

Comprehensive Annual Financial Report

of the

City of Somers Point Board of Education

Somers Point, New Jersey

For the Fiscal Year Ended June 30, 2017

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Introductory Section

SOMERS POINT BOARD OF EDUCATION

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

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

Susan Irons
Business Administrator
Board Secretary

October 20, 2017

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

Dear Board Members:

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

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

1. REPORTING ENTITY AND ITS SERVICES

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2016-2017 fiscal year with an enrollment of 944, which is 19 students less than the previous year's enrollment (count includes out-of-district placements).

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

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-2017	944	-4.00%
2015-2016	963	-1.00%
2014-2015	984	-5.00%
2013-2014	1,038	-3.00%
2012-2013	1,066	1.00%

2. ECONOMIC CONDITION AND OUTLOOK

The Somers Point School District, along with many districts in the area, continues to feel the impact of the closing of casinos in the Atlantic City area. As a result, enrollments are down, and the number of children qualifying for free and reduced lunch is close to 41%.

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

3. MAJOR INITIATIVES

The Somers Point Board of Education focused on three major initiatives during the 2016/17 school year:

1. Addressing options for implementation of a reconfiguration of the school district as proposed in a study by an outside consulting group.
2. Development and passing of a bond referendum to address much needed facility upgrades including plumbing, electrical and HVAC systems in all three schools
3. Implementation of a program or programs to address issues related to climate and culture in the school district.

4. INTERNAL ACCOUNTING CONTROLS

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

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

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

5. BUDGETARY CONTROLS

In addition to internal accounting controls, the City of Somers Point School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6. ACCOUNTING SYSTEM AND REPORTS

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

7. CASH MANAGEMENT

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

8. RISK MANAGEMENT

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

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

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

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

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

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

9. OTHER INFORMATION

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

10. ACKNOWLEDGEMENTS


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

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

Respectfully submitted,



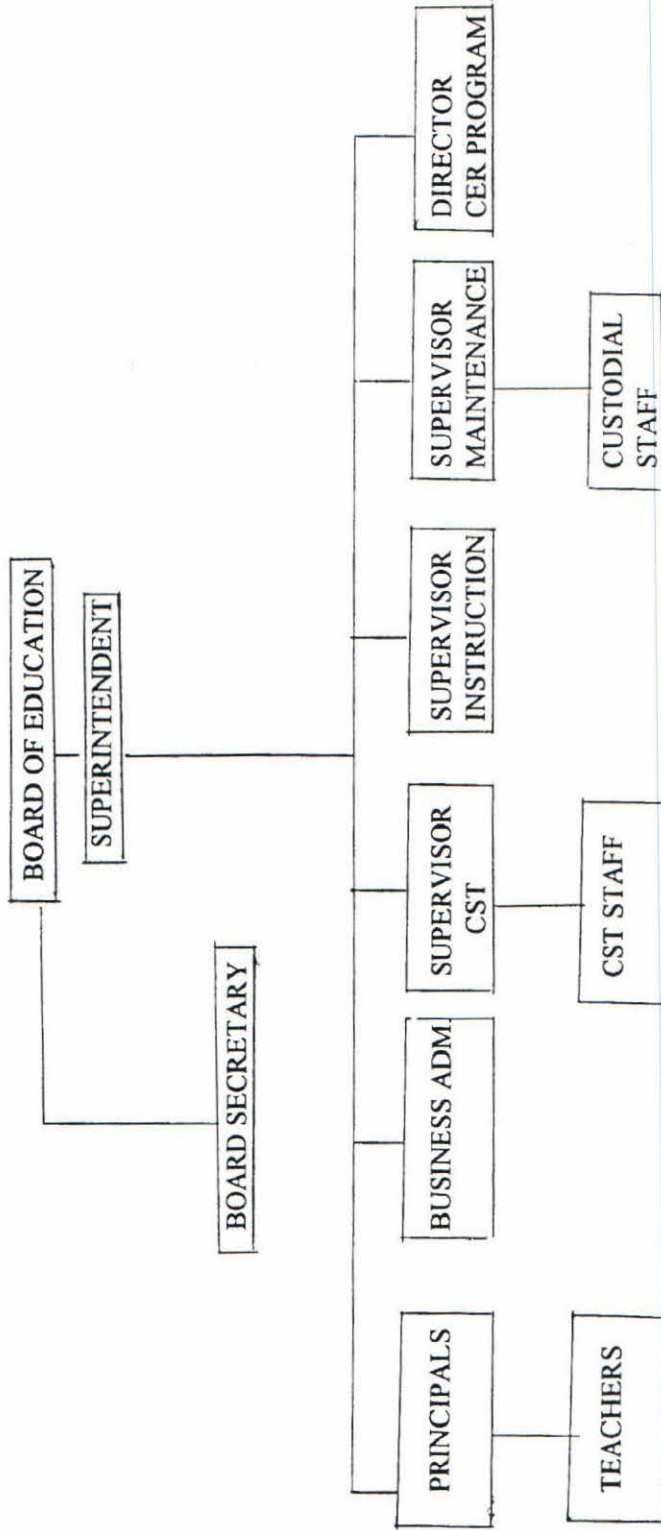
Thomas A. Baruffi, Ed. D.
Interim Superintendent of Schools



Susan Irons
Business Administrator / Board Secretary

POLICY

1110 ORGANIZATIONAL CHART



Adopted: 23 July 1998
Revised: 22 April 1999

SOMERS POINT SCHOOL DISTRICT
COUNTY OF ATLANTIC, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2017

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Wes Kazmarck, President	2019
Todd Fath, Vice President	2018
Karen Broomall	2018
John Conover	2017
Michael O'Brien	2017
Staci Endicott	2019
Darcy Brown	2019
Michael Sweeder	2017
Nicholas Wagner	2018

OTHER OFFICIALS

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

Susan Irons, Business Administrator/ Board Secretary

**SOMERS POINT SCHOOL DISTRICT
CONSULTANTS AND ADVISORS**

ARCHITECT

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

AUDIT FIRM

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

ATTORNEY

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

BOND COUNSEL

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

RISK MANAGEMENT CONSULTANT

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

OFFICIAL DEPOSITORY

Ocean First Bank
1001 Asbury Avenue
Ocean City, NJ 08226

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Financial Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Somers Point School District, County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2017 on our consideration of the City of Somers Point School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Somers Point School District's internal control over financial reporting and compliance.

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

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

October 20, 2017

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Required Supplementary Information – Part I

**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

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

Financial Highlights

Key financial highlights for 2017 are as follows:

- In total, net position decreased \$638,127.52, which represents a 14% decrease from 2016.
- General revenues accounted for \$15,748,590.31 of total revenue or 67% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$7,755,062.78 or 33% of total revenues of \$23,503,653.09.
- Total assets of governmental activities increased by \$10,126,473.16 as cash and cash equivalents increased by \$8,500,526.45, receivables increased by \$155,069.73, inventory increased \$246.88 and capital assets increased by \$1,470,630.10.
- The School District had \$24,084,800.11 in expenses; only \$7,755,062.78 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$15,748,590.31 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$17,529,934.74 in revenues and \$17,223,742.44 in expenditures. The General Fund's fund balance increased \$198,790.80 from 2016.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all position and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in that position. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

- Governmental Activities - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activity - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The CER enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED (CONTINUED)**

Notes to the Financial Statements

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

The School District as a Whole

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

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

Table 1 provides a summary of the School District's net position for 2017 and 2016.

**Table 1
Net Position**

	2017	2016
Assets		
Current and Other Assets	\$ 10,259,236.78	1,603,393.72
Capital Assets	12,046,665.81	10,576,035.71
Total Assets	22,305,902.59	12,179,429.43
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	1,846,546.00	755,014.00
Liabilities		
Long-Term Liabilities	18,491,744.54	7,962,852.13
Other Liabilities	1,834,210.18	432,042.91
Total Liabilities	20,325,954.72	8,394,895.04
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	-	74,927.00
Net Position		
Invested in Capital Assets, Net of Debt	85,680.26	7,529,479.94
Restricted	1,465,870.04	1,335,356.28
Unrestricted	2,274,943.57	(4,400,214.83)
Total Net Position	\$ 3,826,493.87	4,464,621.39

The District's combined net position was \$3,826,493.87 on June 30, 2017. This was an 14% decrease from the prior year.

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**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED (CONTINUED)**

Table 2 shows changes in net position for fiscal year 2017 and 2016.

**Table 2
Changes in Net Position**

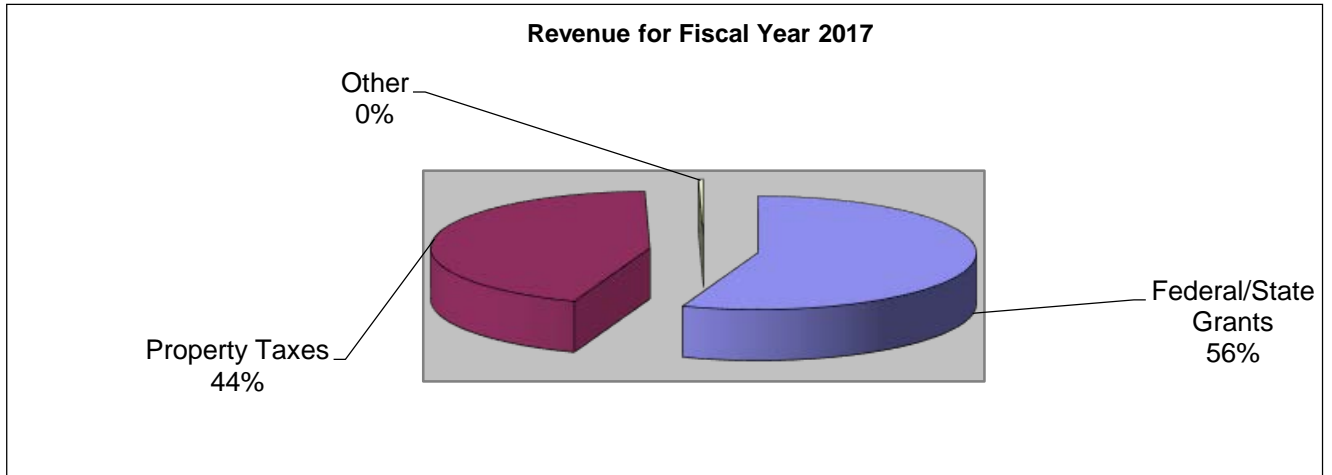
	<u>2017</u>	<u>2016</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 309,929.08	363,010.91
Operating Grants and Contributions	7,445,133.70	5,988,872.71
General Revenues:		
Property Taxes	10,071,912.00	9,752,324.00
Grants and Entitlements	5,663,916.94	5,681,344.10
Other	12,761.37	5,666.48
Special Items	-	-
Total Revenues	<u>23,503,653.09</u>	<u>21,791,218.20</u>
Program Expenses		
Instruction	14,595,787.60	13,343,409.96
Support Services:		
Tuition	348,844.48	354,870.66
Related Services - Pupils and Instructional Staff	3,664,563.21	3,454,182.35
General Administration, School Administration	1,406,390.87	1,299,820.62
Maintenance of Facilities	1,990,805.04	1,987,072.97
Pupil Transportation	459,260.95	428,568.57
Business and Other Support Services	574,578.58	574,380.34
Interest on Debt	371,958.00	121,692.00
Food Service Program	489,357.83	429,714.38
CER Program	183,253.55	166,004.87
Special Items	56,980.50	12,123.90
Total Expenses	<u>24,141,780.61</u>	<u>22,171,840.62</u>
Increase/(Decrease) in Net Position	<u>\$ (638,127.52)</u>	<u>(380,622.42)</u>

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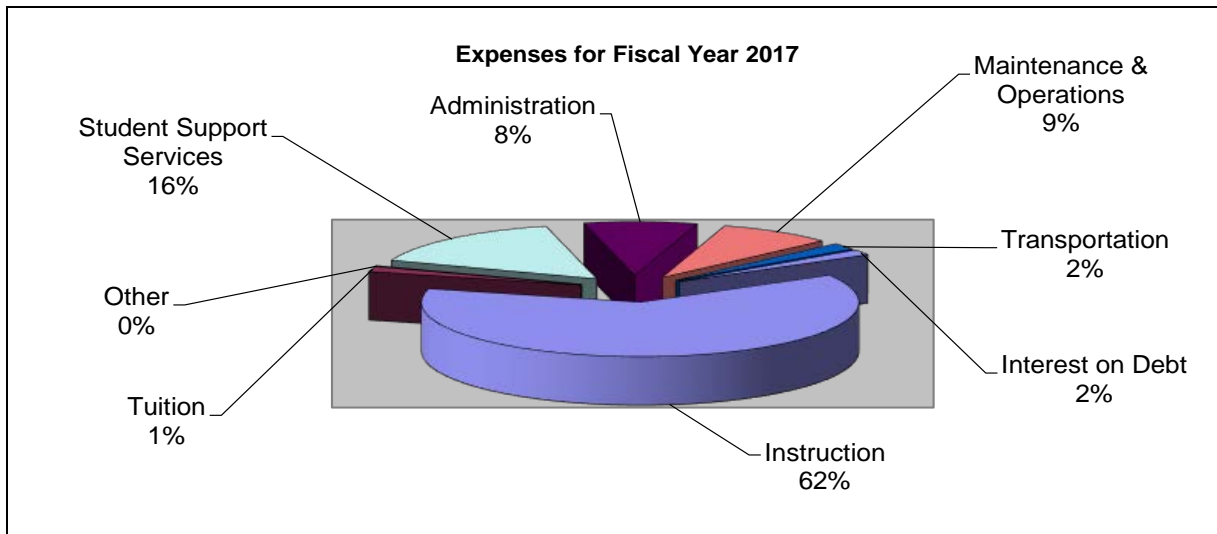
**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED (CONTINUED)**

Governmental Activities

The District's total revenues were \$22,872,479.40 for the year ended June 30, 2017. Property taxes made up 44 percent of revenues for governmental activities for the City of Somers Point School District for fiscal year 2017. Federal, state, and local grants accounted for 56 percent of the revenue. Local revenue and charges for service make up less than 1 percent of the revenue.



The total cost of all program and services was \$23,412,188.73. Instruction comprises 62 percent of District expenses.



**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED (CONTINUED)**

Business-Type Activities

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

- Expenses exceeded revenues before investment income by \$41,544.04.
- Charges for services represent \$236,875.30 of revenue. This represents amounts paid by patrons for daily food service and childcare.
- For the food service operation, federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$394,192.04.

Governmental Activities

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

Table 3

	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2016</u>
Instruction	\$ 14,595,787.60	9,011,721.07	13,343,409.96	8,901,032.10
Support Services:				
Tuition	348,844.48	348,844.48	394,587.66	394,587.66
Pupils and Instructional Staff	3,664,563.21	2,334,776.80	3,454,182.35	2,341,796.40
General Administration, School Administration, Business Operations and Maintenance of Facilities	3,971,774.49	3,761,631.99	3,821,556.93	3,646,600.07
Pupil Transportation	459,260.95	459,260.95	428,568.57	428,568.57
Interest and Fiscal Charges	371,958.00	371,958.00	121,692.00	121,692.00
Total Expenses	<u>\$ 23,412,188.73</u>	<u>16,288,193.29</u>	<u>21,563,997.47</u>	<u>15,834,276.80</u>

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

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

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

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

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED (CONTINUED)**

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

"Other" includes special schools and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$19,338,640.40 and expenditures were \$21,057,367.95. The net increase in fund balance for the year was \$7,511,303.95. This was due to the new capital project in fiscal year 2017.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2017, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2016	Percent of Increase (Decrease)
Local Sources	\$ 10,157,620.80	52.5%	260,388.83	3%
State Sources	8,311,813.59	43.0%	344,550.42	4%
Federal Sources	869,206.01	4.5%	(56,252.10)	-6%
Total	<u>\$ 19,338,640.40</u>	<u>100.0%</u>	<u>548,687.15</u>	<u>3%</u>

The following schedule represents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2017, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2016	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 7,923,427.86	37.6%	260,724.17	3.3%
Undistributed expenditures	10,583,239.13	50.3%	3,677.94	0.0%
Capital Outlay	2,060,940.96	9.8%	2,001,636.35	97.1%
Debt Service	464,343.00	2.2%	(1,740.00)	-0.4%
Transfer to Charter Schools	25,417.00	0.1%	(14,300.00)	-56.3%
Total	<u>\$ 21,057,367.95</u>	<u>100.0%</u>	<u>2,249,998.46</u>	<u>10.7%</u>

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

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**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED (CONTINUED)**

General Fund Budgeting Highlights

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

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Contribution, which are not budgeted, the District's actual revenue was more than the budget by approximately \$124,243.43. The added revenue is from approximately \$51,544.94 more state and federal aid and \$67,288.78 of Tuition Revenue that was not budgeted. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Contribution, actual revenues were more than actual expenditures by approximately \$687,932.76. Audit exhibit C-1 does not include current year depreciation expense.

