

SCHOOL DISTRICT
OF
SEA GIRT BOROUGH
OF MONMOUTH COUNTY

Sea Girt School District
Sea Girt, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2017

(Report Dated November 28, 2017)

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

of the

Sea Girt School District
of Monmouth County

Sea Girt, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

Sea Girt School District
Finance Department

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INTRODUCTORY SECTION



THE SEA GIRT SCHOOL

451 Bell Place. Sea Girt, NJ 08750 . (732)449-3422 . Fax (732)449-1204 www.seagirt.k12.nj.us

November 28, 2017

Honorable President and Members
Sea Girt Borough Board of Education
451 Bell Place
Sea Girt, New Jersey 08750

Dear Board Members:

The comprehensive annual financial report of the Sea Girt Borough School District (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 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, the District's Organizational chart and a list of officials. The financial section includes the basic 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 and in conformity with the provisions of the Single Audit Act of 1984 and the U. S. Office of Management and Budget 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 New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Sea Girt Borough School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Sea Girt Board of Education, the Pre-K-8 elementary school and the 9-12 sending-receiving relationship with the Manasquan Board of Education and the Monmouth County Vocational School District constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 8, and has a sending-receiving relationship with the Manasquan Board of Education for grades 9-12. Classes offered are regular, vocational, and special education for disabled youngsters. The preschool program began in the 2007-08 school year. The School District also began a K-5 private parent paid tuition program in 2007-08. The District (Pre-K-12) completed the 2016-17 fiscal year with an enrollment of 185 students representing a -7.0% change from the previous year. The Pre-K-8 enrollment stood at 147 a decrease of 6 students from the previous year. The following details the changes in the Pre-K-12 student enrollment over the last ten years:

Enrollment, Pre-K-12

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-17	185	-7.0
2015-16	198	-2.5
2014-15	203	-7.4
2013-14	218	-1.4
2012-13	221	-5.5
2011-12	234	-1.3
2010-11	237	-0.8
2009-10	239	-2.0
2008-09	244	0.8
2007-08	242	2.1

2. ECONOMIC CONDITIONS AND OUTLOOK: The Borough of Sea Girt is an elegant seaside community with well-maintained homes, manicured lawns, a nationally recognized Blue Ribbon School system and low property tax rates. The business district is small in size and not expected to contribute to the Borough's economy in any significant manner; however, the enterprises are well established and add to the town's ambiance. Residential building opportunities are also limited. It is not uncommon to have an older residence sold and demolished in order to make way for new construction, or for a large property to be divided in order to accommodate a new building. Given these factors, the Borough of Sea Girt is expected to have limited economic growth as a municipal entity, but will continue to be regarded as one of the premiere residential communities in New Jersey.

3. MAJOR INITIATIVES: A demanding academic program is delivered in a caring, supportive educational environment. The District maintains high standards for administrative and pedagogical excellence. Students continue surpassing state and national averages on assessment instruments, including the New Jersey Assessment of Student Knowledge grades 3 through 8. In the fall of 2005 and 2017 the District was selected by the United States Department of Education to receive the prestigious Blue Ribbon School award based on overall academic excellence. This award affirms the hard work of students, educators, families and the Sea Girt community in creating safe and welcoming environment where students master challenging content.

The Sea Girt School District is progressive in planning for future initiatives in academic programming, staff development, technology, and facility planning. Selected curriculum is revised yearly and is in alignment with New Jersey Core Curriculum Content Standards and the Common Core State Standards. The district Local Professional Development Plan provides staff training which is sustained and ongoing.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year.

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

7. 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.

8. DEBT ADMINISTRATION: As of June 30, 2017, the District has no outstanding debt.

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 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act. The Board's cash position is adequate, with a balance of \$2,576,718 in General Fund cash and temporary investments at June 30, 2017.

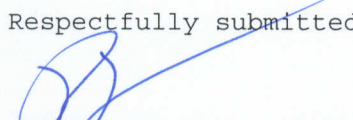
The unreserved, undesignated fund balance of the General Fund is 6.4% of the general fund expenditures from the previous fiscal year, or approximately 23 working days of expenditures. With the enactment of A-1, the allowable maximum permitted surplus beginning in 2006-07 was the greater of 2% of general fund expenditures or \$250,000. There is no fund balance for the special revenue fund. Any shortfall in state and/or federal funds would have to be made up with general fund monies from fund balance.

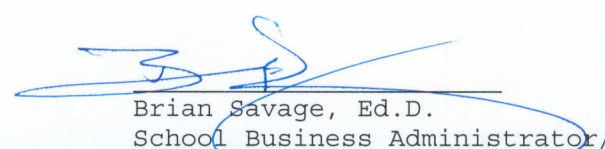
10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to: general liability, comprehensive/collision, student and volunteer accident, hazard and theft insurance on property and contents, earthquake, flood and fidelity bonds. The Board worked with its insurance broker, Boynton and Boynton Agency, to review insurance requirements in order to secure the most appropriate coverage at the least possible cost. The Board was once again the proud recipient of the New Jersey Schools Insurance Group Safety Award. The award is based upon a safety audit and the implementation of effective safety programs.

11. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, L.L.P, was selected by the Board to provide this service. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Single Audit Act of 1984 and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports specifically related to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Sea Girt Board of Education for their continued concern in providing fiscal accountability to the taxpayers and citizens of the Borough of Sea Girt, thereby contributing their full support to the development and maintenance of the District's financial operation.

Respectfully submitted,


Richard Papera
Superintendent


Brian Savage, Ed.D.
School Business Administrator/
Board Secretary

Sea Girt School District
Sea Girt, New Jersey

Organization Chart
(Unit Control)

Board of Education

Attorney / Auditor / Custodian of School Moneys Committees

Superintendent / Principal

Office Technology Coordinator Staff / Medical Staff / Child Study Team / Board Secretary /
Business Administrator

Custodian

Food Service

Transportation

Teaching Staff

Physical Education / Art / Music / Spanish / Compensatory Education / Librarian / PreK-8 Classroom
Teachers

Pupils

Sea Girt School District
Sea Girt, New Jersey

Roster of Officials
June 30, 2017

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Colleen Prior, President	2019
Tara Lynch, Vice President	2019
Deborah Bellaran, Board Member	2017
Dr. Thomas Loughlin, Board Member	2017
Patricia Mele, Board Member	2018

Other Officials

Dineen Seeley, Superintendent

Robert Mahin, Interim Superintendent

Brian Savage Ed.D, School Business Administrator/Board Secretary

Loretta Hill, Treasurer

Anthony Sciarrillo, Esq., Solicitor

Sea Girt School District
Consultants and Advisors

Audit Firm

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

Attorneys

Sciarrillo, Cornell, Merlino, McKeever
238 St. Paul Street
Westfield, New Jersey 07090

Adams, Gutierrez & Lattiboudere, LLC
1037 Raymond Blvd., Suite 900
Newark, New Jersey 07102

Gray Miller Persh, LLP
1200 New Hampshire Ave NW, Suite 800
Washington, DC 20036-6802

Official Depositories

Wells Fargo Bank
Sea Girt, New Jersey

Ocean First Bank
Toms River, New Jersey

New Jersey Asset & Rebate Management Program
Harrisburg, Pennsylvania

State of NJ Cash Management Fund
Columbus, Ohio

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Sea Girt School District:
County of Monmouth
Sea Girt, 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 the Sea Girt 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 audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sea Girt 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 Sea Girt School District's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

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

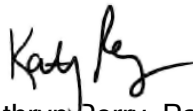
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2017 on our consideration of the Sea Girt 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 Sea Girt 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

November 28, 2017
Toms River, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Sea Girt School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

The discussion and analysis of Sea Girt 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 \$6,270,594, which represents a 9.69 percent increase from June 30, 2016.

General revenues accounted for \$4,716,931 in revenue or 91.77 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 \$423,164 or 8.23 percent of total revenues of \$5,140,095.

Total assets increased \$564,677 as current assets increased by \$707,095 and capital assets decreased by \$142,418.

The School Board had \$4,586,188 in expenses; only \$423,164 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$4,716,931 were adequate to provide for these programs.

Among major funds, the General Fund had \$4,904,607 in revenues and \$4,274,001 in expenditures and transfers. The General Fund's balance increased \$630,606 over June 30, 2016. The General Fund's balance is \$2,583,455.

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 Sea Girt 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 Sea Girt 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 EBS 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 26. 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
Assets:						
Current and other assets	\$ 2,587,455	\$ 616,493	\$ 3,203,948	\$ 1,952,849	\$ 544,004	\$ 2,496,853
Capital assets, net	3,001,013	966,155	3,967,168	3,116,252	993,334	4,109,586
Total assets	5,588,468	1,582,648	7,171,116	5,069,101	1,537,338	6,606,439
Deferred outflow of resources	419,596	-	419,596	117,324	-	117,324
Liabilities:						
Current liabilities	4,000	-	4,000	-	-	-
Net pension liability	-	-	-	-	-	-
Long-term liabilities outstanding	1,212,626	-	1,212,626	863,233	-	863,233
Total liabilities	1,216,626	-	1,216,626	863,233	-	863,233
Deferred inflow of resources	103,492	-	103,492	143,843	-	143,843
Net position:						
Net investment in capital assets	3,001,013	966,155	3,967,168	3,116,252	993,334	4,109,586
Restricted	2,343,610	-	2,343,610	1,711,585	-	1,711,585
Unrestricted	(656,677)	616,493	(40,184)	(648,488)	544,004	(104,484)
Total Net Position	\$ 4,687,946	\$ 1,582,648	\$ 6,270,594	\$ 4,179,349	\$ 1,537,338	\$ 5,716,687

The School Board's combined net position were \$6,270,594 on June 30, 2017. This is a change of 9.69% from the previous year.

Table 2 provides a comparison analysis of the 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
Revenues						
Program revenues:						
Charges for services	\$ -	\$ 171,870	\$ 171,870	\$ -	\$ 166,866	\$ 166,866
Operating and capital grants and contributions	251,294	-	251,294	249,560	-	249,560
General revenues:						
Property taxes	4,424,826	-	4,424,826	4,338,065	-	4,338,065
Federal and state aid	172,299	-	172,299	171,398	-	171,398
Investment earnings	897	159	1,056	224	159	383
Miscellaneous	118,750	-	118,750	74,258	-	74,258
Total revenues	4,968,066	172,029	5,140,095	4,833,505	167,025	5,000,530
Expenses						
Instructional services	1,599,077	-	1,599,077	1,752,036	-	1,752,036
Support services	2,860,392	126,719	2,987,111	2,756,876	111,890	2,868,766
Total expenses	4,459,469	126,719	4,586,188	4,508,912	111,890	4,620,802
Change in net position	508,597	45,310	553,907	324,593	55,135	379,728
Net position - beginning	<u>4,179,349</u>	<u>1,537,338</u>	<u>5,716,687</u>	<u>3,854,756</u>	<u>1,482,203</u>	<u>5,336,959</u>
Net position (deficit) - ending	<u>\$ 4,687,946</u>	<u>\$ 1,582,648</u>	<u>\$ 6,270,594</u>	<u>\$ 4,179,349</u>	<u>\$ 1,537,338</u>	<u>\$ 5,716,687</u>

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

Regular instructional costs overall decreased, but the budget did include the negotiated contractual increases in salary and benefits as well as program maintenance and enhancements. Reductions in instructional programs were caused by unilateral placements not occurring as budgeted and health benefit costs not occurring as budgeted.

Other support services increased 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 (EBS) were comprised of charges for royalties.

Total Enterprise Fund revenues exceeded expenses by \$45,310.

Charges for services represent \$171,870 of revenue. This represents the amount paid for royalty fees.

