>	<u>\$ (39,084)</u>	<u>\$ 1,263,041</u>	<u>\$ 2,071,038</u>	<u>\$ (454,135)</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital reserve				755,087	
Maintenance reserve				415,255	
Emergency reserve				105	
Excess surplus-current year				293,882	
Excess surplus - designated for subsequent year's expenditures				222,138	
<b>Committed Fund Balance:</b>					
Other purposes				-	
Year-end encumbrances				49,842	
<b>Assigned Fund Balance:</b>					
Designated for subsequent year's expenditures				-	
<b>Unrestricted/undesignated fund balance</b>				<u>334,729</u>	
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Fund balance per governmental funds (Budgetary)				2,071,038	
Last state aid payment not recognized on GAAP basis				(29,063)	
Fund balance per governmental funds (GAAP) - B-1				<u>2,041,975</u>	
Restricted fund balances				1,736,309	
Unrestricted fund balances				305,666	
<b>Fund balance per governmental funds (GAAP) - B-1</b>				<u>\$ 2,041,975</u>	

LITTLE SILVER SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources	\$ -	\$ 127,303	\$ 127,303	\$ 125,633	\$ (1,670)
Federal sources	208,453	56,522	264,975	264,468	(507)
<b>Total Revenues</b>	<u>208,453</u>	<u>183,825</u>	<u>392,278</u>	<u>390,101</u>	<u>(2,177)</u>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Salaries of teachers	-	41,371	41,371	41,231	140
Other salaries for instruction	-	-	-	-	-
Purchased professional services	-	129,719	129,719	125,633	4,086
Textbooks	-	-	-	-	-
Miscellaneous expense	-	-	-	-	-
Tuition	162,128	7,376	169,504	169,504	-
General supplies	8,800	10,474	19,274	19,268	6
<b>Total instruction</b>	<u>170,928</u>	<u>188,940</u>	<u>359,868</u>	<u>355,636</u>	<u>4,232</u>
<b>Support services:</b>					
Other professional staff salaries	-	-	-	-	-
Secretarial/clerical salaries	-	-	-	-	-
Employee benefits	-	2,295	2,295	2,284	11
Purchased professional educational services	-	-	-	-	-
Purchased professional technical services	-	-	-	-	-
Other purchased services (400-500 series)	31,025	(1,116)	29,909	29,559	350
General supplies	1,500	1,122	2,622	2,622	-
<b>Total support services</b>	<u>32,525</u>	<u>2,301</u>	<u>34,826</u>	<u>34,465</u>	<u>361</u>
<b>Total Expenditures</b>	<u>203,453</u>	<u>191,241</u>	<u>394,694</u>	<u>390,101</u>	<u>4,593</u>

LITTLE SILVER SCHOOL DISTRICT  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2017

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

	General Fund	Special Revenue Fund
	<u>                    </u>	<u>                    </u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 14,597,847	[C-2] \$ 390,101
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(3,215)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(679,621)	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	26,200	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	<u>(29,063)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ <u>13,915,363</u>	[B-2] \$ <u>386,886</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 14,063,324	[C-2] \$ 390,101
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	-	(3,215)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(679,621)	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ <u>13,383,703</u>	[B-2] \$ <u>386,886</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III



**LITTLE SILVER SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of Net Pension Liability-PERS**  
**For the Fiscal Year Ended June 30, 2017**

**Last 10 Fiscal Years\***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability (asset)	100.000%	100.000%	0.01477%	0.01440%
District's proportionate share of the net pension liability (asset) associated with the district	\$ 2,824,263	2,574,308	\$ 3,442,726	\$ 4,263,882
District's covered-employee payroll	960,557	981,115	1,160,042	1,233,088
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	294.02%	262.39%	296.78%	345.79%
Plan fiduciary net position as a percentage of the total pension liability	40.71%	42.74%	61.84%	45.35%

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

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

**LITTLE SILVER SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District Contributions-PERS**  
**For the Fiscal Year Ended June 30, 2017**

**Last 10 Fiscal Years\***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contributions	\$ 109,279	112,358	\$ 129,425	\$ 129,019
Contributions in relation to the contractually required contribution	<u>109,279</u>	<u>112,358</u>	<u>129,425</u>	<u>132,938</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ (3,919)</u>
District's covered-employee payroll	\$ 960,557	981,115	\$ 1,160,042	\$ 1,233,088
Contributions as a percentage of covered-employee payroll	11.38%	11.45%	11.16%	10.46%

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

**LITTLE SILVER SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of Net Pension Liability-TPAF**  
**For the Fiscal Year Ended June 30, 2017**

**Last 10 Fiscal Years\***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability (asset)	0.000%	0.000%	0.57889%	0.06029%
District's proportionate share of the net pension liability (asset)	\$ 29,364,054	30,343,665	36,588,072	47,425,407
District's covered-employee payroll	\$ 5,605,158	5,985,625	6,834,775	7,028,636
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	523.876%	506.942%	535.322%	674.746%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%

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

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

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

Little Silver School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2017

The collective total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.08 %
Salary increases: 2012-2021	1.65 - 4.15 % based on age
Thereafter	2.65 - 5.15 % based on age
Investment rate of return	7.65 %

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

## OTHER SUPPLEMENTARY INFORMATION

LITTLE SILVER SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2017

	Title I	Title IIA	I.D.E.A. - Part B		Donations	Totals 2017
			Basic	Preschool		
<b>Revenues:</b>						
Federal Sources	\$ 52,805	\$ 20,359	\$ 185,126	\$ 6,178	\$ -	\$ 264,468
Local sources	-	-	-	-	125,633	125,633
<b>Total revenues</b>	<u>52,805</u>	<u>20,359</u>	<u>185,126</u>	<u>6,178</u>	<u>125,633</u>	<u>390,101</u>
<b>Expenditures:</b>						
Instruction:						
Salaries of teachers	41,231	-	-	-	-	41,231
Tuition	-	-	169,504	-	-	169,504
Other purchased services	-	-	-	-	125,633	125,633
General supplies	9,290	-	6,300	3,678	-	19,268
<b>Total instruction</b>	<u>50,521</u>	<u>-</u>	<u>175,804</u>	<u>3,678</u>	<u>125,633</u>	<u>355,636</u>
Support services:						
Salaries of program directors	-	-	-	-	-	-
Employee benefits	2,284	-	-	-	-	2,284
Purchased professional technical services	-	-	-	-	-	-
Purchased professional educational services	-	-	-	-	-	-
Other purchased services	-	20,359	6,700	2,500	-	29,559
General supplies	-	-	2,622	-	-	2,622
<b>Total support services</b>	<u>2,284</u>	<u>20,359</u>	<u>9,322</u>	<u>2,500</u>	<u>-</u>	<u>34,465</u>
<b>Total expenditures</b>	<u>\$ 52,805</u>	<u>\$ 20,359</u>	<u>\$ 185,126</u>	<u>\$ 6,178</u>	<u>\$ 125,633</u>	<u>\$ 390,101</u>

**LITTLE SILVER SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis**  
**For the Year Ended June 30, 2017**

**Revenues and Other Financing Sources**

Transfer from capital reserve	\$	-
ROD grants		77,913
Interest earned		-
Total revenues		77,913

**Expenditures and Other Financing Uses**

Architectural/Engineering services		-
Construction services		-
Land and improvements		185,000
Total expenditures		185,000