Capital Assets

At the end of the fiscal year 2017, the School District had \$12,046,665.81 invested in land, building and machinery and equipment. Table 4 shows fiscal year 2017 balances compared to 2016.

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

	2017	2016
Land and Land Improvements	\$ 75,331.90	81,208.45
Building and Building Improvements	11,776,226.71	10,299,012.22
Machinery and Equipment	195,107.20	195,815.04
Total	\$ 12,046,665.81	10,576,035.71

Overall capital assets increased \$1,470,630.10 from fiscal year 2016 to fiscal year 2017. The increase in capital assets is due to current year construction in progress and depreciation expense. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2017, the School District had \$12,205,270.54 of outstanding debt. Of this amount, \$244,284.99 is for compensated absences and \$11,841,000.00 of serial bonds relating to several capital improvement projects and \$119,985.55 is a capital lease.

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

	2017	2016
1996 School Bonds	\$ 263,000.00	403,000.00
2011 School Bonds	2,343,000.00	2,553,000.00
2016 School Bonds	9,235,000.00	-
Total	\$ 11,841,000.00	2,956,000.00

At June 30, 2017, the School District's remaining legal debt margin available was \$22,576,011. For more detailed information, please refer to the Notes to the Financial Statements.

**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED (CONTINUED)**

For the Future

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

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

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Susan Irons, Business Administrator at Somers Point School District, 121 West New York Avenue, Somers Point, New Jersey 08244.

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Basic Financial Statements

DISTRICT – WIDE FINANCIAL STATEMENTS

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Statement of Net Position
June 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 9,594,392.23	31,517.35	9,625,909.58
Receivables, Net	246,071.05	101,091.34	347,162.39
Inventory		2,564.81	2,564.81
Internal Balances	62,265.46	(62,265.46)	-
Restricted Assets:			
Cash Reserve Account	100.00		100.00
Maintenance Reserve Account	283,500.00		283,500.00
Capital Assets, Net			
Land	1,957,715.46		1,957,715.46
Depreciable assets, net of depreciation	10,047,383.41	41,566.94	10,088,950.35
Total Assets	<u>22,191,427.61</u>	<u>114,474.98</u>	<u>22,305,902.59</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	1,846,546.00		1,846,546.00
Total Deferred Outflows of Resources	<u>1,846,546.00</u>	<u>-</u>	<u>1,846,546.00</u>
LIABILITIES			
Accounts Payable	1,386,570.91	301.16	1,386,872.07
Payable to State Government	41,326.92		41,326.92
Payable to Federal Government	33,548.00		33,548.00
Unearned Revenue	64,106.19	11,250.00	75,356.19
Accrued Interest	297,107.00		297,107.00
Noncurrent Liabilities			
Due Within One Year	419,037.30		419,037.30
Due Beyond One Year	11,786,233.24		11,786,233.24
Net Pension Liability	6,286,474.00		6,286,474.00
Total Liabilities	<u>20,314,403.56</u>	<u>11,551.16</u>	<u>20,325,954.72</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	<u>-</u>		<u>-</u>
NET POSITION			
Net Investment in Capital Assets	44,113.32	41,566.94	85,680.26
Restricted for:			
Other Purposes	1,465,870.04		1,465,870.04
Unrestricted	2,213,586.69	61,356.88	2,274,943.57
Total Net Position	<u>\$ 3,723,570.05</u>	<u>102,923.82</u>	<u>3,826,493.87</u>

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2017

Function/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 6,840,875.56	2,348,361.52	73,053.78	2,745,104.08		(6,371,079.22)		(6,371,079.22)
Special Education	3,638,263.26	1,107,872.66		2,569,020.40		(2,177,115.52)		(2,177,115.52)
Other Special Instruction	487,390.84	173,023.76		196,888.27		(463,526.33)		(463,526.33)
Support Services:								
Tuition	348,844.48					(348,844.48)		(348,844.48)
Student & Instruction Related Services	2,852,067.84	812,495.37		1,329,786.41		(2,334,776.80)		(2,334,776.80)
School Administrative Services	665,007.86	263,683.35		110,916.64		(817,774.57)		(817,774.57)
General Administrative Services	382,969.64	94,730.02		39,848.19		(437,851.47)		(437,851.47)
Plant Operation and Maintenance	1,694,772.04	296,033.00				(1,990,805.04)		(1,990,805.04)
Pupil Transportation	459,260.95					(459,260.95)		(459,260.95)
Central Services	408,003.50	141,158.08		59,377.67		(489,783.91)		(489,783.91)
Unallocated Benefits	5,237,357.76	(5,237,357.76)				-		-
Interest on Long-Term Debt	371,958.00					(371,958.00)		(371,958.00)
Transfer to Charter Schools	25,417.00					(25,417.00)		(25,417.00)
Total Governmental Activities	23,412,188.73	-	73,053.78	7,050,941.66	-	(16,288,193.29)	-	(16,288,193.29)
Business-Type Activities:								
Food Service	489,357.83		63,538.72	394,192.04		(31,627.07)		(31,627.07)
Community Education Recreation Program	183,253.55		173,336.58			(9,916.97)		(9,916.97)
Total Business-Type Activities	672,611.38	-	236,875.30	394,192.04	-	(41,544.04)		(41,544.04)
Total Primary Government	\$ 24,084,800.11	-	309,929.08	7,445,133.70	-	(16,288,193.29)	(41,544.04)	(16,329,737.33)
General Revenues:								
Property Taxes, Levied for General Purposes, Net			\$			\$ 9,613,369.00		9,613,369.00
Taxes Levied for Debt Service						458,543.00		458,543.00
Federal and State Aid not Restricted						5,663,916.94		5,663,916.94
Investment Earnings						10,766.57	106.35	10,872.92
Miscellaneous Income						1,888.45		1,888.45
Prior Year Receivables Cancelled						(56,980.50)		(56,980.50)
Prior Year Payable						(37,988.00)	37,988.00	-
Total General Revenues, Special Items, Extraordinary Items and Transfers						15,653,515.46	38,094.35	15,691,609.81
Change in Net Assets						(634,677.83)	(3,449.69)	(638,127.52)
Net Position - Beginning, As restated						4,358,247.88	106,373.51	4,464,621.39
Net Position - Ending						<u>\$ 3,723,570.05</u>	<u>102,923.82</u>	<u>3,826,493.87</u>

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

FUND FINANCIAL STATEMENTS

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,002,697.89	811.05	8,590,882.88	0.41	9,594,392.23
Receivables from Other Governments	44,836.64	156,318.97			201,155.61
Interfunds Receivable	79,428.46			7,322.72	86,751.18
Other Accounts Receivable	43,316.52	1,598.92			44,915.44
Restricted Cash and Cash Equivalents	283,600.00				283,600.00
Total Assets	<u>1,453,879.51</u>	<u>158,728.94</u>	<u>8,590,882.88</u>	<u>7,323.13</u>	<u>10,210,814.46</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	81,246.31	26,072.73	1,279,251.87		1,386,570.91
Payable to State Government		41,326.92			41,326.92
Payable to Federal Government		33,548.00			33,548.00
Interfunds Payable		17,163.00	7,322.72		24,485.72
Unearned Revenue		64,106.19			64,106.19
Total Liabilities	<u>81,246.31</u>	<u>182,216.84</u>	<u>1,286,574.59</u>	<u>-</u>	<u>1,550,037.74</u>
Fund Balances:					
Nonspendable:					
None	-				-
Restricted for:					
Excess Surplus - Current Year	591,165.04				591,165.04
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	591,105.00				591,105.00
Debt Service				7,323.13	7,323.13
Capital Projects			7,304,308.29		7,304,308.29
Committed to:					
Maintenance Reserve	283,500.00				283,500.00
Capital Reserve	100.00				100.00
Assigned to:					
Designated by BOE for Subsequent Expenditures	-				-
Unassigned:					
General Fund	(93,236.84)				(93,236.84)
Special Revenue Fund		(23,487.90)			(23,487.90)
Total Fund Balances	<u>1,372,633.20</u>	<u>(23,487.90)</u>	<u>7,304,308.29</u>	<u>7,323.13</u>	<u>8,660,776.72</u>
Total Liabilities and Fund Balances	<u>\$ 1,453,879.51</u>	<u>158,728.94</u>	<u>8,590,882.88</u>	<u>7,323.13</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 \$18,930,476.41 and the accumulated depreciation is \$6,925,377.54.

12,005,098.87

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

(12,205,270.54)

Pension Liabilities Net of Deferred Outflows & Inflows

(4,439,928.00)

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

(297,107.00)

Net position of governmental activities \$ 3,723,570.05

CITY OF SOMERS POINT SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 9,613,369.00			458,543.00	10,071,912.00
Tuition	73,053.78				73,053.78
Interest Earned on Investments	3,521.26		7,245.31		10,766.57
Miscellaneous	1,888.45				1,888.45
Total Local Sources	9,691,832.49	-	7,245.31	458,543.00	10,157,620.80
State Sources	7,766,319.31	545,494.28			8,311,813.59
Federal Sources	71,782.94	797,423.07			869,206.01
Total Revenues	<u>17,529,934.74</u>	<u>1,342,917.35</u>	<u>7,245.31</u>	<u>458,543.00</u>	<u>19,338,640.40</u>
EXPENDITURES					
Current:					
Regular Instruction	4,959,099.48				4,959,099.48
Special Education Instruction	1,437,415.58	1,176,681.82			2,614,097.40
Other Special Instruction	350,230.98				350,230.98
Support Services:					
Tuition	348,844.48				348,844.48
Student & Instruction Related Serv.	1,787,226.75	261,897.23			2,049,123.98
School Administrative Services	544,723.20				544,723.20
General Administrative Services	313,593.52				313,593.52
Plant Operation and Maintenance	1,313,146.46				1,313,146.46
Pupil Transportation	442,282.86				442,282.86
Central Services	334,166.87				334,166.87
Employee Benefits	5,237,357.76				5,237,357.76
Debt Service:					
Principal				350,000.00	350,000.00
Interest and Other Charges				114,343.00	114,343.00
Capital Outlay	130,237.50		1,930,703.46		2,060,940.96
Transfer to Charter Schools	25,417.00				25,417.00
Total Expenditures	<u>17,223,742.44</u>	<u>1,438,579.05</u>	<u>1,930,703.46</u>	<u>464,343.00</u>	<u>21,057,367.95</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>306,192.30</u>	<u>(95,661.70)</u>	<u>(1,923,458.15)</u>	<u>(5,800.00)</u>	<u>(1,718,727.55)</u>
OTHER FINANCING SOURCES (USES)					
Bond Proceeds			9,235,000.00		9,235,000.00
Capital Lease Proceeds	90,000.00				90,000.00
Prior Year Receivables Cancelled	(56,980.50)				(56,980.50)
Prior Year Payable	(37,988.00)				(37,988.00)
Transfer in		102,433.00		7,245.31	109,678.31
Transfer out	(102,433.00)		(7,245.31)		(109,678.31)
Total Other Financing Sources and Uses	<u>(107,401.50)</u>	<u>102,433.00</u>	<u>9,227,754.69</u>	<u>7,245.31</u>	<u>9,230,031.50</u>
Net Changes in Fund Balance	198,790.80	6,771.30	7,304,296.54	1,445.31	7,511,303.95
Fund Balance - July 1	1,173,842.40	(30,259.20)	11.75	5,877.82	1,149,472.77
Fund Balance - June 30	<u>\$ 1,372,633.20</u>	<u>(23,487.90)</u>	<u>7,304,308.29</u>	<u>7,323.13</u>	<u>8,660,776.72</u>

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017

Total Net Change in Fund Balance - Governmental Funds (from B-2)	\$	7,511,303.95
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
Depreciation expense	(495,982.98)	
Capital Outlay	<u>1,970,049.61</u>	1,474,066.63
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Bonds Payable	350,000.00	
Capital Lease Payable	<u>60,570.22</u>	410,570.22
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not a revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.</p>		
Bonds Issued		(9,235,000.00)
Capital Leases		(90,000.00)
<p>Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of of employee contributions is reported as pension expense.</p>		
District pension contributions - PERS		
Cost of benefits earned net of employee contributions	<u>(459,846.00)</u>	(459,846.00)
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		11,842.37
<p>In the statement of activities, interest on long - term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.</p>		
		(257,615.00)
Change in Net Position of Governmental Activities	\$	<u><u>(634,677.83)</u></u>

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2017

	Business-Type Activities - Enterprise Fund Non Major Funds		
	Food Service	CER Program	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 13,461.77	18,055.58	31,517.35
Accounts Receivable	101,091.34		101,091.34
Inventories	2,564.81		2,564.81
Total Current Assets	<u>117,117.92</u>	<u>18,055.58</u>	<u>135,173.50</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	154,348.00		154,348.00
Less: Accumulated Depreciation	(112,781.06)		(112,781.06)
Total Noncurrent Assets	<u>41,566.94</u>	<u>-</u>	<u>41,566.94</u>
Total Assets	<u>158,684.86</u>	<u>18,055.58</u>	<u>176,740.44</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable		301.16	301.16
Unearned Revenues		11,250.00	11,250.00
Interfunds Payable	62,265.46		62,265.46
Total Current Liabilities	<u>62,265.46</u>	<u>11,551.16</u>	<u>73,816.62</u>
Noncurrent Liabilities:			
None	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>62,265.46</u>	<u>11,551.16</u>	<u>73,816.62</u>
NET POSITION			
Net Investment in Capital Assets	41,566.94	-	41,566.94
Unrestricted	54,852.46	6,504.42	61,356.88
Total Net Position	<u>\$ 96,419.40</u>	<u>6,504.42</u>	<u>102,923.82</u>

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2017

	Business-Type Activities - Enterprise Fund Non Major Funds		Totals Enterprise
	Food Service	CER Program	
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 49,833.89		49,833.89
Daily Sales - Non-reimbursable Programs	11,210.08		11,210.08
Participant Fees		173,336.58	173,336.58
Other Income	2,494.75		2,494.75
Total Operating Revenue	63,538.72	173,336.58	236,875.30
Operating Expenses:			
Cost of Sales - Reimbursable Programs	197,370.11		197,370.11
Cost of Sales - Non-reimbursable Programs	4,982.90		4,982.90
Salaries and Benefits	212,326.74	157,061.26	369,388.00
Management Fee	33,495.00		33,495.00
Other Purchased Professional Services		16,905.07	16,905.07
Supplies and Materials	13,447.45	9,287.22	22,734.67
Miscellaneous	9,720.37		9,720.37
Depreciation	3,436.53		3,436.53
Write Off Credit Sales	14,578.73		14,578.73
Total Operating Expenses	489,357.83	183,253.55	672,611.38
Operating Income (Loss)	(425,819.11)	(9,916.97)	(435,736.08)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	5,075.49		5,075.49
Federal Sources:			
National School Lunch Program	270,200.56		270,200.56
National School Breakfast Program	70,662.06		70,662.06
After School Snack Program	14,655.26		14,655.26
Food Distribution Program	33,598.67		33,598.67
Interest and Investment Income	58.40	47.95	106.35
Prior Year Payable Cancelled	37,988.00		37,988.00
Total Nonoperating Revenues (Expenses)	432,238.44	47.95	432,286.39
Income (Loss) before Contributions & Transfers	6,419.33	(9,869.02)	(3,449.69)
Changes in Net Position	6,419.33	(9,869.02)	(3,449.69)
Total Net Position - Beginning	90,000.07	16,373.44	106,373.51
Total Net Position - Ending	\$ 96,419.40	6,504.42	102,923.82

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2017

	Business-Type Activities - Enterprise Fund Non Major Funds		
	Food Service	CER Program	Totals Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 48,508.71	164,956.58	213,465.29
Payments to Employees		(157,061.26)	(157,061.26)
Payments for Purchased Contracted Services		(16,658.39)	(16,658.39)
Payments for Suppliers	(434,040.55)	(9,287.22)	(443,327.77)
Net Cash Provided by (Used for) Operating Activities	<u>(385,531.84)</u>	<u>(18,050.29)</u>	<u>(403,582.13)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	5,087.18		5,087.18
Federal Sources	356,149.69		356,149.69
Food Distribution Program	33,598.67		33,598.67
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>394,835.54</u>	<u>-</u>	<u>394,835.54</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
Net Cash (Used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Interest and Investment Income	58.40	47.95	106.35
Net Cash Provided by (Used for) Investing Activities	<u>58.40</u>	<u>47.95</u>	<u>106.35</u>
Net Increase (Decrease) in Cash and Cash Equivalents	9,362.10	(18,002.34)	(8,640.24)
Balance - Beginning of Year	4,099.67	36,057.92	36,057.92
Balance - End of Year	<u>13,461.77</u>	<u>18,055.58</u>	<u>27,417.68</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(425,819.11)	(9,916.97)	(435,736.08)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	3,436.53		3,436.53
(Increase) in Inventory	(246.88)		(246.88)
Increase in Interfund	62,265.46		62,265.46
(Increase) in Accounts Receivable	(15,030.01)		(15,030.01)
(Decrease) Increase in Accounts Payable	(10,137.83)	246.68	(9,891.15)
(Decrease) in Deferred Revenues		(8,380.00)	(8,380.00)
Total Adjustments	<u>40,287.27</u>	<u>(8,133.32)</u>	<u>32,153.95</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (385,531.84)</u>	<u>(18,050.29)</u>	<u>(403,582.13)</u>

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Fiduciary Funds
Statement of Fiduciary Net Position
For the Year Ended June 30, 2017

	Unemployment Compensation	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 174,286.49	27,612.13
Total Assets	174,286.49	27,612.13
 LIABILITIES		
Payable to Student Groups		24,210.78
Accounts Payable	1,609.25	2,941.50
Payroll Deductions & Withholding		459.85
Total Liabilities	1,609.25	27,612.13
 NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	\$ 172,677.24	

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2017

		<u>Unemployment Compensation</u>
ADDITIONS		
Contributions:		
Plan Member	\$	18,326.69
Total Contributions		<u>18,326.69</u>
Investment Earnings:		
Interest		236.53
Net Investment Earnings		<u>236.53</u>
Total Additions		<u>18,563.22</u>
DEDUCTIONS		
Unemployment Claims		6,893.99
Total Deductions		<u>6,893.99</u>
Changes in Net Assets		11,669.23
Net Position - Beginning of the Year		161,008.01
Net Position - End of the Year	\$	<u><u>172,677.24</u></u>

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Board of Education (Board) of the City of Somers Point School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY

The City of Somers Point School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The City of Somers Point School District had an enrollment at June 30, 2017 of 944 students.