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	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 1,599,077	\$ 1,599,077	\$ 1,752,036	\$ 1,752,036
Support Services:				
Pupils and Instructional Staff	2,006,558	1,755,264	1,983,794	1,734,234
General Administration, School Administration, Business Operation and Maintenance of Facilities	777,915	777,915	682,766	682,766
Pupil Transportation	75,919	75,919	90,316	90,316
Total Expenses	\$ 4,459,469	\$ 4,208,175	\$ 4,508,912	\$ 4,259,352

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. Greater than 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.

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 Sea Girt, 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 \$6,270,594, which is a increase of \$630,606. 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	\$ 4,544,473	91.47 %	\$ 131,926	2.90 %
State Sources	360,134	7.25	5,696	1.58
Federal Sources	<u>63,459</u>	<u>1.28</u>	<u>(3,061)</u>	<u>(4.82)</u>
Total	<u>\$ 4,968,066</u>	<u>100.00 %</u>	<u>\$ 134,561</u>	<u>0.03 %</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	\$ 1,599,077	36.87 %	\$ (152,959)	(9.57)%
Undistributed Expenditures	2,725,091	62.83	60,534	2.22
Capital Outlay	<u>13,292</u>	<u>0.30</u>	<u>(23,645)</u>	<u>(177.89)</u>
Total	<u>\$ 4,337,460</u>	<u>100.00 %</u>	<u>\$ (116,070)</u>	<u>(0.03)%</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 \$839,548 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$60,831 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, TPAF LTDI, and TPAF Pension Contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are Capital Reserve \$1,247,356, Maintenance Reserve \$200,000 and Tuition Reserve \$160,000. 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 may 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 \$3,967,168 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	\$ 916,364	\$ 916,364	\$ -	\$ -	\$ 916,364	\$ 916,364
Building and Improvements	2,049,993	2,150,096	-	-	2,049,993	2,150,096
Machinery and Equipment	34,656	49,792	966,155	993,334	1,000,811	1,043,126
Total	\$ 3,001,013	\$ 3,116,252	\$ 966,155	\$ 993,334	\$ 3,967,168	\$ 4,109,586

During the current fiscal year, \$15,357 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
Capital Leases payable	\$ 49,625	\$ 49,055
Pension Liability-PERS	<u>1,163,001</u>	<u>3,442,726</u>
Total long-term liabilities	\$ <u>1,212,626</u>	\$ <u>3,491,781</u>

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 8.53% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 91.47% of total revenue is from local revenue sources.

The \$(656,677) 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 Sea Girt for increased aid.

The School Board anticipates a decrease 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 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 Sea Girt School District, Bell Place, Sea Girt, NJ, 08750.

BASIC FINANCIAL STATEMENTS

SEA GIRT SCHOOL DISTRICT
Statement of Net Positions
June 30, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,265,903	\$ 616,493	\$ 1,882,396
Capital reserve cash	1,247,356	-	1,247,356
Receivables - state	10,737	-	10,737
Receivables - federal	63,459	-	63,459
Capital assets, non-depreciable	916,364	-	916,364
Capital assets, depreciable, net	2,084,649	966,155	3,050,804
Total assets	<u>5,588,468</u>	<u>1,582,648</u>	<u>7,171,116</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	419,596	-	419,596
	<u>419,596</u>	<u>-</u>	<u>419,596</u>
LIABILITIES			
Interfund payable	4,000	-	4,000
Noncurrent liabilities:			
Due within one year	-	-	-
Due beyond one year	1,212,626	-	1,212,626
Total liabilities	<u>1,216,626</u>	<u>-</u>	<u>1,216,626</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	103,492	-	103,492
	<u>103,492</u>	<u>-</u>	<u>103,492</u>
NET POSITION			
Net Investment in capital assets	3,001,013	966,155	3,967,168
Restricted for:			
Capital projects	1,247,356	-	1,247,356
Other purposes	1,096,254	-	1,096,254
Unrestricted	(656,677)	616,493	(40,184)
Total net positions	<u>\$ 4,687,946</u>	<u>\$ 1,582,648</u>	<u>\$ 6,270,594</u>

SEA GIRT 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 Positions		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 1,278,279	\$ -	\$ -	\$ -	\$ (1,278,279)	\$ -	\$ (1,278,279)
Special education instruction	244,471	-	-	-	(244,471)	-	(244,471)
Other special instruction	76,327	-	-	-	(76,327)	-	(76,327)
Support services and undistributed costs:							
Instruction	772,404	-	-	-	(772,404)	-	(772,404)
Attendance and social work	30,883	-	-	-	(30,883)	-	(30,883)
Health services	51,477	-	-	-	(51,477)	-	(51,477)
Other support services	334,675	-	-	-	(334,675)	-	(334,675)
Improvement of instr. services	83,915	-	-	-	(83,915)	-	(83,915)
Educational media services	30,667	-	-	-	(30,667)	-	(30,667)
Instruction staff training	4,038	-	-	-	(4,038)	-	(4,038)
General administrative services	139,387	-	-	-	(139,387)	-	(139,387)
School administrative services	81,175	-	-	-	(81,175)	-	(81,175)
Central services	79,675	-	-	-	(79,675)	-	(79,675)
Admin. information technology	3,500	-	-	-	(3,500)	-	(3,500)
Allowed maintenance for school facilities	106,081	-	-	-	(106,081)	-	(106,081)
Other operation & maintenance of plant	368,097	-	-	-	(368,097)	-	(368,097)
Student transportation services	75,919	-	-	-	(75,919)	-	(75,919)
Unallocated employee benefits	447,205	-	-	-	(447,205)	-	(447,205)
Non-budgeted expenditures	251,294	-	251,294	-	-	-	-
Special schools	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
Total governmental activities	<u>4,459,469</u>	<u>-</u>	<u>251,294</u>	<u>-</u>	<u>(4,208,175)</u>	<u>-</u>	<u>(4,208,175)</u>
Business-type activities:							
Enterprise fund	126,719	171,870	-	-	-	45,151	45,151
Total business-type activities	<u>126,719</u>	<u>171,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,151</u>	<u>45,151</u>
Total primary government	<u>\$ 4,586,188</u>	<u>\$ 171,870</u>	<u>\$ 251,294</u>	<u>\$ -</u>	<u>\$ (4,208,175)</u>	<u>\$ 45,151</u>	<u>\$ (4,163,024)</u>
General revenues:							
Taxes:							
Property taxes levied for general purpose					\$ 4,424,826	\$ -	\$ 4,424,826
Federal and state aid					172,299	-	172,299
Miscellaneous income					118,750	-	118,750
Investment earnings					897	159	1,056
Total general revenues					<u>\$ 4,716,772</u>	<u>\$ 159</u>	<u>4,716,931</u>
Change in net positions					508,597	45,310	553,907
Net position—beginning					4,179,349	1,537,338	5,716,687
Net position—ending					<u>\$ 4,687,946</u>	<u>\$ 1,582,648</u>	<u>\$ 6,270,594</u>

SEA GIRT SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,329,362	\$ (63,459)	\$ -	\$ -	\$ 1,265,903
Capital reserve	1,247,356	-	-	-	1,247,356
Receivables from federal	-	63,459	-	-	63,459
Receivables from State	10,737	-	-	-	10,737
Total assets	<u>2,587,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,587,455</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	-	-	-	-
Interfund payable	4,000	-	-	-	4,000
Total liabilities	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
Fund Balances:					
Restricted for:					
Legally restricted -- designated for subsequent year's expenditures	-	-	-	-	-
Excess surplus - current year	499,764	-	-	-	499,764
Excess surplus - prior year- designated for subsequent year's expenditures	236,490	-	-	-	236,490
Capital reserve account	1,247,356	-	-	-	1,247,356
Maintenance reserve account	200,000	-	-	-	200,000
Tuition reserve account	160,000	-	-	-	160,000
Debt services	-	-	-	-	-
Committed to:					
Other purposes	-	-	-	-	-
Assigned to:					
Designated by the BOE for subsequent year's expenditures	-	-	-	-	-
Unassigned:					
General fund	239,845	-	-	-	239,845
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Permanent fund	-	-	-	-	-
Total fund balances	<u>2,583,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,583,455</u>
Total liabilities and fund balances	<u>\$ 2,587,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,583,455</u>

Amounts reported for *governmental activities* in the statement of net position(A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$5,364,232 and the accumulated depreciation is \$2,363,219.	3,001,013
Deferred outflows related to the PERS pension plan	419,596
Deferred inflows related to the PERS pension plan	(103,492)
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>(1,212,626)</u>
Net position of governmental activities	<u>\$ 4,687,946</u>

SEA GIRT 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	GAAP Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 4,424,826	\$ -	\$ -	\$ -	\$ 4,424,826
Tuition charges	77,529	-	-	-	77,529
Interest on investments	897	-	-	-	897
Interest earned on capital reserve funds	-	-	-	-	-
Miscellaneous	41,221	-	-	-	41,221
Total - local sources	4,544,473	-	-	-	4,544,473
State sources	360,134	-	-	-	360,134
Federal sources	-	63,459	-	-	63,459
Total revenues	<u>\$ 4,904,607</u>	<u>\$ 63,459</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,968,066</u>
EXPENDITURES					
Current:					
Regular instruction	\$ 1,278,279	\$ -	\$ -	\$ -	\$ 1,278,279
Special education instruction	244,471	-	-	-	244,471
Other special instruction	61,518	-	-	-	61,518
School sponsored/other instructional	14,809	-	-	-	14,809
Undistributed - current:					
Instruction	772,404	-	-	-	772,404
Attendance and social work services	30,883	-	-	-	30,883
Health services	51,477	-	-	-	51,477
Other support services	271,216	63,459	-	-	334,675
Improvement of instr. services	83,915	-	-	-	83,915
Educational media services	30,667	-	-	-	30,667
Instruction staff training	4,038	-	-	-	4,038
General administrative services	139,387	-	-	-	139,387
School administrative services	81,175	-	-	-	81,175
Central services	79,675	-	-	-	79,675
Admin. info. technology	3,500	-	-	-	3,500
Allowed maintenance for school facilities	98,129	-	-	-	98,129
Other operation & maintenance of plant	247,518	-	-	-	247,518
Student transportation services	75,919	-	-	-	75,919
Unallocated employee benefits	440,435	-	-	-	440,435
Non-budgeted expenditures	251,294	-	-	-	251,294
Capital outlay	13,292	-	-	-	13,292
Total expenditures	<u>4,274,001</u>	<u>63,459</u>	<u>-</u>	<u>-</u>	<u>4,337,460</u>
Excess (deficiency) of revenues over expenditures	<u>630,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>630,606</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	630,606	-	-	-	630,606
Fund balance—July 1	1,952,849	-	-	-	1,952,849
Fund balance—June 30	<u>\$ 2,583,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,583,455</u>

**SEA GIRT SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2017**

Total net change in fund balances - governmental funds (from B-2) **\$ 630,606**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation expense	(120,579)	
	Capital outlays	<u>5,340</u>	(115,239)

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 (6,200)

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured earned during the year. In the governmental funds, however, expenditures for these items are reported by the amounts in the amount of financial resources used, essentially, the amounts actually paid. This year, sick leave was decreased. (570)

Change in net position of governmental activities **\$ 508,597**

SEA GIRT SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-type Activities - Enterprise Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 616,493
Investments	-
Interfund receivable	-
Receivable from state	-
Receivable from other governments	-
Other receivables	-
Total current assets	616,493
Noncurrent assets:	
Restricted cash and cash equivalents	-
Furniture, machinery and equipment	1,187,645
Construction in progress	-
Less accumulated depreciation	(221,490)
Total noncurrent assets	966,155
Total assets	1,582,648
LIABILITIES	
Current liabilities:	
Accounts payable	-
Compensated absences	-
Total current liabilities	-
Noncurrent Liabilities:	
Compensated absences	-
Total noncurrent liabilities	-
Total liabilities	-
NET POSITION	
Net investment in capital assets	966,155
Restricted for:	
Capital projects	-
Unrestricted	616,493
Total net position	1,582,648
Total liabilities and net position	\$ 1,582,648