Excess (deficiency) of revenues over (under) expenditures		(107,087)
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Fund balance - beginning		109,553
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Fund balance - ending	\$	2,466
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**LITTLE SILVER SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**Markham Window and Door Replacement**  
**From Inception and for the Year Ended June 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
State of New Jersey ROD Grant	\$ -	77,913	77,913	\$ 77,913
Transfer from Capital Reserve	115,000	-	115,000	115,000
Total revenues	<u>115,000</u>	<u>77,913</u>	<u>192,913</u>	<u>192,913</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Architectural/Engineering services	5,447	-	5,447	7,913
Land and improvements	-	185,000	185,000	185,000
Total expenditures	<u>5,447</u>	<u>185,000</u>	<u>190,447</u>	<u>192,913</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 109,553</u>	<u>(107,087)</u>	<u>2,466</u>	<u>\$ -</u>

**Additional project information**

Project Number	2720-050-14-1003
Grant Date	6/18/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 303,906
Additional Authorized Cost	-
Revised Authorized Cost	\$ 192,913
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	99%
Original target completion date	8/31/2016
Revised target completion date	8/31/2016



**LITTLE SILVER SCHOOL DISTRICT  
Enterprise Fund  
Statement of Net Position  
June 30, 2017**

	<b>Food Service</b>
<b>Assets:</b>	
Current assets:	
Cash and cash equivalents	\$ 29,478
Accounts receivable:	
State	-
Federal	-
Interfunds	-
Other	-
Inventories	-
 Total current assets	 29,478
 Fixed assets:	
Equipment	8,580
Accumulated depreciation	(450)
 Total fixed assets	 8,130
 Total assets	 \$ 37,608
 <b>Liabilities and Net Position:</b>	
Liabilities:	
Accounts payable	\$ 7,360
Deferred revenue	2,986
 Total liabilities	 10,346
 Net position:	
Net investment in capital assets	8,130
Restricted for other purposes	-
Contributed capital	-
Unrestricted net position	19,132
 Total net position	 27,262
 Total liabilities and net position	 \$ 37,608

**LITTLE SILVER SCHOOL DISTRICT**  
**Food Services Enterprise Fund**  
**Statement of Revenues, Expenses and**  
**Changes in Net Position**  
**for the Fiscal Year ended June 30, 2017**

	<b>Food Service</b>
<b>Operating revenues:</b>	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ -
Special milk program	-
	-
Total-daily sales-reimbursable programs	-
Daily sales non-reimbursable programs	268,873
	268,873
Total operating revenues	268,873
<b>Operating expenses:</b>	
Salaries	84,683
Employee benefits	11,505
Purchased property	-
Other purchased services	39,134
Supplies and materials	7,378
Depreciation	450
Cost of sales - reimbursable programs	-
Cost of sales - non-reimbursable programs	121,285
	121,285
Total operating expenses	264,435
Operating gain / loss	4,438
<b>Nonoperating revenues:</b>	
State sources:	
State school lunch program	-
Federal sources:	
National school lunch program	-
National School Breakfast program	-
U.S.D.A. commodities	-
Interest Income	213
	213
Total nonoperating revenues	213
Change in net position	4,651
Total net position beginning	22,611
Total net position ending	\$ 27,262

**LITTLE SILVER SCHOOL DISTRICT**  
**Food Services Enterprise Fund**  
**Statement of Cash Flows**  
**for the Fiscal Year ended June 30, 2017**

	<b>Food Service</b>
<b>Cash Flows from Operating Activities:</b>	
Receipts from customers and other funds	\$ 271,859
Payments to employees	-
Payments for employee benefits	-
Payments to suppliers	(256,625)
Net cash provided by (used for) operating activities	15,234
<b>Cash Flows from Noncapital Financing Activities:</b>	
State sources	-
Federal sources	-
Operating subsidies	-
Interest Income	213
Net cash provided by (used for) noncapital financing activities	213
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Purchases of fixed assets	(8,580)
Net cash provided by (used for) capital and related financing activities	(8,580)
Net increase (decrease) in cash and cash equivalents	6,867
Balances-beginning of the year	22,611
Balances-end of the year	29,478
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating gain / loss	\$ 4,438
Adjustments to reconcile operating loss to cash provided by (used for) operating activities:	
Depreciation	450
Federal commodities	-
Change in assets and liabilities:	
Decrease (increase) in interfund receivable	-
Decrease (increase) in accounts receivable	-
Decrease (increase) in deferred revenues	2,986
Increase (decrease) in accounts payable	7,360
Total adjustments	10,796
Net cash provided by (used for) operating activities	\$ 15,234

**LITTLE SILVER SCHOOL DISTRICT**  
**Statement of Agency Fund Assets and Liabilities**  
**Fiduciary Funds**  
**June 30, 2017**

	<u>Payroll Agency</u>	<u>Flexible Spending Account</u>	<u>Student Activity</u>	<u>Unemployment Compensation Trust</u>	<u>Total 2017</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,877	1,068	15,994	29,283	\$ 56,222
Total assets	<u>9,877</u>	<u>1,068</u>	<u>15,994</u>	<u>29,283</u>	<u>56,222</u>
<b>LIABILITIES</b>					
Payroll deductions and withdrawals	9,877	1,068	-	-	10,945
Due to student groups	-		15,994	-	15,994
Total liabilities	<u>9,877</u>	<u>1,068</u>	<u>15,994</u>	<u>-</u>	<u>26,939</u>
<b>NET POSITION</b>					
Reserved - Dedicated to Unemployment	-	-	-	29,283	29,283
Total net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,283</u>	<u>29,283</u>
Total liabilities and net position	<u>\$ 9,877</u>	<u>1,068</u>	<u>15,994</u>	<u>29,283</u>	<u>\$ 56,222</u>

**LITTLE SILVER SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2017**

	<b>Unemployment Compensation Trust</b>	<b>Total</b>
Operating Income:		
Contributions	\$ 14,226	\$ 14,226
Interest	108	108
Total Income	14,334	14,334
Expenditures:		
Claims Paid	624	624
Operating Income	13,710	13,710
Net position, July 1, 2016	15,573	15,573
Net position, June 30, 2017	\$ 29,283	\$ 29,283

LITTLE SILVER SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year ended June 30, 2017

	<u>Balance July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2017</u>
<u>Elementary School</u> Student Activities	\$ 14,255	50,521	48,782	\$ 15,994

LITTLE SILVER 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>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 72,619	9,361,421	9,424,163	\$ 9,877
<b><u>Liabilities</u></b>				
Payroll deductions, withholdings and amount due to employees	\$ 72,619	9,361,421	9,424,163	\$ 9,877

LITTLE SILVER SCHOOL DISTRICT  
 Long-Term Debt  
 Statement of Serial Bonds  
 June 30, 2017

Issue	Date of Issue	Amount of Original Issue	Annual Date	Maturities Amount	Interest Rate	Beginning Balance July 1, 2017	Issued	Retired	Ending Balance June 30, 2017
Refunding Bonds (MCIA)	5/1/2015	4,715,000				\$ 3,945,000	-	675,000	\$ 3,270,000
			2-1-18	665,000	4.00%				
			2-1-19	660,000	5.00%				
			2-1-20	655,000	5.00%				
			2-1-21	655,000	4.00%				
			2-1-22	635,000	5.00%				
2012 Referendum	11/2/2012	750,000				620,000		45,000	575,000
			8-1-17	45,000	3.00%				
			8-1-18	45,000	3.00%				
			8-1-19	50,000	3.00%				
			8-1-20	50,000	2.00%				
			8-1-21	50,000	2.50%				
			8-1-22	50,000	2.50%				
			8-1-23	55,000	2.50%				
			8-1-24	55,000	2.75%				
			8-1-25	55,000	2.75%				
			8-1-26	60,000	3.00%				
8-1-27	60,000	3.00%							
						<u>\$ 4,565,000</u>	<u>-</u>	<u>720,000</u>	<u>\$ 3,845,000</u>



LITTLE SILVER SCHOOL DISTRICT  
 Long-Term Debt  
 Schedule of Obligations Under Capital Leases  
 Year Ended June 30, 2017