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

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

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

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

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**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

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

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

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

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

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

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

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

The following fund types are used by the District:

1. Governmental Funds:

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

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

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

Fund Balances – Governmental Funds

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

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

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

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

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

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

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

2. Proprietary Funds:

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

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

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**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

3. Fiduciary Funds:

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

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

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

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

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

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

2. Investments:

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

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District’s use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2017, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food and Supplies	\$	2,564.81
	\$	<u>2,564.81</u>

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2017 is \$1,063.19.

4. Capital Assets:

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

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

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

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**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

5. Revenues:

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

6. Expenditures:

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

7. Compensated Absences:

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

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

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

8. Interfund Activity:

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

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**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

9. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.

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

Regular Programs - Instruction	
Grades 1 - 5 Salaries of Teachers	\$ 86,352.33
Grades 6 - 8 Salaries of Teachers	(71,468.77)
Regular Programs - Undistributed Instruction	
Salaries of Teachers	38,000.00
Special Education - Instruction	
Resource Room/Resource Center - Other Salaries for Instruction	30,666.31
Bilingual Education - Instruction	
Salaries of Teachers	33,324.46
Undistributed Expenditures -	
Tuition to Other LEAs-Within the State-Regular	45,381.00
Tuition to CSSD & Regional Day Schools	(225,554.19)
Tuition to Private Schools for the Disabled-Within State	50,598.00
Other Support Serv. Students-Extraordinary Services	65,174.00
Required Maint. School Fac.- General Supplies	37,988.00
Student Transportation Serv.-Contr. Serv.-(Bet. Home & School)	52,000.00
Unallocated Benefits - Health Benefits	(267,893.71)
Unallocated Benefits - Other Employee Benefits	105,014.00

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

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

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**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

10. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The final cost is based on agreements with the sending districts with a negotiated amount up to the final cost as determined by State of New Jersey.

11. Tuition Payable:

Tuition charges for the fiscal years 2016/17 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates:

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

13. Allocation of Costs:

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

14. Pensions:

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

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

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

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

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

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83 "Certain Asset Retirement Obligations". This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 "Fiduciary Activities." This statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 85 "Omnibus 2017." This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86 "Certain Debt Extinguishment Issues." This statement, which is effective for reporting periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for reporting periods beginning after December 15, 2019, may have an effect on the District's financial reporting.

NOTE 2 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act at June 30, 2017, the carrying amount of the Board's deposits were \$10,111,408.20 and the bank balance was \$10,220,130.53. Of the School District's bank balance of \$10,220,130.53 as of June 30, 2017, \$234,054.44 was uninsured and uncollateralized.

NOTE 3 – RECEIVABLES

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

	Governmental Fund Financial Statements	District Wide Financial Statements
State Aid	\$ 44,836.64	45,731.30
Federal Aid	156,318.97	217,689.77
Other	44,915.44	83,741.32
Gross Receivables	246,071.05	347,162.39
Less: Allowance for Uncollectibles		
Total Receivables, Net	\$ 246,071.05	347,162.39

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**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

NOTE 4 – INTERFUND TRANSFERS AND BALANCES

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

The following interfund balances remained on the fund financial statements at June 30, 2017.

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 79,428.46	
Special Revenue Fund		17,163.00
Capital Projects Fund		7,322.72
Debt Service Fund	7,322.72	
Food Service Fund		62,265.46
	<u>\$ 86,751.18</u>	<u>86,751.18</u>

The general fund receivable is comprised of two interfunds. The first is due from the special revenue fund in the amount of \$17,163.00 which is result of the general funds loan to cover the special revenue funds cash deficit. The second interfund of \$62,265.46 owed to the Food Service Fund from the General Fund for cash flow purposes and federal and state subsidies collected in the general fund but not turned over to food service by June 30th. The debt service fund receivable is comprised of one interfund. It is due from the capital projects Fund in the amount of \$7,322.72 which is a result of interest earned on the deposits in the Capital Projects Fund.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, was as follows:

	Beginning Balance	Additions	Deletions/ Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 27,012.00			27,012.00
Construction in Progress	-	1,930,703.46		1,930,703.46
Total capital assets not being depreciated	<u>27,012.00</u>	<u>1,930,703.46</u>	<u>-</u>	<u>1,957,715.46</u>
Capital assets being depreciated:				
Land Improvements	165,531.00			165,531.00
Buildings and building improvements	16,277,094.00	4,968.00		16,282,062.00
Equipment	516,424.96	34,378.15	(25,635.16)	525,167.95
Total capital assets being depreciated at historical cost	<u>16,959,049.96</u>	<u>39,346.15</u>	<u>(25,635.16)</u>	<u>16,972,760.95</u>
Less accumulated depreciation for:				
Land Improvements	(111,334.55)	(5,876.55)		(117,211.10)
Buildings and improvements	(5,978,081.78)	(458,456.97)		(6,436,538.75)
Equipment	(365,613.39)	(31,649.46)	25,635.16	(371,627.69)
Total capital assets being depreciated, net of accumulated depreciation	<u>10,504,020.24</u>	<u>(456,636.83)</u>	<u>-</u>	<u>10,047,383.41</u>
Governmental activity capital assets, net	<u>10,531,032.24</u>	<u>\$ 1,474,066.63</u>	<u>\$ -</u>	<u>12,005,098.87</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	161,248.00		6,900.00	168,148.00
Less accumulated depreciation	(116,244.53)	(3,436.53)	(6,900.00)	(126,581.06)
Enterprise Fund capital assets, net	<u>\$ 45,003.47</u>	<u>(3,436.53)</u>	<u>-</u>	<u>41,566.94</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

Depreciation expense is charged to governmental functions as follows:

Regular Instruction	\$ 190,366.91
Special Education	100,348.39
Other Special Instruction	13,444.45
Student & Instruction Related Service	78,660.53
School Administrative Services	20,910.50
General Administrative Services	12,038.04
Plant Operations and Maintenance	50,408.27
Pupil Transportation	16,978.09
Central Services	12,827.80
	<u>\$ 495,982.98</u>

NOTE 6 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2017 are as follows:

	Balance July 1, 2016	Issues or Additions	Payments or Expenditures	Balance June 30, 2017	Amounts Due Within One Year
Compensated Absences	\$ 256,127.36		11,842.37	244,284.99	
Capital Leases Payable	90,555.77	90,000.00	60,570.22	119,985.55	59,037.30
Bonds Payable	2,956,000.00	9,235,000.00	350,000.00	11,841,000.00	360,000.00
Net Pension Liability	<u>4,660,169.00</u>	<u>2,494,959.00</u>	<u>868,654.00</u>	<u>6,286,474.00</u>	
	<u>\$ 7,962,852.13</u>	<u>11,819,959.00</u>	<u>1,291,066.59</u>	<u>18,491,744.54</u>	<u>419,037.30</u>

Compensated absences have been liquidated in the General Fund.

Bonds Payable

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

At June 30, 2017, bonds payable consisted of the following issues:

\$1,523,000 School Bonds dated April 4, 2006, due in annual installments beginning February 1, 2005 through February 1, 2019, bearing interest at 4.10% per annum. The balance remaining as of June 30, 2017 is \$263,000.00.

\$3,443,000 School Bonds dated February 15, 2011, due in annual installments beginning February 15, 2011 through February 15, 2026, bearing interest at variable rates from 2.00% to 4.00% per annum. The balance remaining as of June 30, 2017 is \$2,343,000.00.

\$9,235,000 School Bonds dated December 13, 2016, due in annual installments beginning December 1, 2018 through December 1, 2036, bearing interest at variable rates from 2.50% to 3.50% per annum. The balance remaining as of June 30, 2017 is \$9,235,000.00.

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

Debt service requirements on serial bonds payable at June 30, 2017 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ 635,000.00	511,576.33	1,146,576.33
2019	753,000.00	365,575.50	1,118,575.50
2020	650,000.00	342,895.00	992,895.00
2021	665,000.00	323,170.00	988,170.00
2022	685,000.00	301,820.00	986,820.00
2023-2027	3,503,000.00	1,150,830.00	4,653,830.00
2028-2032	2,750,000.00	655,875.00	3,405,875.00
2033-2036	2,200,000.00	229,762.50	2,429,762.50
	<u>\$ 11,841,000.00</u>	<u>3,881,504.33</u>	<u>15,722,504.33</u>

Capital Leases

The District is leasing security system equipment amounting to \$249,423.00 under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2017:

Fiscal Year Ending June 30,	Amount
2018	\$ 62,927.07
2019	62,927.07
Total minimum lease payments	125,854.14
Less amount representing interest	5,868.59
Present value of lease payments	<u>\$ 119,985.55</u>

NOTE 7 – PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at www.state.nj.us/treasury/pensions/annrprts.shtml

Teachers' Pension and Annuity Fund (TPAF)

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

Public Employees' Retirement System (PERS)

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

Defined Contribution Retirement Program (DCRP)

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.34% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 20.07% and the PERS rate is 12.91% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2017, 2016, and 2015 were \$705,246.00, \$553,221.00, and \$387,213.00, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2017, 2016, and 2015 were \$189,340.00, \$178,479.00, and \$168,466.00 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2017, 2016, and 2015, the State of New Jersey contributed \$703,390.00, \$658,733.00, and \$614,701.00, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$529,094.61, \$541,592.18, and \$566,616.12, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund statements and schedules as revenues and expenditures in accordance in GASB Standards.

For the DCRP, members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary. There were employees enrolled in the DCRP for the year ended June 30, 2017.

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**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

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

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PERS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS and TPAF from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS and TPAF to 1/60th from 1/55th, and it provided that new members of PERS and TPAF have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS and TPAF will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

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

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

NOTE 8 – PUBLIC EMPLOYEES RETIREMENT SYSTEM

At June 30, 2017, the District reported a liability of \$6,286,474.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the District's proportion was 0.02122580280%, which was an increase of 0.00046595660% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$648,413.00. 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	\$ 116,909.00	
Changes of assumptions	1,302,222.00	
Net difference between projected and actual earnings on pension plan investments	239,709	
Changes in proportion and differences between District contributions and proportionate share of contributions	187,706.00	
District contributions subsequent to the measurement date	188,567.00	
Total	<u>\$ 2,035,113.00</u>	<u>\$ -</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

\$188,567.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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,		
2018	\$	417,885.00
2019		417,885.00
2020		477,728.00
2021		399,779.00
2022		133,269.00
Total	\$	<u>1,846,546.00</u>

Actuarial Assumptions

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

Inflation rate	3.08%
Salary increases:	
Through 2026	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 2014 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 Male 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 experience deviates, the larger the impact on future financial statements.

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflations. 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 (Except 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 the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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.

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

The following presents the collective net pension liability of the participated 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	\$ 7,533,734	6,286,474	5,257,858.35

Pension plan fiduciary net position.

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

NOTE 9 – TEACHERS PENSIONS AND ANNUITY FUND (TPAF)

At June 30, 2017, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		54,356,437.00
Total	\$	54,356,437.00

The net pension liability was measured as of June 30, 2016 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2016, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2015.

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**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

For the year ended June 30, 2017, the District recognized pension expense of \$4,084,130.00 and revenue of \$3,533,839.00 for support provided by the State. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 191,553.00	92,959.00
Changes of assumptions	10,850,197.00	
Net difference between projected and actual earnings on pension plan investments	991,361.00	
Changes in proportion and differences between District contributions and proportionate share of contributions		2,748,649.00
District contributions subsequent to the measurement date	550,291.00	
Total	\$ 12,583,402.00	2,841,608.00

\$550,291.00 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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,	
2018	\$ 1,350,274.00
2019	1,350,274.00
2020	1,581,819.00
2021	1,479,351.00
2022	1,249,643.00
Thereafter	2,180,142.00
Total	\$ 9,191,503.00

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation 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 assumptions, applied to all period included in the measurement:

Inflation Rate	2.50%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.65%

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

Pre-retirement, post-retirement and disable mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

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, 20012 to June 30, 2015.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	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 equities	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 - Multi Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.22% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.22%) or 1-percentage point higher (4.22%) 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	\$ -	-	-

Pension plan fiduciary net position.

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

NOTE 10 – POST-RETIREMENT BENEFITS

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 changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

NOTE 11 – COMPENSATED ABSENCES

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, no liability existed for compensated absences in the Food Service Fund and Community Education Recreation Program.

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**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

NOTE 12 – DEFERRED COMPENSATION

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

Lincoln Investments	Valic
Equitable Insurance	Siracusa Insurance

NOTE 13 – CAPITAL RESERVE ACCOUNT

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

Beginning balance, July 1, 2016		\$	100.00
No activity in FY 2017			-
Ending balance, June 30, 2017		<u>\$</u>	<u>100.00</u>

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

NOTE 14 – MAINTENANCE RESERVE ACCOUNT

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

The activity of the Maintenance reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning balance, July 1, 2016		\$	183,500.00
Deposit: June Transfer			100,000.00
Ending balance, June 30, 2017		<u>\$</u>	<u>283,500.00</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

NOTE 15 – RISK MANAGEMENT

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

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

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

Fiscal Year	Interest on Investments	Employee Contributions	Board Contribution	Amount Reimbursed	Ending Balance
2016-2017	\$ 236.53	18,326.69		6,893.99	172,677.24
2015-2016	193.61	17,912.11	40,000.00	7,963.94	161,008.01
2014-2015	70.00	18,206.00		17,889.00	110,866.23

NOTE 16 – CONTINGENT LIABILITIES

Federal and State Grants

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

NOTE 17 – ECONOMIC DEPENDENCY

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

NOTE 18 – LITIGATION

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

NOTE 19 – FUND BALANCE APPROPRIATED

General Fund – Of the \$1,372,633.20 General Fund fund balance, at June 30, 2017, \$108,858.08 is reserved for encumbrances, but not reflected as committed on the balance sheet since the unassigned balance is negative; \$1,182,270.04 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$591,105.00 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2017), \$100.00 has been reserved in the Capital Reserve Account; \$283,500.00 has been reserved in the Maintenance Reserve Account; (\$93,236.84) is classified and Unassigned, after adjusting for the encumbrance amount of \$108,858.08.

NOTE 20 – CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7 as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount of budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$591,165.04. The excess fund balance at June 30, 2016 was \$591,105.00.

NOTE 21 – DEFICIT FUND BALANCES

The District has a deficit unassigned fund balance of (\$23,487.90) in the Special Revenue Fund as of June 30, 2017 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last payment as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties. The District deficit in the Special revenue fund in the GAAP fund statements of (\$23,487.90) is equal to the last state aid payment for that fund.

NOTE 22 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred through October 20, 2017, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements.