SEA GIRT SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2017

	Business-type Activities - Enterprise Fund
Operating revenues:	
Royalties	\$ 171,870
Total operating revenues	171,870
Operating expenses:	
Cost of sales - reimbursable programs	-
Cost of sales - non-reimbursable programs	-
Professional fees	2,768
Salaries	14,025
Other purchased professional services	13,000
Cleaning, repair and maintenance services	-
Travel	-
General supplies	59,730
Depreciation	37,196
Total operating expenses	126,719
Operating income	45,151
Non-operating revenues (expenses):	
Interest expense	-
Interest and investment revenue	159
Total non-operating revenues (expenses)	159
Change in net position	45,310
Total net position—beginning	1,537,338
Total net position—ending	\$ 1,582,648

SEA GIRT SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 171,870
Payments to employees	(14,025)
Payments to suppliers	(75,498)
Net cash provided by operating activities	82,347
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State sources	-
Interest income	159
Interest expense	-
Net cash provided by non-capital financing activities	159
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from revenue anticipation loan	-
Payments of revenue anticipation loan	-
Purchases of capital assets	(10,017)
Net cash provided by (used for) capital and related financing activities	(10,017)
Net increase in cash and cash equivalents	72,489
Balances—beginning of year	544,004
Balances—end of year	\$ 616,493
Reconciliation of operating loss to net cash used in operating activities:	
Operating income	\$ 45,151
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	37,196
Federal commodities	-
Decrease in interfund receivable, net	-
Decrease in accounts receivable, net	-
Increase in inventories	-
Decrease in interfund payable	-
Increase in accounts payable	-
Total adjustments	37,196
Net cash provided by operating activities	\$ 82,347

SEA GIRT SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2017

	Unemployment Compensation Trust	Agency Fund
ASSETS		
Cash and cash equivalents	\$ 43,091	\$ 35,144
Interfund receivable	-	4,000
Total assets	43,091	39,144
LIABILITIES		
Accounts payable	-	-
Payroll deductions and withholdings	-	22,933
Payable to student groups	-	16,211
Other current liabilities	-	-
Total liabilities	-	39,144
NET POSITION		
Held in trust for unemployment claims and other purposes	43,091	-
Total net position	43,091	-
Total liabilities and net position	\$ 43,091	\$ 39,144

SEA GIRT SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2017

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ -
Other	-
Total contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	140
Dividends	-
Less investment expense	-
Net investment earnings	140
Total additions	140
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	-
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	-
Change in net position	140
Net position—beginning of the year	42,951
Net position—end of the year	\$ 43,091

Sea Girt 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 ("Board") of the Sea Girt 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 Sea Girt School District is a Type II district located in the county of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of five members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK - 8. The Sea Girt School District had an approximate enrollment of 154 students at June 30, 2017.

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. There was no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation, Basis of Accounting:

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

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

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

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

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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Continued)**

B. Basis of Presentation, Basis of Accounting (Continued)

Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

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

The District reports the following governmental funds:

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

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

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

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Continued)**

B. Basis of Presentation, Basis of Accounting (Continued)

The District reports the following proprietary funds:

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

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

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

The District reports the following fund types:

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

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

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Continued)**

B. Basis of Presentation, Basis of Accounting (Continued)

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 unearned revenue, and in the presentation of expenses versus expenditures. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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 monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable".

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies (Continued)

C. Budgets/Budgetary Control:

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

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

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

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. At June 30, 2017, there was a reconciling difference of \$(168,551) between the budgetary basis and GAAP basis in the General Fund and of \$- in the Special Revenue Fund.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Continued)**

D. Encumbrance Accounting:

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

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

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

E. Assets, Liabilities, and Equity:

Interfund Transactions:

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

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

Inventories:

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

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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Equity (Continued)

Capital Assets:

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

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

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

Compensated Absences:

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

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

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

The liability for vested compensated absences of the proprietary fund-types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, no liability existed for compensated absences in the Enterprise Fund.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Continued)**

E. Assets, Liabilities, and Equity (Continued)

Unearned/Deferred Revenue:

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

Accrued Liabilities and Long-Term Obligations:

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

Net Position:

Net Position 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 District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

Fund Balance Reserves:

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Continued)**

E. Assets, Liabilities, and Equity (Continued)

Revenues - Exchange and Nonexchange Transactions:

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

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

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

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are royalties. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Equity (Continued)

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

Extraordinary Items are transactions or events that are unusual in nature and infrequent in occurrence. Special Items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates:

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

2. Capital Reserve Account

A Capital Reserve Account was established by the Sea Girt School 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.

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

2. Capital Reserve Account (Continued)

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

Beginning Balance June 30, 2016	\$	923,742
Add:		
Interest earnings		614
Approved at June 2016 meeting		323,000
Less:		
Withdrawals		<u>-</u>
Ending Balance, June 30, 2017	\$	<u>1,247,356</u>

The June 30, 2017 LRFPP balance of local support costs of uncompleted Capital Projects is \$2,999,790.

3. Maintenance Reserve Account

A maintenance Reserve Account was established by the Sea Girt School District by inclusion of \$200,000 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.

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

Beginning Balance, June 30, 2016	\$	200,000
Add:		
Approved at June 30, 2016 meeting		-
Less:		
Withdrawals		<u>-</u>
Ending Balance, June 30, 2017	\$	<u>200,000</u>

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

4. Deposits and Investments

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

Deposits

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

Bank balances at June 30, 2017 are insured up to \$ 250,000 in aggregate by the FDIC for each bank. At June 30, 2017, the book value of the Board's deposits were \$3,207,987.

Custodial Credit Risk Related to Deposits

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

At June 30, 2017, the Board's bank balances of \$3,423,685 were exposed to Custodial Credit Risk as follows:

	<u>2016</u>
Insured	\$ 569,981
Uninsured and Uncollateralized	<u>2,853,704</u>
	<u>\$ 3,423,685</u>

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

4. Deposits and Investments (Continued)

Investments

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

New Jersey Asset and Rebate Management Program - The Program has been established as a joint investment trust, (the "Trust"), by local governmental units in the State of New Jersey, (the "State"), consistent with the Interlocal Services Act, constituting Chapter 208 of the Pamphlet Laws of 1973 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (N.J.S.A. 40:8A-1 et seq.), (the "Interlocal Services Act"), to make available to counties, municipalities, school districts, authorities, or other political subdivisions of the State, and where applicable, any bond trustee acting on behalf of such local government, a convenient method for investing and accounting for surplus cash and tax-exempt debt proceeds. The Program seeks to invest tax-exempt bond and note proceeds in compliance with arbitrage management and rebate requirements of the Internal Revenue Code of 1986, as amended. The Program also provides for record keeping, depository and arbitrage rebate calculation.

As of June 30, 2017, the District had \$162,462 on deposit with the New Jersey Asset and Rebate Management Program.

Interest Rate Risk

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

Credit Risk

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

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

5. Receivables

Receivables at June 30, 2017, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial Statements	District-Wide Financial Statements
State aid	\$ 10,737	\$ 10,737
Federal aid	63,459	63,459
Other	-	-
Interfunds	-	-
	<u>74,196</u>	<u>74,196</u>
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Total receivables, net	<u>\$ 74,196</u>	<u>\$ 74,196</u>

6. Interfund Receivables and Payables

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 4,000
Special Revenue Fund	-	-
Capital Projects Fund	-	-
Debt Service Fund	-	-
Enterprise Fund	-	-
Trust and Agency Fund	4,000	-
	<u>\$ 4,000</u>	<u>\$ 4,000</u>

The General Fund owes the Trust and Agency Fund for funds collected on its behalf.

7. Capital Assets

The District did not have its Fixed Assets appraised by an independent appraiser as of June 30, 2017. The valuation was not properly updated and did not include all the District's Capital Assets. As such, materially accurate asset valuation totals, accumulated depreciation expense and depreciation expense amounts were not ascertainable.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

7. Capital Assets (Continued)

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 916,364	\$ -	-	\$ 916,364
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>916,364</u>	<u>-</u>	<u>-</u>	<u>916,364</u>
Capital assets being depreciated				
Building and building improvements	3,564,457	-	-	3,564,457
Land improvements	576,270	-	-	576,270
Machinery and equipment	<u>301,801</u>	<u>5,340</u>	<u>-</u>	<u>307,141</u>
Totals at historical cost	<u>4,442,528</u>	<u>5,340</u>	<u>-</u>	<u>4,447,868</u>
Less accumulated depreciation for:				
Building and building improvements	(1,720,368)	(71,289)	-	(1,791,657)
Land improvements	(270,263)	(28,814)	-	(299,077)
Machinery and equipment	<u>(252,009)</u>	<u>(20,476)</u>	<u>-</u>	<u>(272,485)</u>
Total accumulated depreciation	<u>(2,242,640)</u>	<u>(120,579)</u>	<u>-</u>	<u>(2,363,219)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>2,199,888</u>	<u>(115,239)</u>	<u>-</u>	<u>2,084,649</u>
Government activity capital assets, net	<u>\$ 3,116,252</u>	<u>(115,239)</u>	<u>-</u>	<u>\$ 3,001,013</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Technology center	\$ 1,081,267	-	-	\$ 1,081,267
Machinery and equipment	96,361	10,017	-	106,378
Construction in progress	-	-	-	-
Less Accumulated Depreciation	<u>(184,294)</u>	<u>(37,196)</u>	<u>-</u>	<u>(221,490)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 993,334</u>	<u>(27,179)</u>	<u>-</u>	<u>\$ 966,155</u>

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

Depreciation expense was charged to functions as follows:

Operation and maintenance	\$ <u>120,579</u>
Total	\$ <u>120,579</u>

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

8. Long-Term Obligations

A. Long-Term Obligation Activity:

Changes in Long-Term Obligations for the year ended June 30, 2017, are as follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Increases/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>				
Compensated				
Absences Payable	\$ 49,055	\$ 570	\$ 49,625	\$ -
Pension Liability - PERS	<u>814,178</u>	<u>348,823</u>	<u>1,163,001</u>	<u>\$ -</u>
	<u>\$ 863,233</u>	<u>\$ 349,393</u>	<u>\$ 1,212,626</u>	<u>\$ -</u>

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

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

There are no serial bonds outstanding at June 30, 2017.

As of June 30, 2017, the Board had no bonds authorized.

9. Operating Leases

As of June 30, 2017, the District had no operating leases.

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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (Continued)

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 \$167,132 and revenue of \$167,132 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 0.0147099986% of the total plan. The information below 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 40,592	\$ 19,699
Changes of assumptions	2,299,278	-
Net difference between projected and actual earnings on pension plan investments	210,080	-
Changes in proportion and differences between District contributions and proportionate share of contributions	15,474	8,990
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 2,565,424</u>	<u>\$ 28,689</u>

The District's proportionate share of the pension liability at June 30, 2016 as it relates to the District is \$11,571,821.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (Continued)

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

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	\$	373,419
2018		373,419
2019		437,453
2020		409,115
2021		345,589
Thereafter		<u>602,919</u>
Total	\$	<u><u>2,541,914</u></u>

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in 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 %

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (Continued)

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

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.