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issued</u>	<u>Beginning Balance July 1, 2016</u>	<u>Additions</u>	<u>Retired</u>	<u>Amount Outstanding June 30, 2017</u>
Municipal Capital Finance Copier Lease	5.28%	\$ 29,398	<u>                    </u>	<u>29,398</u>	<u>2,603</u>	<u>\$ 26,795</u>

**LITTLE SILVER SCHOOL DISTRICT  
Budgetary Comparison Schedule  
Debt Service Fund  
For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 867,701	-	867,701	\$ 867,701	-
Miscellaneous	-		-	-	-
<b>Total Revenues</b>	<u>867,701</u>	<u>-</u>	<u>867,701</u>	<u>867,701</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	193,550	-	193,550	193,550	-
Redemption of Principal	720,000	-	720,000	720,000	-
<b>Total Expenditures</b>	<u>913,550</u>	<u>-</u>	<u>913,550</u>	<u>913,550</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,849)	-	(45,849)	(45,849)	-
Fund Balance, July 1	45,849	-	45,849	45,849	-
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>

## STATISTICAL SECTION

LITTLE SILVER SCHOOL DISTRICT  
Statistical Section

J series

Contents

Pages

**Financial Trends**

94-98

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over

**Revenue Capacity**

99-102

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

**Debt Capacity**

103-106

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

**Demographic and Economic Information**

107-108

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial

**Operating Information**

109-113

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it

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

**LITTLE SILVER SCHOOL DISTRICT**  
**Net Assets by Component**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(accrual basis of accounting)*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 9,752,798	\$ 9,947,265	\$ 10,621,270	\$ 10,938,259	\$ 11,336,359	\$ 12,004,737	\$ 12,913,600	\$ 14,780,010	\$ 15,098,218	\$ 15,668,168
Restricted	1,768,466	1,748,015	1,639,728	1,875,884	1,886,066	2,317,845	1,796,621	1,362,997	1,482,788	1,738,775
Unrestricted	163,148	139,634	131,523	328,632	618,276	241,042	248,644	(2,397,710)	(2,957,969)	(2,966,905)
<b>Total governmental activities net assets/position</b>	<b>\$ 11,684,412</b>	<b>\$ 11,834,914</b>	<b>\$ 12,392,521</b>	<b>\$ 13,142,775</b>	<b>\$ 13,840,701</b>	<b>\$ 14,563,624</b>	<b>\$ 14,958,865</b>	<b>\$ 13,745,297</b>	<b>\$ 13,623,037</b>	<b>\$ 14,440,038</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 13,872	\$ 11,418	\$ 21,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,130
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	27,945	28,238	17,962	-	-	-	-	(34,737)	22,611	19,132
<b>Total business-type activities net assets/position</b>	<b>\$ 41,817</b>	<b>\$ 39,656</b>	<b>\$ 39,314</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (34,737)</b>	<b>\$ 22,611</b>	<b>\$ 27,262</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 9,766,670	\$ 9,958,683	\$ 10,642,622	\$ 10,938,259	\$ 11,336,359	\$ 12,004,737	\$ 12,913,600	\$ 14,780,010	\$ 15,098,218	\$ 15,676,298
Restricted	1,768,466	1,748,015	1,639,728	1,875,884	1,886,066	2,317,845	1,796,621	1,362,997	1,482,788	1,738,775
Unrestricted	191,093	167,872	149,485	328,632	618,276	241,042	248,644	(2,432,447)	(2,935,358)	(2,947,773)
<b>Total district net assets/position</b>	<b>\$ 11,726,229</b>	<b>\$ 11,874,570</b>	<b>\$ 12,431,835</b>	<b>\$ 13,142,775</b>	<b>\$ 13,840,701</b>	<b>\$ 14,563,624</b>	<b>\$ 14,958,865</b>	<b>\$ 13,710,560</b>	<b>\$ 13,645,648</b>	<b>\$ 14,467,300</b>