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Required Supplementary Information – Part II

Budgetary Comparison Schedules

CITY OF SOMERS POINT SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,613,369.00		9,613,369.00	9,613,369.00	-
Tuition From Other LEAs Within the State	5,765.00		5,765.00	73,053.78	67,288.78
Interest Earned on Maintenance Reserve Funds	-		-	3,521.26	3,521.26
Unrestricted Miscellaneous Revenues	-		-	1,888.45	1,888.45
Total Local Sources	9,619,134.00	-	9,619,134.00	9,691,832.49	72,698.49
State Sources:					
Categorical Special Education Aid	568,696.00		568,696.00	568,696.00	-
Equalization Aid	4,978,335.00		4,978,335.00	4,978,335.00	-
Categorical Security Aid	70,464.00		70,464.00	70,464.00	-
Categorical Transportation Aid	21,570.00		21,570.00	21,570.00	-
Under Adequacy Aid	12,194.00		12,194.00	12,194.00	-
PARCC Readiness Aid	9,890.00		9,890.00	9,890.00	-
Per Pupil Growth Aid	9,890.00		9,890.00	9,890.00	-
Professional Learning Community Aid	9,200.00		9,200.00	9,200.00	-
Extraordinary Aid	-		-	16,283.00	16,283.00
Non-Public Transportation Aid	-		-	1,914.00	1,914.00
TPAF Post Retirement Pension (On-Behalf - Non-Budgeted)	-		-	703,390.00	703,390.00
TPAF Pension (On-Behalf - Non-Budgeted)	-		-	844,176.00	844,176.00
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	-		-	1,856.00	1,856.00
Reimbursed TPAF Social Security Contributions (non-budgeted)	-		-	529,094.61	529,094.61
Total State Sources	5,680,239.00	-	5,680,239.00	7,776,952.61	2,096,713.61
Federal Sources:					
Medical Assistance Program (SEMI)	38,435.00		38,435.00	67,164.39	28,729.39
ARRA - Medical Assistance Program (SEMI)	-		-	4,618.55	4,618.55
Total Federal Sources	38,435.00	-	38,435.00	71,782.94	33,347.94
Total Revenues	15,337,808.00	-	15,337,808.00	17,540,568.04	2,202,760.04
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Kindergarten - Salaries of Teachers	423,376.00	7,937.93	431,313.93	423,187.28	8,126.65
Grades 1 - 5 Salaries of Teachers	2,298,521.00	86,352.33	2,384,873.33	2,384,873.33	-
Grades 6 - 8 Salaries of Teachers	1,719,507.00	(71,468.77)	1,648,038.23	1,643,932.04	4,106.19
Regular Programs - Home Instruction					
Salaries of Teachers	15,000.00	38,000.00	53,000.00	52,999.78	0.22
Purchased Professional - Educational Services	12,000.00	(11,974.00)	26.00		26.00
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	137,338.00	-	137,338.00	135,513.91	1,824.09
Other Purchased Services (400-500 series)	126,930.00	9,691.86	136,621.86	110,261.22	26,360.64
General Supplies	248,596.00	(7,180.38)	241,415.62	207,993.92	33,421.70
Textbooks	2,500.00		2,500.00		2,500.00
Other Objects	470.00		470.00	338.00	132.00
TOTAL REGULAR PROGRAMS - INSTRUCTION	4,984,238.00	51,358.97	5,035,596.97	4,959,099.48	76,497.49
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	52,335.00	506.44	52,841.44	52,311.84	529.60
General Supplies	1,000.00	279.56	1,279.56	389.64	889.92
Total Learning and/or Language Disabilities	53,335.00	786.00	54,121.00	52,701.48	1,419.52
Multiple Disabilities					
Salaries of Teachers	179,349.00	5,711.51	185,060.51	182,695.51	2,365.00
Other Salaries for Instruction	62,812.00	3,671.49	66,483.49	66,128.53	354.96
General Supplies	2,200.00	500.00	2,700.00	622.30	2,077.70
Total Multiple Disabilities	244,361.00	9,883.00	254,244.00	249,446.34	4,797.66

CITY OF SOMERS POINT SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	963,223.00	(28,917.37)	934,305.63	920,342.61	13,963.02
Other Salaries for Instruction	121,558.00	30,666.31	152,224.31	150,954.31	1,270.00
General Supplies	2,000.00	3,000.00	5,000.00	3,173.96	1,826.04
Total Resource Room/Resource Center	<u>1,086,781.00</u>	<u>4,748.94</u>	<u>1,091,529.94</u>	<u>1,074,470.88</u>	<u>17,059.06</u>
Preschool Disabilities - Full-Time					
Salaries of Teachers	58,435.00	1,076.88	59,511.88	58,896.88	615.00
General Supplies	1,900.00		1,900.00	1,900.00	-
Total Preschool Disabilities - Full-Time	<u>60,335.00</u>	<u>1,076.88</u>	<u>61,411.88</u>	<u>60,796.88</u>	<u>615.00</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,444,812.00</u>	<u>16,494.82</u>	<u>1,461,306.82</u>	<u>1,437,415.58</u>	<u>23,891.24</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	38,458.00	(1,769.54)	36,688.46	30,841.95	5,846.51
Total Basic Skills/Remedial - Instruction	<u>38,458.00</u>	<u>(1,769.54)</u>	<u>36,688.46</u>	<u>30,841.95</u>	<u>5,846.51</u>
Bilingual Education - Instruction					
Salaries of Teachers	115,095.00	33,324.46	148,419.46	145,513.12	2,906.34
Total Bilingual Education - Instruction	<u>115,095.00</u>	<u>33,324.46</u>	<u>148,419.46</u>	<u>145,513.12</u>	<u>2,906.34</u>
School-Spon. Co/Extra-curr. Activities - Instruction					
Salaries	50,030.00		50,030.00	49,140.30	889.70
Purchased Services (300-500 series)	2,000.00		2,000.00		2,000.00
Supplies & Materials	1,938.22		1,938.22	938.22	1,000.00
Total School-Spon. Cocurricular Activities - Inst.	<u>53,968.22</u>	<u>-</u>	<u>53,968.22</u>	<u>50,078.52</u>	<u>3,889.70</u>
School-Sponsored Athletics - Instruction					
Salaries	43,410.00		43,410.00	39,610.00	3,800.00
Purchased Services (300-500 series)	1,500.00		1,500.00		1,500.00
Supplies & Materials	5,000.00		5,000.00	3,428.21	1,571.79
Other Objects	5,000.00		5,000.00	3,959.00	1,041.00
Total School-Spon. Cocurricular Athletics - Inst.	<u>54,910.00</u>	<u>-</u>	<u>54,910.00</u>	<u>46,997.21</u>	<u>7,912.79</u>
Summer School - Instruction					
Salaries of Teachers	2,000.00		2,000.00	1,530.29	469.71
Total Summer School - Instruction	<u>2,000.00</u>	<u>-</u>	<u>2,000.00</u>	<u>1,530.29</u>	<u>469.71</u>
Community Services Programs/Operations					
Salaries	73,224.00	2,045.89	75,269.89	75,269.89	-
Total Community Services Programs/Operations	<u>73,224.00</u>	<u>2,045.89</u>	<u>75,269.89</u>	<u>75,269.89</u>	<u>-</u>
TOTAL INSTRUCTION	<u>\$ 6,766,705.22</u>	<u>101,454.60</u>	<u>6,868,159.82</u>	<u>6,746,746.04</u>	<u>121,413.78</u>
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs-Within the State-Regular	\$ 27,965.00	45,381.00	73,346.00	66,656.28	6,689.72
Tuition to Other LEAs-Within the State-Special	27,900.00		27,900.00	25,900.00	2,000.00
Tuition to CSSD & Regional Day Schools	344,034.00	(228,554.19)	115,479.81	85,652.00	29,827.81
Tuition to Private Schools for the Disabled - Within State	120,574.00	50,598.00	171,172.00	170,636.20	535.80
Total Undistributed Expenditures - Instruction	<u>520,473.00</u>	<u>(132,575.19)</u>	<u>387,897.81</u>	<u>348,844.48</u>	<u>39,053.33</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	43,433.00	2,222.39	45,655.39	45,645.28	10.11
Other Purchased Services (400-500)	100.00		100.00		100.00
Total Undist. Expend. - Attend. & Social Worker	<u>43,533.00</u>	<u>2,222.39</u>	<u>45,755.39</u>	<u>45,645.28</u>	<u>110.11</u>
Undistributed Expend. - Health Services					
Salaries	220,050.00	(612.57)	219,437.43	216,242.63	3,194.80
Purchased Professional and Technical Services	1,000.00	150.00	1,150.00	978.00	172.00
Supplies & Materials	6,058.48	2,118.61	8,177.09	7,430.52	746.57
Total Undistributed Expend. - Health Services	<u>227,108.48</u>	<u>1,656.04</u>	<u>228,764.52</u>	<u>224,651.15</u>	<u>4,113.37</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undist. Expend. - Other Support Serv. Students - Speech, OT, PT & Related Services					
Salaries	\$ 225,770.00	(17,909.09)	207,860.91	206,857.93	1,002.98
Purchased Professional - Educational Services	58,700.00	21,710.45	80,410.45	78,498.01	1,912.44
Supplies & Materials	4,900.00		4,900.00	4,729.50	170.50
Total Undist. Expend. - Other Support Services Student - Speech, OT, PT & Related Services	<u>289,370.00</u>	<u>3,801.36</u>	<u>293,171.36</u>	<u>290,085.44</u>	<u>3,085.92</u>
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	18,403.00	22,000.00	40,403.00	35,531.35	4,871.65
Purchased Professional - Educational Services	14,000.00	65,174.00	79,174.00	79,173.64	0.36
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	<u>32,403.00</u>	<u>87,174.00</u>	<u>119,577.00</u>	<u>114,704.99</u>	<u>4,872.01</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	246,817.00	2,235.61	249,052.61	249,052.61	-
Other Purchased Prof. & Tech. Services	12,434.00		12,434.00	12,434.00	-
Supplies & Materials	650.00	(372.75)	277.25	199.95	77.30
Total Undist. Expend. - Other Support Services Students - Regular	<u>259,901.00</u>	<u>1,862.86</u>	<u>261,763.86</u>	<u>261,686.56</u>	<u>77.30</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	379,043.00	(700.00)	378,343.00	358,302.86	20,040.14
Salaries of Secretarial and Clerical Assistants	51,032.00	700.00	51,732.00	51,246.00	486.00
Purchased Professional - Educational Services	28,000.00	(3,987.00)	24,013.00	24,013.00	-
Other Purchased Professional & Tech. Services	5,182.00		5,182.00	5,030.00	152.00
Other Purchased Services (400-500 series)	3,140.00		3,140.00	3,140.00	-
Misc Purch Serv (400-500 series O/t Resid Costs)	1,595.00		1,595.00	1,589.57	5.43
Supplies & Materials	5,100.00		5,100.00	5,013.98	86.02
Other Objects	2,800.00	(213.00)	2,587.00	1,119.00	1,468.00
Total Undist. Expend. - Child Study Teams	<u>475,892.00</u>	<u>(4,200.00)</u>	<u>471,692.00</u>	<u>449,454.41</u>	<u>22,237.59</u>
Undist. Expend. - Improvement of Inst. Services					
Salaries Supervisor of Instruction	92,460.00	1,216.00	93,676.00	93,676.00	-
Salaries of Other Professional Staff	20,000.00	(5,113.83)	14,886.17	11,477.50	3,408.67
Salaries of Secretaries and Clerical Assistants	30,053.00	972.88	31,025.88	31,025.88	-
Other Salaries	34,742.00	2,924.95	37,666.95	37,651.81	15.14
Other Purchased Services (400-500 series)	27,195.00		27,195.00	21,856.55	5,338.45
Supplies & Materials	3,960.00	(20.00)	3,940.00	591.06	3,348.94
Other Objects	800.00	20.00	820.00	820.00	-
Total Undist. Expend. - Improvement of Inst. Serv.	<u>209,210.00</u>	<u>-</u>	<u>209,210.00</u>	<u>197,098.80</u>	<u>12,111.20</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	112,854.00	4,876.00	117,730.00	116,774.84	955.16
Purchased Professional and Technical Services	3,800.00		3,800.00	3,753.30	46.70
Other Purchased Services (400-500 series)	65,720.00	(2,418.65)	63,301.35	62,025.89	1,275.46
Supplies & Materials	15,860.00	(4,286.00)	11,574.00	11,197.94	376.06
Total Undistributed Expenditures - Educational Media Services - School Library	<u>198,234.00</u>	<u>(1,828.65)</u>	<u>196,405.35</u>	<u>193,751.97</u>	<u>2,653.38</u>
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff	27,000.00	(24,900.25)	2,099.75	1,549.75	550.00
Purchased Professional - Educational Services	10,000.00	(10,000.00)	-	-	-
Other Purchased Services (400-500 series)	10,800.00		10,800.00	5,709.44	5,090.56
Supplies & Materials	2,200.00	1,180.38	3,380.38	2,888.96	491.42
Total Undistributed Expenditures - Instructional Staff Training Services	<u>50,000.00</u>	<u>(33,719.87)</u>	<u>16,280.13</u>	<u>10,148.15</u>	<u>6,131.98</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	\$ 188,205.00	-	188,205.00	187,192.32	1,012.68
Legal Services	34,800.00	(3,000.00)	31,800.00	26,964.80	4,835.20
Audit Fees	34,000.00	(5,200.00)	28,800.00	20,500.00	8,300.00
Purchased Professional - Educational Services	15,748.50		15,748.50	15,748.50	-
Purchased Technical Services	17,354.00		17,354.00	17,248.80	105.20
Communications/Telephone	48,100.00		48,100.00	634.51	47,465.49
BOE Other Purchased Services	2,800.00		2,800.00	495.28	2,304.72
Misc. Purch Services (400-500 series)(Other than 530&585)	21,700.00	8,200.00	29,900.00	28,169.61	1,730.39
General Supplies	3,500.00	2,000.00	5,500.00	3,481.45	2,018.55
BOE In-House Training/Meeting Supplies	5,800.00		5,800.00	2,702.40	3,097.60
Miscellaneous Expenditures	2,000.00	270.00	2,270.00	2,270.00	-
BOE Membership Dues and Fees	8,900.00	(270.00)	8,630.00	8,185.85	444.15
Total Undistributed Expenditures - Support Services - General Administration	382,907.50	2,000.00	384,907.50	313,593.52	71,313.98
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals/Prog Dir	344,385.00	24,730.00	369,115.00	363,510.68	5,604.32
Salaries of Secretarial and Clerical Assistants	158,896.00	3,831.77	162,727.77	157,543.78	5,183.99
Other Purchased Services (400-500 series)	16,146.00	(1,576.77)	14,569.23	11,153.51	3,415.72
Supplies & Materials	15,200.00		15,200.00	10,055.23	5,144.77
Other Objects	2,495.00		2,495.00	2,460.00	35.00
Total Undistributed Expenditures - Support Services - School Administration	537,122.00	26,985.00	564,107.00	544,723.20	19,383.80
Undist. Expend - Central Services					
Salaries	219,234.00	22,050.94	241,284.94	241,284.94	-
Purchased Technical Services	13,902.00	1,500.00	15,402.00	14,652.00	750.00
Misc. Purchased Services (400-500 series)(O/T 594)	6,857.00		6,857.00	5,994.25	862.75
Supplies and Materials	15,400.00	(1,500.00)	13,900.00	8,150.60	5,749.40
Miscellaneous Expenditures	3,370.00		3,370.00	2,655.00	715.00
Total Undistributed Expenditures - Central Services	258,763.00	22,050.94	280,813.94	272,736.79	8,077.15
Undis. Expend - Admin. Info Technology					
Salaries	37,142.00	640.00	37,782.00	37,652.08	129.92
Other Purchased Services (400-500 series)	10,800.00		10,800.00	4,401.80	6,398.20
Supplies and Materials	21,098.48		21,098.48	19,376.20	1,722.28
Total Undistributed Expenditures - Administration Information Technology	69,040.48	640.00	69,680.48	61,430.08	8,250.40
Undist. Expend. - Required Maint. School Fac.					
Salaries	145,537.00	4,382.10	149,919.10	149,919.10	-
Cleaning, Repair and Maintenance Service	184,570.00	(20,226.64)	164,343.36	119,595.81	44,747.55
General Supplies	20,000.00	37,988.00	57,988.00	18,133.85	39,854.15
Other Objects	2,775.00		2,775.00	1,880.00	895.00
Total Undistributed Expenditures - Allowable Maintenance for School Facilities	352,882.00	22,143.46	375,025.46	289,528.76	85,496.70
Undistributed Expenditures - Custodial Services					
Salaries	452,992.00	(15,556.40)	437,435.60	435,060.28	2,375.32
Purchased Professional and Technical Services	500.00		500.00	170.00	330.00
Cleaning, Repair and Maintenance Service	7,000.00		7,000.00	6,941.59	58.41
Rental of Land & Bldg. Oth. then Lease Pur Agrmt	2,000.00		2,000.00	2,000.00	-
Other Purchased Property Services	30,004.81		30,004.81	28,982.36	1,022.45
Insurance	123,825.00		123,825.00	118,733.00	5,092.00
Miscellaneous Purchased Services	4,000.00		4,000.00	3,118.80	881.20
General Supplies	52,000.00	3,003.33	55,003.33	54,933.33	70.00
Energy (Natural Gas)	87,626.00	(3,003.33)	84,622.67	55,640.22	28,982.45
Energy (Electricity)	322,182.00		322,182.00	282,645.07	39,536.93
Total Undistributed Expenditures - Custodial Services	1,082,129.81	(15,556.40)	1,066,573.41	988,224.65	78,348.76
Undist. Expend. - Care & Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	4,150.00		4,150.00	3,840.00	310.00
Total Care and Upkeep of Grounds	4,150.00	-	4,150.00	3,840.00	310.00
Undist. Expend. - Security					
Cleaning, Repair and Maintenance Services	31,554.00		31,554.00	31,553.05	0.95
Total Security	31,554.00	-	31,554.00	31,553.05	0.95