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	13,883,028	11,625,151	9,781,303

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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (Continued)

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

For the year ended June 30, 2017, the District recognized pension expense of \$35,427. 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 0.0039267853% of the total plan. The information below 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,628	\$ -
Changes of assumptions	240,912	-
Net difference between projected and actual earnings on pension plan investments	44,346	-
Changes in proportion and differences between District contributions and proportionate share of contributions	85,844	103,492
District contributions subsequent to the measurement date	26,866	-
Total	<u>\$ 419,596</u>	<u>\$ 103,492</u>

The District's proportionate share of the pension liability at June 30, 2016 as it relates to the District is \$1,163,001 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	\$ 69,093
2018	69,093
2019	80,046
2020	67,250
2021	21,404
Thereafter	-
Total	<u>\$ 306,886</u>

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (Continued)

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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (Continued)

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

The following presents the collective net pension liability of the participating employers as of June 30, 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 (2.98 %)	Current Discount Rate (3.98 %)	1% Increase (4.98 %)
District's proportionate share of the net pension liability	1,425,122	1,163,001	946,598

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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (Continued)

Contribution Requirements

Year Funding June 30,	<u>Three-Year Trend Information for PERS</u>		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2017	\$ 35,427	100 %	\$ -
2016	29,846	100 %	-
2015	41,466	100 %	-

Year Funding June 30,	<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2017	\$ 306,686	100 %	\$ -
2016	258,012	100 %	-
2015	200,602	100 %	-

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plan (Continued)

Contribution Requirements (Continued)

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 \$306,686. The State did not make any normal contributions on behalf of the Board. Also, in accordance with N.J.S.A 18A: 66-66, the State of New Jersey reimbursed the District \$111,740 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.

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 \$4,242. 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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

11. Post-Retirement Benefits

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

P.L. 1987, c 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30 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, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

12. Risk Management

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

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

12. Risk Management (Continued)

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015 / 2016	\$ -	\$ 140	\$ -	\$ 43,091
2014 / 2015	-	51	-	42,951
2013 / 2014	-	1,351	-	42,900

13. Contingent Liabilities

Grant Programs

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

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.

14. Fund Balance Appropriated

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

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

14. Fund Balance Appropriated (Continued)

- Assigned Fund Balance - amounts a District intends to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
- Unassigned Fund Balance - amounts that are available for any purpose; these amounts are reported only in the General Fund.

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

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

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

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

Classification Totals

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Fund Balances:					
Restricted	2,343,610	-	-	-	2,343,610
Assigned	-	-	-	-	-
Unassigned	<u>239,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,845</u>
	<u><u>2,583,455</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,583,455</u></u>

15. Calculation of Excess Surplus

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$499,764.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2017

16. 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 New Jersey. The school district has no open year prior to June 30, 2014.

17. Subsequent Events

Management has evaluated subsequent events through November 28, 2017, the date the financial statements were available to be issued.

18. 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

SEA GIRT 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
REVENUES:					
Local Sources:					
Local tax levy	\$ 4,424,826	\$ -	\$ 4,424,826	4,424,826	\$ -
Tuition - residents	20,800	-	20,800	11,710	(9,090)
Tuition - non-residents	36,800	-	36,800	65,819	29,019
Interest	-	-	-	897	897
Interest earned on capital reserve funds	-	-	-	-	-
Transportation fees	-	-	-	-	-
Miscellaneous	2,000	-	2,000	41,221	39,221
Total - local sources	4,484,426	-	4,484,426	4,544,473	60,047
State Sources:					
Transportation aid	3,990	-	3,990	3,990	-
Special education aid	95,863	-	95,863	96,647	784
Categorical Security	2,968	-	2,968	2,968	-
Adjustment Aid	1,254	-	1,254	1,254	-
Other Unrestricted State Aid	-	-	-	-	-
Other state aide	-	-	-	-	-
PARCC readiness aid	1,790	-	1,790	1,790	-
Per pupil growth aid	1,790	-	1,790	1,790	-
Professional learning community	1,820	-	1,820	1,820	-
TPAF LTDI (on-behalf - Non-budgeted)	-	-	-	295	295
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	139,259	139,259
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	167,132	167,132
TPAF social security (reimbursed - Non-budgeted)	-	-	-	111,740	111,740
Total state sources	109,475	-	109,475	528,685	419,210
Total Revenues	\$ 4,593,901	\$ -	\$ 4,593,901	\$ 5,073,158	\$ 479,257
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	\$ 150,041	\$ 21,400	\$ 171,441	170,398	\$ 1,043
Grades 1-5 - Salaries of teachers	500,339	145,500	645,839	641,071	4,768
Grades 6-8 - Salaries of teachers	478,373	(138,320)	340,053	322,068	17,985
Regular Programs - Home Instruction:					
Salaries of teachers	1,000	-	1,000	-	1,000
Regular Programs - Undistributed Instruction					
Other purchased services (400-500 series)	8,350	800	9,150	6,195	2,955
General supplies	59,000	48,270	107,270	90,980	16,290
Textbooks	15,000	26,750	41,750	41,707	43
Other objects - misc. exp.	7,500	(1,500)	6,000	5,860	140
Total Regular Programs - Instruction	1,219,603	102,900	1,322,503	1,278,279	44,224
Special Education - Instruction					
Resource Room/Resource Center:					
Salaries of teachers	244,894	(38,700)	206,194	156,497	49,697
Other salaries for instruction	18,087	70,100	88,187	87,974	213
Total Resource Room/Resource Center	262,981	31,400	294,381	244,471	49,910
Total Special Education - Instruction	262,981	31,400	294,381	244,471	49,910
Basic Skills/Remedial - Instruction					
Salaries of teachers	43,073	18,700	61,773	61,518	255
General supplies	700	(700)	-	-	-
Total Basic Skills/Remedial - Instruction	43,773	18,000	61,773	61,518	255
School Sponsored CoCurricular Act.-Instruction					
Salaries	40,646	-	40,646	1,739	38,907
Supplies and Materials	2,000	(500)	1,500	-	1,500
Total School Sponsored CoCurricular Act.-Instruction	42,646	(500)	42,146	1,739	40,407
School Sponsored Athletics-Instruction					
Salaries	38,596	-	38,596	8,855	29,741
Purchased Services (300-500) Series	8,500	(5,000)	3,500	3,430	70
Supplies and Materials	2,500	(2,000)	500	-	500
Other Objects	3,000	(2,000)	1,000	785	215
Total School Sponsored Athletics-Instruction	52,596	(9,000)	43,596	13,070	30,526
Total Instruction	1,621,599	142,800	1,764,399	1,599,077	165,322

SEA GIRT 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
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state-regular	\$ 545,817	\$ -	\$ 545,817	\$ 545,817	\$ -
Tuition to other LEAs within the state - special	141,357	(18,800)	122,557	104,187	18,370
Tuition to County Voc. School Dist-regular	93,600	-	93,600	62,400	31,200
Tuition to private schools for the handicapped - Within state	117,542	-	117,542	60,000	57,542
Tuition - Other	125,000	(83,140)	41,860	-	41,860
Total Undistributed Expenditures - Instruction:	<u>1,023,316</u>	<u>(101,940)</u>	<u>921,376</u>	<u>772,404</u>	<u>148,972</u>
Undist. Expend. - Attendance and social work services					
Salaries	25,298	5,720	31,018	30,883	135
Total Undist. Expend.- Attendance and social work services	<u>25,298</u>	<u>5,720</u>	<u>31,018</u>	<u>30,883</u>	<u>135</u>
Undist. Expend. - Health Services					
Salaries	51,204	550	51,754	50,309	1,445
Purchased professional and technical services	3,465	(2,600)	865	50	815
Supplies and materials	1,000	126	1,126	1,118	8
Total Undistributed Expenditures - Health Services	<u>55,669</u>	<u>(1,924)</u>	<u>53,745</u>	<u>51,477</u>	<u>2,268</u>
Undist. Expend. - Other Support Services - Students-Related Srvc					
Salaries of other professional staff	-	-	-	-	-
Purchased professional - educational services	136,000	(7,300)	128,700	77,620	51,080
Total Undist. Expend.-Other Support Srvc-Students-Related Srvc	<u>136,000</u>	<u>(7,300)</u>	<u>128,700</u>	<u>77,620</u>	<u>51,080</u>
Undist. Expend.- Other Support Services -Students-Extraordinary Srvc					
Salaries	71,310	-	71,310	65,662	5,648
Other objects	1,500	-	1,500	-	1,500
Supplies and materials	1,500	(400)	1,100	-	1,100
Total Undist. Expend.-Othr Sprt Srvc Students-Extraordinary Srvc	<u>74,310</u>	<u>(400)</u>	<u>73,910</u>	<u>65,662</u>	<u>8,248</u>
Undist. Expend.- Other Support Services Students-Regular					
Salaries of other professional staff	137,139	(10,200)	126,939	103,593	23,346
Salaries of secretarial and clerical assistants	4,537	-	4,537	-	4,537
Purchased professional - educational services	5,800	16,050	21,850	21,791	59
Supplies and materials	3,000	500	3,500	2,550	950
Total Undist. Expend. - Other Support Services - Students-Regular	<u>150,476</u>	<u>6,350</u>	<u>156,826</u>	<u>127,934</u>	<u>28,892</u>
Undist. Expend. - Improvement of instr. Serv / other supp serv - inst staff					
Sal Sec. & Clerical Asst	23,572	27,700	51,272	51,136	136
Other salaries	20,220	12,700	32,920	32,779	141
Total Undist. Expend.-Imprvmt of instr.-Srv/other supp srv-inst staff	<u>43,792</u>	<u>40,400</u>	<u>84,192</u>	<u>83,915</u>	<u>277</u>
Undist. Expend. - Educational Media Services/School Library					
Salaries	32,945	-	32,945	9,602	23,343
Salaries of Technology Coordinators	27,997	-	27,997	18,665	9,332
Purchased professional and technical services	1,800	600	2,400	2,400	-
Supplies and materials	7,000	(6,600)	400	-	400
Total Undist. Expend. - Educational Media Services/School Library	<u>69,742</u>	<u>(6,000)</u>	<u>63,742</u>	<u>30,667</u>	<u>33,075</u>
Undist. Expend. - Instruction Staff Training Services					
Purchased professional - educational services	20,000	(10,000)	10,000	3,670	6,330
Other purchased services (400-500 series)	1,000	-	1,000	-	1,000
Supplies and materials	1,000	-	1,000	-	1,000
Other objects	4,000	-	4,000	368	3,632
Total Undist. Expend. - Instruction Staff Training Services	<u>26,000</u>	<u>(10,000)</u>	<u>16,000</u>	<u>4,038</u>	<u>11,962</u>
Undist. Expend. - Support Service - General Administration					
Salaries	75,101	5,798	80,899	79,647	1,252
Legal services	21,000	15,300	36,300	36,144	156
Audit fees	10,000	-	10,000	10,000	-
Communications/Telephone - Bus	5,265	(2,805)	2,460	2,293	167
BOE other purchased prof. svc.	1,000	(1,000)	-	-	-
Other purchased services (400-500 series)	6,602	(1,968)	4,634	4,634	-
General supplies	2,500	(23)	2,477	2,447	30
Miscellaneous expenditures - Board of Ed	1,300	(900)	400	400	-
Membership Dues and Fees	5,425	(1,602)	3,823	3,822	1
Total Undist. Expend. - Support Service - General Administration	<u>128,193</u>	<u>12,800</u>	<u>140,993</u>	<u>139,387</u>	<u>1,606</u>
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	68,750	7,400	76,150	76,075	75
Salaries of secretarial and clerical assistants	1,361	-	1,361	435	926
Other purchased services (400-500 series)	3,000	200	3,200	1,685	1,515
Supplies and materials	2,000	1,000	3,000	2,980	20
Other objects	1,000	(1,000)	-	-	-
Total Undist. Expend. - Support Service - School Administration	<u>76,111</u>	<u>7,600</u>	<u>83,711</u>	<u>81,175</u>	<u>2,536</u>