**LITTLE SILVER SCHOOL DISTRICT**  
**Changes in Net Assets/Position**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(accrual basis of accounting)*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 3,485,213	\$ 3,716,283	\$ 3,827,448	\$ 3,685,962	\$ 3,892,351	\$ 4,103,804	\$ 4,667,671	\$ 4,625,757	\$ 5,110,799	\$ 5,246,960
Special education	1,261,801	1,183,941	1,100,857	962,172	1,088,086	920,051	868,641	741,742	831,675	800,501
Other special education	109,543	118,269	163,266	324,260	142,847	274,637	146,959	337,775	230,849	238,305
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	65,643	77,607	74,417	78,954	85,368	85,151	119,084	92,145	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	204,739	69,040	93,294	109,364	201,905	207,125	189,575	207,347	-	-
Student & instruction related services	1,011,114	1,271,129	1,457,590	1,353,935	1,374,399	1,425,010	1,475,866	1,524,123	1,692,205	1,748,693
School administrative services	387,688	397,030	409,651	342,958	723,276	784,450	419,685	496,459	485,894	512,513
General administration	609,308	747,843	736,062	693,635	314,123	300,087	629,384	722,308	373,532	388,633
Plant operations and maintenance	1,039,829	1,058,348	1,080,161	1,018,571	972,813	-	984,285	997,085	1,051,964	1,060,199
Administrative information technology	-	-	-	-	-	-	-	-	275,017	247,655
Pupil transportation	268,996	238,267	289,030	247,361	257,299	227,110	243,157	264,467	222,181	205,000
Other support services	2,528,880	2,246,932	2,368,332	2,494,489	2,788,233	3,117,945	2,998,472	3,212,330	3,729,162	3,314,336
Special schools	-	-	-	-	-	-	-	-	5,232	-
Charter schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	401,119	379,824	356,815	330,848	332,182	307,170	274,977	191,820	139,975	194,297
Unallocated depreciations	410,252	421,375	432,778	475,241	435,005	445,260	970,170	724,654	512,980	349,697
<b>Total governmental activities expenses</b>	<b>11,784,125</b>	<b>11,925,888</b>	<b>12,389,701</b>	<b>12,117,750</b>	<b>12,607,887</b>	<b>13,182,085</b>	<b>14,000,726</b>	<b>14,125,740</b>	<b>14,661,465</b>	<b>14,306,789</b>
<b>Business-type activities:</b>										
Food service	127,745	97,585	2,342	6,383	-	-	-	225,070	197,577	264,435
Child Care	-	-	-	-	-	-	-	-	-	-
<b>Total business-type activities expense</b>	<b>127,745</b>	<b>97,585</b>	<b>2,342</b>	<b>6,383</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225,070</b>	<b>197,577</b>	<b>264,435</b>
<b>Total district expenses</b>	<b>\$ 11,911,870</b>	<b>\$ 12,023,473</b>	<b>\$ 12,392,043</b>	<b>\$ 12,124,133</b>	<b>\$ 12,607,887</b>	<b>\$ 13,182,085</b>	<b>\$ 14,000,726</b>	<b>\$ 14,350,810</b>	<b>\$ 14,859,042</b>	<b>\$ 14,571,224</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ 6,417	\$ 20,500	\$ 28,500	\$ 117,550	\$ 99,450	\$ 166,843	\$ 217,294
Pupil transportation	-	-	-	37,203	42,775	90,550	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	255,053	297,696	316,145	311,588	283,840	253,568	283,288	278,942	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	1,039,903	1,303,858
<b>Total governmental activities program revenues</b>	<b>255,053</b>	<b>297,696</b>	<b>316,145</b>	<b>355,208</b>	<b>347,115</b>	<b>372,618</b>	<b>400,838</b>	<b>378,392</b>	<b>1,206,746</b>	<b>1,521,152</b>
<b>Business-type activities:</b>										
Charges for services										
Food service	102,435	73,026	-	-	-	-	-	190,290	254,828	268,873
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
<b>Total business type activities program revenues</b>	<b>102,435</b>	<b>73,026</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>190,290</b>	<b>254,828</b>	<b>268,873</b>
<b>Total district program revenues</b>	<b>\$ 357,488</b>	<b>\$ 370,722</b>	<b>\$ 316,145</b>	<b>\$ 355,208</b>	<b>\$ 347,115</b>	<b>\$ 372,618</b>	<b>\$ 400,838</b>	<b>\$ 568,682</b>	<b>\$ 1,461,574</b>	<b>\$ 1,790,025</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental activities</b>	<b>\$ (11,529,072)</b>	<b>\$ (11,628,192)</b>	<b>\$ (12,073,556)</b>	<b>\$ -</b>	<b>\$ 12,260,772</b>	<b>\$ 12,809,467</b>	<b>\$ 13,599,888</b>	<b>\$ 13,747,348</b>	<b>\$ (13,454,719)</b>	<b>\$ (12,785,637)</b>
<b>Business-type activities</b>	<b>(25,310)</b>	<b>(24,559,000)</b>	<b>(2,342,000)</b>	<b>(6,383,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(34,780)</b>	<b>57,251</b>	<b>4,438</b>
<b>Total district-wide net expense</b>	<b>\$ (11,554,382)</b>	<b>\$ (11,652,751)</b>	<b>\$ (12,075,898)</b>	<b>\$ (6,383)</b>	<b>\$ 12,260,772</b>	<b>\$ 12,809,467</b>	<b>\$ 13,599,888</b>	<b>\$ 13,712,568</b>	<b>\$ (13,397,468)</b>	<b>\$ (12,781,199)</b>
<b>General Revenues and Other Changes in Net Assets/Position</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes, net	\$ 9,872,717	\$ 9,802,017	\$ 10,027,707	\$ 10,316,963	\$ 10,513,301	\$ 10,675,633	\$ 10,889,146	\$ 11,160,929	\$ 11,572,216	\$ 12,179,323
Taxes levied for debt service	980,251	970,775	927,165	1,001,150	982,302	1,031,418	1,061,976	1,028,073	992,074	867,701
Unrestricted grants and contributions	1,782,753	1,287,184	1,189,068	1,000,417	1,335,522	1,582,172	1,449,796	1,864,229	565,808	481,434
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	57,893	9,214	19,032	12,621	11,830	4,085	5,718	5,347	5,842	21,629
Miscellaneous income	93,497	157,615	89,007	81,029	104,852	32,902	66,668	54,972	196,519	52,551
Transfers	(17,596)	(22,398)	-	-	(58,038)	-	-	(11,219)	-	-
Inventory retirements	-	-	-	-	-	750,000	-	-	-	-
<b>Total governmental activities</b>	<b>12,769,515</b>	<b>12,204,407</b>	<b>12,251,979</b>	<b>12,412,180</b>	<b>12,889,769</b>	<b>14,076,210</b>	<b>13,473,304</b>	<b>14,102,331</b>	<b>13,332,459</b>	<b>13,602,638</b>
<b>Business-type activities:</b>										
Investment earnings	(641)	-	-	5	-	-	-	43	97	213
Transfers	22,017	22,398	-	-	-	-	-	-	-	-
Fixed asset adjustments	(16,051)	-	-	-	-	-	-	-	-	-
<b>Total business-type activities</b>	<b>5,325</b>	<b>22,398</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43</b>	<b>97</b>	<b>213</b>
<b>Total district-wide</b>	<b>\$ 12,774,840</b>	<b>\$ 12,226,805</b>	<b>\$ 12,251,979</b>	<b>\$ 12,412,185</b>	<b>\$ 12,889,769</b>	<b>\$ 14,076,210</b>	<b>\$ 13,473,304</b>	<b>\$ 14,102,374</b>	<b>\$ 13,332,556</b>	<b>\$ 13,602,851</b>
<b>Change in Net Assets/Position</b>										
<b>Governmental activities</b>	<b>\$ 1,240,443</b>	<b>\$ 576,215</b>	<b>\$ 178,423</b>	<b>\$ 649,998</b>	<b>\$ 628,997</b>	<b>\$ 1,266,743</b>	<b>\$ (126,584)</b>	<b>\$ (2,219,325)</b>	<b>\$ (122,260)</b>	<b>\$ 817,001</b>
<b>Business-type activities</b>	<b>(19,985)</b>	<b>(2,161)</b>	<b>(2,342)</b>	<b>(6,378)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(34,737)</b>	<b>57,348</b>	<b>4,651</b>
<b>Total district</b>	<b>\$ 1,220,458</b>	<b>\$ 574,054</b>	<b>\$ 176,081</b>	<b>\$ 643,620</b>	<b>\$ 628,997</b>	<b>\$ 1,266,743</b>	<b>\$ (126,584)</b>	<b>\$ (2,254,062)</b>	<b>\$ (64,912)</b>	<b>\$ 821,652</b>

**LITTLE SILVER SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 1,701,705	\$ 1,702,956	\$ 1,639,725	\$ 1,875,878	\$ 2,195,826	\$ 1,748,053	\$ 1,727,405	\$ 1,177,316	\$ 1,327,386	\$ 1,736,309
Unreserved	267,841	252,766	250,278	328,632	314,370	241,042	248,644	285,451	307,002	305,666
Total general fund	<u>\$ 1,969,546</u>	<u>\$ 1,955,722</u>	<u>\$ 1,890,003</u>	<u>\$ 2,204,510</u>	<u>\$ 2,510,196</u>	<u>\$ 1,989,095</u>	<u>\$ 1,976,049</u>	<u>\$ 1,462,767</u>	<u>\$ 1,634,388</u>	<u>\$ 2,041,975</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	38,389	-	-	-	(5,858)	57,744	69,213	176,931	109,553	2,466
Debt service fund	28,649	45,059	3	6	4	2	3	8,750	45,849	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 67,038</u>	<u>\$ 45,059</u>	<u>\$ 3</u>	<u>\$ 6</u>	<u>\$ (5,854)</u>	<u>\$ 57,746</u>	<u>\$ 69,216</u>	<u>\$ 185,681</u>	<u>\$ 155,402</u>	<u>\$ 2,466</u>