**CITY OF SOMERS POINT SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Total Undistributed Expenditures					
Operations and Maintenance of Plant	\$ 1,470,715.81	6,587.06	1,477,302.87	1,313,146.46	164,156.41
Undist. Expend. - Student Transportation Serv.					
Salaries of Non-Instructional Aides	26,910.00		26,910.00		26,910.00
Contr. Serv. - Aid in Lieu Pymts-NonPub Sch	19,448.00		19,448.00	16,796.00	2,652.00
Contr. Serv. - (Oth than Bet Home & Sch)-Vend	33,169.00		33,169.00	27,134.86	6,034.14
Contr. Serv. - (Bet. Home & School) Joint Agrm.	169,833.00	52,000.00	221,833.00	221,033.60	799.40
Contr. Serv. - (Spc Ed. Students) - Joint Agrmt	171,545.00	11,000.00	182,545.00	177,318.40	5,226.60
Total Undistributed Expenditures - Student Transportation Services	420,905.00	63,000.00	483,905.00	442,282.86	41,622.14
Undist. Expend. - Unallocated Benefits					
Social Security Contributions	197,000.00	7,853.08	204,853.08	204,852.23	0.85
TPAF Contributions		1,104.09	1,104.09	1,104.09	-
Other Retirement Contributions - PERS	187,711.00	6,812.00	194,523.00	194,522.21	0.79
Workmen's Compensation	123,825.00		123,825.00	118,733.00	5,092.00
Health Benefits	2,860,635.00	(267,893.71)	2,592,741.29	2,486,971.58	105,769.71
Tuition Reimbursement	35,966.60	-	35,966.60	19,422.25	16,544.35
Other Employee Benefits	121,383.00	105,014.00	226,397.00	133,235.79	93,161.21
Total Unallocated Benefits	3,526,520.60	(147,110.54)	3,379,410.06	3,158,841.15	220,568.91
On-behalf TPAF Postretirement Contributions (non-budgeted)	-		-	703,390.00	(703,390.00)
On-Behalf TPAF Pension Contribution (non-bud)	-		-	844,176.00	(844,176.00)
On-Behalf TPAF Long-Term Disability Insurance Contribution (non-bud)	-		-	1,856.00	(1,856.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-		-	529,094.61	(529,094.61)
Total Personal Services - Unallocated Benefits	-	-	-	2,078,516.61	(2,078,516.61)
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	3,526,520.60	(147,110.54)	3,379,410.06	5,237,357.76	(1,857,947.70)
TOTAL UNDISTRIBUTED EXPENDITURES	8,972,098.87	(101,454.60)	8,870,644.27	10,321,341.90	(1,450,697.63)
TOTAL GENERAL CURRENT EXPENSE	15,738,804.09	-	15,738,804.09	17,068,087.94	(1,329,283.85)
Equipment:					
Undist. Expend. - Admin Info Tech.	20,572.50		20,572.50	6,172.50	14,400.00
Total Equipment	20,572.50	-	20,572.50	6,172.50	14,400.00
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	34,065.00		34,065.00	34,065.00	-
Total Facilities Acquisition and Construction Services	34,065.00	-	34,065.00	34,065.00	-
Assets Acquired Under Capital Lease (non-budget)					
Undistributed Expenditures:					
Equipment:					
Computer and Maintenance Equipment			-	90,000.00	(90,000.00)
Total Assets Acquired Under Capital Lease (non-budget)	-	-	-	90,000.00	(90,000.00)
TOTAL CAPITAL OUTLAY	54,637.50	-	54,637.50	130,237.50	(75,600.00)
Transfer of Funds to Charter Schools	39,717.00		39,717.00	25,417.00	14,300.00
TOTAL EXPENDITURES	15,833,158.59	-	15,833,158.59	17,223,742.44	(1,390,583.85)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(495,350.59)	-	(495,350.59)	316,825.60	812,176.19

CITY OF SOMERS POINT SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Other Financing Sources (Use):					
Local Contribution- Transfer to Special Revenue	(102,433.00)		(102,433.00)	(102,433.00)	-
Assets Acquired by Capital Lease			-	90,000.00	(90,000.00)
Prior Year Receivables Cancelled			-	(56,980.50)	56,980.50
Prior Year Payable			-	(37,988.00)	37,988.00
Total Other Financing Sources (Use)	(102,433.00)	-	(102,433.00)	(107,401.50)	4,968.50
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(597,783.59)	-	(597,783.59)	209,424.10	817,144.69
Fund Balance July 1	1,686,654.20		1,686,654.20	1,686,654.20	
Fund Balance June 30	\$ 1,088,870.61	-	1,088,870.61	1,896,078.30	817,144.69
Recapitulation:					
Nonspendable Fund Balance:					
None					
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Expenditures				591,105.00	
Excess Surplus - Current Year				591,165.04	
Committed Fund Balance					
Maintenance Reserve				283,500.00	
Capital Reserve				100.00	
Assigned Fund Balance:					
Designated by BOE for Subsequent Expenditures					
Year-End Encumbrances				108,858.08	
Unassigned Fund Balance				321,350.18	
				1,896,078.30	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP basis				(523,445.10)	
Fund Balance per Governmental Funds (GAAP)				1,372,633.20	

CITY OF SOMERS POINT SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 476,289.00	83,689.00	559,978.00	518,512.49	(41,465.51)
Federal Sources	759,424.00	184,178.00	943,602.00	849,335.72	(94,266.28)
Total Revenues	<u>1,235,713.00</u>	<u>267,867.00</u>	<u>1,503,580.00</u>	<u>1,367,848.21</u>	<u>(135,731.79)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	667,675.00	29,214.22	696,889.22	674,973.09	21,916.13
Other Salaries for Instruction	144,817.00	(61,895.47)	82,921.53	82,921.53	-
Purchased Professional and Technical Services	33,890.00	2,351.00	36,241.00	36,021.08	219.92
Other Purchased Services (400-500 series)	174,443.00	102,876.00	277,319.00	277,319.00	-
General Supplies	19,384.00	71,199.00	90,583.00	54,445.96	36,137.04
Textbooks	21,500.00	2,594.00	24,094.00	24,094.00	-
Total Instruction	<u>1,061,709.00</u>	<u>146,338.75</u>	<u>1,208,047.75</u>	<u>1,149,774.66</u>	<u>58,273.09</u>
Support Services:					
Salaries of Other Professional Staff	125,132.00	43,813.25	168,945.25	150,506.23	18,439.02
Personal Services - Employee Benefits	117,976.00	(10,737.00)	107,239.00	106,403.54	835.46
Purchased Professional - Educational Services	12,257.00	9,250.00	21,507.00	21,350.00	157.00
Other Purchased Services (400-500 series)	10,300.00	59,252.00	69,552.00	14,207.34	55,344.66
General Supplies	1,672.00	22,450.00	24,122.00	21,439.44	2,682.56
Other Objects	9,100.00	(2,500.00)	6,600.00	6,600.00	-
Total Support Services	<u>276,437.00</u>	<u>121,528.25</u>	<u>397,965.25</u>	<u>320,506.55</u>	<u>77,458.70</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES(cont'd):					
Facilities Acquisitions and Construction Services:					
Instructional Equipment	\$ -	-	-	-	-
Total Facilities Acquisitions and Const. Services:					
Transfers to Charter Schools					
Other Financing Sources (Uses)					
Transfer in from General Fund	102,433.00		102,433.00	102,433.00	-
Total Other Financing Sources (Uses)	102,433.00	-	102,433.00	102,433.00	-
Total Outflows	1,338,146.00	267,867.00	1,606,013.00	1,470,281.21	135,731.79
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-

Notes to the Required Supplementary Information

CITY OF SOMERS POINT SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Notes to the Required Supplementary Information
For the Year Ended June 30, 2017

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

		General Fund		Special Revenue Fund
Sources / inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 17,540,568.04	[C-2]	\$ 1,367,848.21
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Prior Year				28,712.60
Current Year				(60,414.76)
Prior year final State Aid payments were delayed until July 2016 and is recorded as revenue in current year under GAAP.				
		512,811.80		30,259.20
Final State Aid payments were delayed until July 2017 is recorded as budgetary revenue but are not recognized under GAAP.				
		(523,445.10)		(23,487.90)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 17,529,934.74	[B-2]	\$ 1,342,917.35
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 17,223,742.44	[C-2]	\$ 1,470,281.21
Difference - budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.				
Prior Year				28,712.60
Current Year				(60,414.76)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 17,223,742.44	[B-2]	\$ 1,438,579.05

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Required Supplementary Information – Part III

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.0212258028%	0.0207598462%	0.0204353405%	0.0197384249%
District's proportionate of the net pension liability (asset)	\$ 6,286,474	\$ 4,660,169	\$ 3,826,055	\$ 3,772,405
District's covered payroll	\$ 1,418,613	\$ 1,441,882	\$ 1,394,028	\$ 1,420,653
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	443.14%	323.20%	274.46%	265.54%
Plan fiduciary net position as a percentage of the total pension liability	40.14%	47.93%	52.08%	48.72%

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

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 188,567	\$ 178,479	\$ 168,466	\$ 148,725
Contributions in relation to the contractually required contribution	<u>\$ 188,567</u>	<u>\$ 178,479</u>	<u>\$ 168,466</u>	<u>\$ 148,725</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,418,613	\$ 1,441,882	\$ 1,394,028	\$ 1,420,653
Contributions as a percentage of covered-employee payroll	13.29%	12.38%	12.08%	10.47%

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

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>54,356,437</u>	<u>45,267,958</u>	<u>39,510,379</u>	<u>37,827,202</u>
Total	<u>\$ 54,356,437</u>	<u>\$ 45,267,958</u>	<u>\$ 39,510,379</u>	<u>\$ 37,827,202</u>
District's covered payroll	\$ 7,403,055	\$ 7,165,179	\$ 6,906,748	\$ 7,186,899
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

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

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

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Other Supplementary Information

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2017

	Total Brought Forward (Ex. E-1a)	Title I	Title II Part A	Title III	IDEA Part B Basic	IDEA Preschool	Totals 2017
REVENUES:							
State Sources	\$ 518,512.49	-	-	-	-	-	518,512.49
Federal Sources	-	468,474.97	39,267.31	11,065.06	320,094.38	10,434.00	849,335.72
Total Revenues	518,512.49	468,474.97	39,267.31	11,065.06	320,094.38	10,434.00	1,367,848.21
EXPENDITURES:							
Instruction:							
Salaries of Teachers	386,525.14	280,878.95		3,729.00		3,840.00	674,973.09
Other Salaries for Instruction	80,111.00	2,810.53					82,921.53
Purchased Professional and Technical Services	36,021.08				277,319.00		36,021.08
Other Purchased Services (400-500 series)	-	23,065.26		6,158.00			277,319.00
General Supplies	25,222.70						54,445.96
Textbooks	24,094.00						24,094.00
Total Instruction	551,973.92	306,754.74	-	9,887.00	277,319.00	3,840.00	1,149,774.66
Support Services:							
Salaries of Other Professional Staff	24,729.00	68,791.92	25,587.31	148.00	26,250.00	5,000.00	150,506.23
Personal Services - Employee Benefits	23,342.57	62,664.97	2,066.00	391.00	16,345.00	1,594.00	106,403.54
Purchased Professional - Educational Services	-	12,100.00	9,250.00				21,350.00
Other Purchased Services (400-500 series)	-	11,563.34	2,364.00	280.00	180.38		14,207.34
General Supplies	20,900.00	6,600.00		359.06			21,439.44
Other Objects	-						6,600.00
Total Support Services	68,971.57	161,720.23	39,267.31	1,178.06	42,775.38	6,594.00	320,506.55
Facilities Acquisition and Constr. Services:							
Instructional Equipment	-						-
Total Facilities Acquisition and Constr. Services	-	-	-	-	-	-	-
Contribution to Charter Schools	-						-
Total Outflows	620,945.49	468,474.97	39,267.31	11,065.06	320,094.38	10,434.00	1,470,281.21
Other Financing Sources (Uses)							
Transfer from Operating Budget - PreK	102,433.00						102,433.00
Total Other Financing Sources (Uses)	102,433.00	-	-	-	-	-	102,433.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-	-	-

CITY OF SOMERS POINT SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2017

	Total Brought Forward (Ex. E-1b)	Nonpublic Security	Nonpublic Corrective Speech	Nonpublic Auxillary Basic Skills	Nonpublic Technology	Total Carried Forward
REVENUES:						
State Sources	\$ 310,106.36	20,900.00	22,088.00	154,550.13	10,868.00	518,512.49
Federal Sources	-					-
Total Revenues	310,106.36	20,900.00	22,088.00	154,550.13	10,868.00	518,512.49
EXPENDITURES:						
Instruction:						
Salaries of Teachers	249,638.71		22,088.00	114,798.43		386,525.14
Other Salaries for Instruction	80,111.00					80,111.00
Purchased Professional and Technical Services	36,021.08					36,021.08
Other Purchased Services (400-500 series)	-			14,354.70	10,868.00	-
General Supplies	-					25,222.70
Textbooks	24,094.00					24,094.00
Total Instruction	389,864.79	-	22,088.00	129,153.13	10,868.00	551,973.92
Support Services:						
Salaries of Other Professional Staff	13,173.00			11,556.00		24,729.00
Personal Services - Employee Benefits	9,501.57			13,841.00		23,342.57
Purchased Professional - Educational Services	-					-
Other Purchased Services (400-500 series)	-	20,900.00				-
General Supplies	-					-
Other Objects	-					-
Total Support Services	22,674.57	20,900.00	-	25,397.00	-	68,971.57
Facilities Acquisition and Constr. Services:						
Instructional Equipment	-					-
Total Facilities Acquisition and Constr. Services	-	-	-	-	-	-
Contribution to Charter Schools						
Total Outflows	412,539.36	20,900.00	22,088.00	154,550.13	10,868.00	620,945.49
Other Financing Sources (Uses)						
Transfer from Operating Budget - PreK	102,433.00					102,433.00
Total Other Financing Sources (Uses)	102,433.00	-	-	-	-	102,433.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-	-

CITY OF SOMERS POINT SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2017

	Nonpublic Supplementary Instruction	Nonpublic Exam & Class	Nonpublic Textbooks	Nonpublic Nurse	Preschool Education Aid	Total Carried Forward
REVENUES:						
State Sources	\$ 5,630.71	13,173.00	24,094.00	36,021.08	231,187.57	310,106.36
Federal Sources						-
Total Revenues	<u>5,630.71</u>	<u>13,173.00</u>	<u>24,094.00</u>	<u>36,021.08</u>	<u>231,187.57</u>	<u>310,106.36</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	5,630.71					249,638.71
Other Salaries for Instruction					244,008.00	80,111.00
Purchased Professional and Technical Services				36,021.08		36,021.08
Other Purchased Services (400-500 series)						-
General Supplies			24,094.00			-
Textbooks						24,094.00
Total Instruction	<u>5,630.71</u>	<u>-</u>	<u>24,094.00</u>	<u>36,021.08</u>	<u>324,119.00</u>	<u>389,864.79</u>
Support Services:						
Salaries of Other Professional Staff		13,173.00				13,173.00
Personal Services - Employee Benefits					9,501.57	9,501.57
Purchased Professional - Educational Services						-
Other Purchased Services (400-500 series)						-
General Supplies						-
Other Objects						-
Total Support Services	<u>-</u>	<u>13,173.00</u>	<u>-</u>	<u>-</u>	<u>9,501.57</u>	<u>22,674.57</u>
Facilities Acquisition and Constr. Services:						
Instructional Equipment						-
Total Facilities Acquisition and Constr. Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution to Charter Schools						
Total Outflows	<u>5,630.71</u>	<u>13,173.00</u>	<u>24,094.00</u>	<u>36,021.08</u>	<u>333,620.57</u>	<u>412,539.36</u>
Other Financing Sources (Uses)						
Transfer from Operating Budget - Prek					102,433.00	102,433.00
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,433.00</u>	<u>102,433.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT
 Special Revenue Fund
 Preschool Education Aid
 Budgetary Basis
 For the Year Ended June 30, 2017**