SEA GIRT 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
Undist. Expend. - Central Services					
Salaries	\$ 1,450	\$ -	\$ 1,450	\$ -	\$ 1,450
Purchased professional services	70,800	7,540	78,340	78,160	180
Supplies and materials	1,500	(185)	1,315	1,315	-
Misc Expenditures	250	(50)	200	200	-
Total Undist. Expend. - Central Services	74,000	7,305	81,305	79,675	1,630
Undist. Expend. - Admin. Info. Technology					
Salaries	3,111	400	3,511	3,500	11
Total Undist. Expend - Admin. Info. Technology	3,111	400	3,511	3,500	11
Undist. Expend. - Required Maintenance for School Facilities					
Cleaning, repair and maintenance services	79,200	19,100	98,300	96,864	1,436
General supplies	7,000	(5,709)	1,291	1,265	26
Total Undist. Expend. - Allowed Maintenance for School Facilities	86,200	13,391	99,591	98,129	1,462
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries - Custodians	98,453	-	98,453	83,556	14,897
Salaries - Café/Playground Aides	32,087	-	32,087	28,862	3,225
Cleaning, repair and maintenance services - up keep	11,000	150	11,150	11,133	17
Other purchased property services	8,000	2,100	10,100	9,337	763
Insurance	38,810	(9,300)	29,510	29,372	138
Travel	-	109	109	-	109
Miscellaneous purchased services	800	(800)	-	-	-
General supplies	20,000	10,800	30,800	30,729	71
Energy (Heat and Electricity)	62,000	(18,950)	43,050	42,799	251
Energy (Natural Gas)	16,000	(4,000)	12,000	11,730	270
Total Undist. Expend. - Other Operation & Maintenance Of Plant	287,150	(19,891)	267,259	247,518	19,741
Undist. Expend. - Student Transportation Services					
Salaries for pupil trans. (other than between home and school)	9,981	-	9,981	3,062	6,919
Salaries for pupil trans. (between home and school) NonPublic	-	2,000	2,000	2,000	-
Other purchased professional services	-	-	-	-	-
Cleaning, repair and maintenance services	-	-	-	-	-
Lease purchase payments - School buses	-	-	-	-	-
Contract services (other than between home & school) - Vendors	16,000	(16,000)	-	-	-
Contract services -(between home and school)-Joint	-	-	-	-	-
Contract services - (special education students) - Vendors	-	21,000	21,000	19,721	1,279
Contract services-(special education students)-Joint	-	-	-	-	-
Contract services-(special education students)-ESC's & CTSA's	76,347	(21,801)	54,546	5,464	49,082
Contract services-(regular students)ESC's & CTSA's	49,052	-	49,052	45,672	3,380
Aid in lieu of payments	-	-	-	-	-
Miscellaneous purchased services - Transportation	-	-	-	-	-
Supplies and materials - Gasoline and diesel	-	-	-	-	-
Supplies and materials	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Total Undist. Expend. - Student Transportation Services	151,380	(14,801)	136,579	75,919	60,660
Undist. Expend. - Business and Other Support Services					
Salaries - bus adm/bd.	-	-	-	-	-
Salaries - bus office	-	-	-	-	-
Purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Other purchased services (400-500 series)	-	-	-	-	-
Supplies and materials	-	-	-	-	-
Interest for lease purchase agreements	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Total Undist. Expend. - Business and Other Support Services	-	-	-	-	-
Unallocated Employee Benefits					
Social security contributions	72,285	1,270	73,555	41,211	32,344
TPAF Contributions - ERIP	46,063	(38,446)	7,617	-	7,617
Other retirement contributions - regular	8,875	(3,952)	4,923	4,242	681
P.E.R.S. Contribution	38,639	(348)	38,291	35,427	2,864
Unemployment Compensation	46,421	(16,900)	29,521	-	29,521
Workmen's compensation	50,982	(9,050)	41,932	22,892	19,040
Health benefits	517,797	(9,674)	508,123	336,184	171,939
Tuition reimbursement	34,195	(6,050)	28,145	479	27,666
Other employee benefits	6,699	3,300	9,999	-	9,999
Total Unallocated Employee Benefits	821,956	(79,850)	742,106	440,435	301,671
On-behalf TPAF LTDI (non-budgeted)	-	-	-	295	(295)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	139,259	(139,259)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	167,132	(167,132)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	111,740	(111,740)
Total On-Behalf Contributions	-	-	-	418,426	(418,426)
Total Personal Services - Employee Benefits	821,956	(79,850)	742,106	858,861	(116,755)
Total Undistributed Expenditures	3,232,704	(148,140)	3,084,564	2,828,764	255,800
Transfer to Cover Deficit (enterprise fund)	-	-	-	-	-
Total General Current Expense	4,854,303	(5,340)	4,848,963	4,427,841	421,122

SEA GIRT 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
Capital Outlay					
Equipment	\$ -	\$ -	\$ -	\$ -	\$ -
Regular Programs - Instruction:					
Grades 1-5	-	-	-	-	-
Grades 6-8	-	-	-	-	-
Special Education - Instruction:					
Multiple disabilities	-	-	-	-	-
Basic skills/Remedial - Instruction	-	-	-	-	-
Bilingual education - Instruction	-	-	-	-	-
School - Sponsored and other instructional program	-	-	-	-	-
Undistributed:					
Undistributed expenditures - Instructional equip.	-	5,340	5,340	5,340	-
Total Equipment	<u>-</u>	<u>5,340</u>	<u>5,340</u>	<u>5,340</u>	<u>-</u>
Facilities Acquisition and Construction Services					
Debt Service Assessment	7,952	-	7,952	7,952	-
Total Facilities Acquisition and Construction Services	<u>7,952</u>	<u>-</u>	<u>7,952</u>	<u>7,952</u>	<u>-</u>
Capital reserve - Transfer to	-	-	-	-	-
Total Capital Outlay	<u>7,952</u>	<u>5,340</u>	<u>13,292</u>	<u>13,292</u>	<u>-</u>
Total Expenditures	<u>4,862,255</u>	<u>-</u>	<u>4,862,255</u>	<u>4,441,133</u>	<u>421,122</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(268,354)</u>	<u>-</u>	<u>(268,354)</u>	<u>632,025</u>	<u>900,379</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(268,354)</u>	<u>-</u>	<u>(268,354)</u>	<u>632,025</u>	<u>900,379</u>
Fund Balance, July 1	1,961,585	-	1,961,585	1,961,585	-
Fund Balance, June 30	<u>\$ 1,693,231</u>	<u>\$ -</u>	<u>\$ 1,693,231</u>	<u>\$ 2,593,610</u>	<u>\$ 900,379</u>
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				1,247,356	
Maintenance reserve				200,000	
Tuition reserve				160,000	
Excess surplus - Designated for subsequent year's expenditures				236,490	
Excess surplus - Current year				499,764	
Committed Fund Balance:					
Year-end encumbrances				-	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				-	
Unassigned Fund Balance				<u>250,000</u>	
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				(10,155)	
Fund balance per governmental funds (GAAP)				<u>\$ 239,845</u>	

SEA GIRT 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
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	-
State sources	-	-	-	-	-
Federal sources	56,542	6,917	63,459	63,459	-
Total Revenues	56,542	6,917	63,459	63,459	-
EXPENDITURES					
Instruction:					
Salaries of teachers	-	-	-	-	-
Other salaries for instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	-
General supplies	-	-	-	-	-
Tuition	-	-	-	-	-
Total instruction	-	-	-	-	-
Support services:					
Salaries of program director	-	17,000	17,000	17,000	-
Personal services	-	-	-	-	-
Purchased professional - educational services	34,711	(17,108)	17,603	17,603	-
Other purchased professional services	2,719	480	3,199	3,199	-
Purchased technical services	7,159	934	8,093	8,093	-
Travel	-	-	-	-	-
Employee Benefits	-	3,900	3,900	3,900	-
Miscellaneous purchased services (400-500 series)	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Supplies & materials	11,953	1,711	13,664	13,664	-
Total support services	56,542	6,917	63,459	63,459	-
EXPENDITURES (CONT'D):					
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-
Total expenditures	56,542	6,917	63,459	63,459	-
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	56,542	6,917	63,459	63,459	-
Excess (deficiency) of revenues					
Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				-	
Fund balance per governmental funds (GAAP)				<u>\$ -</u>	

**SEA GIRT 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
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 5,073,158	[C-2]	\$ 63,459
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(167,132)		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year		(10,155)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		8,736		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 4,904,607	[B-2]	\$ 63,459
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 4,441,133	[C-2]	\$ 63,459
Differences - budget to GAAP:				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(167,132)		
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.		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 4,274,001	[B-2]	\$ 63,459

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SEA GIRT 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>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.0042982314%	0.0034715477%	0.0039267853%
District's proportionate share of the net pension liability	\$ 834,592	\$ 814,178	\$ 1,163,001
District's covered-employee payroll	215,598	233,589	184,703
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	387.11%	348.55%	15.88%
Plan fiduciary net position as a percentage of the total pension liability	67.89%	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.

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

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contributions	\$ 35,434	\$ 29,846	\$ 35,427
Contributions in relation to the contractually required contribution	<u>41,466</u>	<u>29,846</u>	<u>35,427</u>
Contribution deficiency (excess)	<u>\$ (6,032)</u>	<u>\$ 29,846</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 215,598	\$ 233,589	\$ 184,703
Contributions as a percentage of covered-employee payroll	16.44%	12.78%	19.18%

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

SEA GIRT 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>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.0162224199%	0.0143399466%	0.0147099986%
District's proportionate share of the net pension liability	\$ 8,670,355	\$ 9,063,459	\$ 11,571,821
District's covered-employee payroll	1,643,039	1,875,503	1,409,893
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	527.70%	483.25%	12.18%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	27.81%	22.33%

The District has a special funding situation and 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.

Sea Girt School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2017

Assumptions

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

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

	IDEA PRESCHOOL 16/17	IDEA Basic 16/17	Title I 16/17	Title II 16/17	TOTAL
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	3,199	38,503	13,664	8,093	63,459
Total revenues	3,199	38,503	13,664	8,093	63,459
Expenditures:					
Instruction:					
Salaries of teachers	-	-	-	-	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	-
General supplies	-	-	-	-	-
Tuition	-	-	-	-	-
Textbooks	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total instruction	-	-	-	-	-
Support services:					
Other support services - students - special:					
Other professional staff salaries	-	17,000	-	-	17,000
Personal Services	-	-	-	-	-
Purchased professional services	-	17,603	-	-	17,603
Other purchased professional services	3,199	-	-	-	3,199
Purchased technical services	-	-	-	8,093	8,093
Employee benefits	-	3,900	-	-	3,900
Travel	-	-	-	-	-
General supplies	-	-	13,664	-	13,664
Miscellaneous expenses	-	-	-	-	-
Total other support services - students - special	3,199	38,503	13,664	8,093	63,459
Total support services	3,199	38,503	13,664	8,093	63,459
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total equipment	-	-	-	-	-
Total expenditures	\$ 3,199	\$ 38,503	\$ 13,664	\$ 8,093	\$ 63,459

Sea Girt School District
Enterprise Fund
Statement of Net Position
June 30, 2017

	<u>2017</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 616,493
Accounts receivable:	-
State	-
Federal	-
Interfunds	-
	-
Total current assets	616,493
Fixed assets:	
Equipment	96,361
Technology Center	1,091,284
Accumulated depreciation	(221,490)
	966,155
Total fixed assets	966,155
Total assets	\$ 1,582,648
Liabilities and Net Position:	
Liabilities:	
Accounts payable	-
Revenue anticipation loan	-
	-
Total liabilities	-
Net position:	
Net investment in capital assets	966,155
Restricted for other purposes	-
Unrestricted net position	616,493
	616,493
Total net position	1,582,648
Total liabilities and net position	\$ 1,582,648

**Sea Girt School District
Enterprise Fund
Statement of Revenues, Expenses and
Changes in Net Position
for the Fiscal Years ended June 30, 2017**