**LITTLE SILVER SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Tax levy	\$ 10,852,968	\$ 10,772,792	\$ 10,954,872	\$ 11,318,113	\$ 11,495,603	\$ 11,707,051	\$ 11,951,122	\$ 12,189,002	\$ 12,564,290	\$ 13,047,024
Tuition charges	-	21,022	1,133	6,417	20,500	90,550	117,550	99,450	166,843	217,294
Transportation fees	43,978	43,106	48,578	37,203	42,775	28,500	27,150	31,871	-	11,665
Interest earnings	57,893	9,214	19,032	12,621	11,830	4,085	5,718	5,347	5,842	9,964
Miscellaneous	95,951	182,120	106,090	121,714	104,852	84,562	116,095	90,654	196,519	176,624
State sources	1,793,343	1,484,733	1,197,479	1,265,327	1,324,621	1,582,172	1,449,796	1,864,229	1,364,856	1,522,658
Federal sources	198,031	11,517	240,940	5,993	294,741	201,908	206,711	211,389	240,855	262,634
<b>Total revenue</b>	<b>13,042,164</b>	<b>12,524,504</b>	<b>12,568,124</b>	<b>12,767,388</b>	<b>13,294,922</b>	<b>13,698,828</b>	<b>13,874,142</b>	<b>14,491,942</b>	<b>14,539,205</b>	<b>15,247,863</b>
<b>Expenditures</b>										
Instruction:										
Regular Instruction	3,551,867	3,681,736	3,821,825	3,685,962	3,892,351	4,103,804	4,667,671	4,625,757	5,110,799	5,246,960
Special education instruction	1,261,801	1,183,941	1,100,857	962,172	1,088,086	920,051	868,641	741,742	831,675	800,501
Other special instruction	109,543	118,269	163,266	324,260	142,847	274,637	146,959	337,775	230,849	238,305
School-sponsored/other instructional	65,643	77,607	74,417	78,954	85,368	85,151	119,084	92,145	110,057	94,815
Support Services:										
Tuition	204,739	69,040	93,294	109,364	201,905	207,125	189,575	207,347	-	-
Student & inst. related services	1,011,114	1,271,129	1,457,590	1,353,935	1,374,399	1,425,010	1,475,866	1,524,123	1,587,380	1,653,878
General administration	-	397,030	409,651	342,598	314,123	300,087	419,685	496,459	373,532	388,633
School administration	387,688	527,175	736,062	693,635	723,276	784,450	629,384	722,308	485,894	512,513
Central services	609,308	220,668	-	-	-	-	-	984,813	275,017	247,655
Operations and maintenance	1,039,829	873,077	1,080,161	1,018,571	972,813	984,285	997,085	264,467	861,362	849,749
Student Transportation	268,996	238,267	289,030	247,361	257,299	227,110	243,157	-	222,181	205,000
Allowable maintenance-school facilities	-	185,271	207,053	-	-	-	-	2,022,930	157,996	184,097
Unallocated employee benefits	2,528,880	1,500,788	1,380,891	2,495,913	2,788,233	1,891,007	2,983,578	809,804	2,107,449	2,265,512
On-behalf TPAF pension contributions	-	339,188	350,487	-	-	799,940	-	453,980	574,738	567,861
Reimbursed TPAF social security	-	406,956	429,901	-	-	426,998	-	-	465,165	473,363
Capital outlay:										
Total capital outlay	578,842	429,721	112,193	139,006	114,054	933,208	585,104	565,815	48,794	226,747
Debt service:										
Principal	407,818	605,842	608,842	661,842	669,842	742,842	773,842	775,000	815,000	720,000
Interest and other charges	604,047	386,912	363,379	339,305	312,462	288,578	268,133	253,075	139,975	193,550
<b>Total expenditures</b>	<b>12,630,115</b>	<b>12,512,617</b>	<b>12,678,899</b>	<b>12,452,878</b>	<b>12,937,058</b>	<b>14,394,283</b>	<b>14,367,764</b>	<b>14,877,540</b>	<b>14,397,863</b>	<b>14,869,139</b>
Excess (Deficiency) of revenues over (under) expenditures	412,049	11,887	(110,775)	314,510	357,864	(695,455)	(513,622)	(385,598)	141,342	378,724
<b>Other Financing sources (uses)</b>										
Refund of extraordinary aid	-	-	-	-	(53,038)	-	-	-	-	-
Sale of bonds	-	-	-	-	-	750,000	-	-	-	-
Accrued interest on bonds	4,421	-	-	-	-	-	-	-	-	-
Transfers in	1,055	38,451	-	-	-	-	-	-	-	124,073
Transfers out	(23,072)	(60,852)	-	-	-	-	-	(11,219)	-	-
<b>Total other financing sources (uses)</b>	<b>(17,596)</b>	<b>(22,401)</b>	<b>-</b>	<b>-</b>	<b>(53,038)</b>	<b>750,000</b>	<b>-</b>	<b>(11,219)</b>	<b>-</b>	<b>124,073</b>
<b>Net change in fund balances</b>	<b>\$ 394,453</b>	<b>\$ (10,514)</b>	<b>\$ (110,775)</b>	<b>\$ 314,510</b>	<b>\$ 304,826</b>	<b>\$ 54,545</b>	<b>\$ (513,622)</b>	<b>\$ (396,817)</b>	<b>\$ 141,342</b>	<b>\$ 254,651</b>
Debt service as a percentage of noncapital expenditures	8.40%	8.22%	7.74%	8.13%	7.66%	7.66%	7.56%	7.18%	6.66%	6.24%

Note: Noncapital expenditures are total expenditures less capital outlay.

Source: District Records



**LITTLE SILVER SCHOOL DISTRICT**  
**General Fund - Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Admissions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,987	\$ 4,310	\$ -	\$ -	\$ 8,645
Book fines	-	-	-	-	140	12	299	-	-	286
Enrichment programs	-	-	-	10,800	10,665	12,908	9,561	-	-	-
Interest	57,893	9,152	19,032	12,621	11,830	10,868	5,718	5,347	5,842	9,963
Miscellaneous	49,493	89,033	11,911	11,895	5,601	9,407	4,378	14,352	96,062	38,894
Facility rentals	-	-	-	5,861	1,413	450	694	-	-	2,207
Refund prior year's expenditures	-	-	-	-	-	-	18,375	-	-	2,341
Sale of assets	-	9,059	-	-	-	-	-	-	-	-
Transportation fees	43,978	49,722	48,578	37,203	35,775	28,500	27,150	31,871	-	11,665
Tuition	-	21,022	28,233	64,458	59,708	90,550	117,550	99,450	166,843	217,294
	<u>151,364</u>	<u>177,988</u>	<u>107,754</u>	<u>142,838</u>	<u>809,639</u>	<u>156,682</u>	<u>188,035</u>	<u>151,020</u>	<u>268,747</u>	<u>291,295</u>

Source: District records

**LITTLE SILVER SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**UNAUDITED**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate <sup>b</sup>
2008	15,409,600	1,149,913,900	3,376,500	15,800	83,930,100	-	-	1,252,645,900	-	1,054,252	1,253,700,152	1,651,284,812	0.859
2009	14,215,700	1,134,855,600	3,376,500	15,800	84,643,500	-	-	1,237,107,100	-	1,227,857	1,238,334,957	1,690,394,643	0.885
2010	9,474,700	1,146,434,300	3,376,500	15,800	84,557,900	-	-	1,243,859,200	-	2,303,833	1,246,163,033	1,659,770,691	0.909
2011	9,557,900	1,152,263,400	3,376,500	15,500	84,557,900	-	-	1,249,771,200	-	1,021,967	1,250,793,167	1,621,069,059	0.919
2012	11,934,400	1,152,141,400	3,376,500	15,500	84,456,800	-	-	1,251,924,600	-	989,441	1,252,914,041	1,615,713,440	0.934
2013	15,317,400	1,233,714,800	4,051,200	17,300	100,897,600	-	-	1,353,998,300	-	1,395,197	1,355,393,497	1,595,594,714	0.882
2014	15,317,400	1,233,714,800	4,051,200	17,300	100,897,600	-	-	1,353,998,300	-	1,395,197	1,355,393,497	1,592,462,530	0.882
2015	24,062,400	1,330,815,200	4,128,500	17,300	100,937,900	-	-	1,459,961,300	-	974,140	1,460,935,440	1,719,005,830	0.834
2016	9,345,600	1,501,675,100	4,035,000	17,300	113,702,100	-	-	1,628,775,100	-	1,180,677	1,629,955,777	1,628,775,100	0.868
2017	8,067,100	1,535,922,600	4,066,300	17,300	114,869,100	-	-	1,662,942,400	-	1,155,753	1,664,098,153	1,692,700,912	0.830