<u>District-Wide Total</u>	<u>Total</u>		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 247,383.00	244,008.00	3,375.00
Other Salaries for Instruction	80,111.00	80,111.00	-
Total Instruction	<u>327,494.00</u>	<u>324,119.00</u>	<u>3,375.00</u>
Support Services:			
Personal Services - Employee Benefits	9,818.00	9,501.57	316.43
Total Support Services	<u>9,818.00</u>	<u>9,501.57</u>	<u>316.43</u>
Total Expenditures	<u>\$ 337,312.00</u>	<u>333,620.57</u>	<u>3,691.43</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2016-17 Preschool Education Aid Allocation	234,879.00
Add: Actual ECPA/PEA Carryover (June 30, 2016)	-
Add: Budgeted Transfer from the General Fund 2016-17	<u>102,433.00</u>
Total Preschool Education Aid Funds Available for 2016-17 Budget	337,312.00
Less: 2016-17 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(337,312.00)</u>
Available & Unbudgeted Preschool Education Aid Funds as June 30, 2017	-
Add: June 30, 2017 Unexpended Preschool Education Aid	<u>3,691.43</u>
2016-17 Carryover – Preschool Education Aid/Preschool	<u>3,691.43</u>
2016-17 Preschool Education Aid Carryover Budgeted for Preschool Programs 2017-18	<u><u> </u></u>

CAPITAL PROJECTS FUND DETAIL STATEMENTS

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Capital Projects Funds
Summary Schedule of Project Expenditures
For the Year Ended June 30, 2017

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Cumulative SDA Grants Canceled	Cumulative Transferred to Debt Service Fund	Unexpended Balance June 30, 2017
			Prior Years	Current Year			
Jordan Road Elementary School: Replacement of Exterior Windows	12/14/2010	\$ 572,582.00	458,337.00	-	74,851.00	39,382.25	11.75
New York Avenue, Dawes Avenue and Jordan Road Schools: HVAC Project		9,235,000.00		1,930,703.46			7,304,296.54
		<u>\$ 9,807,582.00</u>	<u>458,337.00</u>	<u>1,930,703.46</u>	<u>74,851.00</u>	<u>39,382.25</u>	<u>7,304,308.29</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Capital Projects Funds
Summary Schedule of Project Revenues, Expenditures, and
Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2017

Revenues and Other Financing Sources:	
Sale of Bonds	\$ 9,235,000.00
Miscellaneous	7,245.31
	<hr/>
Total Revenues	9,242,245.31
Expenditures and Other Financing Uses:	
Other Purchased Professional and Technical Services	-
Construction Services	1,317,559.87
Legal Services	57,892.59
Architectural/Engineering Services	538,440.00
Other Objects	16,811.00
	<hr/>
Total Expenditures	1,930,703.46
Excess (deficiency) of revenues over (under) expenditures	<hr/> 7,311,541.85
Other Financing Sources (Uses):	
Transfer Out to the Debt Service Fund	<hr/> (7,245.31)
Total Other Financing Sources (Uses)	<hr/> (7,245.31)
Excess (Deficiency) of revenues and other financing sources sources over (under) expenditures and other financing sources (uses)	7,304,296.54
Fund Balance - July 1	<hr/> 11.75
Fund Balance - June 30	<hr/> <hr/> \$ 7,304,308.29

CITY OF SOMERS POINT SCHOOL DISTRICT
Capital Projects Funds
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Jordan Road Elementary School - Replacement of Exterior Windows
From Inception and for the Year Ended June 30, 2017

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Capital Projects Funds
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
New York Avenue, Dawes Avenue and Jordan Road Schools - HVAC Project
From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Sale of Bonds	\$ -	9,235,000.00	9,235,000.00	9,235,000.00
Miscellaneous	-	7,245.31	7,245.31	
Total Revenues	-	9,242,245.31	9,242,245.31	9,235,000.00
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	-		-	151,175.00
Construction Services	-	1,317,559.87	1,317,559.87	7,388,000.00
Legal Services	-	57,892.59	57,892.59	69,500.00
Architectural/Engineering Services	-	538,440.00	538,440.00	653,695.00
Other Objects	-	16,811.00	16,811.00	972,630.00
Total Expenditures	-	1,930,703.46	1,930,703.46	9,235,000.00
Excess (deficiency) of revenues over (under) expenditures	-	7,311,541.85	7,311,541.85	-
Other Financing Sources (Uses):				
Transfer Out to the Debt Service Fund	-	(7,245.31)	(7,245.31)	
Excess (Deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	\$ -	7,304,296.54	7,304,296.54	-

Additional Project Information:

Project Number	4800-060-16-1000/4800-055-16-1000/4800-050-16-1000
Grant Date	6/9/2016
Bond Authorization Date	10/20/2016
Bonds Authorized	9,235,000
Bonds Issued	9,235,000
Original Authorized Cost	9,235,000
Additional Authorized Cost	-
Revised Authorized Cost	9,235,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	21%
Original Target Completion Date	
Revised Target Completion Date	

FIDUCIARY FUNDS DETAIL STATEMENTS

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

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

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

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

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2017

	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>	<u>Totals</u>
ASSETS			
Cash and Cash Equivalents	\$ 174,286.49	27,612.13	201,898.62
Total Assets	<u>174,286.49</u>	<u>27,612.13</u>	<u>201,898.62</u>
LIABILITIES			
Payable to Student Groups		24,210.78	24,210.78
Accounts Payable	1,609.25	2,941.50	4,550.75
Payroll Deductions & Withholding		459.85	459.85
Total Liabilities	<u>1,609.25</u>	<u>27,612.13</u>	<u>29,221.38</u>
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	\$ <u>172,677.24</u>		<u>172,677.24</u>
Total Net Assets			<u>172,677.24</u>
Total Liabilities and Net Assets			<u>201,898.62</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2017

	Unemployment Compensation Trust	Totals
	<u>Trust</u>	<u>Totals</u>
ADDITIONS		
Contributions:		
Plan Member	\$ 18,326.69	18,326.69
Total Contributions	<u>18,326.69</u>	<u>18,326.69</u>
Investments Earnings:		
Interest	236.53	236.53
Net Investment Earnings	<u>236.53</u>	<u>236.53</u>
Total Additions	<u>18,563.22</u>	<u>18,563.22</u>
Deductions		
Unemployment Claims	6,893.99	6,893.99
Total Deductions	<u>6,893.99</u>	<u>6,893.99</u>
Change in Net Assets	11,669.23	11,669.23
Net Assets - Beginning of the Year	<u>161,008.01</u>	<u>161,008.01</u>
Net Assets - End of the Year	<u>\$ 172,677.24</u>	<u>172,677.24</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2017

	<u>Balance</u> <u>June 30, 2016</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
Elementary Schools:				
Cash and Cash Equivalents	\$ 24,024.76	39,703.52	36,576.00	27,152.28
Total Assets	<u>\$ 24,024.76</u>	<u>39,703.52</u>	<u>36,576.00</u>	<u>27,152.28</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2017

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS:				
Cash and Cash Equivalents	\$ -	4,989,079.61	4,988,619.76	459.85
Total Assets	<u>-</u>	<u>4,989,079.61</u>	<u>4,988,619.76</u>	<u>459.85</u>
LIABILITIES:				
Payroll Deductions & Withholding	-	4,989,079.61	4,988,619.76	459.85
Total Liabilities	<u>\$ -</u>	<u>4,989,079.61</u>	<u>4,988,619.76</u>	<u>459.85</u>

LONG-TERM DEBT SCHEDULES

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2017

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds				Balance June 30, 2017
			Date	Outstanding June 30, 2017	Interest Rate	Balance June 30, 2016	
Renovations Project	4/4/2005	\$ 1,523,000	2/1/2018	\$ 140,000	4.100%	\$ 403,000.00	263,000.00
			2/1/2019	123,000	4.100%		
Renovations Project	2/15/2011	3,443,000	2/15/2018	220,000	3.000%	2,553,000.00	2,343,000.00
			2/15/2019	230,000	4.000%		
			2/15/2020	240,000	4.000%		
			2/15/2021	250,000	4.000%		
			2/15/2022	265,000	4.000%		
			2/15/2023	275,000	4.000%		
Renovations Project	12/13/2016	9,235,000.00	12/1/2018	275,000	2.500%	-	9,235,000.00
			12/1/2019	400,000	2.500%		
			12/1/2020	410,000	2.500%		
Renovations Project	12/1/2021	9,235,000.00	12/1/2021	415,000	3.000%		9,235,000.00
			12/1/2022	420,000	3.000%		
			12/1/2023	425,000	3.000%		
			12/1/2024	425,000	3.000%		
			12/1/2025	425,000	3.000%		
			12/1/2026	540,000	3.000%		
			12/1/2027	550,000	3.000%		
			12/1/2028	550,000	3.000%		
			12/1/2029	550,000	3.000%		
			12/1/2030	550,000	3.000%		
			12/1/2031	550,000	3.000%		
			12/1/2032	550,000	3.100%		
			12/1/2033	550,000	3.200%		
			12/1/2034	550,000	3.250%		
12/1/2035	550,000	3.300%					
12/1/2036	550,000	3.500%					
						<u>9,235,000.00</u>	<u>11,841,000.00</u>
						<u>\$ 2,956,000.00</u>	<u>350,000.00</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Schedule of Obligations Under Capital Lease
As of June 30, 2017

Description	Amount of Original Issue	Balance June 30, 2016	Issued Current Year	Retired Current Year	Balance June 30, 2017
Security System	\$ 159,423.00	\$ 90,555.77		29,516.45	61,039.32
Computer and Maintenance Equipment	90,000.00	-	90,000.00	31,053.77	58,946.23
		<u>\$ 90,555.77</u>	<u>90,000.00</u>	<u>60,570.22</u>	<u>119,985.55</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 458,543.00		458,543.00	458,543.00	-
Total - Local Sources	458,543.00	-	458,543.00	458,543.00	-
Total Revenues	458,543.00	-	458,543.00	458,543.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	114,343.00		114,343.00	114,343.00	-
Redemption of Principal	350,000.00		350,000.00	350,000.00	-
Total Regular Debt Service	464,343.00	-	464,343.00	464,343.00	-
Total Expenditures	464,343.00	-	464,343.00	464,343.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,800.00)	-	(5,800.00)	(5,800.00)	-
Other Financing Sources(Uses):					
Operating Transfers In:					
Transfer from Capital Projects	-		-	7,245.31	7,245.31
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	(5,800.00)	-	(5,800.00)	1,445.31	7,245.31
Fund Balance, July 1	5,877.82		5,877.82	5,877.82	-
Fund Balance, June 30	\$ 77.82	-	77.82	7,323.13	7,245.31

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Statistical Section

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

Exhibit J-1

	2008	2009	2010	2011	2012	2013	2014 *	2015	2016	2017
\$	4,303,442	5,041,078	5,852,699	3,660,228	7,757,099	7,651,778	7,654,586	7,581,123	7,484,476	44,113
Invested in capital assets, net of related debt	795,797	1,120,692	997,328	3,424,885	866,143	448,518	271,089	1,221,297	1,335,356	1,465,870
Restricted	(307,654)	(337,244)	(650,373)	358,950	669,088	770,913	(2,592,049)	(4,038,226)	(4,461,585)	2,213,587
Unrestricted	4,791,585	5,824,526	6,289,653	7,444,092	9,292,330	8,871,209	5,333,627	4,764,194	4,358,248	3,723,570
Total governmental activities net position										
Business-type activities										
Invested in capital assets, net of related debt								49,770	45,003	41,567
Restricted	59,080	87,281	34,280	1,689	2,141	5,585	16	31,280	61,370	61,357
Unrestricted	59,080	87,281	34,280	1,689	2,141	5,585	16	81,050	106,374	102,924
Total business-type activities net position										
District-wide										
Invested in capital assets, net of related debt	4,303,442	5,041,078	5,852,699	3,660,228	7,757,099	7,651,778	7,654,586	7,630,893	7,529,480	85,680
Restricted	795,797	1,120,692	997,328	3,424,885	866,143	448,518	271,089	1,221,297	1,335,356	1,465,870
Unrestricted	(248,574)	(249,964)	(626,093)	360,669	671,229	776,488	(2,692,032)	(4,006,946)	(4,400,215)	2,274,944
Total district net position	4,850,665	5,911,807	6,323,933	7,445,752	9,294,471	8,878,794	5,333,643	4,845,244	4,484,621	3,826,494

* as restated

Source: CAFR Schedule A-1

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

Exhibit J-2

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
Instruction:										
Regular	6,314,548	6,606,506	6,921,451	7,073,713	6,644,725	7,124,442	7,080,981	8,270,608	8,452,784	9,189,237
Special education	2,721,629	2,376,461	3,240,279	3,349,398	2,791,730	3,307,683	3,296,418	3,966,027	4,316,931	4,746,136
Other special instruction	589,856	357,033	337,139	361,430	327,018	363,029	385,511	447,895	573,895	660,415
Support Services:										
Tuition	469,064	449,947	446,018	178,645	393,091	361,795	428,506	504,975	354,871	348,844
Student & instruction related services	1,969,075	2,346,504	2,426,798	2,283,288	2,482,682	2,463,182	2,501,100	3,085,494	3,454,182	3,664,563
General administrative services	603,896	504,463	423,563	427,830	400,038	762,021	759,152	808,478	838,546	928,691
School administrative services	613,267	537,843	648,361	669,601	687,089	422,431	417,584	407,635	461,274	477,700
Central services	431,140	360,241	334,019	345,635	371,134	372,547	392,303	486,724	534,663	549,162
Plant operations and maintenance	1,299,196	1,219,804	1,237,252	1,247,037	1,680,859	1,987,523	1,993,943	1,772,395	1,987,073	1,990,805
Pupil transportation	307,132	266,427	290,119	250,453	366,660	392,669	511,432	539,849	428,569	469,281
Food Service	25,263	24,922	26,987	27,884	30,000	29,794	31,193			
Charter Schools	53,006	37,419	109,285	31,823				25,857	39,717	25,417
Interest on long-term debt	199,517	159,117	117,934	90,665	209,236	128,677	142,486	133,231	121,692	371,958
Unallocated depreciation	2,174	2,174	2,174	2,174						
Total governmental activities expenses	15,598,564	15,248,862	16,561,389	16,339,275	16,384,262	17,715,793	17,540,619	20,449,168	21,563,997	23,412,189
Business-type activities:										
Food Service	324,775	243,475	269,397	178,420	169,262	186,048	179,627	174,287	429,714	489,358
Community Education Recreation Program	324,775	243,475	269,397	178,420	169,262	186,048	179,627	174,287	166,005	183,254
Total business-type activities expenses	15,923,339	15,492,337	16,830,786	16,517,695	16,553,524	17,901,841	17,720,246	21,014,144	22,159,717	24,084,800
Program Revenues										
Governmental activities:										
Charges for services										
Operating grants and contributions	4,861,386	2,532,296	2,769,460	1,663,147	39,647	69,515	82,948	82,414	139,241	73,054
Capital grants and contributions				206,886	1,720,018	1,392,851	2,791,752	4,854,143	5,590,479	7,050,942
Total governmental activities program revenues	4,861,386	2,532,296	2,769,460	1,870,033	2,441,727	1,462,366	2,874,700	4,936,557	5,729,721	7,123,995
Business-type activities:										
Charges for services:										
Food Service										
Community Education Recreation Program	252,339	271,676	216,396	145,830	169,714	189,492	174,058	178,916	46,036	63,539
Operating grants and contributions									177,734	173,337
Capital grants and contributions									398,394	394,192
Total business-type activities program revenue	252,339	271,676	216,396	145,830	169,714	189,492	174,058	631,638	622,163	631,067
Total district program revenue	5,113,725	2,803,972	2,985,856	2,015,863	2,911,441	1,651,858	3,048,758	5,568,195	6,351,884	7,755,063

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

Exhibit J-2

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Governmental activities	(10,737,179)	(12,716,566)	(13,791,929)	(14,469,242)	(13,842,535)	(16,253,427)	(14,665,919)	(15,512,611)	(15,834,277)	(16,288,193)
Business-type activities	(72,435)	28,201	(53,001)	(32,591)	452	3,444	(5,569)	66,662	26,444	(41,544)
Total district-wide net expense	<u>(10,809,614)</u>	<u>(12,688,365)</u>	<u>(13,844,930)</u>	<u>(14,501,832)</u>	<u>(13,642,083)</u>	<u>(16,249,983)</u>	<u>(14,671,488)</u>	<u>(15,445,949)</u>	<u>(15,807,833)</u>	<u>(16,329,737)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	7,725,264	7,726,935	7,794,737	7,816,157	8,078,673	8,383,479	8,711,622	8,949,548	9,383,122	9,613,389
Taxes levied for debt service	849,263	819,451	826,393	859,124	459,463	459,919	288,892	299,067	369,202	458,543
Unrestricted grants and contributions	2,701,025	5,094,808	5,573,303	6,867,315	7,035,503	7,016,628	5,729,528	5,681,557	5,681,344	5,663,917
Investment earnings	46,067	13,727	9,876	11,487	1,000	5,252	268	1,724	3,046	10,873
Miscellaneous income	78,911	94,585	52,547	69,598	13,484	8,601	21,707	11,292	2,621	1,898
Transfers	(85,754)	-	-	-	(97,450)	(24,179)	-	-	-	-
Prior Year Receivables Cancelled										(56,981)
Prior Year Payable										(37,988)
Special Item - NonCash Equipment									(11,004)	
Total governmental activities	<u>11,314,776</u>	<u>13,749,507</u>	<u>14,257,066</u>	<u>15,623,681</u>	<u>15,490,773</u>	<u>15,849,700</u>	<u>14,752,017</u>	<u>14,943,178</u>	<u>15,428,331</u>	<u>15,653,622</u>
Business-type activities:										
Transfers	85,754	-	-	-	-	-	-	14,372	(1,120)	-
Special Item - NonCash Equipment										37,988
Prior Year Payable										
Total business-type activities	<u>85,754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,372</u>	<u>(1,120)</u>	<u>37,988</u>
Total district-wide	<u>11,400,530</u>	<u>13,749,507</u>	<u>14,257,066</u>	<u>15,623,681</u>	<u>15,490,773</u>	<u>15,849,700</u>	<u>14,752,017</u>	<u>14,957,550</u>	<u>15,427,211</u>	<u>15,691,610</u>
Changes in Net Position										
Governmental activities	577,597	1,032,941	465,127	1,154,439	1,848,238	(403,727)	86,098	(569,433)	(405,946)	(634,571)
Business-type activities	13,319	28,201	(53,001)	(32,591)	452	3,444	(5,569)	81,034	25,324	(3,556)
Total district	<u>590,916</u>	<u>1,061,142</u>	<u>412,127</u>	<u>1,121,848</u>	<u>1,848,690</u>	<u>(400,283)</u>	<u>80,529</u>	<u>(488,399)</u>	<u>(380,622)</u>	<u>(638,128)</u>