	<u>2017</u>
Operating revenues:	
Local sources:	
Royalties	\$ 171,870
Total operating revenues	<u>171,870</u>
Operating expenses:	
Administrative salaries and benefits	14,025
Professional fees	2,768
Other purchased services	13,000
Supplies and materials	59,730
Depreciation	37,196
Travel	-
Dues and subscriptions	-
Repairs	-
Cost of sales - reimbursable programs	-
Cost of sales - non-reimbursable programs	-
Total operating expenses	<u>126,719</u>
Operating income	<u>45,151</u>
Nonoperating revenues (expenses):	
Local sources:	
Interest income	159
Interest expense	-
Total nonoperating revenues	<u>159</u>
Change in net position	45,310
Total net position beginning	<u>1,537,338</u>
Total net position ending	<u><u>\$ 1,582,648</u></u>

SEA GIRT SCHOOL DISTRICT
Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 171,870
Payments to employees	(14,025)
Payments to suppliers	(75,498)
Net cash provided by operating activities	82,347
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State sources	-
Interest income	159
Interest expense	-
Net cash provided by non-capital financing activities	159
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from revenue anticipation loan	-
Payments on revenue anticipation loan	-
Purchases of capital assets	(10,017)
Net cash provided by (used for) capital and related financing activities	(10,017)
Net increase in cash and cash equivalents	72,489
Balances—beginning of year	544,004
Balances—end of year	\$ 616,493
Reconciliation of operating loss to net cash used in operating activities:	
Operating income	\$ 45,151
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	37,196
Federal commodities	-
Decrease in interfund receivable, net	-
Decrease in accounts receivable, net	-
Increase in inventories	-
Decrease in interfund payable	-
Increase in accounts payable	-
Total adjustments	37,196
Net cash provided by operating activities	\$ 82,347

SEA GIRT SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll Agency</u>
ASSETS			
Cash and cash equivalents	\$ 43,091	\$ 12,211	\$ 22,933
Investments	-	-	-
Intergovernmental accounts receivable	-	-	-
Interfund receivable	-	4,000	-
Total assets	<u>43,091</u>	<u>16,211</u>	<u>22,933</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	-	22,933
Payable to student groups	-	16,211	-
Interfund payable	-	-	-
Other current liabilities	-	-	-
Total liabilities	<u>-</u>	<u>16,211</u>	<u>22,933</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	<u>43,091</u>	<u>-</u>	<u>-</u>
Total net position	<u>43,091</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 43,091</u>	<u>\$ 16,211</u>	<u>\$ 22,933</u>

SEA GIRT SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2017

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ -
Other-transfer in	-
Total contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	140
Dividends	-
Less investment expense	-
Net investment earnings	140
Total additions	140
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	-
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	-
Change in net position	140
Net position—beginning of the year	42,951
Net position—end of the year	\$ 43,091

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

	<u>Balance</u> <u>July 1, 2016</u>		<u>Receipts</u>		<u>Disbursements</u>		<u>Balance</u> <u>June 30, 2017</u>
General funds	\$ 10,071	\$	10,046	\$	(9,740)	\$	10,377
Class funds	3,041		15,179		(16,386)		1,834
Total all schools	<u>\$ 13,112</u>	<u>\$</u>	<u>25,225</u>	<u>\$</u>	<u>(26,126)</u>	<u>\$</u>	<u>12,211</u>

SEA GIRT SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
Payroll deductions and withholdings	\$ 21,211	\$ 2,497,870	\$ (2,496,148)	\$ 22,933
Totals	<u>\$ 21,211</u>	<u>\$ 2,497,870</u>	<u>\$ (2,496,148)</u>	<u>\$ 22,933</u>

STATISTICAL SECTION

Sea Girt School District
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	86-90
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue	91-94
Debt Capacity 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	95-98
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities	99-100
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	101-105

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.*

SEA GIRT SCHOOL DISTRICT
Net Assets/Position by Component
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net capital assets	\$ 3,250,516	\$ 3,436,653	\$ 3,540,631	\$ 3,577,656	\$ 3,536,657	\$ 3,422,237	\$ 3,304,876	\$ 3,187,515	\$ 3,116,252	\$ 3,001,013
Restricted	386,314	270,313	326,738	514,354	609,483	703,620	974,286	1,331,660	1,711,585	2,343,610
Unrestricted	241,055	305,235	352,727	266,459	218,594	203,807	198,400	(664,419)	(648,488)	(656,677)
Total governmental activities net assets/position	\$ 3,877,885	\$ 4,012,201	\$ 4,220,096	\$ 4,358,469	\$ 4,364,734	\$ 4,329,664	\$ 4,477,562	\$ 3,854,756	\$ 4,179,349	\$ 4,687,946
Business-type activities										
Net capital assets	\$ -	\$ 929,255	\$ 1,065,639	\$ 1,049,925	\$ 1,023,860	\$ 998,028	\$ 972,196	\$ 946,364	\$ 993,334	\$ 966,155
Restricted	919,950	-	-	-	-	-	-	-	-	-
Unrestricted	238,132	175,795	149,352	250,461	347,752	352,044	440,326	535,839	544,004	616,493
Total business-type activities net assets/position	\$ 1,158,082	\$ 1,105,050	\$ 1,214,991	\$ 1,300,386	\$ 1,371,612	\$ 1,350,072	\$ 1,412,522	\$ 1,482,203	\$ 1,537,338	\$ 1,582,648
District-wide										
Net capital assets	\$ 3,250,516	\$ 4,365,908	\$ 4,606,270	\$ 4,627,581	\$ 4,560,517	\$ 4,420,265	\$ 4,277,072	\$ 4,133,879	\$ 4,109,586	\$ 3,967,168
Restricted	1,306,264	270,313	326,738	514,354	609,483	703,620	974,286	1,331,660	1,711,585	2,343,610
Unrestricted	479,187	481,030	502,079	516,920	566,346	555,851	638,726	(128,580)	(104,484)	(40,184)
Total district net assets/position	\$ 5,035,967	\$ 5,117,251	\$ 5,435,087	\$ 5,658,855	\$ 5,736,346	\$ 5,679,736	\$ 5,890,084	\$ 5,336,959	\$ 5,716,687	\$ 6,270,594

SEA GIRT 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
Expenses										
Governmental activities										
Instruction										
Regular	\$ 1,227,542	\$ 1,179,181	\$ 1,245,862	\$ 1,189,107	\$ 1,268,103	\$ 1,225,160	\$ 1,224,045	\$ 1,242,744	\$ 1,363,674	\$ 1,278,279
Special education	130,033	244,326	250,424	302,575	393,262	306,228	210,930	239,888	251,642	244,471
Other special education	68,764	72,998	81,184	78,568	102,281	122,798	77,474	141,887	136,720	76,327
Support Services:										
Instruction	1,054,712	1,064,404	984,230	804,778	691,863	886,691	760,979	733,725	830,911	772,404
Attendance and social work	23,240	24,614	25,521	26,011	12,872	15,771	16,087	20,301	600	30,883
Health services	55,357	61,977	69,609	70,854	65,843	56,396	55,960	24,405	62,908	51,477
Improvement of instr. services	44,375	46,527	48,189	48,989	74,344	62,311	63,556	72,563	97,488	83,915
Educational media services	57,775	47,097	52,726	62,768	47,951	26,272	47,622	61,526	61,902	30,667
Instruction staff training	16,100	2,369	2,368	4,730	7,013	4,088	6,888	18,987	11,774	4,038
School Administrative services	72,778	72,917	75,887	77,057	78,339	73,385	70,471	75,282	75,321	81,175
General administration	127,431	120,072	133,957	132,716	133,846	128,399	135,421	132,600	106,870	139,387
Central Services	74,593	78,434	82,949	81,526	68,584	78,454	69,662	86,758	67,360	79,675
Plant operations and maintenance	377,125	418,970	473,632	444,318	410,104	402,545	454,900	513,593	429,801	474,178
Administrative information technology	3,723	2,926	3,028	3,074	2,615	3,186	350	3,217	3,414	3,500
Pupil transportation	69,360	82,133	75,314	121,464	114,042	138,189	101,806	90,718	90,316	75,919
Other support services	167,406	276,234	253,007	301,520	298,351	312,466	383,622	295,243	269,061	334,675
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	24,163	19,350	14,280	8,879	3,280	-	-	-	-	-
Unallocated employee benefits	482,588	490,731	467,394	460,508	470,213	474,693	513,049	364,146	399,590	447,205
Total governmental activities expenses	<u>4,077,065</u>	<u>4,305,260</u>	<u>4,339,561</u>	<u>4,219,442</u>	<u>4,242,906</u>	<u>4,317,032</u>	<u>4,192,822</u>	<u>4,117,583</u>	<u>4,259,352</u>	<u>4,208,175</u>
Business-type activities:										
Enterprise fund	437,484	(188,128)	(109,211)	(84,511)	(70,916)	21,802	(62,450)	(69,522)	(54,976)	(45,151)
Child Care	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	<u>437,484</u>	<u>(188,128)</u>	<u>(109,211)</u>	<u>(84,511)</u>	<u>(70,916)</u>	<u>21,802</u>	<u>(62,450)</u>	<u>(69,522)</u>	<u>(54,976)</u>	<u>(45,151)</u>
Total district expenses	<u>\$ 4,514,549</u>	<u>\$ 4,117,132</u>	<u>\$ 4,230,350</u>	<u>\$ 4,134,931</u>	<u>\$ 4,171,990</u>	<u>\$ 4,338,834</u>	<u>\$ 4,130,372</u>	<u>\$ 4,048,061</u>	<u>\$ 4,204,376</u>	<u>\$ 4,163,024</u>
Net (Expense)/Revenue										
Governmental activities	(4,077,065)	(4,305,260)	(4,339,561)	(4,219,442)	(4,242,906)	(4,317,032)	(4,192,822)	(4,117,583)	(4,259,352)	(4,208,175)
Business-type activities	(437,484)	188,128	109,211	84,511	70,916	(21,802)	62,450	69,522	54,976	45,151
Total district-wide net expense	<u>\$ (4,514,549)</u>	<u>\$ (4,117,132)</u>	<u>\$ (4,230,350)</u>	<u>\$ (4,134,891)</u>	<u>\$ (4,171,990)</u>	<u>\$ (4,338,834)</u>	<u>\$ (4,130,372)</u>	<u>\$ (4,048,061)</u>	<u>\$ (4,204,376)</u>	<u>\$ (4,163,024)</u>
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 3,732,953	\$ 3,872,939	\$ 3,940,715	\$ 4,019,640	\$ 3,939,365	\$ 4,012,243	\$ 4,092,488	\$ 4,214,209	\$ 4,338,065	\$ 4,424,826
Taxes levied for debt service	99,163	149,350	149,280	45,383	-	-	-	-	-	-
Unrestricted grants and contributions	223,030	291,260	277,649	66,030	81,716	103,951	101,864	26,093	104,878	172,299
State aid - restricted	57,047	59,021	78,886	70,919	78,837	53,999	52,263	52,629	66,520	-
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	20,902	3,551	591	740	-	40	49	54	224	897
Miscellaneous income	346,411	63,455	100,335	155,103	149,253	111,729	94,056	64,625	74,258	118,750
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>4,479,506</u>	<u>4,439,576</u>	<u>4,547,456</u>	<u>4,357,815</u>	<u>4,249,171</u>	<u>4,281,962</u>	<u>4,340,720</u>	<u>4,357,610</u>	<u>4,583,945</u>	<u>4,716,772</u>
Business-type activities:										
Investment earnings	-	8,840	730	844	310	262	-	159	159	159
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>8,840</u>	<u>730</u>	<u>844</u>	<u>310</u>	<u>262</u>	<u>-</u>	<u>159</u>	<u>159</u>	<u>159</u>
Total district-wide	<u>\$ 4,479,506</u>	<u>\$ 4,448,416</u>	<u>\$ 4,548,186</u>	<u>\$ 4,358,659</u>	<u>\$ 4,249,481</u>	<u>\$ 4,282,224</u>	<u>\$ 4,340,720</u>	<u>\$ 4,357,769</u>	<u>\$ 4,584,104</u>	<u>\$ 4,716,931</u>
Change in Net Assets/Position										
Governmental activities	402,441	134,316	207,895	138,373	6,265	(35,070)	147,898	240,027	324,593	508,597
Business-type activities	-	196,968	109,941	85,395	71,226	(21,540)	62,450	69,681	55,135	45,310
Total district	<u>\$ 402,441</u>	<u>\$ 331,284</u>	<u>\$ 317,836</u>	<u>\$ 223,768</u>	<u>\$ 77,491</u>	<u>\$ (56,610)</u>	<u>\$ 210,348</u>	<u>\$ 309,708</u>	<u>\$ 379,728</u>	<u>\$ 553,907</u>