Source: Monmouth County Tax Board

**LITTLE SILVER SCHOOL DISTRICT  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
UNAUDITED**

Fiscal Year Ended June 30,	Little Silver School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Red Bank Regional School District	Municipality of Little Silver	Monmouth County	
2008	0.782	0.077	0.859	0.446	0.502	0.338	2.145
2009	0.808	0.077	0.885	0.475	0.512	0.347	2.219
2010	0.832	0.077	0.909	0.479	0.508	0.363	2.259
2011	0.840	0.079	0.919	0.493	0.521	0.366	2.299
2012	0.851	0.083	0.934	0.493	0.521	0.366	2.314
2013	0.804	0.078	0.882	0.510	0.498	0.354	2.244
2014	0.804	0.078	0.882	0.510	0.498	0.354	2.244
2015	0.759	0.075	0.834	0.482	0.469	0.365	2.150
2016	0.801	0.067	0.868	0.439	0.429	0.320	2.056
2017	0.765	0.065	0.083	0.439	0.434	0.295	2.008

Source: Monmouth County Tax Board

LITTLE SILVER SCHOOL DISTRICT  
 Principal Property Tax Payers  
 Current Year and Nine Years Ago  
 UNAUDITED

	2017			2008		
	Assessed Valuation	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Markham Prospect Associates	\$ 13,152,200	1	0.00%	\$ 8,694,700	1	0.00%
Conover Realty	7,450,700	2	0.00%	3,638,900	3	0.00%
Taxpayer #1	3,295,800	3	0.00%	3,871,900	2	0.00%
Taxpayer #2	2,968,100	4	0.00%	3,468,000	4	0.00%
BK Trikha Properties, LLC	4,176,900	5	0.00%	-	0	0.00%
Taxpayer #3	2,936,500	6	0.00%	2,780,100	7	0.00%
I.S.T. Corp	2,941,800	7	0.00%	2,579,800	9	0.00%
1979 Associates, LLC	2,982,800	8	0.00%	2,452,200	10	0.00%
Taxpayer #4	2,871,400	9	0.00%	-	0	0.00%
Taxpayer #5	2,640,500	10	0.00%	-	0	0.00%
Total Net Taxable Value	<u>\$ 45,416,700</u>		<u>0.00%</u>	<u>27,485,600</u>		<u>0.00%</u>

**LITTLE SILVER SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**UNAUDITED**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	10,852,968	10,852,968	100.00%	-
2009	10,772,792	10,772,792	100.00%	-
2010	10,954,872	10,954,872	100.00%	-
2011	11,318,113	11,318,113	100.00%	-
2012	11,495,603	11,495,603	100.00%	-
2013	11,707,051	11,707,051	100.00%	-
2014	11,951,122	11,951,122	100.00%	-
2015	12,189,002	12,189,002	100.00%	-
2016	13,047,024	13,047,024	100.00%	-
2017	12,179,323	12,179,323	0.00%	-

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

**LITTLE SILVER SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**UNAUDITED**

Fiscal Year Ended June 30,	Governmental Activities				Business- Type Activities	Total District	% of Personal Income	Per Capita
	General Obligation Bonds & Loans	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2008	9,713,054	-	-	-	-	9,713,054	2.68%	1,589
2009	9,107,212	-	-	-	-	9,107,212	2.66%	1,483
2010	8,498,370	-	-	-	-	8,498,370	2.51%	1,427
2011	7,836,528	-	-	-	-	7,836,528	2.30%	1,316
2012	7,166,686	-	-	-	-	7,166,686	2.01%	1,198
2013	6,423,844	-	-	-	-	6,423,844	1.77%	1,088
2014	6,400,002	-	-	-	-	6,400,002	N/A	N/A
2015	6,250,100	-	-	-	-	6,250,100	N/A	N/A
2016	4,565,000	-	-	-	-	4,565,000	N/A	N/A
2017	3,845,000	-	26,795	-	-	3,871,795	N/A	N/A

Source: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

See Exhibit NJ J-14 for personal income and population data.

These ratios are calculated using personal income and population for the prior calendar year.

**LITTLE SILVER SCHOOL DISTRICT**  
**Ratio of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**UNAUDITED**

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Net Bonded Debt Per Capita
2008	9,713,054	-	9,713,054	0.78%	1,589
2009	9,107,212	-	9,107,212	0.74%	1,483
2010	8,498,370	-	8,498,370	0.68%	1,427
2011	7,836,528	-	7,836,528	0.63%	1,316
2012	7,166,686	-	7,166,686	0.57%	1,198
2013	6,423,844	-	6,423,844	0.47%	1,088
2014	6,400,002	-	6,400,002	0.47%	1,081
2015	6,250,100	-	6,250,100	0.43%	1,057
2016	4,565,000	-	4,565,000	0.28%	900
2017	4,390,425	-	4,390,425	0.26%	N/A

**LITTLE SILVER SCHOOL DISTRICT  
 Ratios of Direct and Overlapping Bonded Debt  
 For the Fiscal Year Ended June 30, 2017  
 UNAUDITED**

<b>Net direct debt of school district as of June 30, 2017</b>	\$ 4,390,425
<b>Net Overlapping Debt of School District:</b>	
Borough of Little Silver (100%)	4,203,725
County of Monmouth - Little Silver share (1.205%)	80,969
<b>Total direct and overlapping bonded debt as of June 30, 2017</b>	<b>\$ 8,675,119</b>

**Sources:** Little Silver Chief Financial Officer  
 and Monmouth County Treasurer's Office.



**LITTLE SILVER SCHOOL DISTRICT**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**UNAUDITED**

Legal Debt Margin for Fiscal Year 2017

Equalized valuation basis	
2017	\$ 1,692,700,912
2016	1,459,961,300
2015	1,353,998,300
	<u>\$ 4,506,660,512</u> <b>[A]</b>
Average equalized valuation of taxable property	\$ 1,502,220,171 <b>[A/3]</b>
Debt limit (3% of average equalization value)	45,066,605 <b>[B]</b>
Net bonded school debt	4,390,425 <b>[C]</b>
Legal debt margin	<u>\$ 40,676,180</u> <b>[B-C]</b>

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 46,789,559	\$ 49,277,267	\$ 50,014,501	\$ 49,712,344	\$ 48,965,532	\$ 48,323,772	\$ 48,037,707	\$ 49,070,631	\$ 48,284,782	\$ 45,066,605
Total net debt applicable to limit	<u>9,713,054</u>	<u>9,107,212</u>	<u>8,498,370</u>	<u>7,836,528</u>	<u>7,166,686</u>	<u>6,423,844</u>	<u>6,400,002</u>	<u>6,250,100</u>	<u>5,303,975</u>	<u>4,390,425</u>
Legal debt margin	<u>\$ 37,076,505</u>	<u>\$ 40,170,055</u>	<u>\$ 41,516,131</u>	<u>\$ 41,875,816</u>	<u>\$ 41,798,846</u>	<u>\$ 41,899,928</u>	<u>\$ 41,637,705</u>	<u>\$ 42,820,531</u>	<u>\$ 42,980,807</u>	<u>\$ 40,676,180</u>
Total net debt applicable to the limit as a percentage of debt limit	26.20%	22.67%	20.47%	18.71%	17.15%	15.33%	15.37%	14.60%	12.34%	10.79%

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

**LITTLE SILVER SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**UNAUDITED**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)<sup>a</sup></u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2008	6,114	362,768,076	59,334	3.6%
2009	6,141	342,446,724	55,764	6.0%
2010	5,955	339,167,025	56,955	6.0%
2011	5,956	340,986,956	57,251	6.1%
2012	5,982	356,939,958	59,669	6.4%
2013	5,906	362,781,956	61,426	4.7%
2014	5,918	375,526,690	63,455	5.7%
2015	5,913	390,370,347	66,019	3.7%
2016	5,895	N/A	N/A	3.4%
2017	N/A	N/A	N/A	

**Source:** New Jersey Department of Labor, State Data Center and Monmouth County Planning Board.

\*\* School District per capita income based on US Bureau of the Census, Population Division.