Source: CAFR Schedule A-2

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

Exhibit J-3

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Restricted				1,015,083	1,044,855	1,205,131	1,132,183	987,797	1,051,756	1,182,270
Committed			(151,948)		244,129	250,100	205,100	183,600	183,600	283,600
Assigned				288,171	235,784	(201,929)	50,000	49,900	100,000	-
Unassigned				(185,754)	(189,216)		63,047	(126,447)	(161,514)	(93,237)
Reserved	857,848	1,169,043	1,031,195							
Unreserved	179,439	53,976	(151,948)							
Permanent fund	1,037,287	1,223,019	879,247	1,117,500	1,335,552	1,253,302	1,450,330	1,094,850	1,173,542	1,372,633
Total general fund										
All Other Governmental Funds										
Restricted										
Capital Projects Fund				(1,106,277)	6,714	439,529	267,947	96,870		7,304,308
Debt Service Fund				844		3,119	3,142	5,823	12	7,323
Committed				4,241,083						
Assigned										
Unassigned										
Reserved				(28,172)	591,465	5,870	(30,256)	(30,654)	(30,259)	(23,488)
Unreserved, reported in:					(27,791)	(34,524)				
Special revenue fund	(48,045)	(26,523)	(26,645)							
Capital projects fund										
Debt service fund	352									
Permanent fund										
Total all other governmental funds										
	\$ (47,693)	\$ (26,523)	\$ (26,645)	\$ 3,107,478	\$ 570,388	\$ 413,994	\$ 240,833	\$ 72,039	\$ (24,370)	\$ 7,288,144

Source: CAFR Schedule B-1

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax Levy	8,574,527	8,546,386	8,621,130	8,675,281	8,538,136	8,843,398	9,000,514	9,248,615	9,752,324	10,071,912
Tuition charges	12,402	13,681	35,667	37,226	39,647	69,515	82,948	82,414	139,241	73,054
Interest earnings	46,067	13,727	9,876	11,487	1,000	5,252	268	1,724	3,046	10,767
Miscellaneous	66,509	80,904	16,881	32,372	13,484	8,601	21,707	11,282	2,621	1,888
State sources	6,809,816	6,838,579	6,037,644	7,006,920	8,729,524	7,591,497	7,590,786	7,791,431	7,967,263	8,311,814
Federal sources	752,594	788,526	2,305,319	1,523,543	1,008,159	874,178	930,494	1,005,453	925,458	869,206
Total revenue	16,261,915	16,281,803	17,026,516	17,286,828	18,329,950	17,392,441	17,626,717	18,140,919	18,789,953	19,336,640
Expenditures										
Instruction:										
Regular instruction	5,343,861	4,890,007	4,978,785	4,806,047	4,876,392	4,738,254	4,884,301	5,150,780	4,829,866	4,959,099
Special education instruction	2,446,532	1,787,734	2,493,013	2,460,873	2,049,202	2,273,266	2,238,596	2,482,599	2,508,340	2,614,097
Other special education instruction	473,538	259,623	241,440	252,552	240,040	241,746	260,998	274,544	324,498	350,231
Support Services:										
Tuition	469,064	449,947	446,018	178,645	288,539	361,795	428,506	504,975	354,871	348,844
Student & instruction related services	1,650,622	1,830,866	1,881,365	1,824,070	1,822,353	1,739,926	1,840,504	1,971,361	2,071,638	2,049,124
General administrative services	492,499	395,967	323,956	331,221	293,638	325,871	317,565	313,859	314,968	313,594
School administrative services	484,973	414,544	458,220	484,299	504,341	510,150	513,662	551,423	512,709	544,723
Central services	346,237	269,382	244,141	248,973	272,421	255,554	276,740	348,008	334,059	334,167
Plant operations and maintenance	1,286,353	1,100,230	1,091,886	1,095,620	1,233,794	1,607,967	1,301,411	1,395,058	1,421,562	1,313,146
Pupil transportation	296,686	254,388	282,867	243,794	269,138	368,407	491,418	511,604	399,667	442,283
Food Service Program	25,263	24,922	26,997	27,884	30,000	29,794	31,193	25,857	39,717	25,417
Food Service	1,586,364	3,245,593	3,610,039	3,728,427	4,010,958	4,507,543	4,387,630	4,546,229	5,170,087	5,237,358
Unallocated employee benefits	53,006	37,419	109,285	31,523	-	-	-	25,857	39,717	25,417
Charter schools	155,604	71,460	129,992	591,856	4,297,306	290,149	163,463	270,796	59,305	2,060,941
Capital outlay	870,000	870,000	920,000	962,000	295,000	305,000	320,000	330,000	340,000	350,000
Debt service:										
Principal	213,217	172,817	132,417	89,667	164,463	155,763	146,863	137,523	126,083	114,343
Interest and other charges	16,193,819	16,074,901	17,370,410	17,357,452	20,647,585	17,711,185	17,602,850	18,824,616	18,807,369	21,057,368
Total Expenditures	68,096	206,902	(343,894)	(70,624)	(2,317,635)	(318,744)	23,867	(683,697)	(17,416)	(1,718,728)
Excess (Deficiency) of revenues over (under) expenditures										
Other Financing Sources (Uses)										
Transfers in	-	1	-	844	5,870	3,119	233,408	234,348	96,935	109,678
Transfers out	(85,754)	(1)	-	(844)	(5,870)	(3,119)	(233,408)	(234,348)	(96,935)	(109,678)
Capital Leases (non-budgeted)	121,032	-	-	-	-	136,296	-	159,423	-	90,000
Canceled accounts receivable	-	-	-	-	-	(56,196)	-	-	-	(56,981)
Bond proceeds	-	-	-	3,443,000	-	-	-	-	-	9,235,000
Prior Year Payable	-	-	-	-	-	80,100	-	159,423	-	(37,988)
Total other financing sources (uses)	35,278	-	-	3,443,000	-	80,100	-	159,423	-	9,230,032
Net change in fund balances	103,374	206,902	(343,894)	3,372,376	(2,317,635)	(238,644)	23,867	(524,274)	(17,416)	7,511,304
Debt service as a percentage of noncapital expenditures	6.75%	6.52%	6.10%	6.27%	2.81%	2.64%	2.68%	2.52%	2.49%	2.44%

Source: CAFR Schedule B-2

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Totals</u>
2008	\$ 46,066.75	12,402.40		66,508.72	124,977.87
2009	13,726.82	13,681.48		80,903.94	108,312.24
2010	9,875.82	35,666.79		16,880.64	62,423.25
2011	9,792.53	37,226.41		32,371.60	79,390.54
2012	1,000.00	39,647.00		13,484.00	54,131.00
2013	3,588.00	69,515.00		8,601.00	81,704.00
2014	245.00	82,948.00		21,707.00	104,900.00
2015	1,664.00	82,414.00		11,282.00	95,360.00
2016	3,521.26	139,241.49		2,620.72	145,383.47
2017	10,766.57	73,053.78		1,888.45	85,708.80

Source: District Records

Exhibit J-6

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	O Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2008 \$	12,735,000	469,806,200			172,679,800		41,205,100	696,426,100		1,813,810	698,239,910	1.226	1,498,690,513
2009	11,560,500	473,264,900			172,297,300		41,205,100	698,327,800		1,685,627	700,013,427	1.226	1,586,612,482
2010	9,673,000	475,701,700			164,782,600		41,205,100	691,362,400		1,786,733	693,149,133	1.248	1,483,674,622
2011	9,424,200	473,997,500			163,589,400		40,905,100	687,916,200		1,796,796	689,712,996	1.247	1,403,648,108
2012	9,416,400	473,012,000			162,959,800		40,397,100	685,765,300		1,918,493	687,703,793	1.264	1,303,189,532
2013	8,351,400	473,381,500			159,401,300		40,372,100	681,506,300		1,521,274	683,027,574	1.306	1,290,761,884
2014	11,663,100	814,795,100			290,337,600		71,576,000	1,188,371,800		-	1,188,371,800	0.768	1,180,523,189
2015	10,206,200	808,079,300			288,177,600		71,576,000	1,178,038,500		-	1,178,038,500	0.827	1,169,275,027
2016	10,385,800	804,520,400			285,895,900		71,576,000	1,172,378,100		-	1,172,378,100	0.875	1,124,475,446
2017	9,882,200	802,639,800			274,773,700	7,149,800	71,576,000	1,166,021,500		-	1,166,021,500	0.824	1,120,420,390

* Revalued

Source: County Abstract of Ratables & Municipal Tax Assessor

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

Exhibit J-7

Fiscal Year Ended June 30,	CITY OF SOMERS POINT SCHOOL DISTRICT				Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	County Other	Regional School	Municipal Local Purpose		
2008	1.107	0.119	1.226	0.510	0.046	0.093	0.862	1.169	3.906	
2009	1.107	0.122	1.229	0.563	0.011	0.103	0.881	1.226	4.013	
2010	1.126	0.096	1.222	0.560	0.011	0.099	0.986	1.251	4.129	
2011	1.151	0.067	1.218	0.628	0.011	0.102	1.053	1.274	4.286	
2012	1.197	0.067	1.265	0.599	0.010	0.099	1.027	1.294	4.294	
2013	1.239	0.024	1.263	0.767	0.012	0.102	1.073	1.390	4.607	
2014	0.744	0.025	0.769	0.396	0.005	0.070	0.622	0.839	2.701	
2015	0.802	0.025	0.827	0.447	0.002	0.042	0.595	0.881	2.794	
2016	0.793	0.031	0.824	0.444	0.002	0.053	0.594	0.906	2.823	
2017	0.844	0.039	0.883	0.477	0.002	0.054	0.619	0.922	2.957	

* Revalued

Source: District Records and Municipal Tax Collector

CITY OF SOMERS POINT SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Nine Years Ago

Exhibit J-8

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Brahin/Somers Point Builders	\$ 40,800,900	1	3.50%	\$ 28,472,700	1	4.08%
Village Plaza, LLC	24,080,000	2	2.07%			
Sea Aire Apartments, LLC	14,760,000	3	1.27%	9,005,000	2	1.29%
Harbour Cove Marina, LLC	10,326,000	4	0.89%	5,250,000	9	0.75%
West America, LTD	10,272,000	5	0.88%	6,100,000	6	0.87%
Related Somers Point, LLC	10,244,000	6	0.88%			
Acme Markets	9,506,000	7	0.82%	5,800,000	7	0.83%
Ocean Heights Manor LLC	9,260,100	8	0.79%			
Streamwood Assoc./Somers Point Apartments	8,835,000	9	0.76%	5,491,000	8	0.79%
HPT IHG-2 Properties Trust	7,700,000	10	0.66%	4,567,400	10	0.65%
WWW Associates				7,098,000	5	1.02%
Est. of P Kiejdan-Marital Trust				8,850,300	3	1.27%
EQI Financial Partners, LP				8,100,000	4	1.16%
Scarborough/Harbour Cove						
Plantation Bay, LLC						
Totals	\$ 145,784,000		12.50%	\$ 88,734,400		12.71%
	District Assessed Value		\$ 1,166,021,500			\$ 698,239,910

Source: District CAFR & Municipal Tax Assessor

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 8,574,527.00	8,574,527.00	100%	-
2009	8,546,386.00	8,546,386.00	100%	-
2010	7,794,737.00	7,794,737.00	100%	-
2011	7,816,157.00	7,816,157.00	100%	-
2012	8,606,708.00	8,606,708.00	100%	-
2013	8,843,398.00	8,843,398.00	100%	-
2014	9,000,514.00	9,000,514.00	100%	-
2015	9,248,615.00	9,248,615.00	100%	-
2016	9,752,324.00	9,752,324.00	100%	-
2017	10,071,912.00	10,071,912.00	100%	-

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

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Capital Leases	Total District	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)				
2008	3,855,000		44,183		3,899,183	1.00%	39,106	
2009	2,985,000		105,250		3,090,250	1.27%	39,153	
2010	2,065,000		41,032		2,106,032	1.88%	39,545	
2011	4,546,000				4,546,000	0.91%	41,338	
2012	4,251,000				4,251,000	0.99%	41,927	
2013	3,946,000		90,006		4,036,006	1.03%	41,659	
2014	3,626,000		45,427		3,671,427	1.18%	43,336	
2015	3,296,000		119,423		3,415,423	1.28%	43,695	
2016	2,956,000		90,556		3,046,556	1.43%	43,695	
2017	11,841,000		119,986		11,960,986	0.37%	43,695	

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

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

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2008	\$ 3,855,000	-	3,855,000	0.55%	39,106
2009	2,985,000	-	2,985,000	0.43%	39,153
2010	2,065,000	-	2,065,000	0.30%	39,545
2011	4,546,000	-	4,546,000	0.66%	41,338
2012	4,251,000	-	4,251,000	0.62%	41,927
2013	3,946,000	-	3,946,000	0.58%	41,659
2014	3,626,000	-	3,626,000	0.31%	43,336
2015	3,296,000	-	3,296,000	0.28%	43,695
2016	2,956,000	-	2,956,000	0.25%	43,695
2017	11,841,000	-	11,841,000	1.02%	43,695

CITY OF SOMERS POINT SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt,
As of December 31, 2016

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
City of Somers Point	\$ 10,175,300	100.00%	\$ 10,175,300
Other Debt			
Mainland Regional High School District County of Atlantic	36,830,000 160,505,901	37.55% Not Available	13,828,339 Not Available
Subtotal, Overlapping Debt			24,003,639
City of Somers Point School District Direct Debt			<u>11,841,000</u>
Total Direct and Overlapping Debt			<u>\$ 35,844,639</u>

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

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

Exhibit J-13

Equalized valuation basis	
2016	\$ 1,124,475,446
2015	1,140,736,419
2014	1,176,489,258
	<u>\$ 3,441,701,123</u>

Average equalized valuation of taxable property	
	\$ 1,147,233,708
Debt limit (3% of average)	
	34,417,011
Net bonded school debt	
	11,841,000
	<u>\$ 22,576,011</u>

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 41,576,765	45,799,492	46,155,753	46,299,146	42,042,019	40,057,390	37,566,756	36,317,722	34,788,181	34,417,011
Total net debt applicable to limit	<u>3,855,000</u>	<u>2,985,000</u>	<u>2,065,000</u>	<u>4,546,000</u>	<u>4,251,000</u>	<u>3,946,000</u>	<u>3,626,000</u>	<u>3,296,000</u>	<u>2,956,000</u>	<u>11,841,000</u>
Legal debt margin	<u>\$ 37,721,765</u>	<u>42,814,492</u>	<u>44,090,753</u>	<u>41,753,146</u>	<u>37,791,019</u>	<u>36,111,390</u>	<u>33,940,756</u>	<u>33,021,722</u>	<u>31,832,181</u>	<u>22,576,011</u>

Total net debt applicable to the limit as a percentage of debt limit	9.27%	6.52%	4.47%	9.82%	10.11%	9.85%	9.65%	9.08%	8.50%	34.40%
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Source: Abstract of Ratables and District Records CAFR Schedule J-7

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

Exhibit J-14

<u>Fiscal Year Ended June 30,</u>	<u>Population (a)</u>	<u>Personal Income (thousands of dollars) (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate</u>
2008	11,341	443,501,146	39,106	6.6%
2009	11,354	444,543,162	39,153	11.8%
2010	10,794	426,848,730	39,545	12.4%
2011	10,803	446,574,414	41,338	12.4%
2012	10,815	453,440,505	41,927	12.8%
2013	10,811	450,375,449	41,659	12.8%
2014	10,766	466,555,376	43,336	9.4%
2015	10,688	467,012,160	43,695	10.7%
2016	10,545	460,763,775	43,695	9.0%
2017	10,545	460,763,775	43,695	7.6%