SEA GIRT SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 130,686	\$ 183,809	\$ 313,242	\$ 514,354	\$ 609,483	\$ 703,620	\$ 974,286	\$ 1,331,660	\$ 1,711,585	\$ 2,343,610
Unreserved	258,564	355,204	387,905	296,905	245,565	242,559	242,422	241,214	241,264	239,845
Total general fund	<u>\$ 389,250</u>	<u>\$ 539,013</u>	<u>\$ 701,147</u>	<u>\$ 811,259</u>	<u>\$ 855,048</u>	<u>\$ 946,179</u>	<u>\$ 1,216,708</u>	<u>\$ 1,572,874</u>	<u>\$ 1,952,849</u>	<u>\$ 2,583,455</u>
All Other Governmental Funds										
Reserved	\$ 99,796	\$ 5,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	165,832	80,519	13,496	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 265,628</u>	<u>\$ 86,504</u>	<u>13,496</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

SEA GIRT 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
Revenues										
Tax levy	3,832,116	4,022,289	4,089,995	4,065,023	3,939,365	4,012,243	4,092,488	4,214,209	4,338,065	4,424,826
Tuition charges	51,700	79,700	130,954	137,100	144,117	107,743	93,714	59,871	57,130	77,529
Interest earnings	20,902	3,551	591	740	-	40	49	54	224	897
Miscellaneous	244,711	3,101	1,381	18,003	5,136	3,986	342	4,754	17,128	41,221
State sources	559,435	508,673	497,333	286,917	363,281	445,603	389,108	336,467	354,438	360,134
Federal sources	57,047	59,021	78,886	70,919	78,837	53,999	52,263	52,629	66,520	63,459
Total revenue	4,765,911	4,676,335	4,799,140	4,578,702	4,530,736	4,623,614	4,627,964	4,667,984	4,833,505	4,968,066
Expenditures										
Instruction										
Regular Instruction	1,227,542	1,179,181	1,245,862	1,189,107	1,268,103	1,225,160	1,224,045	1,242,744	1,363,674	1,278,279
Special education instruction	130,033	244,326	250,424	302,575	393,262	306,228	210,930	239,888	251,642	244,471
Other special instruction	68,764	72,998	81,184	78,568	102,281	122,798	77,474	141,887	136,720	76,327
Support Services:										
Tuition	1,054,712	1,064,404	984,230	804,778	691,863	886,691	760,979	733,725	830,911	772,404
Student & inst. related services	196,847	182,584	198,413	213,352	208,023	164,838	190,113	197,782	234,672	200,980
General administration	127,431	120,072	133,957	132,716	133,846	128,399	135,421	132,600	106,870	139,387
School administrative services	72,778	72,917	75,887	77,057	78,339	73,385	70,471	75,282	75,321	81,175
Central services	74,593	78,434	82,949	81,526	68,584	78,454	69,662	86,758	67,350	79,675
Admin. information technology	3,723	2,926	3,028	3,074	2,615	3,186	350	3,217	3,414	3,500
Plant operations and maintenance	316,305	310,126	334,255	310,399	274,311	280,173	329,587	379,905	321,601	345,647
Pupil transportation	69,360	82,133	75,314	121,464	114,042	138,189	101,806	90,718	90,316	75,919
Other Support Services	167,406	276,234	253,007	301,520	298,351	312,466	383,622	295,243	269,061	334,675
Employee benefits	826,158	685,684	701,869	686,127	755,253	804,564	795,023	675,742	665,031	691,729
Special Schools	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	125,000	130,000	135,000	140,000	82,000	-	-	-	-	-
Interest and other charges	24,163	19,350	14,280	8,879	3,280	-	-	-	-	-
Capital outlay	249,748	184,327	108,355	30,944	12,794	7,952	7,952	16,327	36,937	13,292
Total expenditures	4,734,563	4,705,696	4,678,014	4,482,086	4,486,947	4,532,483	4,357,435	4,311,818	4,453,530	4,337,460
Excess (Deficiency) of revenues over (under) expenditures	31,348	(29,361)	121,126	96,616	43,789	91,131	270,529	356,166	379,975	630,606
Other Financing sources (uses)										
Transfers in	80,000	-	501	103,496	-	-	-	-	-	-
Transfers out	(30,000)	-	(32,501)	(103,496)	-	-	-	-	-	-
Total other financing sources (uses)	50,000	-	(32,000)	-	-	-	-	-	-	-
Net change in fund balances	81,348	(29,361)	89,126	96,616	43,789	91,131	270,529	356,166	379,975	630,606
Debt service as a percentage of noncapital expenditures	0.079	0.067	0.052	0.038	0.021	0.002	0.002	0.004	0.008	0.003

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

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

Fiscal Year Ending June 30,	Sale of Capital Assets	Donations	Rentals	Prior Year Refunds	Sale and Leaseback of Textbooks	Miscellaneous	Annual Totals
2008	-	-	-	-	-	6,711	6,711
2009	-	-	-	-	-	3,101	3,101
2010	-	-	-	-	-	3,480	3,480
2011	-	-	-	-	-	4,754	4,754
2012	-	-	-	-	-	5,136	5,136
2013	-	-	-	-	-	3,986	3,986
2014	-	-	-	-	-	342	342
2015	-	-	-	-	-	4,754	4,754
2016	-	-	-	-	-	17,128	17,128
2017	-	-	-	-	-	41,221	41,221

Source: District records

SEA GIRT 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 ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2008	66,055,700	1,845,020,100	-	-	36,816,900	-	-	1,947,892,700	305,626,700	336,773	1,642,602,773	1,935,298,397	0.206
2009	58,836,700	1,862,687,500	-	-	36,816,900	-	-	1,958,341,100	303,160,800	484,288	1,655,664,588	1,997,517,624	0.209
2010	45,020,700	1,893,380,500	-	-	36,816,900	-	-	1,975,218,100	301,160,800	336,055	1,674,393,355	2,031,936,842	0.206
2011	53,359,200	1,887,579,900	-	-	36,816,900	-	-	1,977,756,000	303,160,800	286,843	1,674,882,043	1,980,042,848	0.199
2012	56,532,400	1,891,060,100	-	-	36,816,900	-	-	1,984,409,400	303,100,800	287,426	1,681,596,026	1,965,358,422	0.202
2013	51,417,900	1,901,528,500	-	-	36,816,900	-	-	1,989,763,300	305,555,800	-	1,684,207,500	2,015,046,881	0.206
2014	48,119,000	1,926,382,300	-	-	37,697,600	-	-	2,012,198,900	305,756,600	-	1,706,442,300	2,099,101,711	0.211
2015	33,999,900	2,143,598,300	-	-	40,740,900	-	-	2,218,339,100	370,904,200	250,000	1,847,684,900	2,177,227,802	0.195
2016	39,816,300	2,209,488,700	0	0	40,259,800	0	0	2,289,564,800	372,903,100	-	1,916,661,700	2,295,763,361	0.193
2017	-	-	0	-	-	-	-	-	-	-	-	-	-

Source: Municipal Tax Assessor

SEA GIRT SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
UNAUDITED
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Sea Girt School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Municipal	Monmouth County	
2008	0.206	0.003	0.206	0.242	0.253	0.701
2009	0.206	0.003	0.209	0.253	0.263	0.725
2010	0.206	0.206	0.206	0.264	0.278	0.748
2011	0.199	0.199	0.199	0.268	0.276	0.743
2012	0.202	0.202	0.202	0.262	0.288	0.752
2013	0.206	0.206	0.206	0.261	0.308	0.775
2014	0.211	0.211	0.211	0.255	0.323	0.789
2015	0.195	0.195	0.195	0.228	0.301	0.724
2016	0.193	0.193	0.193	0.220	0.296	0.709
2017	-	-	-	-	-	-

Source: Municipal Tax Collector

R = Reevaluation

**SEA GIRT SCHOOL DISTRICT
Principal Property Taxpayers,
Current Year and Nine Years Ago
UNAUDITED**

	2017			2008		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ -		0.00%	\$ -		0.00%
Taxpayer 2	-		0.00%	-		0.00%
Taxpayer 3	-		0.00%	-		0.00%
Taxpayer 4	-		0.00%	-		0.00%
Taxpayer 5	-		0.00%	-		0.00%
Taxpayer 6	-		0.00%	-		0.00%
Taxpayer 7	-		0.00%	-		0.00%
Taxpayer 8	-		0.00%	-		0.00%
Taxpayer 9	-		0.00%	-		0.00%
Taxpayer 10	-		0.00%	-		0.00%
Total	\$ -		0.00%	\$ -		0.00%

Source: Municipal Tax Assessor

**SEA GIRT SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years
UNAUDITED**

<u>Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2008	13,744,638	13,598,434	98.94%	-
2009	14,187,901	13,928,134	98.17%	-
2010	14,775,597	14,649,725	99.15%	-
2011	14,711,719	14,515,908	98.67%	-
2012	14,809,838	14,753,094	99.62%	-
2013	15,505,949	15,235,783	98.26%	-
2014	15,859,336	15,432,143	97.31%	-
2015	16,153,929	16,007,333	99.09%	-
2016				
2017				

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

**SEA GIRT SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
UNAUDITED**

Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2008	487,000	-	-	-	-	487,000	0.42%	115,650,560
2009	357,000	-	-	-	-	357,000	0.29%	122,851,608
2010	222,000	-	-	-	-	222,000	0.17%	127,476,468
2011	222,000	-	-	-	-	222,000	0.21%	105,701,778
2012	82,000	-	-	-	-	82,000	0.08%	104,874,000
2013	-	-	-	-	-	-	-	113,082,989
2014	-	-	-	-	-	-	-	113,329,804
2015	-	-	-	-	-	-	-	114,715,875
2016	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-

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

a 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.

b Includes Early Retirement Incentive Plan (ERIP) refunding

SEA GIRT SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2008	487,000	-	487,000	0.0250%	115,650,560
2009	357,000	-	357,000	0.0182%	122,851,608
2010	222,000	-	222,000	0.0112%	127,476,468
2011	222,000	-	-	-	105,701,778
2012	82,000	-	-	-	104,874,000
2013	-	-	-	-	113,082,989
2014	-	-	-	-	113,329,804
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

|Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

SEA GIRT SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2017
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Sea Girt Borough's Share (100%)	\$ -	0.000%	\$ -
County of Monmouth - Borough's Share (1.62%)	N/A	0.000%	
Other debt	-		-
Subtotal, overlapping debt			-
Sea Girt School District Direct Debt			-
Total direct and overlapping debt			\$ -

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation. Debt outstanding data provided by each governmental unit.