<sup>a</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

LITTLE SILVER SCHOOL DISTRICT  
Principal Employers  
Current Year and Nine Years Ago  
UNAUDITED

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2017

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2008

DATA NOT AVAILABLE

DATA NOT AVAILABLE

Source: Borough of Little Silver

**LITTLE SILVER SCHOOL DISTRICT**  
**Full-time Equivalent District Employees by Function/Program**  
**Last Ten Fiscal Years**  
**UNAUDITED**

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction										
Regular	66.0	66.0	66.0	67.0	68.8	74.0	74.0	74.0	74.0	74.0
Special education	17.3	17.4	17.5	16.8	18.4	11.0	11.0	11.0	11.0	12.0
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	12.4	15.3	13.4	13.3	18.0	20.3	20.3	20.3	20.3	20.3
Student & instruction related services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General administration	5.6	5.6	6.0	6.0	6.0	7.0	7.0	8.0	8.0	8.0
School administrative services	3.0	3.0	-	-	-	-	-	-	-	-
Other administrative services	-	-	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Central services	1.0	1.0	0.8	0.8	0.4	1.0	1.0	1.0	1.0	1.0
Administrative information technology	10.0	10.0	11.8	11.8	11.5	11.5	11.5	11.5	11.5	11.5
Plant operations & maintenance	0.7	0.7	0.7	0.6	0.6	0.3	0.3	0.3	0.3	0.3
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b><u>118.0</u></b>	<b><u>121.0</u></b>	<b><u>121.0</u></b>	<b><u>121.1</u></b>	<b><u>128.5</u></b>	<b><u>129.9</u></b>	<b><u>129.9</u></b>	<b><u>130.9</u></b>	<b><u>130.9</u></b>	<b><u>131.9</u></b>

Source: District Personnel Records

LITTLE SILVER SCHOOL DISTRICT  
 Operating Statistics  
 Last Ten Fiscal Years  
 UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2008	809	9,816,435	12,134	3.50%	76	10:8:1	8:6:1	810.7	778.50	1.99%	96.0%
2009	807	10,064,659	12,472	2.79%	76	11:2:1	8:9:1	805.3	773.90	-0.67%	96.1%
2010	801	10,499,390	13,108	5.10%	76	10:9:1	8:1:1	804.3	771.30	-0.12%	95.9%
2011	804	10,225,573	12,718	-2.98%	76	10:6:1	8:9:1	792	781.20	-1.53%	98.6%
2012	817	10,578,708	12,948	1.81%	75	10:6:1	8:8:1	809	779.40	2.15%	96.3%
2013	846	10,949,148	12,942	-0.05%	75.11	12:1	9:1	839	804.90	3.71%	95.9%
2014	872	11,376,191	13,046	0.80%	78.16			865.87	831.73	3.20%	96.1%
2015	854	11,905,753	13,941	6.86%	84.96	12:1	9:1	849.09	813.86	-1.94%	95.9%
2016	845	13,530,229	16,012	14.86%	85.96	12:1	9:1	846.52	814.06	0.02%	96.2%
2017	849	14,021,577	16,515	18.47%	86	12:1	9:1	847	825	0.06%	97.4%

**Note:** Enrollment based on annual October district count.

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

**LITTLE SILVER SCHOOL DISTRICT**  
**School Building Information**  
**Last Ten Fiscal Years**  
**UNAUDITED**

District Building	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Elementary</b>										
Point Road Elementary										
Square Feet	50,998	50,998	50,998	50,998	50,998	50,998	53,548	53,548	53,548	53,548
Capacity (students)	466	466	466	466	466	466	506	506	506	506
Enrollment	438	440	459	447	460	457	477	464	471	471
<b>Middle School</b>										
Markham Place Middle School										
Square Feet	57,189	57,189	57,189	57,189	57,189	57,189	57,189	57,189	57,189	57,189
Capacity (students)	387	387	387	387	387	387	387	387	387	387
Enrollment	371	371	338	359	347	376	383	388	374	374
<b>Other</b>										
Administration Building										
Square Feet	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400

**LITTLE SILVER SCHOOL DISTRICT  
 Schedule of Required Maintenance for School Facilities  
 For the Fiscal Year Ended June 30, 2017  
 UNAUDITED**

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

<u>School Facilities</u>	<u>Markham Place</u>	<u>Point Road Elementary</u>	<u>Other Facilities</u>	<u>Total</u>
2008	110,091	81,558	2,050	193,699
2009	112,824	70,983	1,465	185,272
2010	117,417	91,522	1,766	210,705
2011	86,639	91,685	1,519	179,843
2012	86,857	81,040	500	168,397
2013	99,977	66,765	312	167,054
2014	96,713	74,009	1,419	172,141
2015	90,459	81,762	1,740	173,961
2016	82,158	74,258	1,579	157,996
2017	95,731	86,526	1,840	184,097

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

Source: District records

LITTLE SILVER SCHOOL DISTRICT  
INSURANCE SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

	<u>Coverage limits</u>	<u>Deductible</u>
Multi-Peril - General Securities Property - Blanket Building and contents (Replacement Cost Values)	36,321,953	1,000
Extra Expense Section - All Risks Coverage	1,000,000	
Electronic Data Processing Equipment	375,000	250
Flood & Earthquake (each)	500,000	25,000
Musical Instruments Floater	500,000	500
Monies and Security	25,000	
Comprehensive General Liability	2,000,000	1,000
Employers Non-Owned & Hired Automobile Liability	2,000,000 3,000,000	500 500
Employee Benefits Liability Aggregate	1,000,000 3,000,000	1,000
Workers Compensation - NJSBAIG Covered Payrolls	2,000,000 7,996,000	
	Included in blanket property	
Boiler Insurance - General Securities Extra Expense Section	limit 100,000	1,000 1,000
Fidelity Bond - General Securities Treasurer Board Secretary	200,000 83,000	
School Board Legal Liability - NJSBAIG	1,000,000	5,000
Student Accident - Berkley Life and Health Ins. Co. Compulsory Program Catastrophic Casualty	1,000,000 500,000	

Source: District Records



SINGLE AUDIT SECTION

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

Honorable President and  
Members of the  
Little Silver School District  
County of Monmouth  
Little Silver, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Little Silver School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Little Silver School District basic financial statements, and have issued our report thereon dated October 13, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered of the Little Silver School District in the County of Monmouth, State of New Jersey's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Little Silver School District in the County of Monmouth, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Little Silver 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

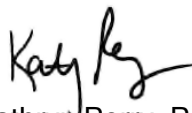
As part of obtaining reasonable assurance about whether the Little Silver School District financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a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

### **Purpose of this Report**

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

Respectfully Submitted

Jump, Perry and Company, L.L.P.  
Toms River, New Jersey



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

October 13, 2017

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

Honorable President and  
Members of the Board of Education  
Little Silver School District  
County of Monmouth  
Little Silver, New Jersey

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

We have audited Little Silver School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Little Silver School District's major federal programs for the year ended June 30, 2017. Little Silver School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Little Silver School District's compliance.

## Opinion on Each Major Federal and State Program

In our opinion, Little Silver School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017.

## Report on Internal Control Over Compliance

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

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

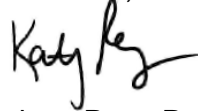
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

**Purpose of this Report**

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

Respectfully submitted,

JUMP, PERRY AND COMPANY, L.L.P.  
Toms River, New Jersey

A handwritten signature in black ink, appearing to read "Kathy Perry".