Source:

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

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

Exhibit J-15

Employer	2017			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
INFORMATION NOT AVAILABLE						
		1				
		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
Totals	-			-		Not Available

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

Exhibit J-16

<u>Function/Program</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction:										
Regular instruction	86	93	95	89	86	92	92	96	96	96
Special education instruction	19	20	18	18	22	24	25	32	32	32
Support Services:										
Student & instruction related services	23	27	31	31	34	30	31	23	23	23
General administrative services	3	3	3	2	3	2	2	2	2	2
School administrative services	4	4	4	5	7	8	8	9	9	9
Business administrative services	3	3	3	4	1	4	4	4	4	4
Plant operations and maintenance	13	13	13	13	13	13	12	16	16	14
Puppl transportation	1							4	4	.
Total	152	163	167	162	166	173	174	186	186	180

Source: District Personnel Records

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

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2008	1,151	\$ 14,901,992	\$ 12,947	3.95%	97	1:19	1:15	1,116	1,054	-0.56%	94.44%	
2009	1,204	14,923,204	12,395	-4.27%	110	1:19	1:19	1,133	1,073	1.52%	94.70%	
2010	1,092	16,078,716	14,724	18.79%	113	1:19	1:19	1,093	1,026	-3.53%	93.87%	
2011	1,065	16,305,785	15,311	3.98%	107	1:19	1:20	1,053	994	-3.66%	94.40%	
2012	1,056	15,890,816	15,048	-1.71%	107	1:19	1:20	1,100	1,038	4.46%	94.36%	
2013	1,066	16,960,273	15,910	5.73%	116	1:19	1:20	1,080	1,015	-1.82%	93.98%	
2014	1,038	16,972,524	16,351	2.77%	113	1:11	1:8	1,096	1,059	1.48%	96.62%	
2015	984	18,060,440	18,354	12.25%	113	1:11	1:5	1,003	954	-8.49%	95.11%	
2016	963	18,242,265	18,943	3.21%	114	1:11	1:5	972	923	-3.09%	94.96%	
2017	944	18,506,667	19,605	3.49%	116	1:9	1:9	951	906	-2.16%	95.27%	

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

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

Exhibit J-18

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>District Buildings</u>										
<u>Elementary</u>										
New York Avenue School										
Square Feet	13,841	13,841	13,841	13,841	13,841	13,841	13,841	13,841	13,841	13,841
Capacity (students)	150	150	150	150	150	150	150	150	150	150
Enrollment	57	83	77	81	95	80	79	72	74	70
Dawes Avenue School										
Square Feet	54,525	54,525	54,525	54,525	54,525	54,525	54,525	54,525	54,525	54,525
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	390	402	400	371	381	411	403	354	354	333
<u>Elementary/Middle School</u>										
Jordan Road School										
Square Feet	83,892	83,592	83,592	83,592	83,592	83,592	83,592	83,592	83,592	83,592
Capacity (students)	950	950	950	950	950	950	950	950	950	950
Enrollment	704	719	615	600	624	569	556	558	535	539

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

Source: District Records, ASSA, SRS, LRFP

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

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
New York Avenue School	N/A	\$ 30,679	27,140	52,625	35,507	36,764	186,558	84,400	68,270	85,900	83,667
Dawes Avenue School	N/A	77,745	66,007	55,393	55,174	71,764	247,596	121,824	138,951	150,834	104,004
Jordan Road School	N/A	95,710	77,382	56,807	50,792	66,314	209,167	127,052	144,482	161,728	101,858
Total School Facilities		204,134	170,530	164,825	141,473	174,842	643,321	333,276	351,703	398,462	289,529
Other Facilities											
Grand Total		\$ 204,134	170,530	164,825	141,473	174,842	643,321	333,276	351,703	398,462	289,529

Source: District Records

CITY OF SOMERS POINT SCHOOL DISTRICT
Insurance Schedule
For the Fiscal Year Ended June 30, 2017
(Unaudited)

Exhibit J-20

Company	Type of Coverage	Amount of Coverage	Deductible
ACCASBOJIF	School Package Policy - ACCASBOJIF:		
	Property, Inland Marine and Auto and Physical Damages	\$ 175,000,000	\$ 500
	Boiler and Machinery	125,000,000	1,000
	Crime	500,000	500
	General and Automobile Liability	20,000,000	None
	Workers' Compensation	Statutory	None
	Educator's Legal Liability	20,000,000	None
	Pollution Legal Liability	3,000,000	25,000
	Cyber Liability	1,000,000	25,000
	Violent Malicious Acts	1,000,000	15,000
	Disaster Management Services	2,000,000	15,000
Selective Insurance Company	Board Secretary Surety Bond	189,000	

Source: District Records

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Single Audit Section



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& ASSOCIATES, L.L.C.

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K-1 INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Somers Point School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Somers Point School District's basic financial statements, and have issued our report thereon dated October 20, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Michael S. Garcia

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

October 20, 2017



FORD - SCOTT

& ASSOCIATES, L.L.C.

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

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

Report on Compliance for Each Major Federal and State Program

We have audited the City of Somers Point School District, County of Atlantic, State of New Jersey compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017. The City of Somers Point School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Program

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

Report on Internal Control over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund of the City of Somers Point School District as of and for the year ended June 30, 2017, and have issued our report thereon dated October 20, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and NJ Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

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

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

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

October 20, 2017

SOMERS POINT SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2017

Federal Award Title	Federal Number	Grant or State Number	Grant Period From To	Program or Fund Amount	Balance June 30, 2016	Contract/Amount	Cash Received	Budgetary Expenditures			Adjustments	Repayment of Prior Balances	Balance June 30, 2017 (Assumptions/Receivable)	Due to Grantor
								Pass Through	Direct	Total				
U.S. Department of Education														
Passed-through State Department of Education:														
General Fund:														
169NJSMAP	93.778	N/A	7/1/2015	38,795.11	(627.54)	-	627.54	-	-	-	-	-	-	-
Medical Assistance Program (SEM)														
173NSJMAP	93.778	N/A	7/1/2016	67,164.39	-	-	67,164.39	(67,164.39)	-	-	-	(0.00)	-	-
Medical Assistance Program (SEM)														
173NSJMAP	93.778	N/A	4/1/2009	4,316.59	(627.54)	-	72,410.48	(71,782.94)	-	-	-	(0.00)	-	-
Total General Fund														
Special Revenue Fund:														
Title I, Part A														
Total Title I Cluster														
84.010	S010A160030	NCLB-4800-17	7/1/2016	544,367.00	-	-	338,573.00	(468,474.97)	-	-	-	(129,901.97)	-	-
Special Education Cluster:														
I.D.E.A. Part B, Basic														
84.027	H027A160100	IDEA-4800-17	7/1/2016	320,326.00	-	-	301,069.00	(320,094.38)	-	0.38	-	(19,025.00)	-	-
84.173	H173A160114	IDEA-4800-17	7/1/2016	10,822.00	-	-	8,362.00	(10,634.00)	-	-	-	(2,072.00)	-	-
Total Special Education Cluster														
Title II, Part A Improving Teacher Quality														
84.367A	S367A160029	NCLB-4800-17	7/1/2016	55,652.00	-	-	65,275.00	(39,267.31)	-	0.31	-	(4,800.00)	-	-
84.365A	S365A160030	NCLB-4800-17	7/1/2016	12,335.00	-	-	13,185.00	(11,655.00)	-	-	-	(20.00)	-	-
Total Title II, Part A														
Total Special Revenue Fund														
U.S. Department of Education														
Passed-through State Department of Education:														
Enterprise Fund:														
Food Distribution Program														
10.550	171NJ004N1099	N/A	7/1/2016	33,598.67	-	-	33,598.67	(33,598.67)	-	-	-	-	-	-
Child Nutrition Cluster:														
School Breakfast Program														
10.553	1616NJ004N1099	N/A	7/1/2015	72,885.29	(12,373.22)	-	12,373.22	-	-	-	-	0.00	-	-
10.553	171NJ004N1099	N/A	7/1/2016	70,652.06	-	-	59,300.18	(70,662.06)	-	-	-	(11,361.88)	-	-
National School Lunch Program														
10.555	1616NJ004N1099	N/A	7/1/2015	270,832.31	(47,793.99)	-	47,793.99	-	-	-	-	(47,569.96)	-	-
10.555	171NJ004N1099	N/A	7/1/2016	270,200.98	(1,836.40)	-	222,630.60	(270,200.96)	-	-	-	(47,569.96)	-	-
National School Lunch Program														
10.555	1616NJ004N1099	N/A	7/1/2015	14,655.28	(62,002.61)	-	12,216.30	(14,655.28)	-	-	-	(2,438.96)	-	-
10.555	171NJ004N1099	N/A	7/1/2016	14,655.28	(62,002.61)	-	395,149.69	(355,517.88)	-	-	-	(61,370.80)	-	-
National Snack Program														
Total Child Nutrition Cluster														
Total Enterprise Fund														
Total Federal Financial Awards														
													\$	(62,630.15)
														(1,310,255.21)
														(217,699.77)
														33,546.00

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

SOMERS POINT SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2017

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2016		Carryover / Amount	Cash Received	Budgetary Expenditures	Adjustments/ Reversals of Prior Years' Balances	Balance June 30, 2017		MEMO	
			From	To	Unearned Revenue (Accts Receivable)	Due to Grantor					Unearned Revenue	Due to Grantor		Budgetary Receivable
State Department of Education														
General Fund:														
State Aid Public Cluster:														
Equalization Aid	17-495-034-5120-078	\$ 4,978,335.00	07/01/16	06/30/17				4,978,335.00	(4,978,335.00)	-	-	-	(458,763.28)	4,978,335.00
Special Education Categorical Aid	17-495-034-5120-089	588,696.00	07/01/16	06/30/17				588,696.00	(588,696.00)	-	-	-	(52,406.45)	588,696.00
Special Education Individualized Education Program	17-495-034-5120-090	16,283.00	07/01/16	06/30/17				16,283.00	(16,283.00)	-	-	-	(1,123.70)	16,283.00
Special Education Reading	17-495-034-5120-088	12,184.00	07/01/16	06/30/17				12,184.00	(12,184.00)	-	-	-	(911.38)	12,184.00
PARCC Readiness	17-495-034-5120-098	9,890.00	07/01/16	06/30/17				9,890.00	(9,890.00)	-	-	-	(911.38)	9,890.00
Per Pupil Growth Aid	17-495-034-5120-097	9,890.00	07/01/16	06/30/17				9,890.00	(9,890.00)	-	-	-	(911.38)	9,890.00
Professional Learning Community Aid	17-495-034-5120-101	9,200.00	07/01/16	06/30/17				9,200.00	(9,200.00)	-	-	-	(847.80)	9,200.00
Total State Aid Public Cluster		5,658,668.00						5,658,668.00	(5,658,668.00)	-	-	-	(621,457.38)	5,658,668.00
Transportation Aid	17-495-034-5120-014	21,570.00	07/01/16	06/30/17				21,570.00	(21,570.00)	-	-	-	(1,987.71)	21,570.00
Extraordinary Aid	16-100-034-5120-473	10,871.00	07/01/16	06/30/16				10,871.00		-	-	-		10,871.00
Extraordinary Aid	17-100-034-5120-473	16,283.00	07/01/16	06/30/17				16,283.00	(16,283.00)	-	-	-		16,283.00
Additional Non Public Transportation Aid	16-495-034-5120-014	696.00	07/01/16	06/30/16				696.00		-	-	-		696.00
Additional Non Public Transportation Aid	17-495-034-5120-014	1,914.00	07/01/16	06/30/17				1,914.00	(1,914.00)	-	-	-		1,914.00
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	529,094.61	07/01/16	06/30/17				529,454.97	(529,094.61)	-	-	-		529,094.61
Total General Fund					(11,567.00)		6,194,269.97	(6,227,530.61)	(44,836.64)	-	-	-	(623,445.00)	6,227,530.61
Special Revenue Fund:														
Preschool Education Aid	17-495-034-5120-086	234,879.00	07/01/16	06/30/17				337,312.00	(333,620.57)	-	3,891.43		(23,487.90)	333,620.57
N.J. Nonpublic Aid:														
Nursing	17-100-034-5120-070	37,650.00	07/01/16	06/30/17				37,650.00	(36,951.08)	-	-		1,598.92	36,091.08
Technology Aid	17-100-034-5120-049	21,450.00	07/01/16	06/30/17				21,450.00	(21,450.00)	-	-		2,000.00	21,450.00
Textbook Aid	17-100-034-5120-064	24,094.00	07/01/16	06/30/17				24,094.00	(24,094.00)	-	-		-	24,094.00
Technology Aid	17-100-034-5120-373	10,866.00	07/01/16	06/30/17				10,866.00	(10,866.00)	-	-		-	10,866.00
Auxiliary Services:														
Compensatory Education	16-100-034-5120-087	188,668.00	07/01/15	06/30/16		8,648.00		182,597.00	(154,560.13)	(8,648.00)			(0.00)	154,560.13
Head Start Early Education	17-100-034-5120-067	182,597.00	07/01/16	06/30/17				182,597.00	0.13	0.13			38,047.00	182,597.13
Supplemental Instruction	17-100-034-5120-068	7,062.00	07/01/16	06/30/17				7,062.00	(5,630.71)	(0.29)			1,431.00	5,630.71
Examination & Classification	16-100-034-5120-066	12,807.00	07/01/15	06/30/16		1,971.00		13,173.00	(13,173.00)	(1,971.00)			-	13,173.00
Examination & Classification	17-100-034-5120-066	13,173.00	07/01/16	06/30/17				13,173.00		-			-	13,173.00
Corrective Speech	16-100-034-5120-068	27,598.00	07/01/15	06/30/16				22,088.00	(22,088.00)	(6,544.00)			-	22,088.00
Corrective Speech	17-100-034-5120-066	22,088.00	07/01/16	06/30/17				695,964.00	(620,945.49)	(17,163.16)			(23,487.90)	620,945.49
Total Special Revenue Fund					17,183.00		6,954,964.00	(6,227,530.61)	(44,836.64)	-	3,891.43		(23,487.90)	620,945.49
State Department of Agriculture														
Enterprise Fund:														
Child Nutrition Cluster:														
State School Lunch Program	17-100-010-3350-023	5,075.49	07/01/16	06/30/17				4,180.83	(5,075.49)	(894.66)			-	5,075.49
State School Lunch Program	16-100-010-3350-023	5,362.66	07/01/15	06/30/16		(896.35)		5,087.18		-			-	5,087.18
Total Child Nutrition Cluster								9,268.01	(9,268.01)	(894.66)			-	9,268.01
Total Enterprise Fund								9,268.01	(9,268.01)	(894.66)			-	9,268.01
Total State Financial Assistance					(12,473.35)		6,895,312.15	(6,853,561.59)	(45,731.30)	-	3,891.43		(646,933.00)	6,853,561.59

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

SOMERS POINT SCHOOL DISTRICT
Notes to the Schedules of Financial Assistance
June 30, 2017

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Note 1: General

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state award programs of the Board of Education, City of Somers Point School District. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2: Basis of Accounting

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

Note 3: Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes the payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$10,633.30) for the General Fund and (\$24,930.86) for the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	TPAF Pension	Total
General Fund	\$ 71,782.94	7,776,952.61	(1,549,422.00)	6,299,313.55
Special Revenue Fund	849,335.72	620,945.49		1,470,281.21
Food Service Fund	389,116.55	5,075.49		394,192.04
	\$ 1,310,235.21	8,402,973.59	(1,549,422.00)	8,163,786.80

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

SOMERS POINT SCHOOL DISTRICT
Notes to the Schedules of Financial Assistance
June 30, 2017

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Note 4: Relationship to Federal and State Financial Reports

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

Note 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2017. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

Note 6: Adjustments

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

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

Section I - Summary of Auditor's Results

Financial Statement

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

Federal Awards

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	Title I Cluster: _____
84.010	S010A160030	Title I, Part A
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar Threshold used to distinguish between type A and type B programs:				
			\$	<u> 750,000 </u>
Auditee qualified as low-risk auditee?	_____	X	yes	no

**SOMERS POINT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2017
 (CONTINUED)**

Section I - Summary of Auditor's Results

State Awards

Internal Control over major programs:

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

Type of auditor's report issued on compliance major programs

Unmodified

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

_____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
_____	State Aid - Public Cluster: _____
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-096	Under Adequacy Aid
495-034-5120-098	PARCC Readiness
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-101	Professional Learning Community Aid
495-034-5094-003	Reimbursed TPAF Social Security Contributions

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

**SOMERS POINT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

II. Financial Statement Findings

There are none

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

FEDERAL AWARDS:

Our audit disclosed no material Findings or Questioned Costs.

STATE AWARDS:

Our audit disclosed no material Findings or Questioned Costs.

Status of Prior Year Findings

None