**SEA GIRT SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years
UNAUDITED**

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized valuation basis	
	2017	-
	2016	2,177,227,802
	2015	2,099,101,711
	[A]	<u>4,276,329,513</u>
Average equalized valuation of taxable property	[A/3]	\$ 1,425,443,171
Debt limit (4 % of average equalization value) :	[B]	57,017,727
Total Net Debt Applicable to Limit	[C]	<u>-</u>
Legal debt margin	[B-C]	<u>\$ 57,017,727</u>

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 77,214,269	\$ 77,778,516	\$ 78,419,359	\$ 78,848,027	\$ 78,848,027	\$ 52,736,813	\$ 81,060,094	\$ 83,885,019	\$ 87,627,905	\$ 57,017,727
Total net debt applicable to limit	<u>487,000</u>	<u>357,000</u>	<u>222,000</u>	<u>140,000</u>	<u>82,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 76,727,269</u>	<u>\$ 77,421,516</u>	<u>\$ 78,197,359</u>	<u>\$ 78,708,027</u>	<u>\$ 78,766,027</u>	<u>\$ 52,736,813</u>	<u>\$ 81,060,094</u>	<u>\$ 83,885,019</u>	<u>\$ 87,627,905</u>	<u>\$ 57,017,727</u>
Total net debt applicable to the limit as a percentage of debt l	0.63%	0.46%	0.28%	0.18%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%

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

**SEA GIRT SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
UNAUDITED**

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2008	2,048	115,650,560	56,470	2.5%
2009	2,068	122,851,608	59,406	4.2%
2010	2,099	127,476,468	60,732	4.3%
2011	1,833	105,701,778	57,666	4.3%
2012	1,816	104,874,000	57,750	4.5%
2013	1,801	113,082,989	62,789	6.4%
2014	1,799	113,329,804	62,996	4.0%
2015	1,803	114,715,875	63,625	0.0%
2016	1,805	120,481,945	66,749	0.0%
2017	1,785	123,896,850	69,410	3.0%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

^c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**SEA GIRT SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago
UNAUDITED**

<u>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
Sea Girt Borough	Information not available	Information not available	Information not available	Information not available	Information not available	Information not available
Sea Girt Board of Education	Information not available	Information not available	Information not available	Information not available	Information not available	Information not available
Rod's Tavern	Information not available	Information not available	Information not available	Information not available	Information not available	Information not available
Harrigan's						
Fratello's						
Wells Fargo						
Sitar Realty						
Ocean Pointe Associates						
Greg's Auto Care						
Dr. John Little						
	-		0.00%	-		0.00%

Source:

SEA GIRT SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years
UNAUDITED

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction										
Regular	18.5	18.5	17.4	19.75	17.12	17.16	17.00	17.00	17.00	0.00
Special education	1.0	3.2	5.0	3.6	5.2	6.3	3.6	4.0	3.5	0.0
Other special education	1.0	0.8								
Vocational										
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	6.0	5.8	4.0	4.8	4.7	4.7	4.0	5.0	5.0	0.0
General administration	1.5	1.5	1.5	1.5	2.0	2.0	2.0	2.0	2.0	0.0
School administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0
Other administrative services						2.0	2.0	2.0	2.0	0.0
Central services	1.5	1.5	1.5	1.5	2.0	1.0	1.0	1.0	1.0	0.0
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	0.0
Plant operations and maintenance	3.1	3.1	3.1						2.1	0.0
Pupil transportation										
Other support services										
Special Schools										
Food Service										
Child Care										
Total	<u>34.6</u>	<u>36.4</u>	<u>34.5</u>	<u>33.2</u>	<u>33.0</u>	<u>36.2</u>	<u>32.6</u>	<u>34.0</u>	<u>35.6</u>	<u>0.0</u>

Source: District Personnel Records

* GASB requires that ten years of statistical data be presented, however in current year only the years above need to be presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

**SEA GIRT SCHOOL DISTRICT
Operating Statistics,
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2008	242	3,967,167	16,393	9.37%	20.50	11.8:1		167.9	159.2	-1.52%	94.80%
2009	244	4,099,787	16,802	2.50%	22.52	10.8:1		182.4	174.3	8.64%	95.60%
2010	239	4,097,515	17,144	2.04%	22.42	10.7:1		179.9	166.5	-1.37%	92.50%
2011	237	4,231,344	17,854	4.14%	22.90	10.4:1		187.9	178.4	4.45%	94.94%
2012	234	4,329,364	18,502	0.00%	22.43	10.4:1		179.9	171.6	-4.26%	95.39%
2013	209	4,478,484	21,428	0.00%	23.47	7.3:1		171.2	161.0	-4.84%	94.04%
2014	212	4,305,172	20,307	0.00%	20.60	8.4:1		170.7	163.7	-0.29%	95.90%
2015	205	4,336,716	21,155	0.00%	21.00	7.7:1		160.8	153.9	-5.80%	95.71%
2016	198	-	-	0.00%	20.10	7.6:1		153.7	146.9	-4.42%	95.58%
2017	0	4,022,707	#DIV/0!	0.00%	-	0		0.0	0.0	0.00%	0.00%

Sources: District records

**SEA GIRT SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
UNAUDITED**

	<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>
District Building										
<u>Elementary</u>										
Sea Girt Elementary										
Square Feet	32,651	35,151	35,151	35,151	35,151	35,151	35,151	35,151	35,151	35,151
Capacity (students)	189	248	248	248	240	240	240	240	240	240
Enrollment	170	181	181	191	179	171	173	161	154	147
<u>Other</u>										
N/A										

Source: District Facilities Office

**SEA GIRT SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years
UNAUDITED**

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

** School Facilities Project # (s)	Sea Girt Elementary School	Total
2008	55,516	55,516
2009	53,285	53,285
2010	63,641	63,641
2011	74,652	74,652
2012	44,834	44,834
2013	66,168	66,168
2014	91,555	91,555
2015	105,748	105,748
2016	122,342	122,342
2017	98,129	98,129
Total School Facilities	\$ 884,304	\$ 884,304

** 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

SEA GIRT SCHOOL DISTRICT
Insurance Schedule
June 30, 2017
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School package policy -		
Property-blanket building & contents	\$ 11,156,068	1,000
Blanket Extra expense	50,000,000	1,000
Blanket Valuable papers	10,000,000	1,000
Blanket Hardware/Software	250,000	1,000
Comprehensive General liability	11,000,000	-
Automobile	11,000,000	-
Medical coverage (per accident)	10,000	100
Flood	50,000,000	10,000
Earthquake	50,000,000	-
Terrorism	1,000,000	1,000
Boiler & Machinery:Eqp Breakdown/Business Interruption	100,000,000	1,000
Personal injury & Advertising liability	11,000,000	-
Employee benefits liability	10,000,000	1,000
Demolition/Increased Cost of Construction	10,000,000	1,000
Forgery and alteration	250,000	1,000
Money and securities	50,000	1,000
Public employee dishonesty - per employee	250,000	-
Student Accident	500,000 max benefit	-
 Umbrella liability -		
Umbrella policy	11,000,000	-
 School board legal liability		
Cov A - Limit of Liability	11,000,000	10,000
Cov B - Limit of Liability	\$100k ea claim/\$300 pol per	10,000
 Public employee's faithful performance blanket:		
Business Administrator - Selective Insurance Co.	89,000	-
Board secretary - Selective Insurance Co.	89,000	-
Treasurer - Selective Insurance Co.	150,000	-
 Worker's compensation policy		
Bodily Injury by Accident	2,000,000	-
Bodily Injury by Disease	2,000,000	-
Source: District Records		

SINGLE AUDIT SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Sea Girt 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 Sea Girt School District basic financial statements, and have issued our report thereon dated November 28, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sea Girt 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 Sea Girt 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 Sea Girt School District internal control.

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

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

Compliance and Other Matters

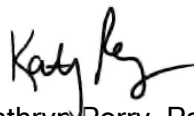
As part of obtaining reasonable assurance about whether the Sea Girt School District financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted

Jump, Perry and Company, LLP
Toms River, NJ



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

Toms River, NJ
November 28, 2017

SEA GIRT SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
for the Fiscal Year ended June 30, 2017

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2016	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2017		
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
I.D.E.A. Part B, Basic Regular	84.027	IDEA 2016	38,503	7/1/16	6/30/17	-	-	-	(38,503)	-	-	(38,503)	-	-
Title I, Part A	84.010	NCLB 2016	13,664	7/1/16	6/30/17	-	-	-	(13,664)	-	-	(13,664)	-	-
Title II, Part A	84.367	NCLB 2016	8,093	7/1/16	6/30/17	-	-	-	(8,093)	-	-	(8,093)	-	-
IDEA Preschool	84.173	IDEA469016	3,199	7/1/16	6/30/17	-	-	-	(3,199)	-	-	(3,199)	-	-
						-	-	-	(63,459)	-	-	(63,459)	-	-
Total Special Revenue Fund						-	-	-	(63,459)	-	-	(63,459)	-	-

See accompanying notes to schedules of expenditures.

SEA GIRT SCHOOL DISTRICT
Schedule of Expenditures of State Awards, Schedule B
for the Fiscal Year ended June 30, 2017

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2016			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2017			MEMO	
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount				(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Transportation Aid	17-495-034-5120-014	3,990	7/1/16	6/30/17	\$ -	\$ -	\$ -	\$ 3,990	\$ (3,990)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,990
Special Education Aid	16-495-034-5120-089	3,990	7/1/15	6/30/16	(8,736)	-	-	8,736	-	-	-	-	-	-	-
Special Education Aid	17-495-034-5120-089	96,647	7/1/16	6/30/17	-	-	-	86,492	(96,647)	-	-	-	-	(10,155)	96,647
Security Aid	17-495-034-5120-084	2,968	7/1/16	6/30/17	-	-	-	2,968	(2,968)	-	-	-	-	-	2,968
Adjustment Aid	17-495-034-5120-085	1,254	7/1/16	6/30/17	-	-	-	1,254	(1,254)	-	-	-	-	-	1,254
PARCC Readiness Aid	17-495-034-5120-098	1,790	7/1/16	6/30/17	-	-	-	1,790	(1,790)	-	-	-	-	-	1,790
Per Pupil Growth Aid	17-495-034-5120-097	1,790	7/1/16	6/30/17	-	-	-	1,790	(1,790)	-	-	-	-	-	1,790
Professional Learning Community	17-495-034-5120-101	1,820	7/1/16	6/30/17	-	-	-	1,820	(1,820)	-	-	-	-	-	1,820
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	109,322	7/1/15	6/30/16	(10,683)	-	-	10,683	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	111,740	7/1/16	6/30/17	-	-	-	101,003	(111,740)	-	(10,737)	-	-	-	111,740
On-Behalf TPAF Pension Contribution	17-100-034-5095-002	167,132	7/1/16	6/30/17	-	-	-	167,132	(167,132)	-	-	-	-	-	167,132
On-Behalf TPAF Post-Retirement Medical	17-100-034-5095-001	139,259	7/1/16	6/30/17	-	-	-	139,259	(139,259)	-	-	-	-	-	139,259
On-Behalf TPAF Long-Term Disability Insu	17-100-034-5095-004	295	7/1/16	6/30/17	-	-	-	295	(295)	-	-	-	-	-	295
Total State Financial Assistance					\$ (19,419)	\$ -	\$ -	\$ 527,212	\$ (528,685)	\$ -	\$ (10,737)	\$ -	\$ -	\$ (10,155)	\$ 528,685
State Financial Assistance Not Subject to Single Audit Determination					\$ -	\$ -	\$ -	\$ (306,686)	\$ 306,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures of State Awards Subject to Single Audit Determination					\$ (19,419)	\$ -	\$ -	\$ 220,526	\$ (221,999)	\$ -	\$ (10,737)	\$ -	\$ -	\$ (10,155)	\$ 528,685

See accompanying notes to schedules of expenditures.

Sea Girt 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, Sea Girt 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.

Sea Girt School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2017

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(168,551) for the general fund and \$- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	360,134	360,134
Special Revenue Fund	63,459	-	63,459
Debt Service Fund	-	-	-
Enterprise Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total awards and financial assistance	\$ <u>63,459</u>	<u>360,134</u>	\$ <u>423,593</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.

Sea Girt School District
Summary of Findings and Questioned Costs
June 30, 2017

Section II - Financial Statement Findings

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

Section III - State Award Findings and Questioned Costs

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

Sea Girt School District
Summary Schedule of Prior Audit Findings
June 30, 2017

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