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

October 13, 2017

**LITTLE SILVER SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year ended June 30, 2017**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Program or Award Amount	Balance at June 30, 2016	Cash Received	Budgetary Expenditures	Balance at June 30, 2017		
							(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund:									
Title II Part A	84.281	7/1/14-6/30/15	21,079	\$ (1,940)	\$ 1,940	\$ -	\$ -	\$ -	\$ -
Title II Part A	84.281	7/1/15-6/30/16	22,924	(3,468)	3,468	-	-	-	-
Title II Part A	84.281	7/1/16-6/30/17	20,709	-	14,335	(20,359)	(6,024)	-	-
Title I	84.010	7/1/15-6/30/16	23,743	(3,238)	3,238	-	-	-	-
Title I	84.010	7/1/16-6/30/17	52,805	-	40,339	(52,805)	(12,466)	-	-
I.D.E.A. Basic	84.027	7/1/14-6/30/16	187,062	(631)	631	-	-	-	-
I.D.E.A. Basic	84.027	7/1/15-6/30/16	189,246	(154,809)	154,809	-	-	-	-
I.D.E.A. Basic	84.027	7/1/16-6/30/17	185,126	-	184,982	(185,126)	(144)	-	-
I.D.E.A. Preschool	84.173	7/1/15-6/30/16	5,992	(1,631)	1,631	-	-	-	-
I.D.E.A. Preschool	84.173	7/1/16-6/30/17	6,178	-	6,178	(6,178)	-	-	-
Total U.S. Department of Education				(165,717)	411,551	(264,468)	(18,634)	-	-
Total Expenditures of Federal Awards				\$ (165,717)	\$ 411,551	\$ (264,468)	\$ (18,634)	\$ -	\$ -

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

LITTLE SILVER 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	Grant Period	Award Amount	Balance at June 30, 2016	Cash Received	Budgetary Expenditures	Deferred Revenue at June 30, 2017	(Accounts Receivable) at June 30, 2017	Due to Grantor at June 30, 2017	MEMO	
										Budgetary Receivable	Cumulative Total Expenditures
<b>General Fund:</b>											
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	\$ 80,645	\$ (80,645)	\$ 80,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Extraordinary Aid	17-100-034-5120-473	7/1/16-6/30/17	81,952	-	-	(81,952)	-	(81,952)	-	-	81,952
Special Education Categorical Aid	16-495-034-5120-089	7/1/15-6/30/16	272,441	(22,910)	22,910	-	-	-	-	-	-
Special Education Categorical Aid	17-495-034-5120-089	7/1/16-6/30/17	270,349	-	245,922	(270,349)	-	-	-	(24,427)	270,349
Nonpublic Transportation Aid	16-495-034-5120-045	7/1/15-6/30/16	2,557	(2,557)	2,557	-	-	-	-	-	-
Nonpublic Transportation Aid	17-495-034-5120-045	7/1/16-6/30/17	2,777	-	-	(2,777)	-	(2,777)	-	-	2,777
Categorical Security Aid	16-495-034-5120-084	7/1/15-6/30/16	11,775	(990)	990	-	-	-	-	-	-
Categorical Security Aid	17-495-034-5120-084	7/1/16-6/30/17	13,628	-	12,397	(13,628)	-	-	-	(1,231)	13,628
Categorical Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	10,488	(882)	882	-	-	-	-	-	-
Categorical Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	12,408	-	11,287	(12,408)	-	-	-	(1,121)	12,408
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	8,430	(709)	709	-	-	-	-	-	-
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	8,430	-	7,668	(8,430)	-	-	-	(762)	8,430
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	8,430	(709)	709	-	-	-	-	-	-
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	8,430	-	7,668	(8,430)	-	-	-	(762)	8,430
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	8,410	-	7,650	(8,410)	-	-	-	(760)	8,410
On-behalf TPAF Pension Contribution	17-100-034-5095-002	7/1/16-6/30/17	566,279	-	566,279	(566,279)	-	-	-	-	566,279
On-behalf TPAF Post-Retirement Medical	17-100-034-5095-001	7/1/16-6/30/17	679,621	-	679,621	(679,621)	-	-	-	-	679,621
On-behalf TPAF Long-Term Disability Insur	17-100-034-5095-004	7/1/16-6/30/17	1,582	-	1,582	(1,582)	-	-	-	-	1,582
Reimbursed TPAF Social Security Tax Contribution	16-100-034-5094-003	7/1/15-6/30/16	465,165	(22,616)	22,616	-	-	-	-	-	-
Reimbursed TPAF Social Security Tax Contribution	17-100-034-5094-003	7/1/16-6/30/17	473,363	-	450,341	(473,363)	-	(23,022)	-	-	473,363
<b>Total General Fund</b>				<u>(132,018)</u>	<u>2,122,433</u>	<u>(2,127,229)</u>	-	<u>(107,751)</u>	-	<u>(29,063)</u>	<u>2,127,229</u>
<b>Capital Projects Fund:</b>											
State ROD Grant	G5-5481	7/1/16-6/30/17	77,913	714	-	(77,913)	-	(77,199)	-	-	77,913
<b>Total General Fund</b>				<u>714</u>	<u>-</u>	<u>(77,913)</u>	<u>-</u>	<u>(77,199)</u>	<u>-</u>	<u>-</u>	<u>77,913</u>
<b>Total State Expenditures Subject to Single Audit Determination</b>				<u>(131,304)</u>	<u>2,122,433</u>	<u>(2,205,142)</u>	<u>-</u>	<u>(184,950)</u>	<u>-</u>	<u>(29,063)</u>	<u>2,205,142</u>
<b>State Expenditures Not Subject to Major Program Determination</b>				<u>-</u>	<u>1,247,482</u>	<u>(1,247,482)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(566,279)</u>
<b>Total Expenditures of State Awards Subject to Major Program Determination</b>				<u>\$ (131,304)</u>	<u>\$ 874,951</u>	<u>\$ (957,660)</u>	<u>\$ -</u>	<u>\$ (184,950)</u>	<u>\$ -</u>	<u>\$ (29,063)</u>	<u>\$ 1,638,863</u>

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



## Little Silver School District

## Notes to Schedules of Awards and Financial Assistance

June 30, 2017

## 1. General

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

## 2. Basis of Accounting

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

## 3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(682,484) for the general fund, \$(3,215) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page.

Little Silver School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2017

3. Relationship to Basic Financial Statements (cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	1,444,745	1,444,745
Special Revenue Fund	262,634	-	262,634
Debt Service Fund	-	-	-
Capital Projects Fund	-	77,913	77,913
Food Service Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total awards and financial assistance	<u>\$ 262,634</u>	<u>1,522,658</u>	<u>\$ 1,785,292</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer’s share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2017.

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

Little Silver School District  
Summary of Findings and Questioned Costs

June 30, 2017

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:      Unmodified opinion

Internal control over financial reporting:

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

Noncompliance material to general-purpose  
financial statements noted?                                     yes                     no

Federal Awards Section: N/A

Internal Control over major programs:

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

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

Any audit findings disclosed that are  
required to be reported in accordance with  
2 CFR section .516(a) of the Uniform Guidance?       yes                     no

Identification of major programs:

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

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

Auditee qualified as low-risk auditee?                     yes                     no

Little Silver School District  
Summary of Findings and Questioned Costs  
June 30, 2017

Section I - Summary of Auditor's Results (continued)

State Awards Section

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

Auditee qualified as low-risk auditee?   X   yes        no

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

Internal Control over major programs:

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08?        yes   X   no

Identification of major programs:

GMIS Number(s) State Aid - Public (Cluster)	Name of State Program
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness
495-034-5120-101	Professional Learning Community Aid

Section II - Financial Statement Findings

No matters were reported for the period ended June 30, 2017.

Prior Year Audit Findings - N/A

Section III - State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2017.

Little Silver School District  
Summary Schedule of Prior Audit Findings  
June 30, 2017

There were no prior year findings for the period ended June 30, 2016.